

Washington, D.C. 20548

Decision

Matter of: Accounting for Rebates from Travel Management Center Contractors

File: B-217913.3

Date: June 24, 1994

DIGEST

The General Services Administration may deposit commission rebate checks from Travel Management Center contractors to the general fund of the Treasury where, because of the processing costs and time involved, the agency elects not to credit rebates to appropriation originally charged.

DECISION

In 65 Comp. Gen. 600 (1986), we advised the General Services Administration (GSA) that federal agencies may deposit Travel Management Center (TMC) commission rebates to the credit of the appropriation originally charged the cost of employee travel. See also B-217913.2, Feb. 19, 1993. GSA advises that a number of agencies have declined to accept the TMC rebates because of the small amounts involved and the cost of processing the payments for credit to the originating account. Accordingly, the Director, Federal Supply Service Bureau, National Capital Region, GSA, asks what disposition should be made of the rebates refused by the federal agencies. For the reasons stated below, GSA may deposit the rebate checks to the credit of the appropriate Treasury general fund receipt account when the agency declines to accept them.

TMC contractors are travel agents who handle travel arrangements for federal agencies pursuant to "no cost" contracts with GSA. The contractors 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. The Director seeks guidance regarding the proper disposition of the rebates paid to GSA by the TMCs as required by the GSA contracts. The Director states that some small agencies consider the quarterly rebate checks a nuisance because the accounting workload required outweighs the small amount of money involved, and they decline to accept them. GSA, as the contracting office for

PUBLISHED DECISION

73 Comp. Gen. 210

the TMC contracts, must ensure the proper disposition of the rebates.

As a general rule all funds received for the use of the United States must be deposited in the general fund of the Treasury to the credit of the appropriate receipt account,¹ unless deposit to the credit of an appropriation or other fund account is authorized by law. 31 U.S.C. § 3302. One exception to this rule is that an agency may retain receipts which qualify as "refunds". Such receipts represent a return of a portion of a prior agency payment and may be deposited to the credit of the appropriation against which the payment was initially charged rather than to a general fund receipt account. If the appropriation initially charged has not expired, the refund is available to support new obligations. If the appropriation account initially charged has expired, but has not yet closed, the refund is deposited to the credit of the expired account where it is available for recording or adjusting obligations properly incurred before the appropriation expired. 71 Comp. Gen. 502, 504-507 (1992); B-217913.2, Feb. 19, 1993.² See, GAO, Policy and Procedures Manual for Guidance of Federal Agencies, title 7, §§ 5.4, 4.3 (TS 7-43, May 18, 1993), 31 U.S.C. § 1552(b). In 65 Comp. Gen. 600 (1986), we held that rebates paid by TMC contractors may be accounted for as refunds and thus deposited to the credit of the appropriation initially charged with the cost of employee travel.

The exception permitting the deposit of refunds to the appropriation initially charged rather than to the credit of a general fund receipt account is permissive in nature.³

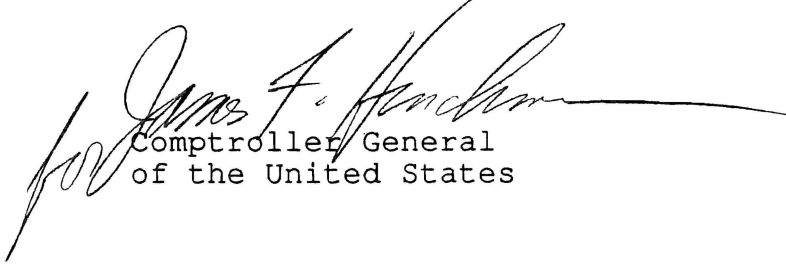
¹See Volume I Treasury Financial Manual (TFM) 2-1500 and the supplement to I TFM entitled "Federal Account Symbols and Titles", Part I - Receipt Account Symbols and Titles, for listing of various general fund receipt accounts for accounting purposes.

²These "account integrity" procedures are intended to prevent unauthorized augmentation of current year accounts and to permit determinations of compliance with the Antideficiency Act, 31 U.S.C. Sec. 1341. Agencies may accept 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. B-250953, Dec. 14, 1992.

³Clearly, if an agency receives a refund check directly from a vendor and determines that it is not cost effective to

(continued...)

Therefore, should an agency decline to accept rebate checks, or indicate to GSA that it will not accept rebate checks below a certain amount, we have no objection to GSA depositing the checks in the general fund of the Treasury to the credit of the appropriate receipt account. Under such circumstances, GSA must deposit the rebate checks in accordance with the requirements of 31 U.S.C. § 3302.


Comptroller General
of the United States

³(...continued)

deposit the refund to the credit of the appropriation initially charged, it would be required to deposit the refunds to the credit of the appropriate Treasury general fund receipt account.