

SUBCHAPTER E—RESIDENCE TRANSACTION ALLOWANCES

PART 302-11—ALLOWANCES FOR EXPENSES INCURRED IN CONNECTION WITH RESIDENCE TRANSACTIONS

Subpart A—General Rules

Sec.

- 302-11.1 What is the purpose of an allowance for expenses incurred in connection with residence transactions?
- 302-11.2 Am I eligible to receive an allowance for expenses incurred in connection with my residence transactions?
- 302-11.3 Must I sign a service agreement before receiving residence transaction allowances?
- 302-11.4 Who is not eligible to receive an allowance for expenses incurred in connection with residence transactions?
- 302-11.5 To be reimbursed for expenses incurred in my residence transactions, must I occupy the residence at the time I am notified of my transfer?
- 302-11.6 For which expenses will I be reimbursed if I qualify for a residence transaction expense allowance?
- 302-11.7 When are expenses for my settlement of an unexpired lease reimbursable?
- 302-11.8 Must I sell a residence at the old official station to be eligible to purchase a residence at the new official station?

TIME LIMITATIONS

- 302-11.21 How long do I have to submit my claim for reimbursement of expenses incurred in connection with my residence transactions?
- 302-11.22 May the 1-year time limitation be extended by my agency?
- 302-11.23 When must I request to have my initial time period extended?

Subpart B—Title Requirements

- 302-11.100 For which residence may I receive reimbursement for under this subpart?
- 302-11.101 Must the title to the property for which I am requesting an allowance for residence transactions be in my name?
- 302-11.102 How will the Government determine who holds title to my property?
- 302-11.103 How will I be reimbursed if I or a member of my immediate family do not hold full title to the property for which I am requesting reimbursement?
- 302-11.104 When must I and/or a member(s) of my immediate family have acquired title interest in my residence to be eligible for the allowance for expenses incurred in connection with the sale of my residence?

- 302-11.105 How is it determined if I hold “equitable title interest” in my residence?

- 302-11.106 What is an accommodation party?

Subpart C—Reimbursable Expenses

- 302-11.200 What residence transaction expenses will my agency pay?
- 302-11.201 When may my reimbursement for loan assumption fees or other similar fees exceed the 1 percent as specified in §302-11.200(f)(2)?
- 302-11.202 What residence transaction expenses will my agency not pay?

Subpart D—Request for Reimbursement

- 302-11.300 Is there a limit on how much my agency will reimburse me for residence transactions?
- 302-11.301 How must I request reimbursement for the expenses I incur for my residence transactions?
- 302-11.302 What documentation must I submit to my agency to request reimbursement for the sale of a former residence or the purchase of a new one?
- 302-11.303 Will the Government reimburse me for expenses incurred in connection with my residence transactions that are paid by someone other than me or a member of my immediate family?
- 302-11.304 Will my agency reimburse me for losses due to market conditions or prices at the old and new official station?
- 302-11.305 Will I receive reimbursement for any residence transaction expenses incurred prior to being officially notified of my transfer?
- 302-11.306 How can I know if my expenses are reasonable and will be reimbursed by the Government?
- 302-11.307 May I receive an advance of funds for my residence transaction expenses?
- 302-11.308 How much will I receive for reimbursement when I purchase or sell land in excess of what reasonably relates to the residence site?
- 302-11.309 What residence transaction expenses are reimbursable if an employee violates the terms of the service agreement?

SETTLEMENT OF UNEXPIRED LEASE

- 302-11.320 How must I request reimbursement for settlement of an unexpired lease?
- 302-11.321 How will I be reimbursed when I share a lease with someone else?

Relocation Allowances

§ 302-11.2

Subpart E—Agency Responsibilities

- 302-11.400 What policies and procedures must we establish?
- 302-11.401 Under what conditions may we authorize or approve a residence transaction expense allowance?
- 302-11.402 Who is not eligible to receive residence transaction expense allowances?
- 302-11.403 What policies must we establish before accepting documentation from an employee for reimbursement of residence transaction expenses?
- 302-11.404 What controls must we establish for paying allowances for expenses incurred in connection with residence transactions?
- 302-11.405 Which agency must review and approve the employee's application when the employee transfers between agencies?
- 302-11.406 How must we administer an employee's claim?
- 302-11.407 What documentation must we require the employee to submit before paying residence transaction expenses?

TIME LIMITATIONS

- 302-11.420 How long can we authorize an extension for completion of the sale and purchase or lease termination transactions?
- 302-11.421 What must we consider when authorizing an extension of time limitation?

UNEXPIRED LEASE

- 302-11.430 When must we reimburse an employee for expenses incurred due to settlement of an unexpired lease?
- 302-11.431 How must we require an employee to request reimbursement for expenses of an unexpired lease settlement?

TITLE REQUIREMENTS

- 302-11.440 How must we determine who holds title to property for reimbursement purposes?
- 302-11.441 How must we determine if an employee holds equitable title interest in a property?

REQUEST FOR REIMBURSEMENTS

- 302-11.450 May we 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?

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—General Rules

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

§ 302-11.1 What is the purpose of an allowance for expenses incurred in connection with residence transactions?

