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Comptroller General
of the United States

Washington, D.C. 20548

Decision

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Matter of: Accounting for Rebates from Travel Management Center Contractors

File: B-217913.2

Date: February 19, 1993

DIGEST

Rebates from Travel Management Centers redistributed to paying federal agencies must be credited to the appropriation initially charged the cost of employee travel, including a paying account that has expired for the purpose of incurring new obligations. Therefore, rebates initially charged to expired accounts may not be deposited to the credit of the fiscal year travel accounts current at the time the rebates are received.

DECISION

The Assistant Regional Administrator, Federal Supply Service, Region 3, General Services Administration, asks us to clarify 65 Comp. Gen. 600 (1986), holding that Travel Management Center commission rebates be deposited to the credit of the appropriation account initially charged with the cost of employee travel. Specifically, the Assistant Regional Administrator asks whether rebates for fourth quarter travel commission may be deposited to the credit of the appropriation account current at the time the rebates are received. For the reasons given below, such rebates should be deposited to the credit of the appropriation account initially charged with the cost of employee travel.

DISCUSSION

The Assistant Regional Administrator requests the clarification because travel rebates are calculated quarterly and thereafter paid to the agency.[1] This

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[1]As explained in 65 Comp. Gen. 600 (1986), Travel Management Centers (TMC) are travel agents that handle travel arrangements for federal agencies pursuant to so-called no cost contracts with GSA. The TMCs do not charge the government directly for the services they provide, but instead receive commissions from transportation or lodging establishments with whom they book reservations. The rebates constitute a recovery by the government of a portion of these commissions.

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procedure results in rebates of fourth quarter travel commissions being received and deposited after the expiration of the appropriation account from which the commissions were initially paid. Once the appropriation account expires, it is unavailable to the agency for the purpose of incurring new obligations. The Assistant Regional Administrator asks whether fourth quarter rebates may be credited to the current appropriation in order to be available for incurring new obligations.

Normally, when the government pays an amount that is charged to a particular fixed appropriation account, and the government subsequently receives a refund of a portion of the amount originally paid, the refund is deposited to the credit of the appropriation initially charged with the payment. If the appropriation account has expired for purposes of incurring new obligations, but has not yet closed, the refund is deposited to the credit of the expired account.[2] See generally, GAO, Policy and Procedures Manual for Guidance of Federal Agencies, title 7, § 5.4 (TS 7-42, February 12, 1990). 31 U.S.C. § 1552(b) (Supp. II 1990). A purpose of these "account integrity" procedures is to prevent unauthorized augmentation of current year accounts and to permit determinations of compliance with the Antideficiency Act.[3]

Regarding the issue of "account integrity", we have not objected to agencies accepting a "de minimis" credit of $100 or less and applying it against current year billings in order to effect a refund of prior year payments without adjusting the prior year accounts to reflect the credit as a refund to the accounts. In B-250953, Dec. 14, 1992, we viewed the "de minimis" credit as having no more than an insignificant impact on the agency's account integrity and in view of the cost savings to the government and the vendor, the insignificant impact should not be viewed as an unauthorized augmentation of the agency's current year

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[2]Under the 1990 amendments to the account closing law, an appropriation account maintains its expired account status for 5 fiscal years, 31 U.S.C. § 1552(a) (Supp. II 1990), during which it is available for recording, adjusting and liquidating obligations properly chargeable to the expired account, 31 U.S.C. § 1553(a) (Supp. II 1990).

[3]The Antideficiency Act, 31 U.S.C. § 1341, provides that an officer or employee of the United States Government may not make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation.

appropriation account and a violation of the Antideficiency Act.

However, we have been informally advised by an official of the General Services Administration that the quarterly rebate checks received by GSA may be several thousands of dollars and the amount credited to the appropriation account initially charged regularly exceeds $1,000. We do not consider these amounts insignificant for purposes of permitting their being credited to the appropriation current at the time that they are received. Furthermore, unlike the case of "de minimis" credits, there is no effective cost savings to the vendor and the government that would result from depositing rebate checks to the credit of the current rather than to the credit of the expired appropriation accounts.

However, notwithstanding our decision, steps may be taken to ensure more timely recovery of fourth quarter rebate checks. For example, consideration may be given to modifying future Travel Management Center contracts when cost effective to require that fourth quarter rebates be paid monthly in order to reduce the amounts received following the expiration of the appropriation account.

Milton J. Socolar
for Comptroller General
of the United States

APPROPRIATIONS/FINANCIAL MANAGEMENT
Appropriation Availability
Time availability
Time restrictions
Fiscal-year appropriation
Rebates

APPROPRIATIONS/FINANCIAL MANAGEMENT
Obligation
Fiscal-year appropriation
Expiration
Rebates