

GENERAL SERVICES ADMINISTRATION
Washington, DC 20405

January 14, 2005

FEDERAL MANAGEMENT REGULATION
Amendment 2005-1

TO: Heads of Federal agencies

SUBJECT: FMR Case 2004-102-8 Change in Consumer Price Index
Minimal Value

1. Purpose. This document includes pages that reflect amendments to Part 102-42 of the Federal Management Regulation.
2. Effective date. This rule was published in the *Federal Register* on January 12, 2005, and became effective on January 1, 2005.
3. Explanation of changes. Public Law 95-105 requires that at 3-year intervals following January 1, 1981, minimal value for reporting foreign gifts be redefined by the Administrator of General Services, after consultation with the Secretary of State, to reflect changes in the Consumer Price Index for the immediately preceding 3-year period. The required consultation has been completed and the minimal value has been increased to mean \$305 or less as of January 1, 2005.
4. Filing instructions. Make the following page changes:

<u>Remove pages:</u>	<u>Insert pages:</u>
102-42-1 and 102-42-2	102-42-1 and 102-42-2



G. Martin Wagner
Associate Administrator
Office of Governmentwide Policy

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PART 102-42—UTILIZATION, DONATION, AND DISPOSAL OF FOREIGN GIFTS AND DECORATIONS

Subpart A—General Provisions

§102-42.5—What does this part cover?

This part covers the acceptance, utilization, donation, and disposal of gifts and decorations from foreign governments under 5 U.S.C. 7342. If you receive gifts other than from a foreign government you should refer to [§102-36.405](#).

Definitions

§102-42.10—What definitions apply to this part?

The following definitions apply to this part:

“Decoration” means an order, device, medal, badge, insignia, emblem, or award offered by or received from a foreign government.

“Employee” means:

(1) An employee as defined by 5 U.S.C. 2105 and an officer or employee of the United States Postal Service or of the Postal Rate Commission;

(2) An expert or consultant who is under contract under 5 U.S.C. 3109 with the United States or any agency, department, or establishment thereof, including, in the case of an organization performing services under that section, any individual involved in the performance of such services;

(3) An individual employed by or occupying an office or position in the government of a territory or possession of the United States or the government of the District of Columbia;

(4) A member of a uniformed service as specified in 10 U.S.C. 101;

(5) The President and the Vice President;

(6) A Member of Congress as defined by 5 U.S.C. 2106 (except the Vice President) and any Delegate to the Congress; and

(7) The spouse of an individual described in paragraphs (1) through (6) of this definition of “employee” (unless this individual and his or her spouse are separated) or a dependent (within the meaning of section 152 of the Internal Revenue Code of 1986 (26 U.S.C. 152)) of this individual, other than a spouse or dependent who is an employee under paragraphs (1) through (6) of this definition of “employee.”

“Employing agency” means:

(1) The department, agency, office, or other entity in which an employee is employed, for other legislative branch employees and for all executive branch employees;

(2) The Committee on Standards of Official Conduct of the House of Representatives, for Members and employees of the House of Representatives, except that those responsibilities specified in 5 U.S.C. 7342(c)(2)(A), (e)(1), and (g)(2)(B) must be carried out by the Clerk of the House;

(3) The Select Committee on Ethics of the Senate, for Senators and employees of the Senate, except that those responsibilities (other than responsibilities involving approval of the employing agency) specified in 5 U.S.C. 7342(c)(2), (d), and (g)(2)(B) must be carried out by the Secretary of the Senate; and

(4) The Administrative Offices of the United States Courts, for judges and judicial branch employees.

“Foreign government” means:

(1) Any unit of foreign government, including any national, State, local, and municipal government and their foreign equivalents;

(2) Any international or multinational organization whose membership is composed of any unit of a foreign government; and

(3) Any agent or representative of any such foreign government unit or organization while acting as such.

“Gift” means a monetary or non-monetary present (other than a decoration) offered by or received from a foreign government. A monetary gift includes anything that may commonly be used in a financial transaction, such as cash or currency, checks, money orders, bonds, shares of stock, and other securities and negotiable financial instruments.

“Minimal value” means a retail value in the United States at the time of acceptance of \$305 or less, except that—

(1) GSA will adjust the definition of “minimal value” in regulations prescribed by the Administrator of General Services every three years, in consultation with the Secretary of State, to reflect changes in the consumer price index for the immediately preceding 3-year period; and

(2) Regulations of an employing agency may define “minimal value” for its employees to be less, but not more than, the value provided under this definition.

Care, Handling and Disposition

§102-42.15—Under what circumstances may an employee retain a foreign gift or decoration?

Employees, with the approval of their employing agencies, may accept and retain:

(a) Gifts of minimal value received as souvenirs or marks of courtesy. When a gift of more than minimal value is accepted, the gift becomes the property of the U.S. Government, not the employee, and must be reported.