The purpose of an allowance for expenses incurred in connection with residence transaction is to reimburse you when you transfer from an old official station to a new official station for expenses that you incur due to:

(a) The sale of one residence at your old official station, and/or the purchase of a residence at your new official station; or

(b) The settlement expenses for a lease which has not expired on your residence or mobile home lot which is used as your permanent residence at your old official station.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001, as amended by FTR Amdt. 2010-07, 75 FR 72968, Nov. 29, 2010]

§ 302-11.2 Am I eligible to receive an allowance for expenses incurred in connection with my residence transactions?

(a) You must meet four basic conditions to be eligible to receive an allowance for expenses incurred in connection with your residence transactions:

(1) You must be transferring from one official station to another;

(2) Your relocation must be incidental to the transfer (*i.e.*, not for the convenience of the employee);

(3) Your relocation must meet the distance test conditions of § 302-2.6; and

(4) Your new official station must be within the United States.

(b) If you previously transferred from an official station in the United States to a foreign area and you are now transferring back to the United States, then, in addition to the requirements of paragraph (a) of this section, you must have completed the time period specified in your service agreement for your overseas tour of duty.

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

§ 302-11.3

§ 302-11.3 Must I sign a service agreement before receiving residence transaction allowances?

Yes, you must sign a service agreement before receiving residence transaction allowances.

§ 302-11.4 Who is not eligible to receive an allowance for expenses incurred in connection with residence transactions?

You are not eligible to receive an allowance for expenses incurred in connection with residence transactions under this subpart if you are:

- (a) A new appointee; or
- (b) An employee assigned under the Government Employees Training Act (5 U.S.C. 4109).

§ 302-11.5 To be reimbursed for expenses incurred in my residence transactions, must I occupy the residence at the time I am notified of my transfer?

Yes, to be reimbursed for expenses incurred in your residence transactions, you must occupy the residence at the time you are notified of your transfer, unless your transfer is from a foreign area to an official station within the United States other than the one you left when you transferred out of the United States, as specified in § 302-11.2(b).

§ 302-11.6 For which expenses will I be reimbursed if I qualify for a residence transaction expense allowance?

If you qualify for a residence transaction expense allowance, you may be reimbursed for the:

- (a) Expenses of selling your old residence and purchasing a new residence in the United States; or
- (b) Settlement of an unexpired lease at your old official station in the United States from which transferred to another official station in the United States or when assigned to a foreign post of duty; and
- (c) Expenses of purchasing a new residence in the United States upon return to the United States upon completion of the foreign tour of duty and the return is to a different official station, and is 50 miles distance from the official station which you transferred from.

41 CFR Ch. 302 (7-1-24 Edition)

§ 302-11.7 When are expenses for my settlement of an unexpired lease reimbursable?

When your unexpired lease (including month to month) is for residence quarters at your old official station, you may be reimbursed for settlement expenses for an unexpired lease, including but not limited to broker's fees for obtaining a sublease or charges for advertising if:

- (a) Applicable laws or the terms of the lease provide for payment of settlement expenses; or
- (b) Such expenses cannot be avoided by sublease or other arrangement; or
- (c) You have not contributed to the expenses by failing to give appropriate lease termination notice promptly after you have definite knowledge of your transfer; or
- (d) The broker's fees or advertising charges are not in excess of those customarily charged for comparable services in that locality.

§ 302-11.8 Must I sell a residence at the old official station to be eligible to purchase a residence at the new official station?

No, you do not have to sell the residence at your old official station to be eligible for residence purchase transactions at your new official station.

TIME LIMITATIONS

§ 302-11.21 How long do I have to submit my claim for reimbursement of expenses incurred in connection with my residence transactions?

Your claim for reimbursement should be submitted to your agency as soon as possible after the transaction occurred. However, the settlement dates for the sale and purchase or lease termination transactions for which reimbursement is requested must occur not later than 1 year after the day you report for duty at your new official station. (See § 302-11.23.)

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

§ 302-11.22 May the 1-year time limitation be extended by my agency?

Yes, your agency may extend the 1-year limitation for up to one additional

Relocation Allowances

§ 302–11.105

year for reasons beyond your control and acceptable to your agency.

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

§ 302–11.23 When must I request to have my initial time period extended?

To have your initial time period extended, you must submit a request to your agency not later than 30 calendar days after the expiration date unless this 30-day period is specifically extended by your agency.

Subpart B—Title Requirements

§ 302–11.100 For which residence may I receive reimbursement for under this subpart?

You may receive reimbursement for the one residence from which you regularly commute to and from work on a daily basis and which was your residence at the time you were officially notified by competent authority to transfer to a new official station.

§ 302–11.101 Must the title to the property for which I am requesting an allowance for residence transactions be in my name?

The title to the property for which you are requesting an allowance for residence transaction must be:

- (a) Solely in your name; or
- (b) Solely in the name of one or more of your immediate family members; or
- (c) Jointly in your name and in the name of one or more of your immediate family members.

§ 302–11.102 How will the Government determine who holds title to my property?

The Government will determine who holds title to your property based on:

- (a) Whose name(s) actually appears on your title document (e.g., the deed); or
- (b) Who holds equitable title interest in your property as specified in § 302–11.105.

§ 302–11.103 How will I be reimbursed if I or a member of my immediate family do not hold full title to the property for which I am requesting reimbursement?

