
May 1, 2000

FINANCIAL ADMINISTRATION MEMORANDUM NO. 2000-011 (II.G.1.)

To: Bureau Assistant Directors, Administration
Director, National Business Center
Bureau Finance Officers
Finance Officer, National Business Center

From: William E. Webber /s/
Focus Leader, Asset and Debt Management
Office of Financial Management

Subject: Travel and Transportation Reform Act of 1998 (PL 105-264)-
Federal Travel Regulation - Final Rule

The purpose of this Financial Administration Memorandum (FAM) is to provide the attached procedures for implementing aspects of the Travel and Transportation Reform Act (TTRA) of 1998 (PL 105-264) and Amendments 90 and 92 to the Federal Travel Regulation (FTR) as issued in the Federal Register (copies attached). In particular, this FAM describes the procedures for travel performed on or after May 1, 2000, for:

- 1) implementing the Department's mandatory charge card use policy; and
- 2) processing travel vouchers submitted by employees, including late payment fees.

A separate FAM will be issued jointly by the Office of Financial Management and the Office of Personnel Policy specifically providing procedures to effectively deal with travel charge card account delinquencies and will include detailed procedures for administering salary offsets.

Should you have any questions regarding this FAM, please direct them to me on (202) 208-5684.

Attachments:

Procedures
FTR Amendment 92 (April 21, 2000)
FTR Amendment 90 (March 30, 2000)
FTR Amendment 90 (January 19, 2000)

Travel & Transportation Reform Act
Implementation Procedures

Effective for Travel Performed On or After May 1, 2000

I. Provisions Addressed

- A. Mandatory Use of the Travel Charge Card (includes relocation travel for en route and house hunting trips only)
- B. Timely employee reimbursement of travel expenses, including late payment penalties

II. Implementation Procedures

A. Mandatory Use of the Travel Charge Card (includes relocation travel for en route and house hunting trips only) - The Department's policy dealing with the Mandatory Use of the Charge Card was issued on March 29, 2000.

1. General Exemptions authorized by the General Services Administration:

Use of the Government-sponsored charge card is mandatory for all travel (including relocation travel for house hunting and en route travel) performed by employees except for:

- Expenses incurred at a vendor that does not accept the Government-sponsored travel charge card,
- Laundry/dry cleaning,
- Parking,
- Local transportation systems,
- Taxi,
- Tips,
- Meals (when use of the card is impractical, e.g. group meals or the Government contractor-issued charge card is not accepted),
- Phone calls (when a Government calling card is available for use in accordance with agency policy)
- An employee who has an application pending for the travel charge card,
- Individuals traveling on invitational travel, and
- New appointees (for a period of 30 days after appointment).

2. Exemptions From the Mandatory Use of the Travel Card Policy:

Program Assistant Secretaries have been delegated authority to grant exemptions to the Department's mandatory use policy. The procedures governing exemptions are as follows:

- the request must be made in writing by the employee requesting the exemption and be submitted to the appropriate Assistant Secretary for consideration through appropriate

intermediate levels,

- if approved, the request will be returned to the requestor with a copy to the Departmental Office of Financial Management (PFM), and

- if approved, all exemptions will be reported by PFM to the General Services Administration within the required 30 days.

Exemption Requests:

Exemption requests must describe fully the extenuating circumstances beyond the employee's control that preclude the employee from using the Government-sponsored charge card. (A simple refusal to obtain the travel charge card will not constitute grounds for granting an exemption.)

3. Penalties for non-compliance with the mandatory use policy:

Formal disciplinary actions should be considered by the employee's immediate supervisor if there is evidence that the charge card was not used official purposes without an appropriate exemption. Before the immediate supervisor initiates any formal action, and before issuing any notices to the employee, the supervisor must contact the bureau's servicing personnel office to ensure that all the necessary requirements are satisfied and all the appropriate documents are properly prepared. Please refer to the Department's ***Handbook on Charges and Penalty Selection for Disciplinary and Adverse Actions***. Such disciplinary action may include:

Oral or written warning or admonishment;

Reprimand;

Suspension;

Reassignment;

Reduction in pay; or

Removal from government office.

B. Voucher Submission, Payment Tracking, and Late Payment Fee Requirements

1. Definitions:

Proper Voucher - A voucher that is substantially complete in every material respect (as to documentation and receipts) and which has been signed by the traveler. That is: (1) the trip was authorized and performed; (2) the appropriate receipts/ticket stubs and other required documentation appear to be in order and are attached to the voucher; and (3) the traveler has signed and dated the travel voucher certifying to its correctness (e.g. block 13 SF 1012).

Designated Approving Office - The office (location/address) where the designated approving official resides.

Approving Official - The person with the authority to review, verify and sign a travel voucher (e.g.

Block 14 SF 1012) for travel under his/her span of control.

2. Employees are required to prepare the travel voucher and submit it to their designated approving office within 5 workdays after completion of travel, 30 day segment of extended temporary duty travel, or segment of permanent change of station move. However, it is emphasized that for late payment purposes, the clock begins when the voucher is received by the designated approving office. The voucher must be date stamped when received in the designated approving office. If for some reason the receipt date is not stamped, then the default date will be the date the voucher was signed by the traveler. For tracking purposes the date the voucher is received by the designated approving office will be the “clock” start date for both return of an improper voucher and late payment date. (Note: If the elapsed time between the employee’s signature on the voucher and the receipt date by the approving office is inordinately long, then the approving official should attempt to determine the reason for the delay and take corrective action to prevent similar future recurrences.)

3. Upon submission of the travel voucher, approving officials and employees are to do the following:

- If the voucher and its attachments appear to meet the criteria for a proper voucher (e.g., the trip was authorized and performed; the appropriate receipts/ticket stubs and other documentation appear to be in order and are attached to the voucher; and the traveler has signed the voucher certifying its correctness), then the voucher should be signed by the approving official as soon as possible (within two workdays of submission by the traveler and forwarded to the paying office is desired).
- If the voucher is incomplete or otherwise fails to meet the criteria for a proper voucher, the approving official will return it to the employee within 7 calendar days from the date the voucher was received in the designated approving office.
- The employee will correct/complete the travel voucher and resubmit it to the approving official with a new signature and date.
- The clock for late payment is reset to zero, and restarts when the proper voucher is received in the designated approving office.

