



Office of the General Counsel

B-248042

June 5, 1992

Clarence Squellati
Assistant Administrator
Finance Office
Farmers Home Administration
1520 Market Street
St. Louis, Missouri 63103

Dear Mr. Squellati:

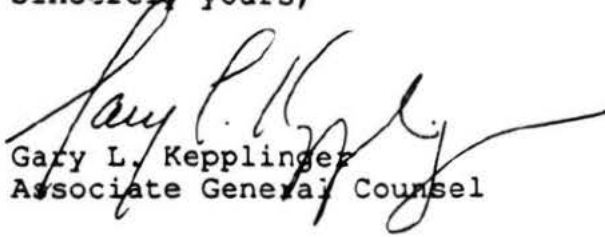
This is in response to your letter asking whether government agencies may make awards to employees for suggestions prior to the actual implementation of those suggestions.

Agency awards programs operate by virtue of the authority provided in the Government Employees' Incentive Awards Act, 5 U.S.C. §§ 4501-4506. 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. 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. OPM has issued regulations and instructions in this area. See 5 C.F.R. Part 451 (1991) and Chapter 451 of the Federal Personnel Manual (FPM).

With regard to awards for suggestions, Chapter 451 of the FPM specifically states that a suggestion may be made the basis for an award when it is accepted for adoption by an official authorized to do so, "even though it is not to be placed into effect until a later date". FPM, Chpt. 451, 2-4(e)(2) (1981). The FPM also instructs that an initial award may be granted upon acceptance for adoption, with the balance granted upon actual implementation of the suggestion. Id. Thus, awards for suggestions may be made before the implementation of a suggestion assuming, of course, that all the other guidelines provided in the OPM regulations are met.

I trust the foregoing answers your question and is helpful to you.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Gary L. Kepplinger". The signature is written in dark ink and is positioned above the typed name and title.

Gary L. Kepplinger
Associate General Counsel

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DIGEST

Awards for employee suggestions may be made before such suggestions are implemented. Chapter 451, Federal Personnel Manual, 2-4(e) (2) (1981).