If you or a member of your immediate family do not hold full title to

the property for which you are requesting reimbursement, you will be reimbursed on a pro rata basis to the extent of your actual title interest plus your equitable title interest in the residence.

§ 302–11.104 When must I and/or a member(s) of my immediate family have acquired title interest in my residence to be eligible for the allowance for expenses incurred in connection with the sale of my residence?

To be eligible for the allowance for expenses incurred in connection with the sale of your residence, you and/or a member(s) of your immediate family must have acquired title or equitable title interest in the residence as illustrated in the following table:

Type of transfer	Date
1. Between official stations in the United States.	1. Prior to the date first notified of the transfer.
2. Returning from completion of any foreign tour of duty to a different official station in the United States, which is 50 miles distance from the official station from which transferred to the foreign official station.	2. Prior to the date notified that you would be transferred to a different location in the United States, which is 50 miles distance from the official station you transferred from the foreign area.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001; 67 FR 7219, Feb. 15, 2002]

§ 302–11.105 How is it determined if I hold “equitable title interest” in my residence?

“Equitable title interest” in your residence is determined by your agency if:

- (a) The title is held in trust, and:
 - (1) The property is your residence;
 - (2) You and/or a member(s) of your immediate family are the only beneficiary(ies) of the trust during either of your lifetimes;
 - (3) You and/or a member(s) of your immediate family retain the right to distribute the property during your lifetimes;
 - (4) You and/or a member(s) of your immediate family retain the right to manage the property;
 - (5) You and/or a member(s) of your immediate family are the only grantor/settlor of the trust, or retain the right to direct distribution of the property upon dissolution of the trust or death; and

(6) You provide your agency with a copy of the trust document; or

(b) The title is held in the name of a financial institution, and:

(1) The property is your residence;

(2) You and/or a member(s) of your immediate family executed a financing agreement (e.g., mortgage) with the financial institution;

(3) State or local law requires that lending parties take title to perfect (*i.e.*, protect) a security interest in the property, or the financial institution requires that it take possession of title as a condition of the financing agreement; and

(4) You provide your agency with a copy of the financing document; or

(c) The title is held both in the names of:

(1) You solely, or jointly with one or more members of your immediate family, or one or more members of your immediate family;

(2) An individual accommodation party as defined in §302–11.106 who is not a member of your immediate family; and

(3) The conditions apply:

(i) The property is your residence.

(ii) You and/or a member(s) of your immediate family have the right to use the property and to direct conveyance of the property.

(iii) The lender requires signature of the accommodation party on the financing document.

(iv) You and/or a member of your immediate family, are liable for payments under the financing arrangement (e.g., mortgage).

(v) The accommodation party's name is on the title.

(vi) The accommodation party does not have a financial interest in the property unless the employee and/or a member(s) of the immediate family default on the financing arrangement.

(vii) You must provide documentation of the accommodation that is acceptable by your agency; or

(d) The title is held by the seller of the property and the following conditions are met:

(1) The property is your residence;

(2) You and/or member(s) of your immediate family has the right to use the property and to direct conveyance of the property;

(3) You and/or member(s) of your immediate family must have signed a financing agreement with the seller of the property (e.g., a land contract) providing for fixed periodic payments and transfer of title to the employee and/or a member(s) of the immediate family upon completion of the payment schedule; and

(4) You provide your agency with a copy of the financing agreement; or

(e) Another equitable title situation exists where title is held in your name only or jointly with you and one or more members of your immediate family or with you and an individual who is not an immediate family member, and the following conditions are met:

(1) The property is your residence.

(2) You and/or a member(s) of your immediate family has the right to use the property and to direct conveyance of the property.

(3) Only you and/or a member(s) of your immediate family has made payments on the property.

(4) You and/or a member(s) of your immediate family received all proceeds from the sale of the property.

(5) You must provide suitable documentation to your agency that all conditions in paragraphs (e)(1) through (e)(4) of this section are met.

§ 302–11.106 What is an accommodation party?

An accommodation party is an individual who signs an employee's financing agreement (e.g., a mortgage) to lend that individual's name (*i.e.*, credit) to the arrangement.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001, as amended by FTR Case 2022–05, 89 FR 12255, Feb. 16, 2024]

Subpart C—Reimbursable Expenses

§ 302–11.200 What residence transaction expenses will my agency pay?

Provided the residence transaction expenses are customarily charged to the seller of a residence in the locality of the old official station or paid by the purchaser at the new official station, your agency will, with appropriate supporting documentation provided by you, reimburse you for the following

Relocation Allowances

§ 302-11.200

residence transaction expenses when they are incurred by you incident to your relocation:

(a) Your broker's fee or real estate commission that you pay in the sale of your residence at the last official station, not to exceed the rates that are generally charged in the locality of your old official station;

(b) The customary cost for an appraisal;

(c) The costs of newspaper, bulletin board, multiple-listing services, and other advertising for sale of the residence at your old official station that is not included in the broker's fee or the real estate agent's commission;

(d) The cost of a title insurance policy, costs of preparing conveyances, other instruments, and contracts and related notary fees and recording fees; cost of making surveys, preparing drawings or plats when required for legal or financing purposes; and similar expenses incurred for selling your residence to the extent such costs:

(1) Have not been included in other residence transaction fees (*i.e.*, brokers' fees or real estate agent fees);