4. Approving officials(or designees) submit the voucher to the paying office for review/audit and for traveler payment. Because of the 30 day requirement for payment, it is necessary that approving officials sign a proper travel voucher within 1 or 2 days of receipt.

5. The Finance Office date stamps voucher upon receipt.

6. The Finance Office reviews/audits the voucher. If the voucher is incomplete it may be returned to the traveler with an explanation of why the voucher was considered insufficient to pay. If returned, the Finance Office will record the date that the voucher was returned, and the number of days that have elapsed since the voucher was approved by the approving official. This information will be entered into a tracking log and used to determine payment due date when the

traveler returns the additional information. The employee provides the additional information and returns the voucher directly to the Finance Office. The tracking process continues upon receipt of the voucher in the Finance Office.

7. If payment is scheduled such that it would be received beyond 30 days from the date the voucher was signed by the approving official, a late payment fee will be automatically added to the travel reimbursement that the employee was otherwise entitled to receive, as follows:

Amount of Claim	28 -57 th Day	58-87 th Day	88-117 th Day	118-147 th Day	148-177 th Day	178-207 th Day	208+ Days
\$1 - \$500	\$5	\$10	\$15	\$40	\$65	\$90	\$115
\$500.01 +	\$10	\$20	\$30	\$60	\$90	\$120	\$150

Table Assumptions:

- All payments are made by electronic funds transfer (EFT).
- “Amount of Claim” for relocation travel is based on en route and house hunting trips only.
- Table allows 2 days for EFT payment to be processed to traveler’s bank account.
- On the 118th Day, the table includes \$20 additional for amount that could be charged by Bank of America.
- On the 148th Day, the table includes \$40 additional for amount that could be charged by Bank of America.
- On 178th Day table includes \$60 additional for amount that could be charged by Bank of America.
- On 208th Day table includes \$80 additional for amount that could be charged by Bank of America.

Note:

The Internal Revenue Service (IRS) has ruled that late payments of the type accruing through day 117 above, constitute an interest payment, and must be reported annually on IRS Form 1099-INT. Every effort should be made by Bureau Finance Offices to ensure that travel reimbursement vouchers are paid before day 118, since the incremental \$20 penalty in subsequent monthly late payment fees thereafter constitutes W-2 earnings to employees, which would require additional Payroll Office reporting.

8. An employee may submit a supplemental claim for Bank of America late penalties and/or Interior’s late payment penalty if he/she believes that these were not correctly paid.

[Federal Register: April 21, 2000 (Volume 65, Number 78)]
[Rules and Regulations]
[Page 21365-21367]
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GENERAL SERVICES ADMINISTRATION

41 CFR Parts 301-51, 301-52, 301-54, 301-70, 301-71 and 301-76

[FTR Amendment 92]
RIN 3090-AH24

Federal Travel Regulation; Mandatory Use of the Travel Charge Card

AGENCY: Office of Governmentwide Policy, GSA.

ACTION: Final rule.

SUMMARY: This final rule amends Federal Travel Regulation (FTR) Amendment 90 published in the Federal Register on Wednesday, January 19, 2000 (65 FR 3054) concerning payment by the Government of expenses connected with official Government travel. This final rule further implements the requirements of Public Law 105-264.

DATES: This final rule is effective April 21, 2000, and applies to payment of expenses in connection with official Government travel performed on or after May 1, 2000.

FOR FURTHER INFORMATION CONTACT: Jim Harte, Office of Governmentwide Policy, Travel and Transportation Management Policy Division, at (202)501-1538.

SUPPLEMENTARY INFORMATION:

A. Background

Pursuant to Public Law 105-264, subsection 2(a), the Administrator of General Services is required to issue regulations requiring Federal employees to use the travel charge card established pursuant to the United States Travel and Transportation Payment and Expense Control System, or

any Federal contractor-issued travel charge card, for all payments of expenses of official Government travel. Additionally, Public Law 105-264 requires the Administrator of General Services to issue regulations on reimbursement of travel expenses and collection of delinquent amounts upon written request of a Federal contractor.

The General Services Administration (GSA), after an analysis of additional data, has:

(1) Determined that certain relocation expenses (excluding en route travel and house hunting expenses) are not technically "travel" expenses and, therefore, are not covered under the provisions of the statute.

(2) Established the date of May 1, 2002, for agencies to reach a seven-calendar day limit for reviewing travel claims.

(3) Permitted an agency to either calculate late payment fees using the Prompt Payment Act Interest Rate or a flat amount based on an agency average of travel claims, but not less than the prompt payment amount.

(4) Deleted health insurance from consideration as disposable pay.

B. Regulatory Flexibility Act

This final rule is not required to be published in the Federal Register for notice and comment; therefore, the Regulatory Flexibility Act does not apply.

C. Executive Order 12866

GSA has determined that this final rule is not a significant regulatory action for the purposes of Executive Order 12866 of September 30, 1993.

D. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because this final rule does not impose record keeping or information collection requirements, or the collection of information from offerors, contractors, or members of the public which require the approval of the Office of Management and Budget (OMB) under 44 U.S.C. 501 et seq.

E. Small Business Regulatory Enforcement Fairness Act

This final rule is also exempt from congressional review prescribed under 5 U.S.C. 801 since it relates solely to agency management and personnel.

List of Subjects in 41 CFR Parts 301-51, 301-52, 301-54, 301-70, 301-71, and 301-76 Government employees, Travel and transportation expenses.

For the reasons set forth in the preamble, 41 CFR Chapter 301 is amended as follows:

PART 301-51--PAYING TRAVEL EXPENSES

1. The authority citation for 41 CFR part 301-51 continues to read as follows:

Authority: 5 U.S.C. 5707. Subpart A is issued under the authority of Sec. 2, Pub. L. 105-264, 112 Stat. 2350 (5 U.S.C. 5701 note); 40 U.S.C. 486(c).

