

## § 302–11.431

### **§ 302–11.431 How must we require an employee to request reimbursement for expenses of an unexpired lease settlement?**

You must require that the employee submit an appropriate travel claim requesting reimbursement for expenses of an unexpired lease settlement with:

(a) An itemization of all expenses claimed supported by documentation showing that the employee indeed paid all lease settlement fees; and

(b) A total amount for all expenses claimed.

#### TITLE REQUIREMENTS

### **§ 302–11.440 How must we determine who holds title to property for reimbursement purposes?**

To determine who holds title to property for reimbursement purposes, you must verify:

(a) Whose name(s) actually appears on the title document (e.g., the deed); or

(b) Who holds equitable title interest in the property.

### **§ 302–11.441 How must we determine if an employee holds equitable title interest in a property?**

To determine if an employee holds equitable title interest in a property, you must follow the guidelines in § 302–11.405.

[FTR Case 2022–05, 89 FR 12256, Feb. 16, 2024]

#### REQUEST FOR REIMBURSEMENTS

### **§ 302–11.450 May we advance an employee funds for expenses incurred in connection with residence transactions?**

No, you may not advance an employee funds for expenses incurred in connection with residence transactions.

### **§ 302–11.451 What is the maximum amount that we may reimburse for the sale or purchase of an employee's residence?**

The maximum amount that you may reimburse for the sale or purchase of an employee's residence is:

(a) Ten percent of the actual sale price for the sale of the employee's residence at the old official station; and

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

## **PART 302–12—USE OF A RELOCATION SERVICES COMPANY**

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AUTHORITY: 5 U.S.C. 5738 and 20 U.S.C. 905(c).

SOURCE: FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001, unless otherwise noted.

### Subpart A—Employee's Use of a Relocation Services Company

NOTE TO SUBPART A: Use of pronouns "I", "you", and their variants throughout this subpart refers to the employee.

#### § 302-12.1 Who determines if I may use a RSC?

Your agency determines whether you may use a RSC and chooses which RSC you may use.

[FTR Amdt. 2011-01, 76 FR 18343, Apr. 1, 2011]

#### § 302-12.2 Under what conditions may I participate in my agency's homesale program?

You may participate in your agency's homesale program, through its RSC contract, blanket purchase agreement, task order, or other formal arrangement (for the remainder of this part, all of these will be referred to as the contract with the RSC) provided you meet all of the following conditions:

(a) You are authorized to relocate;

(b) Your relocation includes at least one residence transaction;

(c) You have signed a relocation service agreement;

(d) Your agency authorizes you to use a RSC with which your agency has a contract;

(e) Your residence is within RSC contract scope for type, size, condition, and other contractual requirements;

(f) You meet all conditions established by this Chapter for the services that the RSC will provide to you; and

(g) You have signed an agreement with your agency to enter the agency's homesale program and to abide by all terms of the agency's contract with the RSC (see § 302-12.4 for contract term examples).

[FTR Amdt. 2011-01, 76 FR 18343, Apr. 1, 2011]

#### § 302-12.3 Am I required to participate in homesale counseling?

Yes, you are required to participate in homesale counseling if you are going to use the RSC. The RSC and/or your agency must provide counseling to help you understand the process, select a broker, prepare your home for sale, identify an appropriate selling price, set realistic expectations, etc. This counseling may be in person or via an electronic medium, at your agency's discretion. Your agency should also provide you with relocation information/counseling prior to you making any decisions to relocate.

[FTR Amdt. 2011-01, 76 FR 18343, Apr. 1, 2011]

#### § 302-12.4 To what terms of the RSC contract am I required to agree?

Your agency determines the contract terms to which you will be required to agree. Examples of these contract terms may include, but are not limited to, the following:

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(a) You will participate in counseling provided by the RSC;

(b) You will seriously consider any bona fide offer that you receive during the minimum marketing period;

(c) As a precondition of using its relocation services, you will complete and submit a disclosure form to the RSC to provide thorough information about the age and condition of your home and its systems.

