United States Department of the Interior

OFFICE OF THE SECRETARY
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FINANCIAL MANAGEMENT MEMORANDUM 2009-064 (Vol. X.A)

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

From: Daniel L. Fletcher,
Director, Office of Financial Management

Subject: Use of Frequent Traveler Benefits - Travel Advisory 5

Attached is a copy of Federal Travel Advisory Number 5, dated December 31, 2001, issued by the General Services Administration (GSA), Office of Governmentwide Policy. The travel advisory allows employees to immediately use accumulated travel bonus points and benefits for personal travel. Authority to use benefits obtained as a result of official travel for personal use is contained in the National Defense Authorization Act for Fiscal Year 2002.

GSA will issue an amendment to the Federal Travel Regulation, 41 CFR 301, and other controlling regulations in the near future. Additional guidance will also be issued on the taxability of these benefits when used by an employee for personal travel.

If you have any questions regarding this information or if you require additional information, please contact Robert Smith (Robert_Smith @ios.doi.gov) on 202-208-5684.

Attachments

Replaces: FAM 2002-001

Attachment

Federal Travelers May Now Keep Frequent Flyer Miles

Federal Travel Advisory Number 5 – December 31, 2001
Issued by the GSA Office of Travel Management

Description

On December 28, 2001, the President signed into law S. 1438, National Defense Authorization Act for Fiscal Year 2002. Section 1116 of this law authorizes Federal employees to retain promotional items, including frequent flyer miles, earned on official travel. This travel advisory provides interim details regarding this new authority.

Guidelines for Official Federal Travelers—Using Frequent Traveler Benefits

Certain provisions of the Federal Travel Regulation (FTR) and the Federal Property Management Regulations (FPMR) require that promotional benefits, including frequent flyer miles, earned on official travel are considered the property of the Government and may only be used for official travel. The National Defense Authorization Act for Fiscal Year 2002, signed by President Bush on December 28, 2001, now allows federal employees to retain for personal use promotional items received incident to official travel. This travel advisory provides Questions and Answers that will help the federal traveler become familiar with the new law and the new travel procedures, which are being established as a result of this statutory change.

1. Who should read this travel advisory?

All federal travelers, authorizing officials and travel managers should read this advisory. This travel advisory provides guidance for federal travelers who earn promotional materials and frequent traveler benefits while on official Government travel.

2. What is the new law?

This travel advisory is based on enactment of the National Defense Authorization Act for Fiscal Year 2002. Section 1116 of this law specifically states that federal employees may retain for personal use promotional items, including frequent flyer miles, earned on official travel.

3. Are any other laws affected?

Yes. This new law repeals Section 6008 of the Federal Acquisition Streamlining Act of 1994 (5 U.S.C. 5702 note; Public Law No. 103-355), which had prohibited personal retention of such promotional items.

4. What regulation(s) do you need to know about?

Certain provisions of the Federal Travel Regulation (FTR) (41 CFR 301-53) and the Federal Property Management Regulations (FPMR) (41 CFR 101-25) require that promotional benefits, including frequent flyer miles, earned on official travel are considered the property of the Government and may only be used for official travel. These regulations are in the process of amendment.

5. How is a frequent travel promotional benefits account established?

It is the responsibility of each traveler to communicate directly with a service provider to establish his/her frequent travel promotional benefits account. Any associated costs are to be paid by the traveler, and are not a reimbursable expense.

6. What may the traveler do with promotional benefits or material he/she receives from a travel service provider?

Any promotional benefits or material received from a travel service provider in connection with official travel may be retained for personal use, if such items are obtained under the same conditions as those offered to the general public at no additional cost to the Government. This includes all benefits earned, including those earned before enactment of the National Defense Authorization Act for Fiscal Year 2002.

7. Under what circumstances may the traveler use frequent travel benefits to upgrade his/her transportation class of service when on official travel?

It is the policy of the Government that employees generally must travel by coach class accommodations. However, you may upgrade your transportation class of service at your own expense. Therefore, as frequent traveler benefits may now be retained for your personal use, you may use any frequent traveler benefits you have earned to upgrade your transportation class to premium service. The regulations governing upgrades to premium airline accommodations continue to be found at FTR §§ 301-10.123 and 301-10.124. Your agency cannot pay for any upgrades, unless you meet one of the exceptions in these regulations.

8. When will the FTR and FPMR changes be effective?

The amendatory language to the FTR and FPMR is not in effect until a final rule(s) is published in the Federal Register (FR). We anticipate that publication will take place in 30-60 days. You may, however, use your frequent traveler benefits immediately in accordance with paragraph 9, below.

9. What authority allows immediate use of promotional benefits earned while on official travel?

GSA's Office of Governmentwide Policy has issued a governmentwide waiver, dated December 31, 2001, of the provisions of the FTR and FPMR that require that promotional items received incident to official travel, including frequent flyer miles, before, on or after the date of the waiver may be retained by federal employees for their personal use. The waiver remains in effect until a permanent amendment(s) to the provisions referenced herein is published in the FR.

10. Who should a federal traveler call if he/she is confused and does not know what to do?

He/she should contact the supervisor or travel approving official.

11. Are frequent traveler benefits taxable?

The Internal Revenue Service has indicated to GSA that these benefits may be taxable. GSA will provide additional information as we receive it from the IRS.

If you have additional questions, please contact your supervisor or your agency's travel or financial policy manager. Jim Harte, OGP's Travel Policy Team Leader at 202-501-0483, is also available to assist you.