



United States Department of the Interior


OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240



SEP 22 2006

Memorandum

To: Solicitor
Inspector General
Assistant Secretaries
Heads of Bureaus
Departmental Offices

From: Daniel L. Fletcher 
Director, Office of Financial Management

Subject: Home Marketing Incentive Payments (HMIP) –Revised

The purpose of the home marketing incentive program is to reduce the total cost associated with relocating an employee. All employees participating in the relocation services program may receive a home marketing incentive payment by successfully marketing his/her residence in accordance with the provisions of Financial Administration Memorandum No. 97 – 014 which states the amount of the incentive payment will be the lesser of: 1) five percent of the price the third party relocation service contractor paid the employee for the residence or, 2) the government savings resulting from the amended value sale.

Currently, the Department determines when a move is in the Government's best interest to offer an employee a home marketing incentive as well as the amount of the HMIP. An employee being transferred for personal benefit or convenience is not entitled to relocation allowances or eligible for participation in the relocation services home sale program.

Our goal is to reduce our overall relocation costs by not making a payment that exceeds the savings realized from the reduced fees we pay a relocation services company. Therefore this amendment reduces the HMIP percentage from five (5) percent to three (3) percent not to exceed \$10,000. If in FY04 and FY05 DOI had limited the amount of the HMIP to 3% not to exceed \$10,000, the Department would have saved \$2.25 million.

Effective October 1, 2006, the Home Marketing Incentive Payment for all eligible DOI employees transferred for the benefit of the Government will be limited to 3% of the selling price of the residence, not to exceed \$10,000. If temporary quarters are occupied for more than 60 days at the Department's expense, the transferring employee will not be entitled to a HMIP. This policy applies to all PCS moves wherein the travel authorization is signed on or after October 1, 2006.

Exceptions to this policy will be considered by the Assistant Secretary – Policy, Management and Budget. A request for an exception must include: the name of the relocating employee; the date of the anticipated move; the location moving to and from; a detailed statement explaining the reason for deviating from Department policy. The memorandum must initially confirm approval with a signature from the relocating employee's approving official, followed by concurrence from the Office of Financial Management, with final authorization by the Assistant Secretary PMB.

The process for receiving a HMIP is: Employee requests and is approved for the home sale program. Prior to accepting the contractor's offer, the employee finds a buyer for the home. The relocation service contractor determines it is a bona fide offer and a qualified buyer. Calculate the savings by subtracting the Government's cost of the amended value sale from the appraised value sale. Multiply the amount the contractor paid the employee for the property by 3%. The total HMIP due the employee may not exceed the lesser of: three percent of the price the relocation service company paid when it purchased the residence from the employee; \$10,000; or the savings realized from the reduced fee/expenses paid as a result of the employee finding a bona fide buyer.

DOI will review the results of the HMIP annually to determine if the program continues to result in a cost saving to the Department. The Department will provide a notice of three months prior to discontinuing the award program, if it is determined, as a result of the annual review, that the continuation of the program is not cost effective.