[FTR Amdt. 2011-01, 76 FR 18343, Apr. 1, 2011]

### **§ 302-12.5 For what relocation services expenses will my agency pay?**

Your agency will pay the relocation services company's fees/expenses for the services you are authorized to use. If your agency pays the relocation services company for actual expenses the company incurs on your behalf, payment to the company is limited to what you would have received under the direct reimbursement provisions of this chapter.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated by FTR Amdt. 2011-01, 76 FR 18343, Apr. 1, 2011]

### **§ 302-12.6 If I use a contracted-for relocation service that is a substitute for reimbursable relocation allowance, will I be reimbursed for the relocation allowance as well?**

No, if you use a contracted-for relocation service that is a substitute for reimbursable relocation allowance, you will not be reimbursed for the relocation as well.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated at 76 FR 18343, Apr. 1, 2011]

### **§ 302-12.7 What expenses will my agency pay if I use a relocation services company to ship household goods in excess of the maximum weight allowance?**

If you use a relocation services company to ship HHG in excess of the maximum weight allowance, your agency will pay the portion of the fee attributable to 18,000 pounds net weight. You must pay the rest.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated by FTR Amdt. 2011-01, 76 FR 18343, Apr. 1, 2011]

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### **§ 302-12.8 What expenses will my agency pay if I use a relocation services company to sell or purchase a residence for which I and/or a member(s) of my immediate family do not have full title?**

If you use a relocation services company to sell or purchase a residence for which you and/or a member(s) of your immediate family do not have full title, your agency will pay the portion of the relocation services company's fee attributable to your pro rata share of the residence, in accordance with § 302-11.103 of this chapter. You must pay any portion of the fee attributable to other than your pro rata share of the residence.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated at 76 FR 18343, Apr. 1, 2011]

### **§ 302-12.9 If my agency authorizes me to enter a homesale program, must I accept a buyout offer from the relocation services company?**

No, if your agency authorizes you to enter a homesale program, your agency must give you the option to accept or reject an offer from the relocation services company.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated at 76 FR 18343, Apr. 1, 2011]

### **§ 302-12.10 What are the income tax consequences if I use a relocation services company?**

You may incur income taxes on relocation services provided by a relocation services company and paid for by your agency. Section 82 of the Internal Revenue Code states there shall be included in gross income (as compensation for services) any amount received or accrued, directly or indirectly, by an individual as a payment for or reimbursement of expenses of moving from one residence to another residence which is attributable to employment. You will receive a relocation income tax (RIT) allowance if your agency determines that such expenses are taxable. The Government does not assume responsibility for payment of your taxes, however, and you may wish to consult a tax professional on income tax reporting.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated by FTR Amdt. 2011-01, 76 FR 18343, Apr. 1, 2011]

## Relocation Allowances

## § 302–12.109

### Subpart B—Agency’s Use of a Relocation Services Company

NOTE TO SUBPART B: Use of pronouns “we”, “you”, and their variants throughout this subpart refers to the agency.

#### § 302–12.100 What are “relocation services”?

“Relocation services” are services provided by a private company under a contract with an agency to assist an employee who relocates. Examples include homesale programs, home marketing assistance, home finding assistance, and property management services.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001, as amended at 86 FR 73684, Dec. 28, 2021]

#### § 302–12.101 May we enter into a contract with a relocation services company for the company to provide relocation services?

Yes, you may enter into a contract with a relocation services company for the company to provide relocation services.

#### § 302–12.102 What contracted relocation services may we provide at Government expense?

You may pay for contracted relocation services that are substitutes for reimbursable relocation allowances authorized throughout this chapter. For example, you may pay for homesale services as a substitute for residence sale expenses, or household goods management services as a substitute for transportation of household goods.

#### § 302–12.103 May we separately contract for each type of relocation service?

Yes, you may separately contract for each type of relocation service or you may combine several types of relocation services in a single contract.

#### § 302–12.104 What is the purpose of contracting for relocation services?

The purpose of contracting for relocation services is to improve the treatment of employees who are directed to relocate to facilitate the retention of a well-qualified workforce.

#### § 302–12.105 Must we have a contract with a RSC that includes a comprehensive homesale program?

No, you are not required to have a contract that includes a comprehensive homesale program (which, for this purpose, is defined as a relocation program that includes a contract with a RSC that provides for buyer value option sales, amended sales, and appraised value purchases by the RSC). However, if you do not have such a program, you must examine and evaluate the objectives and relative costs of your relocation benefits and management processes at least once every two years to determine whether a comprehensive homesale program should be part of your relocation program.

[FTR Amdt. 2011–01, 76 FR 18343, Apr. 1, 2011]

#### § 302–12.106 What rules must we follow when contracting for a comprehensive homesale program?

You must follow the rules contained in the Federal Acquisition Regulations (FAR) (48 CFR) and/or all other acquisition regulations applicable to your agency.