(b) Decorations that have been offered or awarded for outstanding or unusually meritorious performance. If the employing agency disapproves retention of the decoration by the employee, the decoration becomes the property of the U.S. Government.

§102-42.20—What is the typical disposition process for gifts and decorations that employees are not authorized to retain?

(a) *Non-monetary gifts or decorations.* When an employee receives a non-monetary gift above the minimal value or a decoration that he/she is not authorized to retain:

(1) The employee must report the gift or decoration to his/her employing agency within 60 days after accepting it.

(2) The employing agency determines if it will keep the gift or decoration for official use.

(3) If it does not return the gift or decoration to the donor or keep it for official use, the employing agency reports it as excess personal property to GSA for Federal utilization screening under [§102-42.95](#).

(4) If GSA does not transfer the gift or decoration during Federal utilization screening, the employee may purchase the gift or decoration (see [§102-42.140](#)).

(5) If the employee declines to purchase the gift or decoration, and there is no Federal requirement for either, GSA may offer it for donation through State Agencies for Surplus Property (SASP) under part 101-44 of this title.

(6) If no SASP requests the gift or decoration for donation, GSA may offer it for public sale, with the approval of the Secretary of State, or will authorize the destruction of the gift or decoration under part 101-45 of this title.

(b) *Monetary gifts.* When an employee receives a monetary gift above the minimal value:

(1) The employee must report the gift to his/her employing agency within 60 days after accepting it.

(2) The employing agency must:

(i) Report a monetary gift with possible historic or numismatic (i.e., collectible) value to GSA; or

(ii) Deposit a monetary gift that has no historic or numismatic value with the Department of the Treasury.

§102-42.25—Who retains custody of gifts and decorations pending disposal?

(a) The employing agency retains custody of gifts and decorations that employees have expressed an interest in purchasing.

(b) GSA will accept physical custody of gifts above the minimal value, which employees decline to purchase, or decorations that are not retained for official use or returned to donors.

Note to [§102-42.25\(b\)](#): GSA will not accept physical custody of foreign gifts of firearms. Firearms reported by the agency as excess must be disposed of in accordance with part 101-42 of this title.

§102-42.30—Who is responsible for the security, care and handling, and delivery of gifts and decorations to GSA, and all costs associated with such functions?

The employing agency is responsible for the security, care and handling, and delivery of gifts and decorations to GSA, and all costs associated with such functions.

§102-42.35—Can the employing agency be reimbursed for transfers of gifts and decorations?

No, all transfers of gifts and decorations to Federal agencies or donation through SASPs will be without reimbursement. However, the employing agency may require the receiving agency to pay all or part of the direct costs incurred by the employing agency in packing, preparation for shipment, loading, and transportation.

Appraisals

§102-42.40—When is a commercial appraisal necessary?

(a) A commercial appraisal is necessary when an employee indicates an interest in purchasing a gift or decoration and must be obtained before the gift or decoration is reported to GSA for screening.

(b) GSA may also require the employing agency to obtain a commercial appraisal of a gift or decoration that the agency no longer needs before accepting the agency's report of the item as excess personal property.

§102-42.45—Who obtains a commercial appraisal?

The employing agency obtains a commercial appraisal.

§102-42.50—Is there a special format for a commercial appraisal?

There is no special format for a commercial appraisal, but it must be:

(a) On official company letterhead;

(b) Prepared in the United States;

(c) Dated; and

(d) Expressed in U.S. dollars.

§102-42.55—What does the employing agency do with the appraisal?

The employing agency must attach the commercial appraisal to a Standard Form (SF) 120, Report of Excess Personal Property.

Special Disposals

§102-42.60—Who is responsible for gifts and decorations received by Senators and Senate employees?

Gifts and decorations received by Senators and Senate employees are deposited with the Secretary of the Senate for disposal by the Commission on Art and Antiquities of the

ADDENDUM

Due to inaccuracies found in certain replacement pages in FMR Amendment 2004-02 issued October 18, 2004, the following pages are being reissued. Please remove and replace the following pages in the FMR:

Remove pages:

102-118-1 and 102-118-2
102-118-5 thru 102-118-10

Insert pages:

102-118-1 and 102-118-2
102-118-5 thru 102-118-10

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PART 102-118—TRANSPORTATION PAYMENT AND AUDIT**Subpart A—General****Definitions****Introduction****§102-118.5—What is the purpose of this part?**

The purpose of this part is to interpret statutes and other policies that assure that payment and payment mechanisms for agency transportation services are uniform and appropriate. This part communicates the policies clearly to agencies and transportation service providers (TSPs). (See [§102-118.35](#) for the definition of TSP.)

§102-118.10—What is a transportation audit?

A transportation audit is a thorough review and validation of transportation related bills. The audit must examine the validity, propriety, and conformity of the charges with tariffs, quotations, agreements, or tenders, as appropriate. Each agency must ensure that its internal transportation audit procedures prevent duplicate payments and only allow payment for authorized services, and that the TSP's bill is complete with required documentation.

