**Comptroller General**
**of the United States**

**Washington, D.C. 20548**

# Decision

**Matter of:** Valerie E. Taylor

**File:** B-257744

**Date:** February 9, 1996

## DIGEST

An employee performed temporary duty away from her official station, rented an apartment at the temporary duty site, and was required to pay a tenancy initiation fee as a nonrefundable move-in expense. The fee may be reimbursed as a lodging cost under 41 C.F.R. §§ 301-7.1(c)(1)(i) and 301-7.14(a)(1), if the agency determines that the expense incurred is commonly charged in the geographical area and is reasonable in amount.

## DECISION

This decision responds to a request from an authorized certifying officer, National Finance Center, Department of Agriculture (USDA).[1] The question asked is whether an employee may be reimbursed a tenancy initiation fee charged in connection with renting an apartment incident to the performance of temporary duty. We conclude that the fee may be reimbursed as a lodging cost, for the following reasons.

Ms. Valerie E. Taylor, an employee of the Forest Service, USDA, stationed in San Diego, California, was authorized to perform temporary duty in San Francisco during the period of August 30 to September 30, 1993. Because she was to be in San Francisco for at least 1 month, she rented an apartment rather than stay in a hotel. The agency reports that her action resulted in substantial savings to the government. In addition to her rent, she was required to pay a nonrefundable $100 tenancy initiation fee to cover the landlord's advertising, administrative, and accounting expenses associated with generating a new tenancy. The fee is refundable only if the unit rented is unavailable for occupancy on the date specified in the rental agreement.

The agency disallowed payment of the tenancy initiation fee since the Federal Travel Regulation (FTR) does not specifically provide for reimbursement of such administrative fees. Ms. Taylor and her supervisor on reclaim argue that the

[1]Ms. Sandra S. Williams—Reference FSD-1 RJP.

expense should be treated as a reimbursable lodging expense since it was necessarily incurred by the employee in the performance of official travel.

The regulations governing per diem on official travel are contained in Part 301-7 of the FTR.[2] Section 301-7.1(c)(1)(i) thereof,[3] defines the reimbursable expenses of "lodging" to include expenses for overnight sleeping facilities and related expenses. Additionally, FTR section 301-7.14(a)(1)[4] expands that definition when the employee rents an apartment, house, or other lodging on a weekly or monthly basis incident to performing temporary duty. Although neither section 301-7.1(c)(1)(i) nor section 301-7.14(a)(1) of the FTR specifically itemizes as a reimbursable expense rental application fees or fees charged by a landlord to cover its cost to generate a new tenancy, such charges are commonly assessed in many parts of the country.

We recently considered and ruled on the question of whether a similar fee charged a transferred employee in connection with the rental of an apartment as temporary quarters may be reimbursed as a lodging expense under the provisions of section 302-5.4(a) of the FTR.[5] In our decision Corpuz and Fears, B-256576, Jan. 17, 1996, we held that an apartment application or administrative fee required by a landlord is properly includable as a lodging cost because it was commonly charged in the geographical area.

There is a parallel between the types of costs associated with occupying temporary quarters under Part 302-5 of the FTR and the types of costs associated with lodging for temporary duty under Part 301-7 of the FTR. Therefore, it is our view that the language used to describe reimbursable expenses in sections 301-7.1(c)(1)(i) and 301-7.14(a)(1) of the FTR is sufficiently inclusive to authorize reimbursement for apartment application or tenancy initiation fees as a lodging cost for temporary duty lodging if the expense incurred is commonly charged in the geographical area and is reasonable in amount.

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[2]41 C.F.R. Part 301-7 (1995).

[3]41 C.F.R. § 301-7.1(c)(1)(i) (1995).

[4]41 C.F.R. § 301-7.14(a)(1) (1995).

[5]41 C.F.R. § 302-5.4 (1995).

In this case, Ms. Taylor was required to pay the tenancy initiation fee to rent the apartment. The fee may be reimbursed as a lodging cost under FTR §§ 301-7.1(c)(1)(i) and 301-7.14(a)(1) if the agency determines that the fee is commonly charged in the geographical area and is reasonable in amount.

/s/ Seymour Efros
for Robert P. Murphy
General Counsel