

temporary quarters is justified in connection with an employee's transfer to a new official station. You may not authorize a TQSE allowance for vacation purposes or other reasons unrelated to the transfer.

**§ 302-5.303 What factors should we consider in determining whether the TQSE allowance actually is necessary?**

The factors you should consider include:

(a) *The length of time the employee should reasonably be expected to occupy his/her residence at the old official station prior to reporting for duty at the new official station.* An employee and his/her immediate family should continue to occupy the residence at the old official station for as long as practicable to avoid the necessity for temporary quarters.

(b) *The existence of less expensive alternatives.* If a less expensive alternative to the TQSE allowance exists that will enable the employee to find permanent quarters at the new official station, you should consider such an alternative. For example, authorize a househunting trip instead of temporary quarters if it would cost less overall.

(c) *The existence of other opportunities to arrange for permanent quarters.* Consider whether the employee had other adequate opportunity to arrange for permanent quarters. For example, you should not authorize temporary quarters if the employee had adequate opportunity during an extended temporary duty assignment to arrange for permanent quarters.

**§ 302-5.304 What factors should we consider in determining whether to offer an employee the fixed amount TQSE reimbursement option?**

The factors you should consider include:

(a) *Ease of administration.* Actual TQSE reimbursement requires an agency to review claims for the validity, accuracy, and reasonableness of each expense amount. Fixed amount TQSE reimbursement does not require review of expense amounts and is therefore easier to administer.

(b) *Cost considerations.* You must weigh the cost of each alternative. Actual TQSE reimbursement may extend up to 120 consecutive days, while fixed amount TQSE reimbursement is limited to 30 days. Actual TQSE reimbursement may be less expensive, since its ceiling is based on the standard CONUS rate, while fixed amount TQSE reimbursement is based on the locality per diem rate. However, fixed amount TQSE reimbursement may be less expensive

because the maximum daily rate under actual TQSE reimbursement is a higher percentage of the applicable per diem rate than fixed amount TQSE reimbursement.

(c) *Treatment of employee.* The employee is allowed to choose between actual TQSE reimbursement and fixed amount TQSE reimbursement when you offer the fixed amount TQSE reimbursement method. You therefore should weigh employee morale and productivity considerations against actual cost considerations in determining which method to offer.

**§ 302-5.305 What factors should we consider in determining whether quarters are temporary?**

In determining whether quarters are "temporary", you should consider factors such as the duration of the lease, movement of household effects into the quarters, the type of quarters, the employee's expressions of intent, attempts to secure a permanent dwelling, and the length of time the employee occupies the quarters.

Dated: March 17, 1997.

**Thurman M. Davis, Sr.,**  
Acting Administrator of General Services.  
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**41 CFR Part 302-15**

[FTR Amendment 60]

RIN 3090-AG21

**Federal Travel Regulation; Property Management Services**

**AGENCY:** Office of Governmentwide Policy, GSA.

**ACTION:** Final rule.

**SUMMARY:** This final rule amends the Federal Travel Regulation (FTR) to allow an agency to pay for property management services when an employee transfers in the interest of the Government. This amendment will save the Government money when property management services are substituted for the sale, at Government expense, of an employee's residence.

**DATES:** This final rule is effective March 22, 1997, and applies to an employee whose effective date of transfer (date the employee reports for duty at the new official station) is on or after March 22, 1997.

**FOR FURTHER INFORMATION CONTACT:** Robert A. Clauson, Travel and Transportation Management Policy Division (MTT), Washington, DC 20405, telephone 202-501-0299.

**SUPPLEMENTARY INFORMATION:** A multi-agency travel reinvention task force was organized in August 1994 under the auspices of the Joint Financial Management Improvement Program (JFMIP) to reengineer Federal travel rules and procedures. The task force developed 25 recommended travel management improvements published in a JFMIP report entitled *Improving Travel Management Governmentwide*, dated December 1995. On September 23, 1996, the President signed into law the Federal Employee Travel Reform Act of 1996 (Pub. L. 104-201), which included 8 legislative changes recommended by the JFMIP to improve travel and the delivery of relocation services.

This amendment implements section 1714 of the Act which provides the General Services Administration (GSA) authority to issue regulations which authorize agencies to pay for property management services. This amendment is written in the "plain English" style of regulation writing as a continuation of GSA's effort to make the FTR easier to understand and to use.

**What are "property management services"?**

"Property management services" are services, offered by a company, which assist a transferee in retaining and renting, rather than selling, his/her residence at the old official station.