§102-118.15—What is a transportation payment?

A transportation payment is a payment made by an agency to a TSP for the movement of goods or people and/or transportation related services.

§102-118.20—Who is subject to this part?

All agencies and TSPs defined in [§102-118.35](#) are subject to this part. Your agency is required to incorporate this part into its internal regulations.

§102-118.25—Does GSA still require my agency to submit its overall transportation policies for approval?

GSA no longer requires your agency to submit its overall transportation policies for approval. However, as noted in [§102-118.325](#), agencies must submit their prepayment audit plans for approval. In addition, GSA may from time to time request to examine your agency's transportation policies to verify the correct performance of the prepayment audit of your agency's transportation bills.

§102-118.30—Are Government corporations bound by this part?

No, Government corporations are not bound by this part. However, they may choose to use it if they wish.

§102-118.35—What definitions apply to this part?

The following definitions apply to this part:

“Agency” as used in this part, means a department, agency, or instrumentality of the United States Government.

“Agency claim” means any demand by an agency upon a TSP for the payment of overcharges, ordinary debts, fines, penalties, administrative fees, special charges, and interest.

Bill of lading, sometimes referred to as a commercial bill of lading (but includes GBLs), is the document used as a receipt of goods and documentary evidence of title. It is also a contract of carriage when movement is under 49 U.S.C. 10721 and 49 U.S.C. 13712.

“Cash” means cash, personal checks, personal charge cards, and travelers checks. Cash may only be used to pay for transportation expenses in extremely limited cases where government payment mechanisms are not available or acceptable.

“Document reference number” means the unique number on a bill of lading, Government Bill of Lading, Government Transportation Request, or transportation ticket, used to track the movement of shipments and individuals.

“EDI signature” means a discrete authentication code which serves in place of a paper signature and binds parties to the terms and conditions of a contract in electronic communication.

“Electronic commerce” means electronic techniques for performing business transactions (ordering, billing, and paying for goods and services), including electronic mail or messaging, Internet technology, electronic bulletin boards, charge cards, electronic funds transfers, and electronic data interchange.

“Electronic data interchange” means electronic techniques for carrying out transportation transactions using electronic transmissions of the information between computers instead of paper documents. These electronic transmissions must use established and published formats and codes as authorized by the applicable Federal Information Processing Standards.

“Electronic funds transfer” means any transfer of funds, other than transactions initiated by cash, check, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape, for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The term includes Automated Clearinghouse transfers, Fed Wire transfers, and transfers made at automatic teller machines and point of sale terminals.

“Government Bill of Lading (GBL)” means Optional Forms 1103 and 1203, the transportation documents issued by

GSA and used as a receipt of goods, evidence of title, and generally a contract of carriage.

“Government contractor-issued charge card” means both an individually billed travel card, which the individual is required to pay, and a centrally billed account for paying travel expenses, which the agency is required to pay.

“Government Transportation Request (GTR)” means Optional Form 1169, the Government document used to buy transportation services. The document normally obligates the Government to pay for the transportation services provided.

“Offset” means agency use of money owed by the agency to a transportation service provider (TSP) to cover a previous debt incurred to the agency by the TSP.

“Ordinary debt” means an amount that a TSP owes an agency other than for the repayment of an overcharge. Ordinary debts include, but are not limited to, payments for transportation services ordered and not provided (including unused transportation tickets), duplicate payments, and amounts for which a TSP is liable because of loss and/or damage to property it transported.

“Overcharge” means those charges for transportation and travel services that exceed those applicable under the contract for carriage. This also includes charges more than those applicable under rates, fares and charges established pursuant to section 13712 and 10721 of the Revised Interstate Commerce Act, as amended (49 U.S.C. 13712 and 10721), or other equivalent contract, arrangement or exemption from regulation.

“Postpayment audit” means an audit of transportation billing documents after payment to decide their validity, propriety, and conformity with tariffs, quotations, agreements, or tenders. This process may also include subsequent adjustments and collections actions taken against a TSP by the Government.

“Prepayment audit” means an audit of transportation billing documents before payment to determine their validity, propriety, and conformity with tariffs, quotations, agreements, or tenders.

“Privately Owned Personal Property Government Bill of Lading,” Optional Form 1203, means the agency transportation document used as a receipt of goods, evidence of title, and generally a contract of carriage. It is only available for the transportation of household goods. Use of this form is mandatory for Department of Defense, but optional for other agencies.

“Rate authority” means the document that establishes the legal charges for a transportation shipment. Charges included in a rate authority are those rates, fares, and charges for transportation and related services contained in tariffs, tenders, and other equivalent documents.

“Released value” is stated in dollars and is considered the assigned value of the cargo for reimbursement purposes, not necessarily the actual value of the cargo. Released value may

be more or less than the actual value of the cargo. The released value is the maximum amount that could be recovered by the agency in the event of loss or damage for the shipments of freight and household goods. In return, when negotiating for rates and the released value is proposed to be less than the actual value of the cargo, the TSP should offer a rate lower than other rates for shipping cargo at full value. The statement of released value may be shown on any applicable tariff, tender, contract, transportation document or other documents covering the shipment.