2. Section 301-51.2 is amended by adding paragraph (l) to read as follows:

Sec. 301-51.2 What official travel expenses and/or classes of employees are exempt from the mandatory use of the Government contractor-issued travel charge card?

* * * * *

(l) Relocation allowances prescribed in chapter 302 of this title, except en-route travel and house hunting trip expenses.

PART 301-52--CLAIMING REIMBURSEMENT

3. The authority citation for 41 CFR part 301-52 continues to read as follows:

Authority: 5 U.S.C. 5707; 40 U.S.C. 486(c); Sec. 2, Pub. L. 105-264, 112 Stat. 2350 (5 U.S.C. 5701 note).

4. Sections 301-52.17 and 301-52.18 are revised to read as follows:

Sec. 301-52.17 Within how many calendar days after I submit a proper travel claim must my agency reimburse my allowable expenses?

Your agency must reimburse you within 30 calendar days after you submit a proper travel claim to your agency's designated approving office. Your agency must ensure that it uses a satisfactory record keeping system to track submission of travel claims. For example, travel claims submitted by mail, in accordance with your agency's policy, could be annotated with the time and date of receipt by your agency. Your agency could consider travel claims electronically submitted to the designated approving office as submitted on the date indicated on an e-mail log, or on the next business day if submitted after normal working hours. However, claims for the following relocation allowances are exempt from this provision:

- (a) Transportation and storage of household goods and professional books, papers and equipment;
- (b) Transportation of mobile home;
- (c) Transportation of a privately owned vehicle;
- (d) Temporary quarters subsistence expense, when not paid as lump sum;
- (e) Residence transaction expenses;

- (f) Relocation income tax allowance;
- (g) Use of a relocation services company;
- (h) Home marketing incentive payments; and
- (i) Allowance for property management services.

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Sec. 301-52.18 Within how many calendar days after I submit a travel claim must my agency notify me of any error that would prevent payment within 30 calendar days after submission?

Your agency must notify you as soon as practicable after you submit your travel claim of any error that would prevent payment within 30 calendar days after submission and must provide the reason(s) why your travel claim is not proper. However, not later than May 1, 2002, agencies must achieve a maximum time period of seven working days for notifying you that your travel claim is not proper.

5. Section 301-52.20 is revised to read as follows:

Sec. 301-52.20 How are late payment fees calculated?

Your agency must either:

(a) Calculate late payment fees using the prevailing Prompt Payment Act Interest Rate beginning on the 31st day after submission of a proper travel claim and ending on the date on which payment is made; or

(b) Reimburse you a flat fee of not less than the prompt payment amount, based on an agencywide average of travel claim payments; and

(c) In addition to the fee required by paragraphs (a) and (b) of this section, your agency must also pay you an amount equivalent to any late payment charge that the card contractor would have been able to charge you had you not paid the bill.

PART 301-54--COLLECTION OF UNDISPUTED DELINQUENT AMOUNTS OWED TO THE CONTRACTOR ISSUING THE INDIVIDUALLY BILLED TRAVEL CHARGE CARD

6. The authority citation for 41 CFR part 301-54 continues to read as follows:

Authority: 5 U.S.C. 5707; 40 U.S.C. 486(c); Sec. 2, Pub. L. 105-264, 112 Stat. 2350 (5 U.S.C. 5701 note).

7. Section 301-54.2 is revised to read as follows:

Sec. 301-54.2 What is disposable pay?

Disposable pay is your compensation remaining after the deduction from your earnings of any amounts required by law to be withheld. These deductions do not include discretionary deductions such as savings bonds, charitable contributions, etc. Deductions may be made from any type of pay you receive from your agency, e.g., basic pay, special pay, retirement pay, or incentive pay.

PART 301-70--INTERNAL POLICY AND PROCEDURE REQUIREMENTS

8. The authority citation for 41 CFR part 301-70 continues to read as follows:

Authority: 5 U.S.C. 5707; 40 U.S.C. 486(c); Sec. 2, Pub. L. 105-264, 112 Stat. 2350 (5 U.S.C. 5701 note).

9. Section 301-70.704 is amended by adding a note at the end of the section to read as follows:

Sec. 301-70.704 What expenses and/or classes of employees are exempt from the mandatory use of the Government contractor-issued travel charge card?

* * * * *

Note to Sec. 301-70.704: Relocation allowances prescribed in chapter 302 of this title, except en-route travel and house hunting trip expenses are not covered by this requirement.

PART 301-71--AGENCY TRAVEL ACCOUNTABILITY REQUIREMENTS

10. The authority citation for 41 CFR part 301-71 continues to read as follows:

Authority: 5 U.S.C. 5707; 40 U.S.C. 486(c); Sec. 2, Pub. L. 105-264, 112 Stat. 2350 (5 U.S.C. 5701 note).

11. Section 301-71.204 is revised to read as follows:

Sec. 301-71.204 Within how many calendar days after the submission of a proper travel claim must we reimburse the employee's allowable expenses?

You must reimburse the employee within 30 calendar days after the employee submits a proper travel claim to the agency's designated approving office. You must use a satisfactory record keeping system to track submission of travel claims. For example, travel claims submitted by mail, in accordance with agency policy, could be annotated with the time and date of receipt by the agency. You could consider travel claims electronically submitted to the designated approving office as submitted on the date indicated on an e-mail log, or on the next business day if submitted after normal working hours. However, claims for the following relocation allowances are exempt from this provision:

- (a) Transportation and storage of household goods and professional books, papers and equipment;
- (b) Transportation of mobile home;
- (c) Transportation of a privately owned vehicle;
- (d) Temporary quarters subsistence expense, when not paid as lump sum;
- (e) Residence transaction expenses;
- (f) Relocation income tax allowance;
- (g) Use of a relocation services company;
- (h) Home marketing incentive payments; and

(i) Allowance for property management services.

12. Section 301-71.208 is revised to read as follows:

Sec. 301-71.208 Within how many calendar days after submission of a proper travel claim must we notify the employee of any errors in the claim?

You must notify the employee as soon as practicable after the employee's submission of the travel claim of any error that would prevent payment within 30 calendar days after submission and provide the reason(s) why the claim is not proper. However, not later than May 1, 2002, you must achieve a maximum time period of seven working days for notifying an employee that his/her travel claim is not proper.

