



United States Department of the Interior

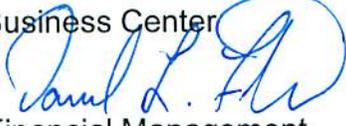
OFFICE OF THE SECRETARY
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FINANCIAL MANAGEMENT MEMORANDUM 2009-067 (Vol. X.A)

To: Bureau Chief Finance Officers
Bureau Assistant Directors for Administration
Director, National Business Center

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

Subject: Reporting of Delinquent Travel Advances as Taxable Income

The Assistant Secretary - Policy Management and Budget and Chief Financial Officer issued a memorandum on June 1, 1994, which provided guidance on collecting and reporting delinquent travel advances as taxable income.

The implementing regulation issued by the Internal Revenue Service (IRS) (**Federal Register**, No. 55, Monday, December 17, 1990, page 51690) specifically excludes reimbursements for moving expenses. Therefore, advances provided for moving expenses under a permanent change of station travel authorization are not to be reported as taxable income. However, if the relocation travel advance is in excess of the amount authorized in the Federal Travel Regulation for the relocation, the excess amount must be reported as taxable income.

Advances issued to cover the cost of relocation should be settled by the employee within 5 days after completion of each segment of the relocation process. Thus, a voucher should be filed after completion of the house hunting trip, the en route travel expenses, and at the end of each 30 day period of temporary quarters. When the relocation is delayed after the advance has been issued, the employee should be required to repay the advance immediately.

Action to recover relocation advances should be the same as that taken for advances issued for temporary duty, except delinquent advances will not be reported as taxable income. A relocation advance should be collected from the employee's salary when the employee refuses to file timely vouchers and/or repay the outstanding balance.

If you have any questions regarding this information or if you require additional information, please contact Robert Smith (Robert_Smith@ios.doi.gov) on 202-208-5684.

Replaces: FAM 94-041