GENERAL SERVICES ADMINISTRATION

41 CFR Parts 301-11 and 301-70

[FTR Amendment 2016-02, FTR Case 2015-304; Docket No. 2015-0017,
Sequence No. 1]

RIN 3090-AJ56

Federal Travel Regulation; Clarifying Agency Responsibilities Concerning Reimbursement for Automatic Teller Machine (ATM) Fees and Laundry, Cleaning and Pressing of Clothing Expenses

AGENCY: Office of Government-wide Policy (OGP), General Services Administration (GSA).

ACTION: Final rule.

SUMMARY: GSA is amending the Federal Travel Regulation (FTR) by clarifying the regulations regarding reimbursement for Automatic Teller Machine (ATM) fees and laundry, cleaning, and pressing of clothing expenses.

DATES: Effective: [Insert date of publication in the Federal Register.]

Applicability: Federal agencies have until [Insert 60 days after date of publication in the Federal Register] to apply this rule to their internal policies.

FOR FURTHER INFORMATION CONTACT: For clarification of content, contact Mr. Cy Greenidge, Program Analyst, Office of Government-wide Policy, at 202-219-2349. For more information pertaining to status or publication schedules, contact the Regulatory Secretariat (MVCB), 1800 F Street
SUPPLEMENTARY INFORMATION:

A. Background

GSA published a proposed rule in the Federal Register on January 8, 2016 (81 FR 883). The rule proposed to amend the FTR by expanding the definition of “incidental expenses” (IE) to include ATM fees. Additionally, the rule proposed to amend the FTR by clarifying that agencies have discretion regarding the reimbursement of expenses related to laundry, cleaning, and pressing of clothing for official travel within CONUS that involves four or more consecutive nights of lodging.

The public had 60 calendar days to comment on the proposed rule. GSA received 22 comments from 19 respondents. Two respondents opposed the amendment in general, eleven addressed only the inclusion of ATM fees in the definition of IE, two addressed only the clarification concerning the final approval authority for the reimbursement for laundry, cleaning, and pressing of clothing expenses, three addressed both the proposed IE definition change and the laundry reimbursement clarification (which have been broken out separately below
for ease of response), and one was out of scope. Some of these comments resulted in changes to this final rule.

B. Analysis of Public Comments

The two comments that opposed the amendment in general are summarized below:

Comment: If travel is required to do mission related duties, how can there be a cap on the travel related expenses? The employee should not have to pay out of pocket to do their job.

Comment: As a government engineer, I am already paid less than my private industry counterparts and now it appears that I am expected to pay my own travel expenses as well.

Response: The final rule changes will have a minimal impact on employee reimbursements for official travel. When necessary to fairly compensate travelers, agencies will retain the discretion to authorize the reimbursement for the cost of ATM fees and/or the cost for laundry, cleaning, and pressing of clothing services while employees are on official travel within CONUS for four or more consecutive nights.

The fourteen comments concerning ATM fees being included in the definition of IE are summarized below:
Comment: Proposing to change ATM fees to incidental expenses as part of per diem is patently unfair to Federal employees. You would be forcing employees ordered to travel (many times against the will or convenience of employees) as part of their work duties to subsidize the Federal government's operating costs especially considering the expensive costs of eating at restaurants in many cities.

Comment: An employee conducting official business for the government should not be required to use personal funds to augment travel costs. We do not have control over the fees charged by the banks for using their ATMs and we do not have control over fees for "cash advance" charged by the government credit card issuer.

Comment: This is not a fair assessment to move the expense of ATM fees under the incidental expense included in the M&IE. It would cause the traveler to come out of pocket for official business.

Comment: Moving ATM fees from miscellaneous expenses to incidental expenses means that employees of official travel will have to use per diem funds to pay for ATM fees instead of those available for meals and lodging.

Comment: Employees on short trips will receive insufficient incidental expense reimbursement to reimburse
the employee for all ATM fees incurred, thereby requiring
the employee to pay for the ATM fees out-of-pocket. The
proposal also gives agencies the discretion to determine
when an employee will be separately reimbursed for ATM fees
even though the fees are part of incidental expense
allowance. We believe this will result in a
disproportionate increase in administrative time required
to determine when ATM fees are payable as miscellaneous
expenses when compared to any cost savings realized from
the proposed regulatory change.