**How may property management services be obtained?**

The employee may obtain the services directly and be reimbursed, or the agency may contract with a relocation services company to provide these services.

**Must an agency authorize payment for property management services?**

No. The agency has the option of offering this, as one way of managing the sale of a residence in connection with a relocation; it is intended to provide flexibility for agencies and transferees.

**Under what circumstances may an agency pay for property management services?**

An agency may pay for property management services when an employee transfers to a foreign area. An agency also may pay for property management services instead of the sale of an employee's residence at Government expense when an employee assigned to a foreign post of duty is transferred back to a different

nonforeign area official station than the one he/she left when transferred to a foreign area.

### What is the "plain English" style of regulation writing?

The "plain English" style of regulation writing is a new, simpler to read and understand, question and answer regulatory format. Questions are in the first person, and answers are in the second person. GSA uses a "we" question when referring to an agency, and an "I" question when referring to the employee.

### How does the plain English style of regulation writing affect employees?

A question and its answer combine to establish a rule. The employee and the agency must follow the language contained in both the question and its answer.

GSA has determined that this rule is not a significant regulatory action for the purposes of Executive Order 12866 of September 30, 1993. This final rule is not required to be published in the **Federal Register** for notice and comment. Therefore, the Regulatory Flexibility Act does not apply. This rule also is exempt from Congressional review prescribed under 5 U.S.C. 801 since it relates solely to agency management and personnel.

### List of Subjects in 41 CFR Part 302-15

Government employees, travel and transportation expenses.

For the reasons set out in the preamble, 41 CFR part 302-15 is added to read as follows:

## 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 is a "nonforeign area"?
  - 302-15.3 What is a "foreign area"?
  - 302-15.4 What are the purposes of the allowance for property management services?
  - 302-15.5 In what situations may my agency authorize payment for property management services?
  - 302-15.6 Must my agency authorize payment for property management services?
  - 302-15.7 What are the income tax consequences when my agency pays for my property management services?
  - 302-15.8 Who is not eligible for payment for property management services?

### Subpart B—Payment for Property Management Services for Employees Transferred to a Foreign Area Post of Duty

- 302-15.100 Am I eligible for payment for property management services under this subpart?
- 302-15.101 Will my agency pay for property management services when I transfer to a foreign area post of duty?
- 302-15.102 For what property may my agency authorize payment under this subpart?
- 302-15.103 How long may my agency pay under this subpart?
- 302-15.104 If my agency is paying for property management services under this subpart and my service agreement expires, what must I do to ensure that payment for property management services continues?
- 302-15.105 Must I repay property management expenses my agency paid under this subpart if I elect to sell my nonforeign area residence at Government expense when I am transferred from my current foreign area post of duty to a different nonforeign area official station than the one I left?

### Subpart C—Payment for Property Management Services for Employees Transferred to a Nonforeign Area From a Foreign Area

- 302-15.200 Am I eligible for payment for property management services under this subpart?
- 302-15.201 Under what circumstances will my agency authorize payment under this subpart?
- 302-15.202 When my agency authorizes payment for me under this subpart, am I obligated to use such services, or may I elect instead to sell my residence at Government expense?
- 302-15.203 For what property may my agency authorize payment under this subpart?
- 302-15.204 How long may my agency pay under this subpart?
- 302-15.205 If my agency authorized, and I elected to receive, payment under this subpart, may I later elect to sell my residence at Government expense?

### Subpart D—Agency Responsibilities

- 302-15.300 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, 36 FR 13474, 3 CFR, 1971-1975 Comp., p. 586.

### Subpart A—General Rules for the Employee

**Note to subpart A:** Use of the pronouns "I" and "you" 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 his/her 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.

#### § 302-15.2 What is a "nonforeign area"?

A "nonforeign area" is the United States, its territories or possessions, the Commonwealths of Puerto Rico or the Northern Mariana Islands, or the former Canal Zone area (i.e., areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements (as described in 22 U.S.C. 3602(a))).

#### § 302-15.3 What is a "foreign area"?

A "foreign area" means any area that is not a "nonforeign area", as defined in § 302-15.2.

#### § 302-15.4 What are the purposes of the allowance for property management services?

The purpose is to reduce overall Government relocation costs when used instead of sale of the employee's residence at Government expense. When authorized in connection with an employee's transfer to a foreign area post of duty, the purpose is to relieve the employee of the costs of maintaining a home in a nonforeign area while stationed at a foreign area post of duty.

