



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

March 14, 2013

CBCA 2948-TRAV

In the Matter of JOE HANNAH

Joe Hannah, Felicity, OH, Claimant.

Anne Schmitt-Shoemaker, Deputy Director, Finance Center, United States Army Corps of Engineers, Millington, TN, appearing for Department of the Army.

DANIELS, Board Judge (Chairman).

Under what circumstances may a federal employee be reimbursed for pre-paid lodging costs when a temporary duty assignment is canceled? This question is posed by a claim submitted by Joe Hannah, an employee of the Army Corps of Engineers.

Background

Mr. Hannah was directed to travel to Key West, Florida, for a training assignment from March 20 to 29, 2012. Because this period was at the height of the tourist season in Key West, Mr. Hannah found that lodging arrangements were difficult to come by. On February 9, he rented a private residence at the rate of \$289 per night, pre-paid, with the proviso that a refund would be made only if the lease was canceled more than thirty days prior to the arrival date.

On February 27, the training session was canceled. Mr. Hannah promptly asked the owner of the residence to cancel the lease and refund the money he had paid, but the owner, consistent with the terms of the lease, refused to do so.

At the suggestion of Corps officials, Mr. Hannah submitted a travel voucher seeking reimbursement at the rate of \$221 per night, which was the Government's maximum daily

lodging allowance for Key West during March 2012. The voucher was not accepted – according to Mr. Hannah, “because the dates submitted for had not yet occurred,” and according to the Corps, “due to the conflict between the Remarks on the travel voucher about the class cancellation and the actual voucher itinerary.”

Mr. Hannah then considered that he was in the following predicament: he would surely not be reimbursed for the difference between the amount he had paid (\$298 per night) and the Government’s maximum allowance (\$221), and he might not be reimbursed for the maximum allowance, either. He decided to make what he considered the best possible use of his investment in the Key West residence: take leave and stay there while on vacation.

Discussion

The Federal Travel Regulation contains the following question and answer:

What reimbursement will I receive if I prepay my lodging expenses and my TDY [temporary duty] is curtailed, canceled or interrupted for official purposes or for other reasons beyond my control that are acceptable to my agency?

If you sought to obtain a refund or otherwise took steps to minimize the cost, your agency may reimburse expenses that are not refundable, including a forfeited rental deposit.

41 CFR 301-11.15 (2011).

The Joint Travel Regulations, which apply to Department of Defense employees such as Mr. Hannah, are to like effect. They include a requirement that an approving official, in evaluating a request for reimbursement in these circumstances, consider whether –

- a. Traveler acted reasonably and prudently in incurring lodging expenses;
- b. Traveler had a reasonable expectation of completing the TDY as authorized;
- c. Assignment was changed for official purposes or for an acceptable reason beyond the traveler’s control; and
- d. Traveler took reasonable steps to obtain a refund once the TDY was officially canceled/curtailed.

JTR App. G (“Nonrefundable Room Deposits, Forfeited Rental Deposits or Prepaid Rent, and Early Checkout Penalties when TDY is Curtailed/Canceled/Interrupted”).

These regulations restate rules which have been the law for many years as a result of decisions by the Comptroller General and later, the General Services Board of Contract Appeals. *William J. Dearing*, GSBCA 14578-TRAV, 98-2 BCA ¶ 29,858; *Mary S. Carroll*, GSBCA 14280-RELO, 97-2 BCA ¶ 29,309; *Alexander Kunzer*, GSBCA 14101-TRAV, et al., 97-2 BCA ¶ 29,137; *Milton J. Olsen*, 60 Comp. Gen. 630 (1981); *Chris C. Rainey*, 59 Comp. Gen. 612 (1980); *Raymond G. Snodgrass*, 59 Comp. Gen. 609 (1980).

The Corps officials whom Mr. Hannah initially consulted supported his request for reimbursement, and the regulations make clear that they would have been justified in approving that reimbursement when he spoke with them. The officials reasonably concluded that Mr. Hannah's pre-payment of lodging expenses was prudent under the circumstances and was reasonable in amount; he had every expectation of completing the assignment as authorized; the training session was canceled by the agency; and he attempted to secure a refund as soon as he learned of the cancellation.

The Corps is now correct in refusing to reimburse Mr. Hannah for the cost of the residence rental for a fundamental reason, however: he ultimately incurred the cost for a personal, rather than business, reason. While Mr. Hannah initially rented the residence as a place to sleep while on a government assignment, he actually stayed there on vacation. The Government is required to reimburse its employees for lodging "when [they are] traveling on official business." 5 U.S.C. § 5702(a)(1) (2006). The Government does not reimburse its employees for lodging when they are on vacation.

Decision

The claim is denied.

STEPHEN M. DANIELS
Board Judge