

DECISION

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

FILE: B-133001

DATE: ^{certified} September 9, 1976

MATTER OF: American National Red Cross

DIGEST:

Absent agreement between Department of State and Red Cross that payment for services rendered during a specific period represented final payment for all such services, GAO will not object to further payments covering expenses incurred incident to performing other services during the same period.

The Department of State by its letter of August 4, 1976, requested an advance decision on the propriety of paying the American National Red Cross (Red Cross) for services rendered on behalf of the United States to Cambodian and Vietnamese refugees prior to August 1, 1975.

The request refers to paragraphs (1) and (2) of an agreement reached on October 24, 1975 between the Department of State and the Red Cross. Those paragraphs, as amended, state that the Red Cross was compensated in the total amount of \$3,043,852.62 for services rendered from April 17, 1975 through July 21, 1975. There is no indication however, that either party intended such payment to be compensation for other than known obligations. In other words, the payment did not purport to represent the discharge of the obligation of the United States to pay for services rendered during the period in question.

Subsequent to payment of the June 25, 1975 installment, the Red Cross received from its various field offices vouchers in the total amount of \$551,060.48 representing further obligations incurred through July 31, 1975. The basic question is whether reciting the amounts paid prior to July 31, 1975 in the referenced agreement established a ceiling on the amount payable for services rendered during the period. In our view it did not.

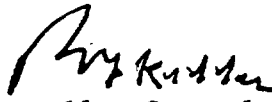
The October 25, 1975 agreement incorporated by reference memoranda and letters previously exchanged by the Department of State and the Red Cross. These show that the United States Government agreed "to reimburse the American Red Cross for any and all expenditures made on Guam required to support the general needs of Indochina refugees" and that this agreement was later expanded to include refugee assistance programs in the Continental

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United States. In this connection, we note that the agreements prior to and incorporated in the agreement of October 24, 1975, have no identifiable payment or compensation term.

In view of the above, we believe the figure of \$3,043,852.62 which the October 24, 1975 agreement recites as having been paid to the Red Cross for its services rendered from April 17 through July 21, 1975, is not a fixed price for those services but is merely a recital of what occurred. The Red Cross asserts and State apparently agrees, that the Red Cross would be entitled to the monies in question but for the late billing. That being the case, we will not object to payment being made on the vouchers, if otherwise correct.

Acting


Comptroller General
of the United States