



**United States
Department of
Agriculture**

Office of the Chief
Financial Officer

1400
Independence
Avenue, SW
Stop 9050
Washington, DC
20250

TO: Under Secretaries
Deputy Under Secretaries
Mission Area Administrators
Staff Office Heads

FROM: Candice Kinn
Chief Financial Officer (Acting)
Office of the Chief Financial Officer

SUBJECT: Implementation of USDA Lump-Sum Relocation Expense Test Program

This memorandum announces and launches the USDA Lump-Sum Relocation Expenses Pilot Program, which the United States General Services Administration (GSA) approved under 5 United States Code (U.S.C.) 5739 and Federal Travel Regulation (FTR) Part 302-18. The Program will run for four (4) years. Under 5 U.S.C. § 5739(e)(2)(B) and FTR § 302-18.4, the GSA Administrator may approve an extension for up to four (4) additional years.

Historically, the USDA typically completes about 1,691 relocations each year at an average cost of \$50,600 per move. The traditional process requires extensive documentation and lengthy reimbursement timelines. Under this Program, employees receive a single lump-sum payment, calculated using employee-specific data, to cover relocation allowances normally reimbursed under FTR § 302-3.100. The Program provides estimated relocation benefits up front as one payment, followed, when applicable, by subsequent payments for residence transactions.

This model aims to improve cost predictability, reduce administrative burden, shorten processing times, increase transparency and fairness, and strengthen workforce mobility during organizational change. This approach empowers employees to select and contract directly with the moving company of their choice. This flexibility gives them greater control, encourages competitive pricing, and removes the administrative burden and potential contract management liabilities from the agency.

Program policy requirements remain in effect until the test period ends unless or until updated due to changes in applicable laws or Department policies. Mission Areas, Agencies, and Staff Offices must follow this guidance when using the Program for relocation travel on USDA's behalf.

Each Mission Area, Agency, and Staff Office must update its guidance, processes, and procedures to comply with this policy within 90 calendar days of the publication date above.

POLICY

1. Mission Areas, Agencies, and Staff Offices may authorize a lump-sum payment to relocate employees instead of using the traditional travel-expense reimbursement method. This lump-sum payment covers relocation expenses (FTR § 302-3.100) and replaces the current system of reimbursing actual costs up to statutory limits.
2. This lump-sum policy only applies to Continental United States (CONUS) to CONUS relocations.
3. Only Transferees are eligible to participate in the lump-sum program.
4. Eligibility Requirements
Participation in the program is voluntary for employees not impacted by the USDA reorganization. Mission Area, Agency, and Staff Office leadership have the discretion to determine if program participation is mandatory for those impacted by the USDA reorganization, as identified in the Secretary's Memo 1078-015, *USDA Reorganization*.
 - a. The Mission Area, Agency, or Staff Office determines the relocation is in the Government's best interest.
 - b. The relocation must be between official duty stations within CONUS.
 - c. The relocation meets the distance test in FTR § 302-2.1(f).
 - d. The employee must sign a 12-month service agreement and meet the other terms of the service agreement.
 - If the employee fails to meet the 12-month service requirement for reasons beyond the employee's control, the Authorizing Official will determine whether the employee will be required to return any amounts previously reimbursed.
5. Lump-Sum Components
The lump-sum payment replaces reimbursement for relocation expenses under FTR § 302-3.100, except where noted. The lump-sum payment consists of the following estimated elements:
 - a. En Route Relocation Travel (ENR): Calculated using estimated transportation costs based on employee-specific travel distance from the old duty station to the new duty station.
 - b. Miscellaneous Expense Allowance (MEA): Fixed at the lump-sum amount set in the FTR bulletin:
 - Single employee: \$905.
 - Employees with dependents: \$1,810.
 - c. Household Goods (HHG) Shipment
 - Estimated using USDA's 3-year historical averages and tiered by residence size:
 - Studio/1 bedroom: 20%.
 - 2 bedrooms: 40%.
 - 3 bedrooms: 60%.
 - 4+ bedrooms: 80%.