13. Section 301-71.210 is revised to read as follows:

Sec. 301-71.210 How do we calculate late payment fees?

Late payment fees are calculated either by:

(a) Using the prevailing Prompt Payment Act Interest Rate beginning on the 31st day after submission of a proper travel claim and ending on the date on which payment is made; or

(b) A flat fee, of not less than the prompt payment amount, based on an agencywide average of travel claim payments; and

(c) In addition to the fee required by paragraphs (a) and (b) of this section, you must also pay an amount equivalent to any late payment charge that the card contractor would have been able to charge had the employee not paid the bill. Payment of this additional fee will be based upon the effective date that a late payment charge would be allowed under the agreement between the employee and the card contractor.

PART 301-76--COLLECTION OF UNDISPUTED DELINQUENT AMOUNTS OWED TO THE CONTRACTOR ISSUING THE INDIVIDUALLY BILLED TRAVEL CHARGE CARD

14. The authority citation for 41 CFR part 301-76 continues to read as follows:

Authority: 5 U.S.C. 5707; 40 U.S.C. 486(c); Sec. 2, Pub. L. 105-264, 112 Stat. 2350 (5 U.S.C. 5701 note).

15. Section 301-76.2 is revised to read as follows:

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Sec. 301-76.2 What is disposable pay?

Disposable pay is the part of the employee's compensation remaining after the deduction of any amounts required by law to be withheld. These deductions do not include discretionary deductions such as savings bonds, charitable contributions, etc. Deductions may be made from any type of pay, e.g., basic pay, special pay, retirement pay, or incentive pay.

Dated: April 13, 2000.

David J. Barram,

Administrator of General Services.

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GENERAL SERVICES ADMINISTRATION

41 CFR Parts 301-51, 301-52, 301-54, 301-70, 301-71 and 301-76

[FTR Amendment 90]
RIN 3090-AG92

Federal Travel Regulation; Mandatory Use of the Travel Charge Card

AGENCY: Office of Governmentwide Policy, GSA.

ACTION: Final rule; delay of applicability date.

SUMMARY: This document constitutes a deviation to the applicability date of the Federal Travel Regulation (FTR) provisions pertaining to payment by the Government of expenses connected with official Government travel published in the Federal Register of January 19, 2000 (65 FR 3054). Due to the difficulties involved in implementing the requirements of Public Law 105-264, October 19, 1998, regarding the required use of the travel charge card, collection of amounts owed, and reimbursement of travel expenses, the Associate Administrator for the Office of Governmentwide Policy hereby grants a class deviation that delays the applicability date until May 1, 2000, for mandatory use of the travel charge card and payment of associated penalties and interest. This delay will allow agencies time to work out the details of implementation of the mandatory use of the travel charge card regulations.

DATES: Effective Date: The effective date of this final rule remains July 16, 1999.

Applicability Date: The applicability date of the final rule published at 65 FR 3054 on January 19, 2000, is delayed from February 29, 2000, until May 1, 2000, or upon the issuance of agency implementing regulations, whichever occurs first.

FOR FURTHER INFORMATION CONTACT: Sandra Batton, Travel and
Transportation Management Policy Division, at (202) 501-1538.

Dated: March 24, 2000.

G. Martin Wagner,
Associate Administrator for Governmentwide Policy.
[FR Doc. 00-7819 Filed 3-29-00; 8:45 am]
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Part III

General Services Administration

41 CFR Part 301-51, et al.

Federal Travel Regulation; Mandatory Use of the Travel Charge Card; Final Rule

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GENERAL SERVICES ADMINISTRATION

41 CFR Parts 301-51, 301-52, 301-54, 301-70, 301-71 and 301-76

[FTR Amendment 90]
RIN 3090-AG92

Federal Travel Regulation; Mandatory Use of the Travel Charge Card

AGENCY: Office of Governmentwide Policy, GSA.

ACTION: Final rule.

SUMMARY: This final rule amends the Federal Travel Regulation (FTR) provisions pertaining to payment by the Government of expenses connected with official Government travel. This final rule implements the requirements of Public Law 105-264, October 19, 1998, regarding the required use of the travel charge card, collection of amounts owed, and reimbursement of travel expenses. This final rule also implements the Administrator of General Services' authority under Public Law 105-264 to require agencies to pay expenses in connection with official Government

travel.

DATES: Effective Date: The provisions of this final rule are effective July 16, 1999.

Applicability Date: The provisions of this final rule governing official travel apply to official travel performed after February 29, 2000, or upon the issuance of agency implementing regulations, whichever occurs first.

FOR FURTHER INFORMATION CONTACT: Sandra Batton, Travel and Transportation Management Policy Division, at (202) 501-1538.

SUPPLEMENTARY INFORMATION:

A. Background

Pursuant to subsection 2(a) of Public Law 105-264, the Administrator of General Services is required to issue regulations "after consultation with the Secretary of the Treasury" requiring Federal employees to use the travel charge card established pursuant to the United States Travel and Transportation Payment and Expense Control System, or any Federal contractor-issued travel charge card (including centrally billed accounts), for all payments of expenses of official Government travel.

Additionally, Public Law 105-264 requires the Administrator of General Services to issue regulations on the reimbursement of travel expenses and collection of delinquent amounts upon written request of a Federal travel charge card contractor.

The General Services Administration (GSA) has made a number of changes to this final rule in response to agency and public comments received on Interim Rule 8 published on July 16, 1999, at 64 FR 38528.

Comments were received from twenty-two Federal agencies, seven unions and other organizations representing employees, fifty-two Federal employees, and one bank. All comments received were considered in the formulation of the final rule.

Several comments were received regarding the definition of "proper voucher". GSA views a "proper voucher" as a travel claim that meets an agency's guidelines for what they have determined to be a "proper voucher". GSA does not see a need to restrict agencies by establishing Governmentwide standards on what constitutes a "proper voucher".

Several comments received suggested expanding the list of expenses that are exempt from the mandatory use of the Government contractor-issued travel charge card. In response to this request, we expanded the list of exempt expenses and added a list of personnel exempt from use of the Government contractor-issued travel charge card.