#### § 302-15.5 In what situations may my agency authorize payment for property management services?

Your agency may authorize payment when:

(a) You transfer in the interest of the Government to a foreign area post of duty; or

(b) You are transferred back to a different nonforeign area official station than the one you left when you were transferred to a foreign area, and you are otherwise eligible for the sale of your residence at Government expense.

#### § 302-15.6 Must my agency authorize payment for property management services?

No, your agency determines when it is in the Government's interest to authorize payment for these services and what procedures you must follow when it authorizes such payment.

**§ 302-15.7 What are the income tax consequences when my agency pays for my 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. 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.

**§ 302-15.8 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 within a nonforeign area.

**Subpart B—Payment for Property Management Services for Employees Transferred to a Foreign Area Post of Duty**

**Note to subpart B:** Use of the pronouns "I" and "you" throughout this subpart refers to the employee.

**§ 302-15.100 Am I eligible for payment for property management services under this subpart?**

Yes, when your transfer to a foreign area post of duty is in the interest of the Government and you and/or a member(s) of your immediate family hold title to a residence which you would be eligible to sell at Government expense under part 302-6 or 302-12 of this chapter if you were transferred to or within a nonforeign area.

**§ 302-15.101 Will my agency pay for property management services when I transfer to a foreign area post of duty?**

Yes, when:

- (a) Your agency authorizes payment for your property management services;
- (b) You have signed a service agreement; and
- (c) You meet any additional conditions that your agency has established.

**§ 302-15.102 For what property may my agency authorize payment under this subpart?**

Payment may be authorized only on your residence at the last nonforeign area official station from which you transferred to a foreign area post of duty.

**§ 302-15.103 How long may my agency pay under this subpart?**

Your agency may pay from the time you transfer to a foreign area post of duty until one of the following occurs:

- (a) You transfer back to an official station in a nonforeign area;
- (b) You complete a service agreement at your post of duty and remain there, but do not sign a new service agreement; or
- (c) You separate from Government service.

**§ 302-15.104 If my agency is paying for property management services under this subpart 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.

**§ 302-15.105 Must I repay property management expenses my agency paid under this subpart if I elect to sell my nonforeign area residence at Government expense when I am transferred from my current foreign area post of duty to a different nonforeign area official station than the one I left?**

No. The authority for your agency to pay for property management services under this subpart when you are transferred to a foreign area is separate from, and in addition to, the authority to sell your residence at Government expense under part 302-6 or 302-12 of this chapter, or to pay property management services under subpart C of this part.

**Subpart C—Payment for Property Management Services for Employees Transferred to a Nonforeign Area From a Foreign Area to Subpart C**

**Note:** Use of the pronouns "I" and "you" throughout this subpart refers to the employee.

**§ 302-15.200 Am I eligible for payment for property management services under this subpart?**

Yes, when:

- (a) You transfer in the interest of the Government back to a different nonforeign area official station than the one you left when you transferred to a foreign area; and
- (b) You and/or a member(s) of your immediate family hold title to a residence which you are eligible to sell at Government expense under part 302-6 or 302-12 of this chapter.

**§ 302-15.201 Under what circumstances will my agency authorize payment under this subpart?**

Your agency will authorize payment under this subpart when:

- (a) Your agency has determined that payment for property management

services is more advantageous and cost effective for the Government than sale of your residence;

- (b) You have signed a service agreement incident to your transfer back to a nonforeign area; and
- (c) You meet any additional conditions that your agency has established.

**§ 302-15.202 When my agency authorizes payment for me under this subpart, 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.

**§ 302-15.203 For what property may my agency authorize payment under this subpart?**

Your agency may authorize payment only on your residence at the old nonforeign area official station.

**§ 302-15.204 How long may my agency pay under this subpart?**

Your agency may pay for a period not to exceed two years from your effective date of transfer.

**§ 302-15.205 If my agency authorized, and I elected to receive, payment under this subpart, may I later elect to sell my residence at Government expense?**

Yes, provided:

- (a) Your agency allows you to change your election of payment for property management expenses to an election of sale of your residence at Government expense; and
- (b) Payment for the sale of your residence at Government expense is offset in accordance with your agency's policy established under § 302-15.300(d).