“Reparation” means the payment involving a TSP to or from an agency of an improper transportation billing as determined by a postpayment audit. Improper routing, overcharges, or duplicate payments may cause such improper billing. This is different from payments to settle a claim for loss and damage to items shipped under those rates.

“Standard carrier alpha code (SCAC)” means an unique four-letter code assigned to each TSP by the National Motor Freight Traffic Association, Inc.

“Statement of difference” means a statement issued by an agency or its designated audit contractor during a prepayment audit when they determine that a TSP has billed the agency for more than the proper amount for the services. This statement tells the TSP on the invoice, the amount allowed and the basis for the proper charges. The statement also cites the applicable rate references and other data relied on for support. The agency issues a separate statement of difference for each transportation transaction.

“Statement of difference rebuttal” means a document used by the agency to respond to a TSP’s claim about an improper reduction made against the TSP’s original bill by the paying agency.

“Supplemental bill” means a bill for services that the TSP submits to the agency for additional payment after reimbursement for the original bill. The need to submit a supplemental bill may occur due to an incorrect first bill or due to charges which were not included on the original bill.

“Taxpayer identification number (TIN)” means the number required by the Internal Revenue Service to be used by the TSP in reporting income tax or other returns. For a TSP, the TIN is an employer identification number.

“Transportation document (TD)” means any executed agreement for transportation service, such as a bill of lading (including a Government Bill of Lading), a Government Transportation Request, or transportation ticket.

“Transportation service” means service involved in the physical movement (from one location to another) of products, people, household goods, and any other objects by a TSP for an agency as well as activities directly relating to or supporting that movement. Examples of this are storage, crating, or connecting appliances.

“Transportation service provider (TSP)” means any party, person, agent, or carrier that provides freight or passenger

paper receipts, then you must do so. For transportation purchases over \$75.00, your agency must ensure that copies of all original papers are retained at your agency. Copies of tickets from a TSP must be sent to—

General Services Administration
Federal Supply Service
Audit Division (FBA)
1800 F Street, NW.
Washington, DC 20405
www.gsa.gov/transaudits.

§102-118.95—What forms can my agency use to pay transportation bills?

Your agency must use commercial payment practices and forms to the maximum extent possible; however, when viewed necessary by your agency, your agency may use the following Government forms to pay transportation bills:

- (a) Standard Form (SF) 1113, Public Voucher for Transportation Charges, and SF 1113-A, Memorandum Copy;
- (b) Optional Form (OF) 1103, Government Bill of Lading and OF 1103A Memorandum Copy (used for movement of things, both privately owned and Government property for official uses);
- (c) OF 1169, Government Transportation Request (used to pay for tickets to move people); and
- (d) OF 1203, Privately Owned Personal Property Government Bill of Lading, and OF 1203A, Memorandum Copy (used by the Department of Defense to move private property for official transfers).

Note to §102-118.95: By March 31, 2002, your agency may no longer use the GBLs (OF 1103 and OF 1203) for domestic shipments. After March 31, 2002, your agency should minimize the use of GTRs (OF 1169).

§102-118.100—What must my agency ensure is on each SF 1113?

Your agency must ensure during its prepayment audit of a TSP bill that the TSP filled out the Public Vouchers, SF 1113, completely including the taxpayer identification number (TIN), and standard carrier alpha code (SCAC). An SF 1113 must accompany all billings.

§102-118.105—Where can I find the rules governing the use of a Government Bill of Lading?

The “U.S. Government Freight Transportation—Handbook” contains information on how to prepare this GBL form. To get a copy of this handbook, you may write to:

General Services Administration
Federal Supply Service
Audit Division (FBA)
1800 F Street, NW.
Washington, DC 20405

www.gsa.gov/transaudits.

§102-118.110—Where can I find the rules governing the use of a Government Transportation Request?

The “U.S. Government Passenger Transportation—Handbook” contains information on how to prepare this GTR form. To get a copy of this handbook, you may write to:

General Services Administration
Federal Supply Service
Audit Division (FBA)
1800 F Street, NW.
Washington, DC 20405
www.gsa.gov/transaudits.

§102-118.115—Must my agency use a GBL?

No, your agency is not required to use a GBL and must use commercial payment practices to the maximum extent possible. Effective March 31, 2002, your agency must phase out the use of the Optional Forms 1103 and 1203 for domestic shipments. After this date, your agency may use the GBL solely for international shipments.

§102-118.120—Must my agency use a GTR?

No, your agency is not required to use a GTR. Your agency must adopt commercial practices and eliminate GTR use to the maximum extent possible.

§102-118.125—What if my agency uses a TD other than a GBL?

If your agency uses any other TD for shipping under its account, the requisite and the named safeguards must be in place (i.e., terms and conditions found in this part and in the “U.S. Government Freight Transportation—Handbook,” appropriate numbering, etc.).

