



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

August 26, 2014

CBCA 3855-TRAV

In the Matter of AYDIN CALIM

Aydin Calim, Ankara, Turkey, Claimant.

Bryan Ermatinger, Financial Management Office, United States Embassy, Department of State, Ankara, Turkey, appearing for Department of State.

WALTERS, Board Judge.

Claimant Aydin Calim, an employee of the Department of State at the United States Embassy in Ankara, Turkey, seeks the Board's review of the agency's denial of travel-related claims totaling \$25.64. For the reasons set forth below, we deny the claims.

Background

In December 2013, Mr. Calim traveled to Frankfurt, Germany, for two weeks of technical training. As a travel advance for that trip, Mr. Calim received \$5570, which amount he converted on December 9, 2013, into Turkish lira (TL). The United States Disbursing Officer's (USDO) official rate of exchange (ROE) on December 9, 2013, was 2.030 TL per U.S. dollar (\$). Mr. Calim's bank, however, used a slightly lower rate of exchange, i.e., 2.028 TL/\$. Mr. Calim states that he converted the Turkish lira into euros, (€), which he used while on travel. His travel authorization contained, among other things, an allowance for currency conversion fees of \$100. It also allowed for reimbursement of Mr. Calim's lodging in Frankfurt, up to the specified per diem lodging rate of \$257.

The \$25.64 here at issue consists of two claim items: (1) a claim for \$5.49, purportedly representing a "currency conversion fee," and (2) a claim for \$20.15,

representing the excess of actual lodging costs incurred above the \$257 per diem, i.e., \$1.55 per night for the thirteen nights spent in Frankfurt. The agency rejected both claims.

Discussion

There is no dispute here that, under certain circumstances, a currency conversion fee incurred in connection with official travel and charged to a traveler by a bank to effect an exchange of monies from one currency to another is recoverable as an item of miscellaneous expense. In this regard, the Department of State Management Procedure of October 28, 2009, issued by the Embassy in Ankara for its employees, provides the following guidance, in the form of an answer to a frequently asked question:

Q4. I used my credit card and was charged an international exchange rate/currency commission fee? Can I be reimbursed?

A4. Yes, the traveler must provide the documentation for the charges and it can be reimbursed as a miscellaneous expense. Appropriate documentation is required, self certification for this item is not authorized.

In the present case, however, contrary to claimant's characterization of the \$5.49 claim item as a "currency conversion fee," the \$5.49 was not a service fee charged by Mr. Calim's bank (in connection with his use of a credit card or otherwise) to effect the currency conversion. Instead, it is the dollar equivalent of the minor loss Mr. Calim sustained when his bank converted his \$5570 advance into Turkish lira at an ROE of 2.028 TL/\$, which was slightly below the USDO official ROE, 2.030 TL/\$:

$$2.030 - 2.028 = .002 \text{ TL}/\$ \text{ ROE Difference}$$

$$.002 \text{ TL}/\$ \times \$5570 = 11.14 \text{ TL}$$

$$11.14 \text{ TL} \div 2.030 \text{ TL}/\$ = \$5.49$$

Notwithstanding that Mr. Calim's travel authorization provided an allowance of \$100 for currency conversion fees, there is no authority to treat the \$5.49 currency conversion loss as a currency conversion fee and to reimburse him for it. Currency conversion loss is a risk that the traveler must bear. *Chester M. Purdy*, 63 Comp. Gen. 554 (1984); *see also Gary R. MacLeay*, GSBCA 13767-RELO, 97-1 BCA ¶ 28,787; *Dr. Dietrich A. Volmer*, B-261440 (Sept. 9, 1996).

As to the second claim item, claimant explains that he paid €189 per night for his hotel room in Frankfurt and that this amount, at the USDO ROE at the time (0.7310 €/€) would

convert to \$258.55. This exceeded the \$257 lodging per diem by \$1.55, and for thirteen nights in Frankfurt produced a total excess of \$20.15. Although, under the Federal Travel Regulation, there are instances where an agency might exercise its discretion to provide reimbursement for actual costs that exceed per diem limitations, *see* 41 CFR 301-11.300, claimant has not advanced any reason as to why the agency here should reimburse him for actual lodging costs in excess of the established lodging per diem for Frankfurt, Germany. There is no evidence that claimant was unaware that his hotel rate would exceed the established lodging per diem at the time he reserved his room, *cf. E. Patricia Liegey*, GSBCA 14964-TRAV, et al., 99-2 BCA ¶ 30,483 (per diem rate included in travel orders was one that had been recently and substantially revised downward), and claimant has not shown what measures he may have taken to explore potentially less expensive lodging alternatives or why the hotel where he was lodged was the best in terms of the Government's interests or represented the lowest overall cost for the Government. *See Harry Nadal*, GSBCA 15416-TRAV, 01-2 BCA ¶ 31,451. Under these circumstances, the Board cannot say that the agency was incorrect in not exercising its discretion to reimburse claimant on an actual cost basis.

Decision

The claims are denied.

RICHARD C. WALTERS
Board Judge