United States Department of the Interior

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FINANCIAL MANAGEMENT MEMORANDUM 2009-066 (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: Travel and Transportation Reform Act of 1998 (PL 105-264)

Attached is a copy of the Travel and Transportation Reform Act of 1998, Public Law 105-264, October 19, 1998. The Act requires the General Services Administration (GSA) to issue regulations to implement the following:

- Require employees to use the Federal contractor-issued travel charge card for all payments of expenses of official Government travel, unless exempted by GSA or the employee's agency;
- Specify the procedures for effecting a deduction from pay owed to an employee for undisputed delinquent charge card charges;
- Prescribe a late payment fee to be paid to an employee when an agency does not reimburse a properly prepared travel voucher within 30 days after submission;
- Require a prepayment audit of all bills from carriers and freight forwarders for transporting an individual or property for the Government; and,

The Act also provides GSA with the authority to conduct travel and relocation expense test programs. These programs may last up to two years.

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.

Attachment

Replaces: FAM 98-031

PUBLIC LAW 105–264—OCT. 19, 1998

TRAVEL AND TRANSPORTATION REFORM ACT OF 1998

Public Law 105–264
105th Congress

An Act

Oct. 19, 1998
[H.R. 930]

To require Federal employees to use Federal travel charge cards for all payments of expenses of official Government travel, to amend title 31, United States Code, to establish requirements for prepayment audits of Federal agency transportation expenses, to authorize reimbursement of Federal agency employees for taxes incurred on travel or transportation reimbursements, and to authorize test programs for the payment of Federal employee travel expenses and relocation expenses.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Travel and Transportation Reform Act of 1998.
5 USC 5701 note.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Travel and Transportation Reform Act of 1998".

5 USC 5701 note.

SEC. 2. REQUIRING USE OF THE TRAVEL CHARGE CARD.

Regulations.

(a) IN GENERAL.—Under regulations issued by the Administrator of General Services after consultation with the Secretary of the Treasury, the Administrator shall require that Federal employees 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. The Administrator shall exempt any payment, person, type or class of payments, or type or class of personnel from any requirement established under the preceding sentence 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 (with respect to the Coast Guard) requests an exemption with respect to the members of the uniformed services.

Deadline.
Notification.

(b) AGENCY EXEMPTION.—The head of a Federal agency or the designee of such head may exempt any payment, person, type or class of payments, or type or class of agency personnel from subsection (a) if the agency head or the designee determines the exemption to be necessary in the interest of the agency. Not later than 30 days after granting such an exemption, the head of such agency or the designee shall notify the Administrator of General Services in writing of such exemption stating the reasons for the exemption.

(c) LIMITATION ON RESTRICTION ON DISCLOSURE.—

(1) IN GENERAL.—Section 1113 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3413) is amended by adding at the end the following new subsection:

"(q) Nothing in this title shall apply to the disclosure of any financial record or information to a Government authority in conjunction with a Federal contractor-issued travel charge card issued for official Government travel.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) is effective as of October 1, 1983, and applies to any records created pursuant to the United States Travel and Transportation Payment and Expense Control System or any Federal contractor-issued travel charge card issued for official Government travel.

Applicability.
Records.

(d) COLLECTION OF AMOUNTS OWED.—

(1) IN GENERAL.—Under regulations issued by the Administrator of General Services and upon written request of a Federal contractor, the head of any Federal agency or a disbursing official of the United States may, on behalf of the contractor, collect by deduction from the amount of pay owed to an employee of the agency any amount of funds the employee owes to the contractor as a result of delinquencies not disputed by the employee on a travel charge card issued for payment of expenses incurred in connection with official Government travel. The amount deducted from the pay owed to an employee with respect to a pay period may not exceed 15 percent of the disposable pay of the employee for that pay period, except that a greater percentage may be deducted upon the written consent of the employee.

Regulations.

(2) DUE PROCESS PROTECTIONS.—Collection under this subsection shall be carried out in accordance with procedures substantially equivalent to the procedures required under section 3716(a) of title 31, United States Code.

(3) DEFINITIONS.—For the purpose of this subsection:

(A) AGENCY.—The term "agency" has the meaning that term has under section 101 of title 31, United States Code.

(B) EMPLOYEE.—The term "employee" means an individual employed in or under an agency, including a member of any of the uniformed services. For purposes of this subsection, a member of one of the uniformed services is an employee of that uniformed service.

(C) MEMBER; UNIFORMED SERVICE.—Each of the terms "member" and "uniformed service" has the meaning that term has in section 101 of title 37, United States Code.