Comment: Moving the ATM fee from a miscellaneous
expense to an incidental expense puts the burden of
government travel onto the traveler which shouldn't be
allowed. There are times when an employee might be on
travel for a week or more and the ATM fee (with the foreign
ATM fee and .025 fee of the total amount) would easily
exceed the $5 incidental expense allowance. This goes
against the precept that it should not cost the employee to
conduct government business (travel).

Comment: The $5 limit for incidental expenses will be
inadequate to reimburse the actually incurred expenses of
employees who use their Citi Travel Cards to obtain cash
advances for their TDY. This proposed rule change does not
appear to account for these reasonably anticipated costs it
will prohibit agencies from reimbursing, to the detriment of employees on TDY.

Comment: My agency has put in place restrictions on how much cash we are able to get from ATMs, despite the fact we are advised in many countries to only use cash and not the credit card due to fraud. In all cases we are assessed an ATM fee in the foreign country and again by the travel card. This proposed regulation may mean I end up eating some or all of these costs on my own.

Comment: I disagree with including ATM services and fees as part of per diem allowance. Our agency has a large number of traveler's that use the ATM to get advanced funds.

Comment: Section 301-12.1 removes ATM fee as a miscellaneous travel expense and does not give agencies discretion to pay ATM fees as a miscellaneous expense. Section 300-70.200 (h) implies that an agency or approving official can determine if the ATM fees can be paid as a separate miscellaneous expense, if warranted (e.g., forced gratuity or other incidental expenses, which may exhaust the allowance to cover the cost of ATM fees). Sections 301-12.1 and 300-70.200 are contradictory and need to be revised.
Comment: If GSA wishes to embed the ATM fees inside the incidental expenditures part of the traveler reimbursement, then GSA should do a nation-wide survey on incidental expenses. If GSA is unwilling to update the incidental expenses inside CONUS, then the ATM fees should remain a miscellaneous expense reimbursement, fully reimbursable for federal employees.

Comment: It is unfair to make them pay these mandated fees which will easily exceed the daily incidental rate. Unlike the USA where taxi, bus, and even the smallest restaurants accept travel cards as payment, many international locations require local cash currency for valid travel related expenses. It is unfair to expect employees to pay for the required currency transaction, exchange rate, ATM surcharges and travel card cash advance fees when this entire system was put in place for government convenience and to reduce government costs by eliminating cashiers necessary to dispense foreign travel currency.

Comment: It is not fair that reimbursement for ATM fees for the use of the government card will no longer be a separate miscellaneous item, but will be lumped in with the incidental expenses. The incidental expenses are those that we, as travelers may or may not choose to make. We are
required to expend the ATM fees for the use of the
government card. This is because we are required by
Federal law to use the government travel card (and ONLY the
government travel card) when obtaining cash for travel.

Comment: The incidental fees for baggage, porters, etc. are discretionary based on the traveler's decision. ATM fees are not discretionary. A traveler is entitled to a cash advance for MI&E expenses which means incurring an ATM fee.

Response: Based upon these comments, GSA will neither add ATM fees to the definition for “incidental expenses,” nor amend FTR 301-70.200 regarding internal per diem policy, and will continue to list ATM fees as a miscellaneous expense. Agencies will continue to have discretion regarding the reimbursement of ATM fees. In those instances when directly using the Government contractor-issued travel charge card may not be feasible, the amendment to section 301-70.301 mandates agencies to establish policies and procedures governing who will determine if miscellaneous expense reimbursement is appropriate in connection with official travel, to include transaction fees for use of ATMs) when using the Government contractor-issued charge card. If there is a valid reason why the traveler cannot use the Government travel charge
for lodging and meals, agencies have the option to fully reimburse travelers for ATM fees. As a result, GSA has updated the language in this final rule based upon these comments.

The five comments that addressed clarification of the policy relating to laundry, cleaning, and pressing of clothing expenses are summarized below:

Comment: I have been involved with DoD travel vouchers and claims for over 30 years and recommend not to authorize laundry and dry cleaning as a reimbursable expense. Leave it as an incidental expense.

Comment: When TDY for more than a week, laundry usually has to be cleaned. While at the home station, most employees own washers and dryers to do their own laundry. Cleaning laundry while TDY is an added expense that would not otherwise exist and therefore should be covered by miscellaneous expenses and not incidentals.

Comment: The change makes the reimbursement for laundry, cleaning and pressing of clothing at the discretion of the agency. This will permit the agency to disallow these expenses entirely.