Several requests were received for GSA to provide specific guidelines on appropriate disciplinary action for use of the Government contractor-issued travel charge card for non-official travel purposes.

While we believe that each agency, not GSA, should set the level of action to take, we have provided an example of one agency's actions in the following table.

Offense	Minimum penalty	Maximum penalty
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First offense.....	Written reprimand.	Removal.
Second offense.....	Ten-day suspension	Removal.
Third offense.....	Fourteen-day suspension.	Removal.

Several comments were received recommending that the 30-calendar days after submission of a proper "travel voucher" begin when the travel claim is received in the payment office. GSA has not adopted this suggestion and feels that starting the 30-calendar day payment clock when the approving official receives the proper travel claim is more equitable to the employee. However, more guidance is provided on what is considered to be the date of receipt by the approving official.

Several comments questioned the tax consequences for payment of a late fee to the employee when the agency fails to reimburse the employee within 30 calendar days after the receipt of a proper travel claim. The Internal Revenue Service (IRS) has determined that the late payment fee is in the nature of interest and that the additional fee, which is the amount equivalent to any late payment charge that the contractor would have been able to charge the employee, is considered to be income to the employee.

It was suggested that a minimum amount be established for late payment fees. We agree with this suggestion and therefore establish a one-dollar threshold for the late payment fee.

It was suggested that collection of undisputed delinquent amounts from the employee be allowed in circumstances where the employee has failed to submit a travel claim unless there are extenuating circumstances. We agree with this suggestion and have stipulated that employees failing to submit travel claims in accordance with Sec. 301-52.7 are subject to their agencies' policies on the collection of undisputed delinquent amounts owed on the Government contractor-issued travel charge card.

It was suggested that the requirement that agencies notify the Administrator of General Services not later than 30 days after granting an exemption from the mandatory use of the Government contractor-issued travel charge card be changed to allow semi-annual or annual reports on exemptions or eliminate the requirement all together. The Administrator of General Services does not have the authority to change or remove the 30-day reporting requirement established in Public Law 105-264.

GSA received several comments concerning usage provisions of the Government contractor-issued charge card contract and the employee's responsibility for prompt payment of charges incurred using the card for official Government travel. This rule does not place any new financial burdens on the employee; it simply reminds the employee and the agency that the employee is responsible for payment of the bill in accordance with the cardholder agreement. Therefore, we have not addressed those comments in this rule.

B. Regulatory Flexibility Act

This final rule is not required to be published in the Federal Register for notice and comment; therefore, the Regulatory Flexibility Act does not apply.

C. Executive Order 12866

GSA has determined that this final rule is not a significant regulatory action for the purposes of Executive Order 12866 of September 30, 1993.

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D. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because this final rule does not impose record keeping or information collection requirements, or the collection of information from offerors, contractors, or members of the public which require the approval of the Office of Management and Budget (OMB) under 44 U.S.C. 501 et seq.

E. Small Business Regulatory Enforcement Fairness Act

This final rule is also exempt from congressional review prescribed under 5 U.S.C. 801 since it relates solely to agency management and personnel.

List of Subjects in 41 CFR Parts 301-51, 301-52, 301-54, 301-70, 301-71, and 301-76

Government employees, Travel and transportation expenses.

For the reasons set forth in the preamble, 41 CFR Chapter 301 is amended as follows:

PART 301-51--PAYING TRAVEL EXPENSES I111. The authority for part 301-51 is revised to read as follows:

Authority: 5 U.S.C. 5707. Subpart A is issued under the authority of Sec. 2, Pub. L. 105-264, 112 Stat. 2350 (5 U.S.C. 5701 note); 40 U.S.C. 486(c).

2. Part 301-51 is amended by revising subpart A to read as follows:

Subpart A--General

Sec.

301-51.1 What is the required method of payment for official travel expenses?

301-51.2 What official travel expenses and/or classes of employees are exempt from the mandatory use of the Government contractor-issued travel charge card?

301-51.3 Who in my agency has the authority to grant exemptions from the mandatory use of the Government contractor-issued travel charge card?

301-51.4 If my agency grants an exemption, does that prevent me from using the card on a voluntary basis?

301-51.5 How may I pay for official travel expenses if I receive an exemption from use of the Government contractor-issued travel charge card?

301-51.6 May I use the Government contractor-issued travel charge card for purposes other than those associated with official travel?

301-51.7 What are the consequences of using the Government contractor-issued travel charge card for non-official travel purposes?

Subpart A--General

Sec. 301-51.1 What is the required method of payment for official travel expenses?

You are required to use the Government contractor-issued travel charge card for all official travel expenses unless you have an exemption.

Sec. 301-51.2 What official travel expenses and/or classes of employees are exempt from the mandatory use of the Government contractor-issued travel charge card?

The Administrator of General Services exempts the following from the mandatory use of the Government contractor-issued travel charge card:

- (a) Expenses incurred at a vendor that does not accept the Government contractor-issued travel charge card;
- (b) Laundry/dry cleaning;
- (c) Parking;
- (d) Local transportation system;
- (e) Taxi;
- (f) Tips;
- (g) Meals (when use of the card is impractical, e.g., group meals or the Government contractor-issued travel charge card is not accepted);
- (h) Phone calls (when a Government calling card is available for use in accordance with agency policy);
- (i) An employee who has an application pending for the travel charge card;
- (j) Individuals traveling on invitational travel; and
- (k) New appointees.

Sec. 301-51.3 Who in my agency has the authority to grant exemptions from the mandatory use of the Government contractor-issued travel charge card?

The head of your agency or his/her designee(s) has (have) the authority to grant exemptions from the mandatory use of the Government contractor-issued travel charge card.

Sec. 301-51.4 If my agency grants an exemption, does that prevent me from using the card on a voluntary basis?

No, an exemption from use would not prevent you from using the Government contractor-issued travel charge card on a voluntary basis in accordance with your agency's policy.

Sec. 301-51.5 How may I pay for official travel expenses if I receive an exemption from use of the Government contractor-issued travel charge card?

