



MANPOWER AND
RESERVE AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
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WASHINGTON, D.C. 20301-1500

March 22, 2021

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR
MILITARY PERSONNEL
DEPUTY ASSISTANT SECRETARY OF THE NAVY MILITARY
MANPOWER AND PERSONNEL
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE FOR
FORCE MANAGEMENT INTEGRATION

SUBJECT: Clarification of Procedures – Cost of Living Allowance (COLA) Unique Expenses

This memorandum clarifies the procedures for establishing and reimbursing COLA Unique Expenses.

Section 405 of title 37, United States Code (37 U.S.C. §405(d)) authorizes a COLA payment for expenses that are of a nature or a magnitude not normally incurred by members of the Uniformed Services on duty inside the continental United States. The DoD Financial Management Regulation (FMR), Volume 7A, par. 680301.F implements this authority.

The updated FMR language in the attachment offers more clarity in order to provide equity in reimbursement of COLA Unique Expenses across the Services. Once a COLA Unique Expense is approved for a specific location, there are no further restrictions on the amount claimed. Payment of the expense should be reimbursed on the basis of a valid receipt, regardless of the amount or the status of the claimant (e.g., enlisted versus officer status).

This change was previously coordinated as Allowances Branch Item 019-20 and will be submitted for inclusion in the next change to the DoD FMR.

BUSCH.JERILYN.BE⁶⁵ Digitally signed by
GLE.Y.1026223365 Date: 2021.03.22 18:40:04 -04'00'

J.B. Busch
Director, Military Compensation Policy
(Military Personnel Policy)

Attachment:
As stated

**Approved DoD FMR Changes
(Clean Copy)**

680301.F:

*F. COLA Unique Expenses. In some areas OCONUS, a Service member or dependent incurs mandatory and excessive expenses that a Service member based in CONUS does not normally incur. Since the expenses are not incurred by every Service member OCONUS, they cannot be a part of the ordinary COLA index calculation. For these expenses, payment is a lump-sum, dollar-for-dollar reimbursement for a specifically authorized expense at a designated authorized location.

*1. Authorization. All requests to authorize a COLA Unique Expense must be submitted from a Major Command to OUSD (P&R) through the applicable Service representative listed at [Uniformed Services Contact Information](#). OUSD (P&R) specifically authorizes or approves the expense for reimbursement according to the [DoD Overseas Station and Housing Allowance Process Guide](#). OUSD (P&R) does not accept requests from individual Service members to authorize a COLA Unique Expense.

*2. Reimbursement. The Secretary concerned may reimburse a COLA Unique Expense if Table 68-2 authorizes the location and expense. Services may alternatively use the Secretarial Process to reimburse an authorized expense or expenses. Once a COLA Unique Expense has been authorized for a location, no further examination may be made to compare the spendable income of the claimant to the amount of the expense claimed. Any claim based on a valid receipt for an authorized COLA Unique Expense may be reimbursed in a lump sum, dollar-for-dollar, through Service payment procedures. The Service concerned is not required to recover any amount refunded to a Service member by a foreign government agency.

*3. Authorized Locations and Expenses. Table 68-2 specifies the authorized locations and expenses for a COLA Unique Expense reimbursement.

Table 68-2. Authorized Locations and Expenses for COLA Unique Expense Reimbursement

Location	Expense	Effective Date
Singapore	1. Mandatory and excessive road tax for one POV.	June 2, 2006
	2. Mandatory and excessive registration and transfer fees for one POV.	June 2, 2006

Note: For the most current approved locations and expenses, see the [DTMO website](#).

Approved DoD FMR Changes

680301.F:

*F. COLA Unique Expenses. In some areas OCONUS, a Service member or dependent incurs mandatory and excessive expenses that a Service member based in ~~the CONUS~~ never does not normally incurs. Since the expenses are not incurred ~~in the CONUS~~ by every Service member OCONUS, they cannot be a part of the ordinary COLA index calculation. For these expenses, payment is a lump-sum, dollar-for-dollar reimbursement for a specifically authorized expense at a designated authorized location.

*1. ~~Submit Requests~~ Authorization. All requests to authorize a ~~new~~ COLA Unique Expense must be submitted ~~through from a~~ the Major Command ~~level, then to~~ OUSD (P&R)-PR through the applicable Service representative listed at ~~feedback-reporting~~ [Uniformed Services Contact Information](#). OUSD (P&R)-PR specifically authorizes or approves the expense for reimbursement according to the [DoD Overseas Station and Housing Allowance Process Guide](#). OUSD (P&R)-PR does not accept requests from individual Service members to authorize a for COLA Unique Expense ~~authorization~~. ~~The Secretary concerned may reimburse a COLA Unique Expense if Table 68-2 authorizes the location and expense. Alternatively, the expense may be reimbursed at the Service's discretion through the Secretarial Process. The Service concerned is not required to recover any amount refunded to a Service member by a foreign government agency involved. For a Service member to be reimbursed, the expense must be verified by a valid receipt. The expense must meet all of the following criteria to be authorized as a "COLA Unique Expense":~~

- ~~a. A clear majority of Service members assigned at a duty station incur the expense,~~
- ~~b. The item or expense exceeds 1% of spendable income for the typical Service member,~~
- ~~c. Service members based in the CONUS do not incur the expense, and~~
- ~~d. OUSD-PR specifically authorizes or approves the expense for reimbursement.~~

~~*Note: The spendable income for the typical Service member for this purpose is one serving in the grade of an E6 with ten 10 years of service and three dependents based on the current spendable income tables at the time of the request.~~

*2. ~~Reimbursement.~~ The Secretary concerned may reimburse a COLA Unique Expense if Table 68-2 authorizes the location and expense. Services may alternatively use the Secretarial Process to reimburse an authorized expense or expenses. ~~Alternatively, the expense may be reimbursed at the Service's discretion through the Secretarial Process.~~ Once a COLA Unique Expense has been authorized for a location, no further examination may be made to compare the spendable income of the claimant to the amount of the expense claimed. Any claim based on a valid receipt for an authorized COLA Unique Expense may be reimbursed in a lump sum, dollar-for-dollar, through Service payment procedures. The Service concerned is not required to recover any amount refunded to a Service member by a foreign government agency. ~~involved.~~

*3. ~~Authorized Locations and Expenses.~~ Table 68-2 specifies the authorized locations and expenses for a COLA Unique Expense reimbursement.

[Table 68-2. Authorized Locations and Expenses for COLA Unique Expense Reimbursement](#)
For the most current locations see

<u>Location</u>	<u>Expense</u>	<u>Effective Date</u>
<u>Singapore</u>	<u>1. Mandatory and excessive road tax for one POV.</u>	<u>June 2, 2006</u>
	<u>2. Mandatory and excessive registration and transfer fees for one POV.</u>	<u>June 2, 2006</u>

| [Note: For the most current approved locations and expenses, see the *DTMO website*.](#)