



UNITED STATES  
CIVILIAN BOARD OF CONTRACT APPEALS

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April 14, 2011

CBCA 2324-TRAV

In the Matter of RICHARD BEEMAN

Richard Beeman, Arlington, VA, Claimant.

Deborah Nicholson, Manager, Finance and Accounting Division, Bureau of Reclamation, Denver, CO, appearing for Department of the Interior.

**VERGILIO**, Board Judge.

On a long-term travel assignment, the claimant was authorized to receive a reduced rate per diem for the locality. The claimant entered into a one-year lease which entitled him to the first month of rent for “free.” The agency incorrectly concluded that the claimant incurred no lodging costs for the first month. The lodging costs are calculated by allocating the lease payments over twelve months (not simply the final eleven months). The claimant is entitled to recover the authorized per diem.

The claimant, Richard Beeman, an employee of the Department of the Interior, Bureau of Reclamation (agency), was on a long-term assignment. For the period from August 30, 2010, through September 30, 2011, his travel authorizations specify that a reduced rate per diem of 70% for the Washington, D.C., area is applicable, with calculations to be made in accordance with the Federal Travel Regulation (FTR), 41 CFR ch. 301 (2010) (FTR ch. 301).

On August 30, 2010, the claimant secured long-term commercial lodging by entering into a twelve-month lease. With this one-year commitment, the claimant received a rent concession of \$3910 (one month’s rent), to be taken for September 2010; he was obligated to repay this amount in the event that he broke the lease during the one-year period.

The claimant submitted travel vouchers to recover a reduced flat rate per diem for September, claiming entitlement to the full 70% amount. Concluding that the claimant incurred no lodging cost, the agency denied the lodging portion of the per diem, although the

agency states that it will reimburse the claimant for incurred expenses such as utilities and furniture rental, with receipts. The agency contends that this is in accordance with regulation, FTR 301-11.304 (“When authorized actual expense and your expenses are less than the locality per diem rate or the authorized amount, reimbursement is limited to the expenses incurred.”). However, this provision applies to reimbursements on an actual expense basis; this travel was not conducted on such a basis. Therefore, the basis for denial is not supported.

In support of his claim, the claimant references the agency’s Long-Term Assignment Travel Guidance (Apr. 2009) (¶ 3), which specifies that when long-term commercial lodging accommodations are available,

[s]ince the reduced rate will be established as a flat rate, which means that the flat rate will be paid regardless of the actual amount spent for food or lodging, lodging receipts are not required to support this reimbursement . . . . If no lodging expense is incurred . . . a lodging allowance is not reimbursable on those days; however, the authorized reduced rate for M&IE [meals and incidental expenses] only is reimbursed.

Despite this guidance, the claimant’s authorization does not indicate that payment will be made on a flat rate basis (i.e., regardless of the costs incurred). The authorization specifies a reduced rate basis. A reduced rate is a recognized basis for reimbursement; a flat rate basis for reimbursement is not an identified methodology. FTR 301-11.5, -11.200. Under the reduced rate basis, an employee recovers the actual cost of lodgings, up to the reduced rate, plus M&IE at the reduced rate. The record does not demonstrate entitlement to lodging costs at a fixed, reduced rate.

The applicable travel regulations detail how a daily lodging rate is computed when lodging is rented on a long-term basis:

When you obtain lodging on a long-term basis (e.g., weekly or monthly) your daily lodging rate is computed by dividing the total lodging cost by the number of days of occupancy for which you are entitled to per diem, provided the cost does not exceed the daily rate of conventional lodging. Otherwise the daily lodging cost is computed by dividing the total lodging cost by the number of days in the rental period. Reimbursement, including an appropriate amount for M&IE, may not exceed the maximum daily per diem rate for the TDY [temporary duty] location.

FTR 301-11.14. Further, daily lodging costs include expenses in addition to rent. FTR 301-11.15.

This claimant did incur daily lodging costs for September. Those costs include the rental for the apartment calculated by allocating the yearly lease payments over the full twelve-month lease period. Other lodging costs, as the claimant may support in accordance with FTR 301-11.15, would be added to the basic rental figure. The claimant may recover this amount up to the 70% reduced rate for lodging.

The Board grants the claim as explained.

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JOSEPH A. VERGILIO  
Board Judge