(2) Do not exceed the charges, for such expenses, that are normally charged in the locality of your residence;

(3) Are usually furnished by the seller;

(e) The costs of searching title, preparing abstracts, and the legal fees for a title opinion to the extent such costs:

(1) Have not been included in other related transaction costs (*i.e.*, broker's fees or real estate agency fees); and

(2) Do not exceed the charges, for such expenses, that are customarily charged in the locality of your residence

(f) The following "other" miscellaneous expenses in connection with the sale and/or purchase of your residence, provided they are normally paid by the seller or the purchaser in the locality of the residence, to the extent that they do not exceed specifically stated limitations, or if not specifically stated, the amounts customarily paid in the locality of the residence:

(1) Federal Housing Administration (FHA) or VA fees for the loan application;

(2) Loan origination fees and similar charges such as loan assumption fees, loan transfer fees or other similar charges not to exceed 1 percent of the loan amount without itemization of the lender's administrative charges (unless requirements in §302-11.201 are met), if the charges are assessed in lieu of a loan origination fee and reflects charges for services similar to those covered by a loan origination fee;

(3) Cost of preparing credit reports;

(4) Mortgage and transfer taxes;

(5) State revenue stamps;

(6) Other fees and charges similar in nature to those listed in paragraphs (f)(1) through (f)(5) of this section, unless specifically prohibited in §302-11.202;

(7) Charge for prepayment of a mortgage or other security instrument in connection with the sale of the residence at the old official station to the extent the terms in the mortgage or other security instrument provide for this charge. This prepayment penalty is also reimbursable when the mortgage or other security instrument does not specifically provide for prepayment, provided this penalty is customarily charged by the lender, but in that case the reimbursement may not exceed 3 months' interest on the loan balance;

(8) Mortgage title insurance policy, paid by you, on a residence you purchased for the protection of, and required by, the lender;

(9) Owner's title insurance policy, provided it is a prerequisite to financing or the transfer of the property; or if the cost of the owner's title insurance policy is inseparable from the cost of other insurance which is a prerequisite;

(10) Expenses in connection with construction of a residence, which are comparable to expenses that are reimbursable in connection with the purchase of an existing residence;

(11) Expenses in connection with environmental testing and property inspection fees when required by Federal, State, or local law; or by the lender as a precondition to sale or purchase; and

(12) Other expenses of sale and purchase made for required services that are customarily paid by the seller of a residence at the old official station or

§ 302–11.201

if customarily paid by the purchaser of a residence at the new official station.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001, as amended by FTR Amdt. 2011–01, 76 FR 18343, Apr. 1, 2011; FTR Amdt. 2018–01, 83 FR 30079, June 27, 2018]

§ 302–11.201 When may my reimbursement for loan assumption fees or other similar fees exceed the 1 percent as specified in § 302–11.200(f)(2)?

Reimbursement may exceed 1 percent (as specified in § 302–11.200(f)(2) only when you provide evidence that the higher rate:

- (a) Does not include prepaid interest, points, or a mortgage discount; and
- (b) Is customarily charged in the locality where the residence is located.

§ 302–11.202 What residence transaction expenses will my agency not pay?

Your agency will not pay:

- (a) Any fees that have been inflated or are higher than normally imposed for similar services in the locality;
- (b) Broker fees or commissions paid in connection with the purchase of a home at the new official station;
- (c) Owner's title insurance policy, "record title" insurance policy, mortgage insurance or insurance against loss or damage of property and optional insurance paid for by you in connection with the purchase of a residence for your protection;
- (d) Interest on loans, points, and mortgage discounts;
- (e) Property taxes;
- (f) Operating or maintenance costs;
- (g) Any fee, cost, charge, or expense determined to be part of the finance charge under the Truth in Lending Act, Title I, Pub. L. 90–321, as amended, and Regulation Z issued by the Board of Governors of the Federal Reserve System (12 CFR part 226), unless specifically authorized in § 302–11.200;
- (h) Expenses that result from construction of a residence, except as provided in § 302–11.200(e)(10); and
- (i) Losses, see § 302–11.304.

41 CFR Ch. 302 (7–1–24 Edition)

Subpart D—Request for Reimbursement

§ 302–11.300 Is there a limit on how much my agency will reimburse me for residence transactions?

Yes, your agency will reimburse you no more than:

- (a) Ten percent of the actual sales price for the sale of your residence at the old official station; and
- (b) Five percent of the actual purchase price of the residence for the purchase of a residence at the new official station.

§ 302–11.301 How must I request reimbursement for the expenses I incur for my residence transactions?

To request reimbursement for the expenses you incur for your residence transaction, you must:

- (a) Send your claim for reimbursement and documentation of expenses to your old official station for review and approval unless otherwise specified by your agency, and
- (b) Follow your agency's procedures and submit appropriate voucher(s) along with any claim applications that your agency may require with appropriate documents specified in § 302–11.302.

§ 302–11.302 What documentation must I submit to my agency to request reimbursement for the sale of a former residence or the purchase of a new one?

To request reimbursement for the sale of a former residence or the purchase of a new one, you must submit to your agency:

- (a) Copies of your sales agreement when selling a residence;
- (b) Your purchase agreement when a purchasing a residence;
- (c) Property settlement documents;
- (d) Loan closing statements; and
- (e) Invoices or receipts for other bills paid.

