



July 24, 2007

GSA SMARTPAY® SMART BULLETIN

**U.S. GENERAL SERVICES ADMINISTRATION
FEDERAL ACQUISITION SERVICE
SMART BULLETIN NO. 004**

Notice Regarding Prohibition of Signing Bonuses and Lump Sum Incentives for Task Orders Awarded Under GSA SmartPay® 2 (SP2)

INTRODUCTION:

The purpose of this GSA SmartPay® Policy Bulletin is to inform customer agencies and stakeholders that agencies/organizations that will award task orders under the SP2 Master Contracts are not permitted to accept signing bonuses or lump sum incentives from SP2 contractors when awarding task orders, absent some unique authority an agency/organization may have.

BUSINESS LINE(S) AFFECTED: Purchase, Travel, Fleet, Integrated

SUMMARY:

In general, pursuant to 31 U.S.C. § 3302 and absent specific statutory authority, all funds received for the use of the United States must be deposited in the general fund of the Treasury to the credit of the appropriate account, unless deposit credit of an appropriation or other fund account is authorized by law. Violation of this statute is an illegal "augmentation" of the appropriation and funds must be returned to the Treasury and are appropriated by Congress.

An exception to this general rule is that an agency may retain receipts that qualify as "refunds". Refunds are defined as "repayments for excess payments" and are to be credited to the appropriation or fund accounts from which the excess payments were made. Refunds are also defined as representing "amounts collected from outside sources for payments made in error, overpayments, or adjustments for previous amounts disbursed." See Rebates from Travel Management Center Contractors, B-217913, 65 Comp. Gen. 600; May 30, 1986; Accounting for Rebates from Travel Management Center Contractors, B-217913.3, 73 Comp. Gen. 210, June 24, 1994. Refunds must be directly related to previously recorded expenditures and are reductions of such expenditures.

A lump sum incentive or signing bonus does not fit within the category of payments that may be retained and any such payment must be credited to the general fund of the Treasury. A lump sum incentive or signing bonus under an SP2 task order award would be a payment made at the beginning of the performance period and would not be tied to actual expenditures and use of the charge cards. Thus, it cannot be considered to be a reimbursement, advance or funds, refund or recovery.

ACTION:

If an agency/organization is offered a lump sum incentive or signing bonus by a SP2 contractor, they should contact their GSA SmartPay® representative immediately with a detailed account of the occurrence. Some agencies/organizations may have unique authorities which may permit them to retain signing bonuses or other lump sum incentives. In such cases, charge card management officials are asked to coordinate with the agencies/organizations legal and financial staffs to confirm the proper handling of these funds.

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