



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

January 26, 2012

CBCA 2660-RELO

In the Matter of WILLIAM DERRICK

William Derrick, Beavercreek, OH, Claimant.

Sheila Melton, Director, Travel Functional Area, Enterprise Solutions and Standards, Defense Finance and Accounting Service, Indianapolis, IN, appearing for Department of Defense.

GOODMAN, Board Judge.

The Department of Defense (DoD) has requested an advance decision from this Board under 31 U.S.C. § 3529 (2006). This Board has been asked to advise whether claimant, William Derrick, a civilian employee of DoD, should be reimbursed for certain costs that he incurred during a permanent change of station (PCS) move.

Background

The agency issued PCS orders to claimant on September 9, 2009, transferring him from Salt Lake City, Utah, to Fort Worth, Texas. Claimant completed his relocation on October 23, 2009. His PCS orders authorized a miscellaneous expense allowance (MEA). Under the Federal Travel Regulation (FTR) and the Joint Travel Regulations (JTR), the purpose of a MEA is to reimburse various costs (e.g., moving household furnishings/appliances and other residence-relocation expenses) associated with an authorized PCS residence relocation.

Claimant moved a hot tub from his residence at the old duty station to his residence at the new duty station. He seeks \$4850 as a MEA reimbursement of the costs associated with adapting his new home to accommodate the hot tub - \$3200 to retrofit and upgrade the

existing 150-amp electrical power box in the new residence to allow for connection of the hot tub and \$1650 to install a 50-amp circuit for the hot tub as required by the building code.

Discussion

The FTR reads in applicable part:

What are miscellaneous expenses?

(a) Miscellaneous expenses are costs associated with:

- (1) Discontinuing your residence at your old official station, and/or
- (2) Establishing a residence at your new official station.

(b) Expenses allowable under paragraphs (a)(1) or (a)(2) of this section include, but are not limited to the following:

General Expenses . . .

Appliances - Fees/deposits: For disconnecting appliances, equipment, utilities, . . . conversion of appliances for operation on available utilities.

41 CFR 302–16.1 (2009).

What is the purpose of the miscellaneous expenses allowance (MEA)?

The miscellaneous expenses allowance (MEA) is to help defray some of the costs incurred due to relocating. The MEA is related to expenses that are common to living quarters, furnishings, household appliances, and to other general types of costs inherent in relocation of a place of residence.

41 CFR 302–16.2.

Are there any restrictions to the types of costs we may cover?

Yes, a MEA cannot be used to reimburse . . .

Costs or expenses incurred for reasons of personal taste or preference and not required because of the move.

41 CFR 302–16.202(d).

What are examples of types of costs not covered by the MEA?

Costs incurred in connections (sic) with structural alterations (remodeling or modernizing of living quarters, garages, or other buildings to accommodate privately-owned automobiles, appliances, or equipment; or the cost of replacing worn-out or defective appliances, or equipment shipped to the new location).

41 CFR 302–16.203(l).

The JTR, which also apply to civilian employees of the DoD, contain substantially similar provisions. See JTR C5300-A; C5310-D.1, -E.4, -E.20.

These regulations refer to appliances, equipment, and personal preference items. We need not determine if a hot tub is an appliance, equipment, or personal preference item – as asserted by the agency – because the result is the same regardless of the determination. The regulations do not allow reimbursement of the cost to upgrade the electrical system in a new residence into compliance with the building code to meet the electrical requirements of an appliance or equipment moved from the residence at the previous duty station. Rather, the regulations allow reimbursement of fees and costs for connecting appliances to existing utilities or converting the appliances to work on existing utilities.¹ The costs for which claimant seeks reimbursement are not such costs.

¹ Claimant contends that the costs at issue are no different than those expenses mentioned in *Mary Sue Hay*, GSBICA 16104-RELO, 03-2 BCA ¶ 32,355, where our predecessor board that resolved relocation claims stated hypothetically that costs of installation of a security system would have been allowed had an employee disconnected the security system at the residence at the old duty station and installed the system in the residence at the new duty station. In that case the board did not address alterations to the electrical system, as those associated costs were not at issue and, as here, are expressly prohibited.

Decision

The costs at issue are not reimbursable to claimant.

ALLAN H. GOODMAN
Board Judge