USDA Lump-Sum Relocation Expenses – Policy Memo

- To account for relocation distance, a cost multiplier is applied to the HHG shipment based on 75% of the percentage difference per mileage category in the GSA Moving Household Goods Commuted Rate Table. The distance cost multiplier is:
 - Up to and including 500 miles: No multiplier.
 - 501–1,000 miles: 10%.
 - 1,001–1,500 miles: 16%.
 - 1,501–2,000 miles: 20%.
 - 2,001–2,500 miles: 27%.
 - Over 2,500 miles: 30%.
 - d. Temporary Quarters Subsistence Expense (TQSE)
 - USDA will reimburse expenses when an employee is being relocated to an area where the rental vacancy rate is below five (5) percent.
 - The USDA Human Resources (HR) Office or relocation counselor will analyze the rental vacancy rate to determine if a TQSE payment is authorized.
 - HHG Storage in Transit (SIT) will be included in the lump-sum amount if the optional TQSE payment is authorized.
 - Both entitlements are based on pre-move estimates, assuming a 60-day period for both HHG SIT and TQSE.
 - e. Taxes: To eliminate tax reconciliation, the lump-sum includes estimated tax impacts using fixed rates:
 - Federal tax rate of 24%.
 - State tax rate of 5% (if applicable).
 - f. Residence Transaction Costs
 - Paid separately.
 - Residence sale: 8%, based on the most recent property tax assessment.
 - Residence purchase: 3% of prior year median home price at the new duty station.
 - Transactions must be completed within 12 months of reporting date.
 - Rental Lease-break: $80\% \times$ two months of fair market rent for a comparable unit in the city of residence.
 - Employees must provide documentation showing that a lease-break cost was actually incurred to receive the payment.
6. Relocation Allowances for Dual USDA Employees Moving to the Same Official Station (Lump-Sum Program)
- In cases where two immediate family members are both USDA employees, live together, are both authorized for the lump-sum program, and are being relocated to the same official duty station, the following limitations apply:
- a. The Government will only authorize payment for HHG shipment and any residence transaction once. The same residence transaction will not be paid for twice.
 - b. If the relocation involves a residence transaction, only one employee may receive:
 - Residence sale and/or purchase payment.
 - Lease-break expense payment.
 - HHG shipment.

USDA Lump-Sum Relocation Expenses – Policy Memo

- TQSE (if applicable).
 - HHG SIT (if applicable).
 - c. If the relocation does not involve a residence transaction, only one employee may receive:
 - HHG shipment.
 - TQSE (if applicable).
 - HHG SIT (if applicable).
 - d. Regardless of residence transactions, both employees may receive:
 - ENR.
 - MEA at single rate.
 - Tax allowance.
7. An employee may not convert back to a traditional relocation reimbursement once they elect or are required to participate in the Program; participation is binding upon signing the service agreement.
8. USDA Mission Areas, Agencies, and Staff Offices must:
- a. Ensure employees are informed of the lump-sum program and participation requirements.
 - b. Issue and maintain appropriate service agreements.
 - c. Conduct eligibility determinations and document distance test compliance.
 - d. Review rental vacancy rates to determine TQSE eligibility.
 - e. Issue lump-sum payments consistent with program formulas.
 - f. Process residence transaction payments upon receipt of documentation.
 - g. Maintain accurate financial and program records.
 - h. Provide program training to HR, budget, and/or travel processing staff.
 - i. Communicate with labor organizations as required by law or agreement.
9. The OCFO will:
- a. Monitor and report on the Program to the USDA Deputy Secretary.
 - b. Publish applicable relocation tables and templates on the USDA Travel Express Website (@ [USDA Travel Express Website](#)).
 - c. Provide the GSA Office of Government-wide Policy annual status reports on the progress of the Test Program per 5 U.S.C. § 5739(c)(1) and FTR § 302-18.5(b)(1) each year 30 calendar days after the anniversary of the Program's effective date.

Please direct questions or concerns to Eric D. Still, Associate Chief Financial Officer, Financial Policy and Planning at Eric.Still@usda.gov

cc:

Staff Office Directors
Asst Secretary for Administration
Travel Policy User Group

USDA Lump-Sum Relocation Expenses – Policy Memo

Attachments

1. Specific Provisions of the FTR Affected by this Program
2. Lump-Sum vs Traditional Relocation Chart
3. Lump-Sum Questionnaire
4. Frequently Asked Questions