If you receive an exemption from use of the Government contractor-issued travel charge card, your agency may authorize one or a combination of the following methods of payment:

- (a) Personal funds, including cash or personal charge card;
- (b) Travel advances; or

(c) Government Transportation Request (GTR).

Note to Sec. 301-51.5: City pair contractors are not required to accept payment by the methods in paragraph (a) or (b) of this section.

Sec. 301-51.6 May I use the Government contractor-issued travel charge card for purposes other than those associated with official travel?

No, the Government contractor-issued travel charge card may be used only for official travel related expenses.

Sec. 301-51.7 What are the consequences of using the Government contractor-issued travel charge card for non-official travel purposes?

If you use the Government contractor-issued travel charge card for purposes other than official travel, your agency may take appropriate disciplinary action.

PART 301-52--CLAIMING REIMBURSEMENT

3. The authority citation for 41 CFR part 301-52 is revised to read as follows:

Authority: 5 U.S.C. 5707; 40 U.S.C. 486(c); Sec. 2., Pub. L. 105-264, 112 Stat. 2350 (5 U.S.C. 5701 note).

4. Part 301-52 is amended by revising Secs. 301-52.17 through 301-52.21 and adding Secs. 301-52.22 through 301-52.24 to read as follows:

Sec. 301-52.17 Within how many calendar days after I submit a proper travel claim must my agency reimburse my allowable expenses?

Your agency must reimburse you within 30-calendar days after you submit a proper travel claim to your approving official. Your agency must ensure that it uses a satisfactory record keeping system to track submission of travel claims. For example, travel claims submitted by mail, in accordance with your agency's policy, could be annotated with the time and date of receipt by the agency. Your agency could consider travel claims electronically submitted to the approving official as submitted on the date indicated on an email log, or on the next business day if submitted after normal working hours.

Sec. 301-52.18 Within how many calendar days after I submit a travel claim must my agency notify me of any error that would prevent payment within 30 calendar days after submission?

Your agency must notify you within seven calendar days after you submit your travel claim of any error that would prevent payment within 30 calendar days after submission and must provide the reason(s) why your travel claim is not proper.

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Sec. 301-52.19 Will I receive a late payment fee if my agency fails to reimburse me within 30 calendar days after I submit a proper travel claim?

Yes, your agency must pay you a late payment fee, in addition to the amount due you, for any proper travel claim not reimbursed within 30 calendar days of your submission of it to the approving official.

Sec. 301-52.20 How are late payment fees calculated?

Your agency must calculate late payment fees using the prevailing Prompt Payment Act Interest Rate beginning on the 31st day after submission of a proper travel claim and ending on the date on which payment is made. In addition to this fee, your agency must also pay you an amount equivalent to any late payment charge that the card contractor would have been able to charge you had you not paid the bill.

Sec. 301-52.21 Is there a minimum amount the late payment fee must exceed before my agency will pay it to me?

Yes, a late payment fee will only be paid when the computed late payment fee is \$1.00 or greater.

Sec. 301-52.22 Will any late payment fees I receive be reported as wages on a Form W-2?

No, the Internal Revenue Service (IRS) has determined that the late payment fee is in the nature of interest (compensation for the use of money). Your agency will report payments in accordance with IRS guidelines.

Sec. 301-52.23 Is the additional fee, which is equal to any late payment charge that the card contractor would have been able to charge had I not paid the bill, considered income?

Yes, your agency will report this payment as additional wages on Form W-2.

Sec. 301-52.24 Does mandatory use of the Government contractor-issued travel charge card change my obligation to pay my travel card bill by the due date?

No, mandatory use of the Government contractor-issued travel charge card does not relieve you of your obligation to pay your bill in accordance with your cardholder agreement.

5. Part 301-54 is revised to read as follows:

PART 301-54--COLLECTION OF UNDISPUTED DELINQUENT AMOUNTS OWED TO THE CONTRACTOR ISSUING THE INDIVIDUALLY BILLED TRAVEL CHARGE CARD

Subpart A--General Rules

Sec.301-54.1 Is my agency allowed to collect undisputed delinquent amounts that I owe to a

Government travel charge card contractor?

301-54.2 What is disposable pay?

Subpart B--Policies and Procedures

301-54.100 Are there any due process requirements with which my agency must comply before collecting undisputed delinquent amounts on behalf of the charge card contractor?

301-54.101 Can my agency initiate collection of undisputed delinquent amounts if it has not reimbursed me for amounts reimbursable under the applicable travel regulations?

301-54.102 What is the maximum amount my agency may deduct from my disposable pay?

Authority: 5 U.S.C. 5707; 40 U.S.C. 486(c); Sec. 2, Pub. L. 105-264, 112 Stat. 2350 (5 U.S.C. 5701 note).

Subpart A--General Rules

Note to subpart A: Use of pronouns "I", "you", and their variants throughout this subpart refers to the employee.

Sec. 301-54.1 Is my agency allowed to collect undisputed delinquent amounts that I owe to a Government travel charge card contractor?

Yes, upon written request from the contractor, your agency may collect, from your disposable pay, any undisputed delinquent amounts that you owe to a Government travel charge card contractor.

Sec. 301-54.2 What is disposable pay?

Disposable pay is your compensation remaining after the deduction from your earnings of any amounts required by law to be withheld. These deductions do not include discretionary deductions such as health insurance, savings bonds, charitable contributions, etc. Deductions may be made from any type of pay you receive from your agency, e.g., basic pay, special pay, retirement pay, or incentive pay.

Subpart B--Policies and Procedures

Note to subpart B:

Use of pronouns "I", "you", and their variants throughout this subpart refers to the employee.

Sec. 301-54.100 Are there any due process requirements with which my agency must comply before collecting undisputed delinquent amounts on behalf of the charge card contractor?

Yes, your agency must:

(a) Provide you with written notice of the type and amount of the claim, the intention to collect

the claim by deduction from your disposable pay, and an explanation of your rights as a debtor;

(b) Give you the opportunity to inspect and copy their records related to the claim;

(c) Allow an opportunity for a review within the agency of its decision to collect the amount;
and

(d) Provide you with an opportunity to make a written agreement with the contractor to repay the delinquent amount of the claim.