Relocation Allowances

§ 302-11.321

§ 302-11.303 Will the Government reimburse me for expenses incurred in connection with my residence transactions that are paid by someone other than me or a member of my immediate family?

No, the Government will not reimburse you for expenses incurred in connection with your residence transactions if they are paid by someone other than you or a member of your immediate family.

§ 302-11.304 Will my agency reimburse me for losses due to market conditions or prices at the old and new official station?

No, losses incurred due to market conditions or prices at your old and new duty station are not reimbursable when incurred by you due to:

(a) Failure to sell a residence at the old official station at the price asked, or at its current appraised value, or at its original cost; or

(b) Failure to buy a dwelling at the new official station at a price comparable to the selling price of the residence at the old official station; or

(c) Any losses that are similar in nature to (a) or (b).

§ 302-11.305 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 (or settlement of an unexpired lease) that occurs prior to being officially notified (generally in the form a change of station travel authorization) is prohibited.

§ 302-11.306 How can I know if my expenses are reasonable and will be reimbursed by the Government?

You are responsible for the determination of reasonableness for your claimed expenses. To determine if your expenses are reasonable, you should, in coordination with your agency, contact the local real estate association, or, if not available, at least three different realtors in the locality in which your expenses will be incurred and request:

(a) The current schedule of closing costs which applies to the area in which you are buying or selling;

(b) Information concerning local custom and practices with respect to

charging of closing costs which relate to either your sale or purchase and whether such costs are customarily paid by the seller or purchaser; and

(c) Information on the local terminology used to describe the costs specified in paragraph (b) of this section.

§ 302-11.307 May I receive an advance of funds for my residence transaction expenses?

No, you may not receive an advance of funds for your residence transaction expenses.

§ 302-11.308 How much will I receive for reimbursement when I purchase or sell land in excess of what reasonably relates to the residence site?

When you purchase or sell land in excess of what reasonably relates to the residence site, your reimbursement will be limited to a pro rata reimbursement of the land reasonably related to the residence site.

§ 302-11.309 What residence transaction expenses are reimbursable if an employee violates the terms of the service agreement?

If the employee violates their service agreement, no residence transaction expenses will be paid, and any amounts paid prior to such violation shall be a debt due the United States until they are paid by the employee.

[FTR Case 2022-05, 89 FR 12255, Feb. 16, 2024]

SETTLEMENT OF UNEXPIRED LEASE

§ 302-11.320 How must I request reimbursement for settlement of an unexpired lease?

To request reimbursement for settlement of an unexpired lease, you must itemize expenses (list all expenses separately) on a travel voucher and submit the voucher to your agency.

§ 302-11.321 How will I be reimbursed when I share a lease with someone else?

When you share a lease with someone else you will be reimbursed on a pro rata basis for that portion of the lease that you are responsible for.

Subpart E—Agency Responsibilities

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

§ 302–11.400 What policies and procedures must we establish?

You must establish internal policies and procedures to implement this part.

§ 302–11.401 Under what conditions may we authorize or approve a residence transaction expense allowance?

You may authorize or approve a residence transaction expense allowance when an employee is performing a permanent change of station in the interest of the Government and has signed a service agreement (other than a new appointee or an employee assigned under the Government Employees Training Act (5 U.S.C. 4109.); and

- (a) The old and new official stations are located in the United States; or
- (b) The employee has completed an agreed upon tour of duty overseas and is returning to the United States to an official station that is at least 50 miles away from the employee's last official station in the United States; or
- (c) When the employee has been permanently assigned to a temporary official station.

§ 302–11.402 Who is not eligible to receive residence transaction expense allowances?

The following are not eligible to receive residence transaction expense allowances:

- (a) New appointees; and
- (b) Employees assigned under the Government Employee's Training Act (5 U.S.C. 4109).

§ 302–11.403 What policies must we establish before accepting documentation from an employee for reimbursement of residence transaction expenses?

You must establish policies that will define what documentation is acceptable from an employee when requesting reimbursement of residence transaction expenses.

§ 302–11.404 What controls must we establish for paying allowances for expenses incurred in connection with residence transactions?

When paying allowances for expenses incurred in connection with residence transactions, you must:

- (a) Determine who will authorize and approve residence transactions expenses on the employee's travel authorization;
- (b) Determine who will review applications for reimbursement of residence transaction expenses;
- (c) Determine who will authorize extensions beyond the 1-year limitation for completing sales and purchase or lease termination transactions, under §§ 302–11.420 and 302–11.421;
- (d) Prescribe a claim application form which meets your internal administrative requirements;
- (e) Require employees to submit a travel claim with appropriate documentation to support the payment of the expenses claimed, which must include as a minimum:
 - (1) The sales agreement,
 - (2) The purchase agreement,
 - (3) Property settlement documents,
 - (4) Loan closing statements, and
 - (5) Invoices or receipts for other bills paid; and
- (f) Require employees to submit travel claims to the employee's old official station for review and approval of the claim unless agency review and approval functions are performed elsewhere except as provided in § 302–11.405.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001, as amended by FTR Amdt. 2011–01, 76 FR 18343, Apr. 1, 2011; FTR Case 2022–05, 89 FR 12256, Feb. 16, 2024]

§ 302–11.405 Which agency must review and approve the employee's application when the employee transfers between agencies?

