



The Comptroller General  
of the United States

Washington, D.C. 20548

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## Decision

**Matter of:** Coast Guard - Cash Incentive Awards

**File:** B-226928

**Date:** March 24, 1989

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### DIGEST

Section 503 of title 14, United States Code does not provide authority similar to 5 U.S.C. § 4503 to pay monetary incentive awards for superior accomplishments to military members of the Coast Guard who were members of a group comprised of military members and civilian employees that was given a group award.

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### DECISION

An authorized certifying officer of the United States Coast Guard, Department of Transportation, asks whether military members may participate in monetary group incentive awards made to a contracting team comprised of civilian employees and military members of the Coast Guard.<sup>1/</sup> It is our view that no authority exists for the payment of such an award.

### FACTS

A determination was made that a contracting team comprised of civilian employees and military members of the Coast Guard was deserving of a group incentive award for superior performance. The Coast Guard regulation applicable to this subject at the time of the determination was Commandant Instruction 12450.2, dated February 13, 1979. Paragraph 1 of this Instruction states that its purpose is to provide guidance for granting monetary incentive awards to Coast Guard civilian employees. However, paragraph 10.d of this Instruction provides that in the case of group awards, all

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<sup>1/</sup> The decision was requested by J. R. Dopler, Authorized Certifying Officer, United States Coast Guard.

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employees contributing to the accomplishment, including military members, may share in the award.<sup>2/</sup>

The certifying officer indicates that he is aware that civilian employees of the government are eligible for such awards under chapter 45 of title 5, of the United States Code. However, military members are not included under this authority. He says that the only authorities to pay awards to members of the Coast Guard that he is aware of are 10 U.S.C. § 1124 and 14 U.S.C. § 503, and that neither section is applicable to overall superior performance or accomplishments. He also notes that monetary incentive awards for superior performance are not authorized for members of other armed services. Thus, he questions the propriety of certifying the payment of a monetary superior accomplishment award to the military members of this group.

Section 503 of title 14, United States Code, in part, provides:

"The Coast Guard may award trophies, badges, and cash prizes to Coast Guard personnel or groups thereof, including personnel of the reserve components thereof whether or not on active duty, for excellence in accomplishments related to Coast Guard service, to incur expenses as may be necessary to enter such personnel in competitions . . . ."

The forerunner of 14 U.S.C. § 503 initially was enacted as part of the Treasury Department's appropriation bill for 1930 and provided: ". . . cash prizes for men for excellence in gunnery, target practice, and engineering competitions . . . ." <sup>3/</sup>

In testifying concerning this language Admiral Billard, Commandant of the Coast Guard, stated:

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<sup>2/</sup> Captain G. F. Woolever, U.S. Coast Guard, Acting Chief, Office of Personnel and Training, has since informed us that Coast Guard policy has been changed to prohibit payment of cash awards to military members for superior performance of duty. This change is clearly within the authority of the Coast Guard, but it has no effect upon the legality of the cash award in question here under the 1979 Instruction.

<sup>3/</sup> Act of December 20, 1928, Ch. 39, 45 Stat. 1028, 1036 (1928).

"That is a little thing, Mr. Chairman, but a most desirable thing. That language, verbatim, has appeared in Navy appropriation bills for a good many years. What it means is this: In the interest of economy and efficiency, we have engineering competitions between vessels, and to the vessel that has the most economical operation in the engine room we write a letter commending the captain, the engineer, and so forth. Now, in the Navy certain men in a vessel's engine room get a little cash prize of \$10 or \$15, I believe, and it is all distinctly in the interest of efficiency and economy."4/

The language of the statute and the testimony concerning it reflect an intent to provide cash prizes of nominal value to members who excel in the specified skills in the same manner as that provided for the Navy.

This language was continued in the various appropriation acts of the Treasury Department until 1949 when the Congress codified its provisions with the enactment of 14 U.S.C. § 503.5/ The codification did make some changes to the earlier statutes. It added authority to give trophies and badges as well as cash prizes for the competitions. Additionally, instead of stating "gunnery, target practice and engineering competitions" the phrase "for excellence in accomplishments related to Coast Guard service" was substituted.

As noted above the Coast Guard statute in this area is patterned on the Navy statute and in fact used similar language. The statute applicable to the Navy, section 8 of the act of August 2, 1946, 60 Stat. 854, provided in part:

"The Secretary of the Navy is authorized to award medals, trophies, badges, and cash prizes to naval personnel or groups thereof (including personnel of the reserve components thereof whether or not on active duty), for excellence in accomplishments

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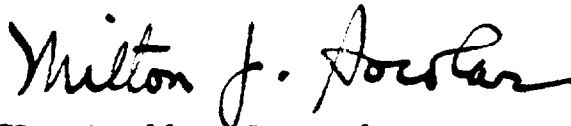
4/ Hearing on Treasury Department Appropriation Bill For 1930 Before the Subcommittee of House Committee on Appropriations, 77th Cong., 2d Sess. 264 (1929) (Statement of Rear Admiral Frederick C. Billard, Commandant).

5/ Act of August 4, 1949, Ch. 558, 63 Stat. 560, 561-562 (1949).

related to naval service, to incur such expenses as may be required to enter such personnel in competitions . . . ."

In response to a question as to whether a Navy appropriation was available to meet expenses in awarding cash prizes for constructive suggestions and inventions, we had occasion to interpret language in the Navy statute and we concluded that the Act did not authorize awarding of such prizes, but was limited to awards for proficiency in arms and related skills. 27 Comp. Gen. 637 (1948). We see no basis for concluding that 14 U.S.C. § 503 was intended to have any broader meaning than the Navy statute.

Accordingly, it is our view that 14 U.S.C. § 503 does not and was not intended to authorize the payment of monetary awards for superior performance. The voucher should not be certified for payment and will be retained here.

A handwritten signature in black ink, reading "Milton J. Doster". The signature is written in a cursive style with a large, stylized "M" and "D".

Acting Comptroller General  
of the United States