Sec. 301-54.101 Can my agency initiate collection of undisputed delinquent amounts if it has not reimbursed me for amounts reimbursable under the applicable travel regulations?

No, your agency may only collect undisputed delinquent amounts for which you have been reimbursed under the applicable travel regulations. However, if you have not submitted a proper travel claim within the time frame requirements of Sec. 301-52.7 of this chapter, and there are no extenuating circumstances, your agency may collect the undisputed delinquent amounts based on the amounts charged on the travel charge card.

Sec. 301-54.102 What is the maximum amount my agency may deduct from my disposable pay?

As set forth in Public Law 105-264, 112 Stat. 2350, October 19, 1998, the maximum amount your agency may deduct from your disposable pay is 15 percent a pay period, unless you agree in writing to a larger percentage.

PART 301-70--INTERNAL POLICY AND PROCEDURE REQUIREMENTS

6. The authority citation for 41 CFR part 301-70 is revised to read as follows:

Authority: 5 U.S.C. 5707; 40 U.S.C. 486(c); Sec. 2, Pub. L. 105-264, 112 Stat. 2350 (5 U.S.C. 5701 note).

7. Part 301-70 is amended by revising Subpart H to read as follows:

Subpart H--Policies and Procedures Relating to Mandatory Use of the Government
Contractor-Issued Travel Charge Card for Official Travel

Sec.301-70.700 Must our employees use a Government contractor-issued travel charge card for official travel expenses?

301-70.701 Who has the authority to grant exemptions to mandatory use of Government contractor-issued travel charge card for official travel?

301-70.702 Must we notify the Administrator of General Services when we grant an exemption?

301-70.703 If we grant an exemption, does that prevent the employee from using the card on a voluntary basis?

301-70.704 What expenses and/or classes of employees are exempt from the mandatory use of the Government contractor-issued travel charge card?

301-70.705 What methods of payment for official travel expenses may we authorize when an exemption from use of the Government contractor-issued travel charge card is granted?

301-70.706 May an employee use the Government contractor-issued travel charge card for purposes other than those associated with official travel?

301-70.707 What are the consequences of using the Government contractor-issued travel charge card for non-official travel purposes?

Subpart H--Policies and Procedures Relating to Mandatory Use of the Government Contractor-Issued Travel Charge Card for Official Travel

Sec. 301-70.700 Must our employees use a Government contractor-issued travel charge card for official travel expenses?

Yes, your employees must use a Government contractor-issued travel charge card for official travel expenses unless:

- (a) A vendor does not accept the travel charge card;
- (b) The Administrator of General Services has granted an exemption. (see Sec. 301-70.704); or
- (c) Your agency head or his/her designee has granted an exemption.

Sec. 301-70.701 Who has the authority to grant exemptions to mandatory use of Government contractor-issued travel charge card for official travel?

(a) The Administrator of General Services will exempt any payment, person, type or class of payments, or type or class of personnel in any case in which--

- (1) It is in the best interest of the United States to do so;
- (2) Payment through a travel charge card is impractical or imposes unreasonable burdens or costs on Federal employees or Federal agencies; or
- (3) The Secretary of Defense or the Secretary of Transportation (for the Coast Guard) requests an exemption for the members of their uniformed services.

(b) The head of a Federal agency or his/her designee(s) may exempt any payment, person, type or class of payments, or type or class of agency personnel if the exemption is determined to be necessary in the interest of the agency.

Sec. 301-70.702 Must we notify the Administrator of General Services when we grant an exemption?

Yes, you must notify the Administrator of General Services (Attention: MTT), 1800 F Street, NW, Washington, DC 20405, in writing within 30 days after granting the exemption, stating the reasons for the exemption.

Sec. 301-70.703 If we grant an exemption, does that prevent the employee from using the card on

a voluntary basis?

No, an exemption from use would not prevent the employee from using the Government contractor-issued travel charge card for official travel expenses on a voluntary basis in accordance with your policies.

Sec. 301-70.704 What expenses and/or classes of employees are exempt from the mandatory use of the Government contractor-issued travel charge card?

The Administrator of General Services exempts the following from the mandatory use of the Government contractor-issued travel charge card:

- (a) Expenses incurred at a vendor that does not accept the Government contractor-issued travel charge card;
- (b) Laundry/dry cleaning;
- (c) Parking;
- (d) Local transportation system;
- (e) Taxi;
- (f) Tips;
- (g) Meals (only when use of the card is impractical, i.e., group meals or the Government contractor-issued travel charge card is not accepted);
- (h) Phone calls (when a Government calling card is available for use in accordance with agency policy);
- (i) An employee who has an application pending for the travel charge card;
- (j) Individuals traveling on invitational travel; and
- (k) New appointees.

Sec. 301-70.705 What methods of payment for official travel expenses may we authorize when an exemption from use of the Government contractor-issued travel charge card is granted?

When you grant an exemption from use of the Government contractor-issued travel charge card, you may authorize one or a combination of the following methods of payment:

- (a) Personal funds, including cash or personal charge card;
- (b) Travel advances; or
- (c) Government Transportation Request (GTR).

Note to Sec. 301-70.705: City pair contractors are not required to accept payment by the methods in paragraph (a) or (b) of this section.

Sec. 301-70.706 May an employee use the Government contractor-issued travel charge card for purposes other than those associated with official travel?

No, the Government contractor-issued travel charge card may be used only for official travel related expenses.

Sec. 301-70.707 What are the consequences of using the Government contractor-issued travel charge card for non-official travel purposes?

If one of your employees uses the Government contractor-issued travel charge card for purposes other than official travel, you may take appropriate disciplinary action.

PART 301-71--AGENCY TRAVEL ACCOUNTABILITY REQUIREMENTS

8. The authority citation for 41 CFR part 301-71 is revised to read as follows:

Authority: 5 U.S.C. 5707; 40 U.S.C. 486(c); Sec. 2, Pub. L. 105-264, 112 Stat. 2350 (5 U.S.C. 5701 note).

9. Part 301-71 is amended by revising Sec. 301-71.204 and Secs. 301-71.208 through 301-71.211 and by adding Secs. 301-71.212 through 301-71.214 to Subpart C to read as follows:

Sec. 301-71.204 Within how many calendar days after the submission of a proper travel claim must we reimburse the employee's allowable expenses?