[FTR Amdt. 2011–01, 76 FR 18343, Apr. 1, 2011]

#### §§ 302–12.107–302–12.108 [Reserved]

#### § 302–12.109 May we require employees to participate in counseling before listing their homes?

Yes, you may require that employees participate in counseling before listing their homes, provided this is written into your agency’s relocation policy. This is a common practice in the private sector. Please note, however, that this may exclude from your homesale program any employee who lists their home before the relocation travel authorization is approved. If you choose to make this part of your agency policy, you should make a major, ongoing effort to inform as many of your potential transferees as possible of this policy.

[FTR Amdt. 2011–01, 76 FR 18344, Apr. 1, 2011, as amended by FTR Case 2022–05, 89 FR 12256, Feb. 16, 2024]

## § 302-12.110

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### § 302-12.110 [Reserved]

#### § 302-12.111 May we require an employee to use a real estate broker specified by the RSC?

Yes, you may require, through your contract with the RSC, that every employee enrolled in the homesale program use a real estate broker specified by the RSC. This provision is not part of the standard terms for a homesale program, but it may provide a pricing advantage in negotiations with potential RSC, as well as an opportunity for better management of the homesale process.

[FTR Amdt. 2011-01, 76 FR 18344, Apr. 1, 2011]

#### § 302-12.112 May we require an employee to use a mortgage service provider specified by the RSC?

No. Under the Real Estate Procedures Settlement Act (RESPA), you may not require that the employee obtain any mortgage from a lender specified by the RSC. The RSC may provide the employee access to multiple mortgage service providers as long as there is no use requirement, and the employee is provided a choice. Allowing the RSC to provide access to multiple providers is not part of the standard terms for a homesale program, but it may provide a pricing advantage in negotiations with potential RSCs, as well as an opportunity for better management of the homesale process.

[FTR Amdt. 2011-01, 76 FR 18344, Apr. 1, 2011]

#### § 302-12.113 What must we do when planning, establishing, and administering a RSC contract?

(a) When planning and establishing a RSC contract, you must structure the contract so that it provides the best possible value to the Government, considering costs, tax implications, morale, mobility, employee choice, productivity, and any other relevant considerations. For most agencies and most relocations, this structure will include the possibility of a BVO sale or an amended value sale.

(b) Once you have a RSC contract, you must monitor costs and tax consequences and make adjustments as necessary, to ensure that your homesale program continues to provide

the same best value to the Government.

[FTR Amdt. 2011-01, 76 FR 18344, Apr. 1, 2011]

#### § 302-12.114 What policies must we establish when offering our employees the services of a RSC?

If you choose to offer the services of a RSC to your employees, you must establish policies governing:

(a) The conditions under which you will authorize an employee to use the contract with the RSC;

(b) Which employees you will allow to use the contract with the RSC;

(c) Which services the RSC will provide to the employee;

(d) Who will determine in each case if an employee may use the contract with the RSC and which services the RSC will provide;

(e) How you will monitor and evaluate the counseling provided by you and/or the RSC to your employees; and

(f) How you will monitor and maintain an appropriate balance between the three types of homesale transactions in your homesale programs (appraised value, buyer value option, and amended value).

[FTR Amdt. 2011-01, 76 FR 18344, Apr. 1, 2011]

#### § 302-12.115 What are the income tax consequences that we must consider when offering relocation services?

Amounts you pay to a relocation services company on behalf of an employee may be taxable to the employee. In some cases, such as certain homesale programs, the amounts may not be taxable. You must determine the taxability of such payments, and pay a relocation income tax (RIT) allowance in accordance with part 302-17 of this chapter on payments you determine to be taxable to the employee. You may contact the: Assistant Chief Counsel (Income Tax & Accounting), Internal Revenue Service, 1111 Constitution Avenue, NW., Room 5501, Washington, DC 20224, for information on the income tax consequences of payments you make to a relocation services company.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated by FTR Amdt. 2011-01, 76 FR 18344, Apr. 1, 2011]

## Relocation Allowances

## § 302-12.120

### **§ 302-12.116 What must we consider in deciding whether to use the fixed-fee or cost-reimbursable contracting method?**

You must consider the following factors in deciding whether to use the fixed-fee or cost-reimbursable contracting method:

(a) *Risk of alternative methods.* Under a fixed fee contract, the relocation services company bears all risks not expressly contained in the contract. Under a cost-reimbursable contract, you must assume some or all risks and, therefore, must assume some management responsibilities under the contract as well. For example, under a fixed fee homesale program you are not directly liable for losses incurred if a residence does not sell immediately, while under a cost-reimbursable homesale program you assume some or all risks of selling the residence.

