



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

July 17, 2025

CBCA 8426-RELO

In the Matter of ROBERT S.

Robert S., Claimant.

Caitlin Richotte, Lead Defense Travel Administrator, Ground Vehicle Systems Center, United States Army Combat Capabilities Development Command, Department of the Army, Warren, MI, appearing for Department of the Army.

SULLIVAN, Board Judge.

Claimant accepted a temporary change of station that was converted subsequently to a permanent change of station by the agency. Claimant seeks review of the agency's determination that he was not entitled to reimbursement of real estate expenses incident to the permanent change of station (PCS). We find that claimant could be entitled to reimbursement of real estate expenses if the agency grants an extension for the incurrence of expenses. We return the matter to the agency for evaluation of that issue.

Background

In 2019, claimant accepted a temporary change of station. Pursuant to the statement of understanding that claimant signed, the position was for one year with the possibility of a one-year extension. In July 2019, the agency issued orders that authorized travel expenses, temporary quarters subsistence expense, temporary storage of household goods (HHG), non-temporary storage of HHG, property management services, relocation income tax allowance, personal vehicle shipment, miscellaneous expenses, and a travel advance. The agency did not authorize the payment of real estate expenses. Claimant notes that the position description required the claimant to sign a service agreement. Claimant reported to his new (temporary) duty station on September 1, 2019.

In April 2021, the agency converted claimant's temporary assignment to a permanent change of duty station because the assignment extended beyond the thirty-month period permitted for a temporary change of station (TCS). The agency memorialized the conversion in a memorandum of understanding (MOU) between claimant's old and new permanent duty stations. In that MOU, the agency stated that there were "no entitlement changes as a result of the conversion to PCS orders." When claimant inquired whether he qualified for reimbursement of real estate expenses, the agency denied his request because of this language in the MOU.¹ In August 2021, the agency issued orders that authorized payment of temporary storage of HHG, non-temporary storage of HHG, and property management services. The agency did not authorize the payment of real estate expenses.

Claimant seeks reimbursement of expenses for two real estate transactions—the sale of his residence at his old duty station in April 2020, in the amount of \$30,358.21, and the purchase of his residence at his new duty station in May 2023, in the amount of \$3226.93.

Discussion

When employees travel for a period of more than six months but less than thirty months, agencies may authorize a TCS rather than extended temporary duty (TDY). 41 CFR 302-3.401, -3.406 (2024).² Agencies may pay some, but not all, of the types of benefits that are paid with a PCS. *Id.* 302-3.101 (table h). If the TCS extends past thirty months, the agency must either return the employee to his old duty station or convert the assignment to a PCS. *Id.* 302-3.408.

Upon conversion of a TCS to a PCS, an employee is entitled to reimbursement for real estate expenses incurred to sell a residence at the old duty station or to purchase a residence at a new duty station. 41 CFR 302-3.427. The agency's determination that claimant was not entitled to real estate expenses was incorrect. However, these expenses cannot be incurred before the date on which the agency issued the PCS orders or declared the administrative intent to make the change, as the FTR makes clear:

¹ According to claimant, the person who made this decision is no longer in the position; the person appearing on behalf of the agency has replaced this decision-maker.

² Claimant, as a civilian employee of the Department of Defense, is subject to the requirements of both the Federal Travel Regulation (FTR) and the Joint Travel Regulations (JTR). *Nelson R.*, CBCA 8107-TRAV, 24-1 BCA ¶ 38,648, at 187,874. The citations above are to the FTR because, in 2019, the JTR defined the term "temporary change of station" but did not establish any implementing regulations.

Will I receive reimbursement for any residence transaction expenses incurred prior to being officially notified of my transfer?

No, reimbursement of any residence transaction expenses . . . that occurs prior to being officially notified (generally in the form of a change of station travel authorization) is prohibited.

Id. 302-11.305. Because the earliest declared intent to convert the position to a PCS is April 2021, claimant cannot be reimbursed the costs of the sale of his house incurred in April 2020.

Claimant asserts that the agency always intended to make the position permanent but did not issue PCS orders initially as a way to save the PCS costs to which he would have been entitled. Despite claimant's supposition regarding the agency's motives, the only evidence in the record of the conversion of the position from a TCS to a PCS is the MOU between his old and new commands issued in April 2021. The agency was permitted by regulation to issue orders for a TCS and then convert it to a PCS upon the extension of the assignment past the thirty-month limit.

Regulations further require that, in order to be reimbursed for real estate transaction expenses, employees must incur the real estate expenses within one year of reporting to the new duty station. *Id.* 302-11.21. In this case, the one-year limit would run from the date the PCS orders were issued in August 2021, because claimant was already at his duty station. However, the regulations also permit the agency to extend the deadline for incurrence of the expenses by one year "for reasons beyond [claimant's] control and acceptable to [the] agency." *Id.* 302-11.22. Claimant asked that the one-year deadline be extended, but the agency did not respond to this aspect of his claim. Moreover, the agency incorrectly determined that claimant was not entitled to real estate expenses based upon the language of the MOU. Now that the issue of claimant's entitlement to real estate expenses upon conversion of his TCS to a PCS has been clarified, the agency should evaluate claimant's request for an extension of the one-year deadline.

Claimant asks that we grant his claim, but we are unable to do so because the agency has not evaluated the costs incurred. Board Rule 401 requires, in part, that a claimant must first submit the claim to the agency for adjudication before a claim is brought to the Board. 48 CFR 6104.401. If the agency determines that claimant's deadline should be extended by one year, the agency should undertake a review of the costs incurred for the transaction in May 2023.

Decision

We find that claimant was entitled to real estate expenses when his position was converted to a PCS in August 2021. We return the matter to the agency for evaluation in accordance with this decision.

Marian E. Sullivan

MARIAN E. SULLIVAN

Board Judge