§102-118.130—Must my agency use a GBL for express, courier, or small package shipments?

No, however, in using commercial forms all shipments must be subject to the terms and conditions set forth for use of a bill of lading for the Government. Any other non-conflicting applicable contracts or agreements between the TSP and an agency involving buying transportation services for Government traffic remain binding. This purchase does not require a SF 1113. When you are using GSA’s schedule for small package express delivery, the terms and conditions of that contract are binding.

§102-118.135—Where are the mandatory terms and conditions governing the use of bills of lading?

The mandatory terms and conditions governing the use of bills of lading are contained in this part and the “U.S. Government Freight Transportation—Handbook.”

§102-118.140—What are the major mandatory terms and conditions governing the use of GBLs and bills of lading?

The mandatory terms and conditions governing the use of GBLs and bills of lading are:

(a) Unless otherwise permitted by statute and approved by the agency, the TSP may not demand prepayment or collect charges from the consignee. The TSP, providing service under the bill of lading, must present a legible copy of the bill of lading or an original, properly certified GBL attached to Standard Form (SF) 1113, Public Voucher for Transportation Charges, to the paying office for payment;

(b) The shipment must be made at the restricted or limited valuation specified in the tariff or classification or limited contract, arrangement or exemption at or under which the lowest rate is available, unless indicated on the GBL or bill of lading. (This is commonly referred to as an alternation of rates);

(c) Receipt for the shipment is subject to the consignee's annotation of loss, damage, or shrinkage on the delivering TSP's documents and the consignee's copy of the same documents. If loss or damage is discovered after delivery or receipt of the shipment, the consignee must promptly notify the nearest office of the last delivering TSP and extend to the TSP the privilege of examining the shipment;

(d) The rules and conditions governing commercial shipments for the time period within which notice must be given to the TSP, or a claim must be filed, or suit must be instituted, shall not apply if the shipment is lost, damaged or undergoes shrinkage in transit. Only with the written concurrence of the Government official responsible for making the shipment is the deletion of this item considered to valid;

(e) Interest shall accrue from the voucher payment date on the overcharges made and shall be paid at the same rate in effect on that date as published by the Secretary of the Treasury pursuant to the Debt Collection Act of 1982 (31 U.S.C. 3717); and

(f) Additional mandatory terms and conditions are in this part and the "U.S. Government Freight Transportation—Handbook."

§102-118.145—Where are the mandatory terms and conditions governing the use of passenger transportation documents?

The mandatory terms and conditions governing the use of passenger transportation documents are contained in this part and the "U.S. Government Passenger Transportation—Handbook."

§102-118.150—What are the major mandatory terms and conditions governing the use of passenger transportation documents?

The mandatory terms and conditions governing the use of passenger transportation documents are:

(a) Government travel must be via the lowest cost available, that meets travel requirements; e.g., Government contract, fare, through, excursion, or reduced one way or round trip fare. This should be done by entering the term "lowest coach" on the Government travel document if the specific fare basis is not known;

(b) The U.S. Government is not responsible for charges exceeding those applicable to the type, class, or character authorized in transportation documents;

(c) The U.S. Government contractor-issued charge card must be used to the maximum extent possible to procure passenger transportation tickets. GTRs must be used minimally;

(d) Government passenger transportation documents must be in accordance with Federal Travel Regulation Chapters 300 and 301 (41 CFR chapters 300 and 301), and the "U.S. Government Passenger Transportation—Handbook";

(e) Interest shall accrue from the voucher payment date on overcharges made hereunder and shall be paid at the same rate in effect on that date as published by the Secretary of the Treasury pursuant to the Debt Collection Act of 1982;

(f) The TSP must insert on the TD any known dates on which travel commenced;

(g) The issuing official or traveler, by signature, certifies that the requested transportation is for official business;

(h) The TSP must not honor any request containing erasures or alterations unless the TD contains the authentic, valid initials of the issuing official; and

(i) Additional mandatory terms and conditions are in this part and the "U. S. Government Passenger Transportation—Handbook."

§102-118.155—How does my agency handle supplemental billings from the TSP after payment of the original bill?

Your agency must process, review, and verify supplemental billings using the same procedures as on an original billing. If the TSP disputes the findings, your agency must attempt to resolve the disputed amount.

§102-118.160—Who is liable if my agency makes an overpayment on a transportation bill?

If the agency conducts prepayment audits of its transportation bills, agency transportation certifying and disbursing officers are liable for any overpayments made. If GSA has granted a waiver to the prepayment audit requirement and the agency performs a postpayment audit (31 U.S.C. 3528 and 31 U.S.C. 3322) neither the certifying nor disbursing officers are liable for the reasons listed in these two cited statutes.

§102-118.165—What must my agency do if it finds an error on a TSP bill?

