



**The Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: Awards - Telephones - Nonuse of Sick Leave

File: B-227559

Date: March 23, 1988

DIGEST

A voucher presented by the Defense Depot, Richmond, Virginia, for the purchase of telephones for use as career service or honorary awards may be certified for payment since such purchase is a proper expenditure of the agency's appropriated funds under provisions of the Government Employees' Incentive Awards Act, 5 U.S.C. § 4501-4506 (1982), as implemented by Department of Defense and Office of Personnel Management (OPM) instructions. However, approval of an incentive awards program for reduced usage of sick leave is the responsibility of OPM, and OPM has recommended against such approval.

DECISION

This decision is in response to a request by the Chief, Accounting and Finance Division, Office of Comptroller, Defense Logistics Agency, Defense General Supply Center, Richmond, Virginia, for an opinion as to whether a voucher for the purchase of telephones may be certified for payment. In addition, the Depot has asked us if awards may be given for the nonuse of sick leave. For the reasons that follow, we hold that the voucher may be certified for payment; however, the sick leave program may not be implemented.

BACKGROUND

The Defense Depot, Richmond, Virginia, established a sick leave incentive program by DGSC-T Letter 86-4A, February 19, 1986, for the purpose of reducing the use of sick leave. The program provided that any employee who minimized his or her use of sick leave would be eligible for an award in the form of a keychain, coffee mug, stickpin/tie pin, or telephone.

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The Depot placed an order with Promotional Considerations, Richmond, Virginia, for 100 telephones at \$26.90 each, for a total contract price of \$2,719, in order to carry out its sick leave incentive program. Prior to receipt of the telephones, the Depot received a copy of a memorandum dated April 4, 1985, from an Assistant General Counsel, Office of Personnel Management (OPM), that incentive awards may not be paid for good sick leave records. Based on this memorandum, the Depot discontinued its sick leave incentive program. However, the telephones that were to be awarded under the program were received by the Depot and to date the invoice has not been paid. Further, the contractor has refused to allow the return of the telephones since they have special markings. Thus, the voucher was forwarded to this Office for a determination as to the legality of using appropriated funds to pay a contractor for telephones which are to be given to employees for honorary recognition or as a substitution for cash awards.

OPINION

Agency awards programs operate by virtue of the authority provided in the Government Employees' Incentive Awards Act, 5 U.S.C. §§ 4501-4506 (1982). The Act authorizes an agency to pay a cash award to an employee who "by his suggestion, invention, superior accomplishment, or other personal effort contributes to the efficiency, economy, or other improvement of government operations or achieves a significant reduction in paperwork," or who "performs a special act or service in the public interest in connection with or related to his official employment." 5 U.S.C. § 4503 (1982). The Office of Personnel Management (OPM) is specifically authorized to prescribe regulations and instructions under which agency award programs are to be carried out. 5 U.S.C. § 4506 (1982). Thus, OPM has issued regulations and instructions in this area. See 5 C.F.R. Part 451 (1987) and Chapter 451 of the Federal Personnel Manual (FPM).

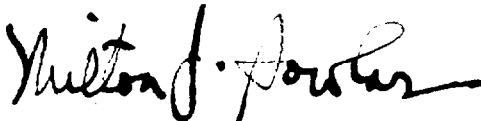
This Office has held that agencies have the authority to procure items at nominal cost to be used as honorary awards under provisions of the Government Employees' Incentive Awards Act, 5 U.S.C. §§ 4501-4506, supra. 55 Comp. Gen. 346 (1975); B-184306, Aug. 27, 1980. In fact, Department of Defense (DOD) Instruction 5120.16 (July 15, 1974), which implements DOD's Incentive Awards Program, specifically provides for such items as desk plaques, citations, or other appropriate symbols, for career service and other honorary

awards. The OPM has also issued guidance in this area in FPM Chapter 451 and has suggested that agencies establish programs and award such items as lapel pins or buttons, charms, or tie tacks, in recognition of significant milestones in employees' careers. FPM, ch. 451, § 7-4.

We note that the telephones to be presented by the Depot as honorary awards are of nominal value (approximately \$27). Further, this amount is within DOD's moderate value award scale of \$25/50 for intangible benefits, that is, benefits produced by an employee that do not have measurable monetary value. See DOD Instruction 5120, Encl. 4. Therefore, we conclude that the purchase of the telephones for use as career service or honorary awards is a proper expenditure of the agency's appropriated funds under the provisions of the Government Employees' Incentive Awards Act, as implemented by DOD and OPM instructions.

Finally, with regard to the Defense Depot's proposal of incentive awards for good sick leave records, we note that the OPM has specifically recommended against implementation of an incentive awards program for nonuse of sick leave. Since OPM has been specifically charged with primary responsibility in this area of annual and sick leave, we decline to substitute our judgment for that of OPM as to the propriety of establishing a sick leave incentive awards program. Moreover, we agree with OPM's rationale behind disapproval of such a plan; i.e., sick leave is a statutory entitlement available to all government employees in appropriate circumstances, and incentives for nonuse are inappropriate. Further, the use of sick leave by a government employee is, in many cases, fortuitous and has no relationship to the employee's superior performance as contemplated by the Incentive Awards Act.

Accordingly, the voucher is returned for payment.

for 
Comptroller General
of the United States