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Yudofsky
GAO 00044

GAO

United States General Accounting Office
Washington, DC 20548

Office of *GAO 00040*
General Counsel

December 28, 1978

In Reply
Refer to: B-193433

[Bills of Lading Requirements for Freight Shipments from Government Suppliers]

Stanley McKinley
Associate Commissioner *AGC 00086*
Management
U. S. Department of Justice
Immigration and Naturalization Service
Washington, D.C. 20536

Dear Mr. McKinley:

This is in response to your letter of October 31, 1978, file Nos. CO 646-C, CO 881-C, asking when Government bills of lading are required for freight shipments from Government suppliers and when those shipments may be prepaid by the supplier.

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The Government's transportation audit function, together with the records, property and personnel were transferred from the General Accounting Office to the General Services Administration (GSA) effective October 12, 1975, pursuant to Section 202(a) of the General Accounting Office Act of 1974, Pub. L. 93-604, 88 Stat. 1959, approved January 2, 1975. And the Comptroller General had determined that standard forms and procedures relating to the transportation audit function may be prescribed by the Administrator, GSA. 4 C.F.R. 51.2 (1978). These regulations are published in 41 C.F.R. 101-41 (1978).

Where the Government is the shipper of the property, GSA regulations permit commercial bills of lading to be used for shipments in which the transportation charges normally are \$100 or less per shipment. An exception is permitted for the occasional shipment which exceeds the monetary limitation by a reasonable amount. 41 C.F.R. 101-41.304-2(b)(3) (1977). Therefore, where transportation charges normally exceed \$100 per shipment, Government bills of lading are required to be used. When a commercial bill of lading is used under circumstances not authorized in the regulations, such as where transportation charges exceed \$100 per shipment, GSA regulations require its conversion to a Government bill of lading by inscribing words to that effect on the document. 41 C.F.R. 101-41.303.1 (1977).



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Where the Government is not the shipper of the property, the Federal Procurement Regulations (FPR) allow the use of commercial bills of lading when a Government bill of lading is not supplied but requires it conversion to a Government bill of lading when "requested by the ordering agency." See 41 C.F.R. 1-19.302(b) (1977) concerning contractor responsibilities when the term "f.o.b. origin" is used.

Where transportation charges are \$100 or less and a commercial bill of lading is used by the contractor, we have advised GSA that we have no objection to granting executive agencies the discretionary authority to pay unsupported prepaid freight charges as long as they are listed as separate items on the contractor's invoices. We also suggested that GSA incorporate that authority into the FPR.

An authorized certifying officer is entitled to an advance decision by the Comptroller General concerning any individual payment on the legal question whether the transportation charges should be certified for payment. 31 U.S.C. 82d (1976).

Sincerely yours,



L. Mitchell Dick
Assistant General Counsel

Enclosure