Your agency must advise the TSP via statement of difference of any adjustment that you make either electronically or in writing within 7 days of receipt of the bill, as required by

the Prompt Payment Act (31 U.S.C. 3901, et seq.). This notice must include the TSP's taxpayer identification number, standard carrier alpha code, bill number and document reference number, agency name, amount requested by the TSP, amount paid, payment voucher number, complete tender or tariff authority, the applicable rate authority and the complete fiscal authority including the appropriation.

§102-118.170—Will GSA continue to maintain a centralized numbering system for Government transportation documents?

Yes, GSA will maintain a numbering system for GBLs and GTRs. For commercial TDs, each agency must create a unique numbering system to account for and prevent duplicate numbers. The GSA Audit Division must approve this system. Write to:

General Services Administration
Federal Supply Service
Audit Division (FBA)
1800 F Street, NW.
Washington, DC 20405
www.gsa.gov/transaudits.

Subpart C—Use of Government Billing Documents

Terms and Conditions Governing Acceptance and Use of a Government Bill of Lading (GBL) or Government Transportation Request (GTR) (Until Form Retirement)

§102-118.175—Must my agency prepare for the GBL retirement?

Yes, your agency must prepare for retirement of the paper GBL. Effective September 30, 2001, your agency must have phased out use of Standard Form (SF) 1103, Government Bill of Lading, and OF 1203, Privately Owned Personal Property Government Bill of Lading (PPGBL) for domestic shipments. Effective September 30, 2001, your agency may use the GBL or PPGBL solely for international shipments (including domestic overseas shipments).

§102-118.180—Must my agency prepare for the GTR retirement?

Yes, your agency must use the GTR only in situations that do not lend themselves to the use of commercial payment methods.

§102-118.185—When buying freight transportation, must my agency reference the applicable contract or tender on the bill of lading (including a GBL)?

Yes, your agency must reference the applicable contract or

tender when buying transportation on a bill of lading (including GBLs). However, the referenced information on a GBL or bill of lading does not limit an audit of charges.

§102-118.190—When buying passenger transportation must my agency reference the applicable contract?

Yes, when buying passenger transportation, your agency must reference the applicable contract on a GTR or passenger transportation document (e.g., ticket).

§102-118.195—What documents must a transportation service provider (TSP) send to receive payment for a transportation billing?

For shipments bought on a TD, the TSP must submit an original properly certified GBL, PPGBL, or bill of lading attached to an SF 1113, Public Voucher for Transportation Charges. The TSP must submit this package and all supporting documents to the agency paying office.

§102-118.196—What does the TSP do with unused tickets (E-ticket or paper ticket)?

The TSP must refund the value of the unused tickets (after expiration) to the GSA Audit Division if no Redemption of Unused Tickets (SF 1170) is received. TSPs are required to make such refunds within 90 days after the expiration date. The ticket number and the amount being refunded must be included in addition to all information pertinent to the refund, including the GTR numbers if applicable. Additional information is in the Government Passenger Transportation Handbook. Refund checks are to be made payable to the U.S. Treasury and sent to—

General Services Administration
Federal Supply Service
Audit Division (FBA)
1800 F Street, NW.
Washington, DC 20405
www.gsa.gov/transaudits.

§102-118.200—Can a TSP demand advance payment for the transportation charges submitted on a bill of lading (including GBL)?

No, a TSP cannot demand advance payment for transportation charges submitted on a bill of lading (including GBL), unless authorized by law.

§102-118.205—May my agency pay a subcontractor or agent functioning as a warehouseman for the TSP providing service under the bill of lading?

No, your agency may only pay the TSP with whom it has a contract. The bill of lading will list the TSP with whom the Government has a contract.

§102-118.210—May my agency use bills of lading other than the GBL for a transportation shipment?

Yes, as long as the mandatory terms and conditions contained in this part (as also stated on a GBL) apply. The TSP must agree in writing to the mandatory terms and conditions (also found in the “U.S. Government Freight Transportation—Handbook”) contained in this part.

§102-118.215—May my agency pay a TSP any extra fees to pay for the preparation and use of the GBL or GTR?

No, your agency must not pay any additional charges for the preparation and use of the GBL or GTR. Your agency may not pay a TSP a higher rate than comparable under commercial procedures for transportation bought on a GBL or GTR.

§102-118.220—If a transportation debt is owed to my agency by a TSP because of loss or damage to property, does my agency report it to GSA?

No, if your agency has administratively determined that a TSP owes a debt resulting from loss or damage, follow your agency regulations.

§102-118.225—What constitutes final receipt of shipment?

Final receipt of the shipment occurs when the consignee or a TSP acting on behalf of the consignee with the agency’s permission, fully signs and dates both the delivering TSP’s documents and the consignee’s copy of the same documents indicating delivery and/or explaining any delay, loss, damage, or shrinkage of shipment.

§102-118.230—What if my agency creates or eliminates a field office approved to prepare transportation documents?

