

DECISION

**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

L. H. Wild
SOM

FILE: B-220942

DATE: January 7, 1986

MATTER OF: Department of State - Disposition of Nominal Overpayments

DIGEST: It is General Accounting Office policy that refunds of overpayments of \$5.00 or less should not be made unless specifically claimed; therefore, the Department of State is entitled and encouraged to amend the applicable section of the Code of Federal Regulations to expressly state a similar refund policy.

The Department of State has requested our decision regarding the propriety of issuing a regulation that advises the public that refunds of fee overpayments for various authentication services will not be processed for amounts under \$2 unless the overpayment is the result of misinformation or mistake on the part of the State Department. For the reasons stated below, we find no legal impediment to the issuance of such a regulation.

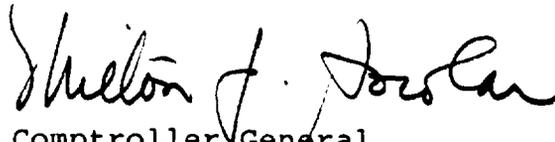
In 1979, the Department of the Interior requested our decision concerning the treatment of under- and overpayments of \$1 or less of reclamation fees. In the resulting decision, 58 Comp. Gen. 372 (1979), we concluded that overpayments of \$1 or less need not be refunded unless a specific claim has been made. We noted that the practice of making refunds in the absence of a specific claim was based on public policy rather than on any law requiring an agency to return such overpayments on its own volition. 58 Comp. Gen. at 375. Additionally, we reaffirmed an earlier observation that this Office has long advocated that credit balances of less than \$1 not be refunded unless a claim is made by the remitter, since the cost of processing the refunds is not commensurate with the amounts involved. Id.; A-12900, February 11, 1942.

When we issued our 1979 decision to the Interior Department, we limited our discussion to overpayments of \$1 or less, since that was the question we had been asked to address. It had, however, been the policy of the General Accounting Office since 1974 that refunds need not be made "for

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overcollections when the amount is under \$5 without a specific claim from the debtor."^{1/} So long as adequate notice is provided by way of regulation, we see no legal impediment to adopting a policy that small dollar value refunds will not be made where no claim for the refund has been submitted. The Department may also wish to consider raising the ceiling to an amount not in excess of \$5.

Finally, as we also noted in 58 Comp. Gen. at 375, the Department should include a statement of its refund policy in the applicable sections of the Code of Federal Regulations. While we have no objection to the Department expressly stating that it will automatically refund overpayments due to misinformation or mistake on the part of the Department of State, we must caution that any regulation must also clearly convey that any overpayment due to any reason will be refunded upon the proper filing of a claim by the remitter.



Acting Comptroller General
of the United States

^{1/} B-181373-O.M., August 16, 1974 (memorandum to the predecessor of what is now GAO's Claims Group).