The hiring agency in the locality of the employee's old official station must review and approve the employee's application when the employee transfers between agencies, unless the hiring agency does not have an appropriate installation there. In that case, the losing agency at the old official station must review and approve the expenses.

Relocation Allowances

§ 302-11.430

§ 302-11.406 How must we administer an employee's claim?

To administer an employee's claim:

(a) You must:

(1) Review the employee's claim to determine whether the expenses claimed are reasonable in amount and customarily paid by the buyer/seller in the locality where the property is located;

(2) Disallow any portion of the employee's claim that is inflated or are higher than normal for similar services in the locality;

(3) Execute final administrative approval of payment of a claim by an appropriate agency approving official; and

(4) Return disapproved applications to the employee with a memorandum of explanation.

(b) The approving official must determine if:

(1) The aggregate amount of expenses claimed in connection with a sale or purchase of a residence is within the prescribed limitation for either;

(2) All conditions and requirements under which allowances may be paid have been met; and

(3) The expenses themselves are those which are reimbursable.

NOTE TO § 302-11.406: You must not pay the expenses listed in § 302-11.202 or § 302-11.304.

§ 302-11.407 What documentation must we require the employee to submit before paying residence transaction expenses?

Before paying residence transaction expenses, you must require the employee to submit:

(a) A copy of the employee's financial documents which prove that only the employee and or a member(s) of the immediate family made payments on the property;

(b) A copy of the employee's financial documents which prove that the employee and/or a member(s) of the immediate family received all proceeds from the sale of the property;

(c) Documentation that is acceptable by you in verifying any interest that the employee has in the property; and

(d) Any additional documents that you need to verify payments.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001, as amended by FTR Case 2022-05, 89 FR 12256, Feb. 16, 2024]

TIME LIMITATIONS

§ 302-11.420 How long can we authorize an extension for completion of the sale and purchase or lease termination transactions?

You may authorize an additional period of time, not to exceed 1 year, for completion of the sale and purchase or lease termination transactions.

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

§ 302-11.421 What must we consider when authorizing an extension of time limitation?

When authorizing an extension of time limitation, you must determine that the:

(a) Employee has extenuating circumstances which have prevented the employee from completing their sale and purchase or lease termination transactions in the initial authorized time frame of one year; and

(b) Employee's residence transactions are reasonably related to the employee's transfer of official station.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001, as amended by FTR Amdt. 2011-01, 76 FR 18343, Apr. 1, 2011; FTR Case 2022-05, 89 FR 12256, Feb. 16, 2024]

UNEXPIRED LEASE

§ 302-11.430 When must we reimburse an employee for expenses incurred due to settlement of an unexpired lease?

You must reimburse an employee in lieu of residence transaction expenses when the employee meets the requirements of § 302-11.10 for expenses incurred due to settlement of an unexpired lease.

§ 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

41 CFR Ch. 302 (7–1–24 Edition)

(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

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

Sec.

302–12.1 Who determines if I may use a RSC?

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

302–12.3 Am I required to participate in homesale counseling?

302–12.4 To what terms of the RSC contract am I required to agree?

302–12.5 For what relocation services expenses will my agency pay?

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?

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?

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?

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

302–12.10 What are the income tax consequences if I use a relocation services company?

Subpart B—Agency's Use of a Relocation Services Company

302–12.100 What are "relocation services"?

302–12.101 May we 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?

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

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

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

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

302–12.107–302–12.108 [Reserved]

Relocation Allowances

§ 302-12.4

302-12.109 May we require employees to participate in counseling before listing their homes?

302-12.110 [Reserved]

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

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

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

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

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

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

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

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

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

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?

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

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:

§ 302-12.5

(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]

41 CFR Ch. 302 (7-1-24 Edition)

§ 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

41 CFR Ch. 302 (7-1-24 Edition)

§ 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

Subpart A—Payment of Incentive to the Employee

Sec.

302-14.1 What is a “homesale program”?

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

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

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

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

302-14.6 How much may my agency pay me for a home marketing incentive?

302-14.7 Are there tax consequences when I receive a home marketing incentive payment?

Subpart B—Agency Responsibilities

302-14.100 How should we administer our home marketing incentive payment program?

302-14.101 What policies must we establish to govern our home marketing incentive payment program?

302-14.102 What factors should we consider in determining whether to establish a home marketing incentive payment program?

302-14.103 What factors should we consider in determining the amount of a home marketing incentive payment?

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;

Relocation Allowances

§ 302-14.103

(c) You find a bona fide buyer for your residence as a result of your independent marketing efforts;

(d) You transfer the residence to the relocation services company;

(e) Your agency pays a reduced fee/expenses to the relocation services company as a result of your independent marketing efforts;

(f) You meet any additional conditions your agency has established, including but not limited to, mandatory marketing periods, list price guidelines, closing requirements, and residence value caps; and

(g) Your agency has established a home marketing incentive program.

§ 302-14.6 How much may my agency pay me for a home marketing incentive?

Your agency will determine the amount of your home marketing incentive payment. The incentive payment, however, may not exceed the lesser of:

(a) Five percent of the price the relocation services company paid when it purchased the residence from you; or

(b) The savings your agency realized from the reduced fee/expenses it paid as a result of you finding a bona fide buyer.