Your agency must tell the GSA Audit Division whenever it approves a new or existing agency field office to prepare transportation documents or when an agency field office is no longer authorized to do so. This notice must show the name, field office location of the bureau or office, and the date on which your agency granted or canceled its authority to schedule payments for transportation service.

Agency Responsibilities When Using Government Bills of Lading (GBLs) or Government Transportation Requests (GTRs)

§102-118.235—Must my agency keep physical control and accountability of the GBL and GTR forms or GBL and GTR numbers?

Yes, your agency is responsible for the physical control and accountability of the GBL and GTR stock and must have procedures in place and available for inspection by GSA.

Your agency must consider these Government transportation documents to be the same as money.

§102-118.240—How does my agency get GBL and GTR forms?

Your agency can get GBL and GTR forms, in either blank or prenumbered formats, from:

- General Services Administration
- Federal Supply Service
- General Products Commodity Center (7FXM-WS)
- 819 Taylor Street, Room 6A24
- Fort Worth, TX 76102

§102-118.245—How does my agency get an assigned set of GBL or GTR numbers?

If your agency does not use prenumbered GBL and GTR forms, you may get an assigned set of numbers from:

- General Services Administration
- Federal Supply Service
- General Products Commodity Center (7FXM-WS)
- 819 Taylor Street, Room 6A24
- Fort Worth, TX 76102

§102-118.250—Who is accountable for the issuance and use of GBL and GTR forms?

Agencies and employees are responsible for the issuance and use of GBL and GTR forms and are accountable for their disposition.

§102-118.255—Are GBL and GTR forms numbered and used sequentially?

Yes, GBL and GTR forms are always sequentially numbered when printed and/or used. No other numbering of the forms, including additions or changes to the prefixes or additions of suffixes, is permitted.

Quotations, Tenders or Contracts

§102-118.260—Must my agency send all quotations, tenders, or contracts with a TSP to GSA?

(a) Yes, your agency must send copies of each quotation, tender, or contract of special rates, fares, charges, or concessions with TSPs including those authorized by 49 U.S.C. 10721 and 13712, upon execution to—

- General Services Administration
- Federal Supply Service
- Audit Division (FBA)
- 1800 F Street, NW.
- Washington, DC 20405
- www.gsa.gov/transaudits.

(b) Tenders must be submitted electronically, following the instructions provided by the requesting agency. The following information must be submitted with the tender:

- (1) Issuing TSP, Bureau, Agency or Conference.
 - (2) Tender number.
 - (3) Standard Carrier Alpha Code (SCAC).
 - (4) TSP Tax Identification Number (TIN).
 - (5) Issue date.
 - (6) Effective date.
 - (7) Expiration date.
 - (8) Origin and destination.
 - (9) Freight Classification and/or commodity description (including origin and destination).
 - (10) Rate or charge for line haul rates.
 - (11) Minimum weights.
 - (12) Route(s).
 - (13) Accessorial services description(s) with rate or charge and governing publication.
 - (14) TSP operating authority.
- (c) The TSP must include a statement that the TSP will adhere and agree to the following general terms and conditions. The services provided in this tender will be performed in accordance with applicable Federal, State and municipal laws and regulations, including Federal Management Regulation parts 102-117 and 102-118 (41 CFR parts 102-117 and 102-118), and the TSP(s) hold(s) the required operating authority to transport the commodity from, to, or between the places specified in the authorized certificates, permits or temporary operating authorities.
- (d) The TSP shall bill the United States Government on Standard Form (SF) 1113, Public Voucher for Transportation Charges, appropriately completed and supported. The TSP(s) will send bills to the "Bill Charges To" address on the face of the bill of lading or agency-ordering document.
- (e) The Optional Form (OF) 280, Uniform Tender of Rates and/or Charges for Transportation Services, includes all the provisions of paragraph (c) of this section and is another option to file a tender with the Government.

**Subpart D—Prepayment Audits of
Transportation Services**

Agency Requirements for Prepayment Audits

§102-118.265—What is a prepayment audit?

A prepayment audit is a review of a transportation service provider (TSP) bill that occurs prior to your agency making payment to a TSP. This review compares the charges on the bill against the charge permitted under the contract, rate tender, or other agreement under which the TSP provided the transportation and/or transportation related services.

§102-118.270—Must my agency establish a prepayment audit program?

(a) Yes, under 31 U.S.C. 3726, your agency is required to establish a prepayment audit program. Your agency must send a preliminary copy of your prepayment audit program to:

General Services Administration
Office of Transportation and Personal Property (MT)
1800 F Street, NW.
Washington, DC 20405
http://policyworks.gov/org/main/MT.

(b) The final plan must be approved and in place by April 20, 2000.

§102-118.275—What must my agency consider when designing and implementing a prepayment audit program?

(a) As shown in [§102-118.45](#), the manner in which your agency orders transportation services determines how and by whom the bill for those services will be presented. Each method of ordering transportation and transportation services may require a different kind of prepayment audit.