**Subpart D—Agency Responsibilities**

**Note to subpart D:** Use of the pronouns "we" and "you" throughout this subpart refers to the agency.

**§ 302-15.300 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 to a foreign area post of duty;
- (b) Who will determine whether payment for property management services is appropriate when an employee transfers to a foreign area post of duty;

(c) The circumstances under which you will authorize an employee who is eligible under this part for property management services to elect the use of property management services instead of the sale of his/her residence at Government expense under part 302-6 or 302-12 of this chapter;

(d) Who will determine whether payment for property management services is more advantageous and cost effective than sale of an employee's residence at Government expense;

(e) If and when you will allow an employee who was offered and accepted payment for property management services under subpart C of this part to change his/her mind and elect instead to sell his/her residence at Government expense, and who will make that determination; and

(f) 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 his/her mind and elects instead to sell his/her residence at Government expense.

Dated: March 17, 1997.

**Thurman M. Davis, Sr.,**  
Acting Administrator of General Services.  
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#### 41 CFR Part 302-14

[FTR Amendment 61]

RIN 3090-AG22

#### Federal Travel Regulation; Home Marketing Incentive Payments

**AGENCY:** Office of Governmentwide Policy, GSA.

**ACTION:** Final rule.

**SUMMARY:** This final rule amends the Federal Travel Regulation (FTR) to allow an agency to pay a home marketing incentive to a transferred employee who uses the agency's homesale program provided by a relocation services company under contract with the Government and who independently and aggressively markets, and finds a bona fide buyer for, his/her residence resulting in significantly lower fee/expense payments the agency must make to the relocation services company. This amendment will save the Government money through reduced payments to relocation services companies and will increase employee satisfaction with the relocation process.

**DATES:** This final rule is effective March 22, 1997, and applies to an employee whose effective date of transfer (date the employee reports for duty at the new official station) is on or after March 22, 1997.

**FOR FURTHER INFORMATION CONTACT:** Robert A. Clauson, Travel and Transportation Management Policy Division (MTT), Washington, DC 20405, telephone 202-501-0299.

**SUPPLEMENTARY INFORMATION:** A multi-agency travel reinvention task force was organized in August 1994 under the auspices of the Joint Financial Management Improvement Program (JFMIP) to reengineer Federal travel rules and procedures. The task force developed 25 recommended travel management improvements published in a JFMIP report entitled *Improving Travel Management Governmentwide*, dated December 1995. On September 23, 1996, the President signed into law the Federal Employee Travel Reform Act of 1996 (Pub. L. No. 104-201), which included 8 legislative changes recommended by the JFMIP to improve travel and the delivery of relocation services.

This amendment implements section 1717 of the Act which provides the General Services Administration (GSA) authority to issue regulations which authorize agencies to pay a home marketing incentive to a transferred employee to facilitate sale of the employee's residence at the old official station at lower overall cost to the Government when the employee uses the agency's homesale program provided by a relocation services company under contract with the Government. This amendment is written in the "plain English" style of regulation writing as a continuation of GSA's effort to make the FTR easier to understand and to use.

#### What is a "homesale program"?

A program under which a relocation services company, under contract with the agency, purchases a transferred employee's residence at fair market (appraised) value and then independently markets and sells the residence.

#### What is the "home marketing incentive payment"?

This is a payment an agency makes to its transferred employee to encourage the employee to independently and aggressively market his/her residence and find a bona fide buyer, thereby reducing the fee/expenses the agency must pay the relocation services company. The amount of the incentive

payment may not exceed five percent of the price the relocation services company paid the employee for his/her residence, or the savings the agency realized from the reduced fee/expenses it paid.

#### Why would an agency want to institute a home marketing incentive payment program?

With this type of program, the sum of the incentive payment and the reduced payment to the relocation services company is less than the fee/expenses the agency must pay the relocation services company when the company has to find a buyer for the residence.

#### What is the "plain English" style of regulation writing?

The "plain English" style of regulation writing is a new, simpler to read and understand, question and answer regulatory format. Questions are in the first person and answers are in the second person. GSA uses a "we" question when referring to an agency and an "I" question when referring to the employee.

#### How does the plain English style of regulation writing affect employees?

A question and its answer combine to establish a rule. The employee and the agency must follow the language contained in both the question and its answer.

GSA has determined that this rule is not a significant regulatory action for the purposes of Executive Order 12866 of September 30, 1993. This final rule is not required to be published in the **Federal Register** for notice and comment. Therefore, the Regulatory Flexibility Act does not apply. This rule also is exempt from Congressional review prescribed under 5 U.S.C. 801 since it relates solely to agency management and personnel.

#### List of Subjects in 41 CFR Part 302-14

Government employees, Travel and transportation expenses.

For the reasons set out in the preamble, 41 CFR part 302-14 is added to read as follows:

#### 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?