



The Comptroller General
of the United States

Washington, D.C. 20548

135260

Decision

Matter of: Rhonda M. Tiller - Charges on Checks Returned for
Insufficient Funds
File: B-228632

Date: March 10, 1988

DIGEST

An employee who elected to have her salary deposited directly in her bank account is not entitled to reimbursement of service charges she incurred for checks issued without sufficient funds because the government failed to deposit her salary. There is no statutory or regulatory provision authorizing reimbursement.

DECISION

In this decision, we deny reimbursement of service charges incurred by Rhonda M. Tiller, an employee of the Defense Logistics Agency, when checks she issued were returned for insufficient funds because of her agency's error in not depositing her pay check with her bank.^{1/}

Ms. Tiller was authorized advance sick leave for which she was to receive her regular salary. However, as a result of an administrative error by her agency she was placed in a leave without pay status, and her paycheck was not deposited in her bank account. As a result, several checks she issued were returned for insufficient funds, and her federal credit union charged her a \$70 service charge.

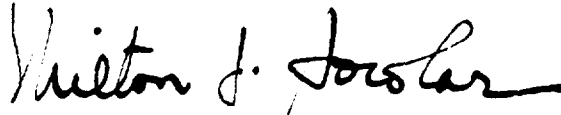
Ms. Tiller claimed the service charge from her employing office, since it was responsible for the failure to deposit her salary in her bank account. The employing office denied the claim because there is no law or regulation authorizing the federal government to pay service charges for returned checks resulting from its failure to deposit salaries in an employee's bank account.

^{1/} Mr. Peter H. Tovar, Chief, Accounting and Finance Division, Office of the Comptroller, Defense Logistics Agency, requested our decision.

041535/135260

Denial of the claim was proper. A government employee may elect to have his or her salary deposited directly into a bank account under the statutory authority of 31 U.S.C. § 3332. Neither that statute nor the implementing regulations permit the government to reimburse its employees for service charges on checks returned for insufficient funds where the government has undertaken but failed to deposit the employee's salary directly with the employee's bank. See Robert G. Raske, Jr., 60 Comp. Gen. 450 (1981). Although it is unfortunate that the employee incurred the charges, we note that under the direct paycheck deposit authority the employee is responsible for making sure that his or her bank balance is adequate to cover checks he or she may write.

Accordingly, Ms. Tiller's claim is denied.

for 
Comptroller General
of the United States