Your agency's prepayment audit program must consider all of the methods that you use to order and pay for transportation services. With each method of ordering transportation services, your agency should ensure that each TSP bill or employee travel voucher contains enough information for the prepayment audit to determine which contract or rate tender is used and that the type and quantity of any additional services are clearly delineated.

(b) For transportation payments made through cost reimbursable contracts, the agency must include a statement in the contract that the contractor shall submit to the address identified for prepayment audit, transportation documents which show that the United States will assume freight charges that were paid by the contractor.

(c) Cost reimbursable contractors shall only submit for audit bills of lading with freight shipment charges exceeding \$100.00. Bills under \$100.00 shall be retained on-site by the contractor and made available for on-site audits.

§102-118.280—What advantages does the prepayment audit offer my agency?

Prepayment auditing will allow your agency to detect and eliminate billing errors before payment and will eliminate the time and cost of recovering agency overpayments.

§102-118.285—What options for performing a prepayment audit does my agency have?

Your agency may perform a prepayment audit by:

- (a) Creating an internal prepayment audit program;
- (b) Contracting directly with a prepayment audit service provider; or
- (c) Using the services of a prepayment audit contractor under GSA's multiple award schedule covering audit and financial management services.

Note to §102-118.285: Either of the choices in paragraph (a), (b), or (c) of this section might include contracts with charge card companies that provide prepayment audit services.

§102-118.290—Must every electronic and paper transportation bill undergo a prepayment audit?

Yes, all transportation bills and payments must undergo a prepayment audit unless your agency's prepayment audit program uses a statistical sampling technique of the bills or the Administrator of General Services grants a specific waiver from the prepayment audit requirement. If your agency chooses to use statistical sampling, all bills must be at or below the Comptroller General specified limit of \$2,500.00 (31 U.S.C. 3521(b)) and General Accounting Office Policy and Procedures Manual Chapter 7, obtainable from:

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015
<http://www.gao.gov>

§102-118.295—What are the limited exceptions to every bill undergoing a prepayment audit?

The limited exceptions to bills undergoing a prepayment audit are those bills subject to a waiver from GSA (which may include bills determined to be below your agency's threshold). The waiver to prepayment audit requirements may be for bills, mode or modes of transportation or for an agency or sub-agency.

§102-118.300—How does my agency fund its prepayment audit program?

Your agency must pay for the prepayment audit from those funds appropriated for transportation services.

§102-118.305—Must my agency notify the TSP of any adjustment to the TSP's bill?

Yes, your agency must notify the TSP of any adjustment to the TSP's bill either electronically or in writing within 7 days of receipt of the bill. This notice must refer to the TSP's bill number, agency name, taxpayer identification number, standard carrier alpha code, document reference number, amount billed, amount paid, payment voucher number, complete tender or tariff authority, including item or section number.

§102-118.310—Must my agency prepayment audit program establish appeal procedures whereby a TSP may appeal any reduction in the amount billed?

Yes, your agency must establish an appeal process that directs TSP appeals to an agency official who is able to provide adequate consideration and review of the circumstances of the claim. Your agency must complete the review of the appeal within 30 days.

§102-118.315—What must my agency do if the TSP disputes the findings and my agency cannot resolve the dispute?

(a) If your agency is unable to resolve the disputed amount with the TSP, your agency should forward all relevant docu-

ments including a complete billing history, and the appropriation or fund charged, to:

General Services Administration
Federal Supply Service
Audit Division (FBA)
1800 F Street, NW.
Washington, DC 20405
www.gsa.gov/transaudits.

(b) The GSA Audit Division will review the appeal of an agency's final, full or partial denial of a claim and issue a decision. A TSP must submit claims within 3 years under the guidelines established in [§102-118.460](#).

§102-118.320—What information must be on transportation bills that have completed my agency's prepayment audit?

(a) The following information must be annotated on all transportation bills that have completed a prepayment audit:

- (1) The date received from a TSP;
- (2) A TSP's bill number;
- (3) Your agency name;
- (4) A Document Reference Number (DRN);
- (5) The amount billed;
- (6) The amount paid;
- (7) The payment voucher number;
- (8) Complete tender or tariff authority, including item or section number;
- (9) The TSP's taxpayer identification number (TIN);
- (10) The TSP's standard carrier alpha code (SCAC);
- (11) The auditor's authorization code or initials; and
- (12) A copy of any statement of difference sent to the TSP.

(b) Your agency can find added guidance in the "U.S. Government Freight Transportation—Handbook," obtainable from:

General Services Administration
Federal Supply Service
Audit Division (FBA)
1800 F Street, NW.
Washington, DC 20405
www.gsa.gov/transaudits.

Maintaining an Approved Program**§102-118.325—Must I get approval for my agency's prepayment audit program?**

Yes, your agency must get approval for your prepayment audit program. The highest level budget or financial official of each agency, such as the Chief Financial Officer, initially approves your agency's prepayment audit program. After internal agency approval, your agency submits the plan in writing to the GSA Audit Division for final approval.