

§ 302-15.1

§ 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 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 post of duty, the purpose is to relieve the employee of the costs of maintaining a home in the United States while stationed at a foreign post of duty.

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

Yes, when:

- (a) You transfer in the interest of the Government; 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.

§ 302-15.4 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. 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

41 CFR Ch. 302 (7-1-01 Edition)

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 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 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 are more advantageous and cost effective for the Government than sale of your residence;
- (3) You have signed a service agreement; and
- (4) You meet any other 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 (a)(4) of this section.

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

Payment may be authorized only on 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

Relocation Allowances

§ 302-15.70

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. The authority for your agency to pay for property management services under this part when you are transferred to a foreign post of duty arises from your transfer to the foreign post of duty and 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, a period not to exceed 2 years from your effective date of transfer, with up to a 1-year extension, under the same conditions required in § 302-6.1(e)(2) of this chapter; or

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

(1) You transfer back to an official station in the United States;

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

(3) You separate from Government service.

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

§ 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 § 302-1.5 of this chapter.)

§ 302-15.13 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.

Subpart B—Agency Responsibilities

NOTE TO SUBPART B: Use of the pronouns "we" and "you" 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) Who will determine, for relocations to official stations in the United States, whether payment for property management services is more advantageous and cost effective than sale of