



United States
General Accounting Office
Washington, D.C. 20548

Office of the General Counsel

B-245708

March 11, 1992

Elizabeth E. Smedley
Acting Chief Financial Officer
Department of Energy
Washington, D.C. 20585

Dear Ms. Smedley:

We refer to your letter of September 12, 1991, concerning a Department of Energy proposal to allow donations of frequent flyer mileage credits to private organizations when those credits are earned incident to official business. The donations would be for use of charitable organizations through programs such as the "Miles for Kids in Need" program of American Airlines.

As you pointed out in your letter, frequent flyer mileage credits earned for official travel are the property of the federal government and may not be retained by the government employee. Federal Travel Regulations, 41 C.F.R. § 301-1.103(b) (1991). Therefore, the issue you have raised concerns the proper disposal of personal property of the federal government. The Administrator, General Services Administration (GSA), is responsible for the disposal of surplus personal property and for the issuance of regulations concerning the disposal of such property under the provisions of the Federal Property and Administrative Services Act of 1949, as amended. See 40 U.S.C. § 486 (1988). The regulations issued by the Administrator, GSA provide that promotional materials that cannot be used by the receiving agency shall be disposed of in accordance with 41 C.F.R. § 101-25.103-4 (1991).

Agencies are requested, under the provisions of 41 C.F.R. § 101-25.103-4, to arrange for the transfer of promotional items without reimbursement to a nearby federal hospital or similar institution operated, managed, or supervised by the Department of Defense or the Bureau of Veterans Affairs. If the medical facility cannot use the promotional items, the regulations provide that the items should be disposed of in accordance with 41 C.F.R. §§ 101-43, 44, and 45.

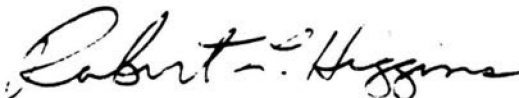
Although the regulatory provisions cited to above seem to apply to the disposal of frequent flyer mileage credits,

see, e.g., Department of Energy, B-233388, Mar. 23, 1990, we believe that another issue must be addressed, that is whether or not the mileage credits can ever be declared surplus since there is always a potential use for them by an agency until the date they expire. We discussed this issue informally with GSA officials and they agreed that this does present a problem.

Accordingly, since the Administrator, GSA, and not this Office, has been delegated the authority to dispose of federal property, we suggest that any specific questions that you may have pertaining to the disposal of frequent flyer mileage credits to a specific charity be made directly to the Administrator, GSA.

Also, for your information this Office is currently considering a letter from the General Counsel, Senior Executives Association (SEA), requesting that the General Accounting Office reconsider its prior position regarding frequent flyer bonus miles accumulated by a government employee incident to official travel. In response to this request this Office has been coordinating a response with GSA. Although we cannot at this point predict whether any change will be forthcoming, you may wish to hold any further requests concerning frequent flyer mileage credits in abeyance pending our joint consideration of this issue with GSA.

Sincerely yours,



Robert L. Higgins
Associate General Counsel