You must reimburse the employee within 30 calendar days after the employee submits a proper travel claim to the approving official. You must use a satisfactory record keeping system to track submission of travel claims. For example, travel claims submitted by mail, in accordance with agency policy, could be annotated with date of receipt by the agency. You could consider travel claims electronically submitted to the approving official as submitted on the date indicated on an email log, or on the next business day if submitted after normal working hours.

Sec. 301-71.208 Within how many calendar days after submission of the travel claim must we notify the employee of any errors in the claim?

You must notify the employee within seven calendar days after the employee's submission of the travel claim of any error that would prevent payment within 30 calendar days after submission and provide the reason(s) why the claim is not proper.

Sec. 301-71.209 Must we pay a late payment fee if we fail to reimburse the employee within 30 calendar days after receipt of a proper travel claim?

Yes, a late payment fee, in addition to the amount due the employee, must be paid for any proper travel claim not reimbursed within 30 calendar days of submission to the approving official.

Sec. 301-71.210 How do we calculate late payment fees?

Late payment fees are calculated using the prevailing Prompt Payment

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Act Interest Rate beginning on the 31st day after submission of a proper travel claim and ending on the date on which payment is made. In addition to this fee, you must also pay an amount equivalent to any late payment charge that the card contractor would have been able to charge the employee had the bill not been paid. Payment of this additional fee will be based upon the effective date that a late payment charge would be allowed under the agreement between you and the card contractor.

Sec. 301-71.211 Is there a minimum amount the late payment fee must exceed before we will pay it?

Yes, a late payment fee will only be paid when the computed late payment fee is \$1.00 or greater.

Sec. 301-71.212 Should we report late payment fees as wages on a Form W-2?

No, the Internal Revenue Service (IRS) has determined that the late payment fee is in the nature of interest (compensation for the use of money).

Sec. 301-71.213 Is the additional fee, which is the equivalent to any late payment charge that the card contractor would have been able to charge had the employee not paid the bill, considered income?

Yes, you must report this late payment fee as additional wages on Form W-2.

Sec. 301-71.214 Does mandatory use of the Government contractor-issued travel charge card change the employee's obligation to pay his/her travel card bill by the due date?

No, mandatory use of the Government contractor-issued travel charge card does not relieve the employee of his/her obligation to honor his/her cardholder payment agreement.

10. Part 301-76 is revised to read as follows:

PART 301-76--COLLECTION OF UNDISPUTED DELINQUENT AMOUNTS OWED TO THE CONTRACTOR ISSUING THE INDIVIDUALLY BILLED TRAVEL CHARGE CARD

Subpart A--General Rules

Sec.301-76.1 May we collect undisputed delinquent amounts that an employee (including members of the uniformed services) owes to a Government travel charge card contractor?

301-76.2 What is disposable pay?

Subpart B--Policies and Procedures

301-76.100 Are there any due process requirements with which we must comply before collecting undisputed delinquent amounts on behalf of the charge card contractor?

301-76.101 Who is responsible for ensuring that all due process and legal requirements have been met?

301-76.102 Can we collect undisputed delinquent amounts if we have not reimbursed the employee for amounts reimbursable under applicable travel regulations?

301-76.103 What is the maximum amount we may deduct from the employee's disposable pay?

Authority: 5 U.S.C. 5707; 40 U.S.C. 486(c); Sec. 2, Pub. L. 105-264, 112 Stat. 2350 (5 U.S.C. 5701 note).

Subpart A--General Rules

Note to Subpart A: Use of pronouns ``we", ``you", and their variants throughout this part refers to the agency.

Sec. 301-76.1 May we collect undisputed delinquent amounts that an employee (including members of the uniformed services) owes to a Government travel charge card contractor?

Yes, upon written request from the contractor and in accordance with the procedures specified in Sec. 301-76.100, you may collect undisputed amounts owed to a Government travel charge card contractor from the delinquent employee's disposable pay. You must promptly forward all amounts deducted to the contractor.

Sec. 301-76.2 What is disposable pay?

Disposable pay is the part of the employee's compensation remaining after the deduction of any amounts required by law to be withheld. These deductions do not include discretionary deductions

such as health insurance, savings bonds, charitable contributions, etc. Deductions may be made from any type of pay, e.g., basic pay, special pay, retirement pay, or incentive pay.

Subpart B--Policies and Procedures

Note to Subpart B:

Use of pronouns ``we", ``you", and their variants throughout this part refers to the agency.

Sec. 301-76.100 Are there any due process requirements with which we must comply before collecting undisputed delinquent amounts on behalf of the charge card contractor?

Yes, you must:

(a) Provide the employee with written notice of the type and amount of the claim, the intention to collect the claim by deduction from his/her disposable pay, and an explanation of his/her rights as a debtor;

(b) Give the employee the opportunity to inspect and copy your records related to the claim;

(c) Allow an opportunity for a review within the agency of your decision to collect the amount; and

(d) Provide the employee an opportunity to make a written agreement with the contractor to repay the delinquent amount.

Sec. 301-76.101 Who is responsible for ensuring that all due process and legal requirements have been met?

You are responsible for ensuring that all requirements have been met.

Sec. 301-76.102 Can we collect undisputed delinquent amounts if we have not reimbursed the employee for amounts reimbursable under applicable travel regulations?

No, you may only collect undisputed delinquent amounts after you have reimbursed the employee under the applicable travel regulations and in accordance with a proper travel claim. However, if the employee has not submitted a proper travel claim within the time frame requirements of Sec. 301-52.7 of this chapter, and there are no extenuating circumstances, you may collect the undisputed delinquent amounts.

Sec. 301-76.103 What is the maximum amount we may deduct from the employee's disposable pay?

As set forth in Public Law 105-264, 112 Stat. 2350, October 19, 1998, the maximum amount you may deduct from the employee's disposable pay is 15 percent per pay period, unless the employee consents in writing to deduction of a greater percentage.

Dated: December 20, 1999.

David J. Barram,

Administrator of General Services.

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