§ 302-14.7 Are there tax consequences when I receive a home marketing incentive payment?

Yes, the home marketing incentive payment is considered income. Consequently, you will be taxed, and your agency will withhold income and employment taxes, on the home marketing incentive payment. You will not, however, receive a withholding tax allowance (WTA) to offset the withholding on your home marketing incentive payment, nor will you receive a relocation income tax (RIT) allowance payment for substantially all of your Federal, state and local income taxes on the incentive payment.

Subpart B—Agency Responsibilities

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

§ 302-14.100 How should we administer our home marketing incentive payment program?

Your goal in using an incentive payment program is to reduce your overall relocation costs. You must not make a home marketing incentive payment that exceeds the savings you realize from the reduced fees/expenses you pay the relocation services company.

§ 302-14.101 What policies must we establish to govern our home marketing incentive payment program?

You must establish policies to govern:

(a) The conditions under which you will authorize a home marketing incentive payment for an employee;

(b) The amount of the home marketing incentive payment(s) you will offer (or) the method you will use to compute your home marketing incentive payments); and

(c) Who will determine in each case whether a home marketing incentive payment is authorized.

§ 302-14.102 What factors should we consider in determining whether to establish a home marketing incentive payment program?

In determining whether to establish a home marketing incentive payment program, you should consider:

(a) Whether the program will increase the percentage of residences sold for which employees find a bona fide buyer. You should establish a benchmark for the percentage of residences for which you expect employees to find a bona fide buyer resulting in lower homesale costs to you. If your historical percentage of employee-generated sales is below your benchmark, a home marketing incentive payment program may benefit you; and

(b) The expected net savings from a home marketing incentive payment program.

§ 302-14.103 What factors should we consider in determining the amount of a home marketing incentive payment?

In determining the amount of a home marketing incentive payment, you should consider the:

(a) Amount of savings from reduced fee/expenses paid to the relocation

Pt. 302-15

41 CFR Ch. 302 (7-1-24 Edition)

services company. The home marketing incentive payment program is intended to reduce your relocation costs. The amount of each home marketing incentive payment you make, therefore, must not exceed the savings you realize from the reduced fee you pay to the relocation services company; and

(b) Employee's efforts in marketing the residence. The purpose of a home marketing incentive payment program is to encourage a transferred employee who participates in a homesale program to independently and aggressively market the employee's residence and find a bona fide buyer.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001, as amended by FTR Case 2022-05, 89 FR 12256, Feb. 16, 2024]

PART 302-15—ALLOWANCE FOR PROPERTY MANAGEMENT SERVICES

Subpart A—General Rules for the Employee

Sec.

- 302-15.1 What are property management services?
- 302-15.2 What are the purposes of the property management services allowance?
- 302-15.3 Am I eligible for payment for property management services under this part?
- 302-15.4 Who is not eligible for payment for property management services?
- 302-15.5 Is my agency required to authorize payment for property management services?
- 302-15.6 Under what circumstances may my agency authorize payment under this part?
- 302-15.7 For what property may my agency authorize payment under this part?
- 302-15.8 When my agency authorizes payment for me under this part, am I obligated to use such services, or may I elect instead to sell my residence at Government expense?
- 302-15.9 Must I repay property management expenses my agency paid under this part if I elect to sell my former residence in the United States at Government expense when I am transferred from my current foreign post of duty to an official station in the United States other than the one I left?
- 302-15.10 How long may my agency pay under this part?
- 302-15.11 If my agency authorized, and I elected to receive, payment for property

management expenses, may I later elect to sell my residence at Government expense?

302-15.12 If my agency is paying for property management services under this part and my service agreement expires, what must I do to ensure that payment for property management services continues?

302-15.13 What are the income tax consequences when my agency pays for my property management services?

Subpart B—Agency Responsibilities

302-15.70 What governing policies must we establish for the allowance for property management services?

AUTHORITY: 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, as amended, 3 CFR, 1971-1975 Comp., p. 586.

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

Subpart A—General Rules for the Employee

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

§ 302-15.1 What are property management services?

“Property management services” are programs provided by private companies for a fee, which help an employee to manage the employee's residence at the old official station as a rental property. These services typically include, but are not limited to, obtaining a tenant, negotiating the lease, inspecting the property regularly, managing repairs and maintenance, enforcing lease terms, collecting the rent, paying the mortgage and other carrying expenses from rental proceeds and/or funds of the employee, and accounting for the transactions and providing periodic reports to the employee.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001, as amended by FTR Case 2022-05, 89 FR 12256, Feb. 16, 2024]

§ 302-15.2 What are the purposes of the property management services allowance?

The purposes of the property management services allowance are to:

(a) Reduce overall Government relocation costs by using the property management services allowance in

Relocation Allowances

§ 302-15.9

place of allowances for the sale of the employee's residence; and

(b) Relieve employees transferred to OCONUS duty stations from the costs of maintaining a home in CONUS during their tour of duty.

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

§ 302-15.3 Am I eligible for payment for property management services under this part?

Yes, you are eligible for payment for property management services when:

(a) You transfer in the interest of the Government; and

(b) You and/or a member(s) of your immediate family hold(s) title to a residence which you are eligible to sell at Government expense under part 302-11 or part 302-12 of this chapter.