(b) *Cost of alternative methods.* Under the fixed fee method of contracting, the fee includes a cost component for risks assumed by the relocation services company. Under the cost-reimbursable method of contracting, you are directly responsible for some or all of the costs associated with management of the contract. In deciding whether to use cost-reimbursable contracting you, therefore, must consider the cost of resources you would require (including personnel costs) to manage a cost-reimbursable relocation services contract.

(c) *Effect on the obligation of funds.* You must obligate funds for a relocation in the fiscal year in which the purchase order is awarded under the contract. Under the fixed fee contracting method, the amount of the relocation services fee is fixed and you have a basis for determining the amount of funds to obligate. Under the cost-reimbursable contracting method, you must obligate funds based on an estimate of the costs that will be incurred. When opting for cost-reimbursable contracting you, therefore, should establish a reliable method of computing fund obligation estimates.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated by FTR Amdt. 2011-01, 76 FR 18344, Apr. 1, 2011]

### **§ 302-12.117 May we take title to an employee's residence?**

No, you may not take title to an employee's residence except as specifically provided by statute. The statutes which form the basis for the provisions of this part do not provide such authority.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated by FTR Amdt. 2011-01, 76 FR 18344, Apr. 1, 2011]

### **§ 302-12.118 Under a homesale program, may we establish a maximum home value above which we will not pay for homesale services?**

Yes, if a home exceeding the maximum value above which you will not pay is sold under your homesale program, the employee will be responsible for any additional costs. You must establish a maximum amount commensurate with your agency's experience. You may consider, among other factors, budgetary constraints, the value range of homes in areas where you have offices, and the value range of homes previously entered in your program.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated by FTR Amdt. 2011-01, 76 FR 18344, Apr. 1, 2011]

### **§ 302-12.119 Under a home sale program, may we pay an employee for losses the employee incurs on the sale of a residence?**

No, under a home sale program, you may not pay an employee for losses the employee incurs on the sale of a residence, but this does not preclude you reimbursing a relocation services company for losses incurred while the contractor holds the property.

[FTR Case 2022-05, 89 FR 12256, Feb. 16, 2024]

### **§ 302-12.120 Under a home sale program, may we direct the relocation services company to pay an employee more than the fair market value of the employee's residence?**

No, under a home sale program, you may not direct the relocation services company to pay an employee more than the fair market value (as determined by the residence appraisal process) of the employee's home.

[FTR Case 2022-05, 89 FR 12256, Feb. 16, 2024]

**§ 302-12.121 May we use a relocation services contract for services which we are contractually bound to obtain under another travel services contract?**

No, you may not use a relocation services contract to which you are contractually bound to obtain the services of another relocation service provider or to circumvent the travel and transportation expense payment system contract if you are a user of that contract.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001. Redesignated by FTR Amdt. 2011-01, 76 FR 18344, Apr. 1, 2011]

**PART 302-14—HOME MARKETING INCENTIVE PAYMENTS**

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AUTHORITY: 5 U.S.C. 5756.

SOURCE: FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001, unless otherwise noted.

**Subpart A—Payment of Incentive to the Employee**

NOTE TO SUBPART A: Use of pronouns “I”, “you”, and their variants throughout this subpart refers to the employee.

**§ 302-14.1 What is a “homesale program”?**

A “homesale program” is a program offered by an agency through a contractual arrangement with a relocation services company. The relocation services company purchases a transferred employee’s residence at fair market (appraised) value and then independently markets and sells the residence.

**§ 302-14.2 What is the purpose of a home marketing incentive payment?**

The purpose of a home marketing incentive payment is to reduce the Government’s relocation costs by encouraging transferred employees to participate in their employing agency’s homesale program to independently and aggressively market, and find a bona fide buyer for their residence. This significantly reduces the fees/expenses their agencies must pay to relocation services companies and effectively lowers the cost of such programs.

**§ 302-14.3 Am I eligible to receive a home marketing incentive payment?**

Yes, you are eligible to receive a home marketing incentive payment if you are an employee who is authorized to transfer and you otherwise meet requirements for sale of your residence at Government expense.

**§ 302-14.4 Must my agency pay me a home marketing incentive?**

No, your agency determines when it is in the Government’s interest to offer you a home marketing incentive.

**§ 302-14.5 Under what circumstances will I receive a home marketing incentive payment?**

You will receive a home marketing incentive payment when:

- (a) You enter your residence in your agency’s homesale program;
- (b) You independently and aggressively market your residence;