



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

June 10, 2008

CBCA 1140-RELO

In the Matter of NENIA C. POWE

Nenia C. Powe, Brandon, MS, Claimant.

Cheryl Holman, Chief, PCS Travel Team, Financial Services Center, Department of Veterans Affairs, Austin, TX, appearing for Department of Veterans Affairs.

GOODMAN, Board Judge.

Claimant is an employee of the Department of Veterans Affairs. She has asked this Board to review the agency's denial of reimbursement of costs incurred in the construction of her home.

Factual Background

Claimant was issued travel orders for a permanent change of station (PCS) move from New Orleans, Louisiana, to Jackson, Mississippi, in June 2006. She purchased a newly constructed house at the new duty station and paid additional amounts of \$5402 for cabinetry and \$7000 for fill dirt to elevate the land and promote drainage. These costs were not included in the builder's original price to her. She submitted these additional amounts to the agency for reimbursement and the agency denied payment.

Discussion

When an agency transfers an employee from one permanent duty station to another within the United States and the transfer is in the agency's interest, federal law requires the agency to pay the employee's real estate purchase expenses. 5 U.S.C. § 5724a(d) (2000). The extent of the agency's obligation is set out in the Federal Travel Regulation (FTR),

which applies to civilian employees of the Federal Government. The FTR is published in the Code of Federal Regulations (CFR) and the provisions pertinent to real estate transactions are found at 41 CFR pt. 302-11 (2006). The specific real estate purchasing expenses that are reimbursable are detailed in 41 CFR 302.11.200 and are characterized as “residence transaction expenses.” The FTR states that expenses that result from the construction of a residence will *not* be reimbursed, except as provided in 302-11.200(f)(10), which reads as follows:

Expenses in connection with the construction of a residence, which are comparable to expenses that are reimbursable in connection with the purchase of an existing residence.

Additionally, the FTR, at 41 CFR 302-11.300, states:

Is there a limit on how much my agency will reimburse me for residence transactions?

Yes, your agency will reimburse you no more than:

....

b) Five percent of the actual purchase price of the residence for the purchase of a residence of the new official duty station.

Claimant seeks reimbursement for the costs of kitchen cabinets and fill dirt that were additions to the builder’s price for her newly constructed home, stating that these costs are comparable to expenses that are reimbursable in connection with the purchase of an existing home and within the five percent limit of the actual purchase price of her new home. Such costs are clearly not reimbursable real estate purchase expenses (residence transactions), but costs of the construction of the new residence which are not reimbursable.

Decision

The claim is denied.

ALLAN H. GOODMAN
Board Judge