Comment: We recommend that GSA completely eliminate the reimbursement of laundry, dry cleaning, and pressing of clothing, as these expenses are not a direct consequence of
traveling. Employees would incur the same expenses for laundry, dry cleaning, and pressing of clothing at their official duty station if they were not in travel status.

**Comment:** 301-11.31 needs to include a minimum number of days or proof of expense must be provided. We have no way of proving if the expense actually occurred, except for dry cleaning. If you make this expense more lenient, we will have traveler's claiming laundry for a single overnight stay.

**Response:** The cost of laundry, cleaning, and pressing of clothing services will continue to be treated as a discretionary, miscellaneous expense. The change in regulatory language is intended to clarify that agencies are responsible for making the final decision with respect to approving this type of expense. Although the FTR stipulates that a TDY trip must be at least four consecutive nights for the traveler to be eligible for reimbursement of laundry and dry cleaning expenses, agencies have the discretion to establish a higher number of minimum nights. Additionally, agencies may choose to deny reimbursement for any laundry, dry cleaning, and clothes pressing expenses. The agency's internal policies should address what the agency will require for the traveler to receive approval for reimbursement for these
expenses. This, GSA will not change the language in the amendment based upon these comments.

The following comment was out of scope as it does not pertain to the subject matter of this amendment, and as a result, no change will be made in response:

Comment: With everyone having computers, why is there a need for so much travel? Video conferencing costs a fraction of sending ten people to Los Angeles for a convention.

C. Major Changes in This Final Rule

Based upon the comments received, this final rule does not include ATM fees within the definition of “incidental expenses,” but rather leaves reimbursement of these expenses as a miscellaneous expense, and further clarifies that reimbursement for these fees is within the agency’s discretion.

D. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives, and if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both
costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. GSA has determined that this final rule is not a significant regulatory action is not subject to review under section 6(b) of Executive Order 12866. GSA has further determined that this final rule is not a major rule under 5 U.S.C. 804.

E. Regulatory Flexibility Act

This final rule will not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq. This final rule is also exempt from the Administrative Procedure Act pursuant to 5 U.S.C. 553(a)(2) because it applies to agency management or personnel.

F. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the changes to the FTR do not impose recordkeeping or information collection requirements, or the collection of information from offerors, contractors, or members of the public that require the approval of the Office of Management and Budget (OMB) under 44 U.S.C. 3501, et seq.

G. Small Business Regulatory Enforcement Fairness Act

This final rule is also exempt from Congressional review prescribed under 5 U.S.C. 801. This final rule is not a major rule under 5 U.S.C. 804.
List of Subjects in 41 CFR Parts 301-11 and 301-70.

Government employees, Travel and transportation expenses; Administrative practice and procedures, and Individuals with disabilities.


Denise Turner Roth,
Administrator of General Services.
For the reasons set forth in the preamble, pursuant to 5 U.S.C. 5701-5711, GSA amends 41 CFR parts 301-11 and 301-70 as set forth below:

PART 301-11—PER DIEM EXPENSES

1. The authority citation for 41 CFR part 301-11 continues to read as follows:

   **Authority:** 5 U.S.C. 5707.

2. Revise § 301-11.31 to read as follows:

   §301-11.31 Are laundry, cleaning and pressing of clothing expenses reimbursable?

   Your agency may reimburse the expenses incurred for laundry, cleaning, and pressing of clothing as a miscellaneous travel expense for TDY within CONUS. However, you must incur a minimum of four consecutive nights lodging on official travel to qualify for this reimbursement. Laundry and dry cleaning expenses have not been removed from foreign per diem rates established by the Department of State, or from non-foreign area per diem rates established by the Department of Defense. Separate claims for laundry and dry cleaning expenses incurred in foreign areas and non-foreign areas are not allowed.

PART 301-70—INTERNAL POLICY AND PROCEDURE REQUIREMENTS

3. The authority citation for 41 CFR part 301-70 continues to read as follows:

4. Amend § 301-70.301 by revising paragraph (c) to read as follows:

§301-70.301 What governing policies must we establish for payment of miscellaneous expenses?

* * * * *

(c) Who will determine if other miscellaneous expenses are appropriate for reimbursement in connection with official travel, including but not limited to, fees for the use of automated teller machine (ATMs) when using the Government contractor-issued travel charge card and expenses for laundry, cleaning, and pressing of clothing.

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