§ 302-15.4 Who is not eligible for payment for property management services?

New appointees, employees assigned under the Government Employees Training Act (5 U.S.C. 4109), and employees transferring wholly outside the United States are not eligible for payment for property management services. However, relocations wholly outside the United States do not affect previously authorized property management services as long as the employee continues to meet the requirements of § 302-15.6 and any other conditions established by the agency.

§ 302-15.5 Is my agency required to authorize payment for property management services?

No, your agency is not required to authorize payment for property management services. However, your agency determines:

(a) When you meet the conditions set forth in § 302-15.3;

(b) When to authorize payment for these services; and

(c) What procedures you must follow when it authorizes such payment.

§ 302-15.6 Under what circumstances may my agency authorize payment under this part?

(a) For a relocation to an official station in the United States, your agency may authorize payment under this part when:

(1) You are being returned from a foreign area post of duty to a different official station than the one from which you were transferred for your foreign tour of duty;

(2) Your agency has determined that property management services is more advantageous and cost effective for the Government than having to sell your residence;

(3) You have signed a service agreements; and

(4) You meet any additional conditions that your agency has established.

(b) For relocations to official stations outside the United States, your agency will authorize payment under this part when you meet conditions set forth in paragraphs (a)(3) and (4) of this section.

§ 302-15.7 For what property may my agency authorize payment under this part?

Under this part, payment may be authorized only for your residence at the last official station in the United States from which you transferred.

§ 302-15.8 When my agency authorizes payment for me under this part, am I obligated to use such services, or may I elect instead to sell my residence at Government expense?

You are not obligated to use your authorized property management services allowance. You have the option of choosing to sell your residence at Government expense or to use the property management services allowance.

§ 302-15.9 Must I repay property management expenses my agency paid under this part if I elect to sell my former residence in the United States at Government expense when I am transferred from my current foreign post of duty to an official station in the United States other than the one I left?

No, you are not required to repay any property management expenses paid by your agency if you elect to sell your former residence in the United States when transferred from your post of duty to an official station in the United States. The authority for your agency to pay for property management services under this part when you are transferred to a foreign post of

§ 302-15.10

duty arises from your transfer to the foreign post of duty. It is separate from, and in addition to, the authority to sell your residence at Government expense when you are transferred to an official station in the United States other than the official station from which you were transferred to the foreign post of duty.

§ 302-15.10 How long may my agency pay under this part?

Your agency may pay:

(a) For transfers within the United States for a period not to exceed one year from your effective date of transfer, with up to a 1-year extension, under the same conditions required in § 302-11.21 of this chapter; or

(b) From the time you transfer to a foreign area post of duty until you:

(1) Transfer back to an official station in the United States; or

(2) Complete a service agreement at your post of duty and remain there, but do not sign a new service agreement; or

(3) Separate from Government service.

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

§ 302-15.11 If my agency authorized, and I elected to receive, payment for property management expenses, may I later elect to sell my residence at Government expense?

Yes, you may change your selection from receiving property management expenses to selling your residence at Government expense provided:

(a) Your agency allows you to change your election of payment from property management expenses to the sale of your residence at Government expense; and

(b) Payment for sale of your residence at Government expense is offset in accordance with your agency's policy established under § 302-15.70(d).

41 CFR Ch. 302 (7-1-24 Edition)

§ 302-15.12 If my agency is paying for property management services under this part and my service agreement expires, what must I do to ensure that payment for property management services continues?

You must sign a new service agreement (see § 302-2.14 of this chapter) to continue to this benefit.

[FTR Amdt. 98, 66 FR 58196, Nov. 20, 2001, as amended by FTR Amdt. 2014-01, 79 FR 49645, Aug. 21, 2014]

§ 302-15.13 What are the income tax consequences when my agency pays for my property management services?

When your agency pays for your property management services, you will be taxed on the amount of expenses your agency pays for property management services whether it reimburses you directly or whether it pays a relocation services company to manage your residence. Your agency must pay you a relocation income tax (RIT) allowance for the additional Federal, State and local income taxes you incur on property management expenses it reimburses you or pays on your behalf.

NOTE TO § 302-15.13: You may wish to consult with a tax advisor to determine whether you will incur any additional tax liability, unrelated to your agency's payment of your property management expenses, as a result of maintaining your residence as a rental property.

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

Subpart B—Agency Responsibilities

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

§ 302-15.70 What governing policies must we establish for the allowance for property management services?

You must establish policies and procedures governing:

(a) When you will authorize payment for property management services for an employee who transfers in the interest of the Government;

(b) When it is appropriate to authorize this service on a reimbursable basis to the employee, rather than paying

Relocation Allowances

§ 302-15.70

the property management company directly, as long as any reimbursement is equal to or less than the agency negotiated rate for this service (agencies may require that employees hire only licensed and/or certified property managers).

(c) Who will determine, for relocations to official duty stations in the United States, whether payment for property management services is more advantageous and cost effective than sale of an employee's residence at Government expense;

(d) If and when you will allow an employee who was offered and accepted payment for property management

services to change the employee's residence at Government expense in accordance with paragraph (e) of this section; and

(e) How you will offset expenses you have paid for property management services against payable expenses for sale of the employee's residence when an eligible employee who elected payment for property management services later changes their mind and elects instead to sell their residence at Government expense.

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