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Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Ernest L. Corp

File: B-244670

Date: August 13, 1991

DECISION

The Department of the Interior requests our decision whether Mr. Ernest L. Corp may be reimbursed for losses incurred when he converted United States dollars into French francs while on official travel in Paris, France. The Department held that these losses were exchange losses and not commission fees and therefore disallowed his claim based on Chester M. Purdy, 63 Comp. Gen. 554 (1984). For the reasons stated below, we agree with the disallowance.

Mr. Corp was on temporary duty in France from August 24 to September 5, 1989. During that time he exchanged various dollar amounts for French francs. He converted some of the money at banks, which charged a commission fee for which he was reimbursed as a miscellaneous travel expense pursuant to 41 C.F.R. § 301-9.1(d)(1) (1989). However, due to his inability to reach a bank during working hours, Mr. Corp sometimes exchanged his dollars at hotels. The hotels did not charge a commission, but their exchange rates were lower than the official rate. However, Mr. Corp claims that instead of directly charging an exchange fee the hotels obtain it indirectly by reducing the exchange rate.

While, as noted above, a specific provision of the Federal Travel Regulations permits the reimbursement of commission fees incurred in currency conversion, as a general rule the risk of incurring an exchange loss while on temporary duty in a foreign country lies with the employee. 63 Comp. Gen. at 555,1/ citing 23 Comp. Gen. 212 (1943). Thus, absent a specific statute or regulation authorizing reimbursement, these losses may not be approved. A currency exchange loss is neither enumerated under the regulations in 41 C.F.R. § 301-9 as an approved expense for reimbursement nor can it be viewed as a necessarily incurred expense as required in 41 C.F.R. § 301-9.1(e). As to Mr. Corp's specific argument that the

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1/ Similarly, the benefit of obtaining a more favorable exchange rate may be retained by the employee.

hotels' less favorable exchange rate was in effect a commission, we previously dealt with that issue in Harold M. Thompson, B-222833, Jan. 2, 1987. There, also due to an alleged conflict between banking hours and working hours, the employee exchanged money at a hotel, which did not charge a commission fee but offered a less favorable exchange rate than the banks. In that case the losses incurred in converting the money were disallowed as exchange losses despite the employee's characterization of the losses as commission fees.

The Thompson case is controlling here. Accordingly, Mr. Corp may not be reimbursed for the currency exchange losses he incurred.

James F. Hinchman
General Counsel