(e) REGULATIONS.—Within 270 days after the date of the enactment of this Act, the Administrator of General Services shall promulgate regulations implementing this section, that—

Deadline.

(1) make the use of the travel charge card established pursuant to the United States Travel and Transportation System and Expense Control System, or any Federal contractor-issued travel charge card, mandatory for all payments of expenses of official Government travel pursuant to this section;

(2) specify the procedures for effecting under subsection (d) a deduction from pay owed to an employee, and ensure that the due process protections provided to employees under such procedures are no less than the protections provided to employees pursuant to section 3716 of title 31, United States Code;

(3) provide that any deduction under subsection (d) from pay owed to an employee may occur only after reimbursement of the employee for the expenses of Government travel with respect to which the deduction is made; and

(4) require agencies to promptly reimburse employees for expenses charged on a travel charge card pursuant to this section, and by no later than 30 days after the submission of a claim for reimbursement.

(f) REPORTS.—

(1) IN GENERAL.—The Administrator of General Services shall submit 2 reports to the Congress on agency compliance with this section and regulations that have been issued under this section.

Deadlines.

(2) TIMING.—The first report under this subsection shall be submitted before the end of the 180-day period beginning on the date of the enactment of this Act, and the second report shall be submitted after that period and before the end of the 540-day period beginning on that date of enactment.

(3) PREPARATION.—Each report shall be based on a sampling survey of agencies that expended more than $5,000,000 during the previous fiscal year on travel and transportation payments, including payments for employee relocation. The head of an agency shall provide to the Administrator the necessary information in a format prescribed by the Administrator and approved by the Director of the Office of Management and Budget.

Regulations.

(g) REIMBURSEMENT OF TRAVEL EXPENSES.—In accordance with regulations prescribed by the Administrator of General Services, the head of an agency shall ensure that the agency reimburses an employee who submits a proper voucher for allowable travel expenses in accordance with applicable travel regulations within 30 days after submission of the voucher. If an agency fails to reimburse an employee who has submitted a proper voucher within 30 days after submission of the voucher, the agency shall pay the employee a late payment fee as prescribed by the Administrator.

SEC. 3. PREPAYMENT AUDITS OF TRANSPORTATION EXPENSES.

(a) IN GENERAL.—(1) Section 3322 of title 31, United States Code, is amended in subsection (c) by inserting after "classifications" the following: "if the Administrator of General Services has determined that verification by a prepayment audit conducted pursuant to section 3726(a) of this title for a particular mode or modes of transportation, or for an agency or subagency, will not adequately protect the interests of the Government".

(2) Section 3528 of title 31, United States Code, is amended—

(A) in subsection (a) by striking "and" after the semicolon at the end of paragraph (3), by striking the period at the end of subsection (a)(4)(C) and inserting "; and", and by adding at the end the following new paragraph:

"(5) verifying transportation rates, freight classifications, and other information provided on a Government bill of lading or transportation request, unless the Administrator of General Services has determined that verification by a prepayment audit conducted pursuant to section 3726(a) of this title for a particular mode or modes of transportation, or for an agency or subagency, will not adequately protect the interests of the Government.";

(B) in subsection (c)(1), by inserting after "deductions" the following: "and the Administrator of General Services has determined that verification by a prepayment audit conducted pursuant to section 3726(a) of this title for a particular mode or modes of transportation, or for an agency or subagency, will not adequately protect the interests of the Government"; and

(C) in subsection (c)(2), by inserting after "agreement" the following: "and the Administrator of General Services has determined that verification by a prepayment audit conducted pursuant to section 3726(a) of this title for a particular mode or modes of transportation, or for an agency or subagency, will not adequately protect the interests of the Government".

(3) Section 3726 of title 31, United States Code, is amended—

(A) by amending subsection (a) to read as follows:

"(a)(1) Each agency that receives a bill from a carrier or freight forwarder for transporting an individual or property for the United States Government shall verify its correctness (to include transportation rates, freight classifications, or proper combinations thereof), using prepayment audit, prior to payment in accordance with the requirements of this section and regulations prescribed by the Administrator of General Services. Regulations.

"(2) The Administrator of General Services may exempt bills, a particular mode or modes of transportation, or an agency or subagency from a prepayment audit and verification and in lieu thereof require a postpayment audit, based on cost effectiveness, public interest, or other factors the Administrator considers appropriate.

"(3) Expenses for prepayment audits shall be funded by the agency's appropriations used for the transportation services.

"(4) The audit authority provided to agencies by this section is subject to oversight by the Administrator.";

(B) by redesignating subsections (b), (c), (d), (e), (f), and (g) as subsections (d), (e), (f), (g), (h), and (i), respectively;

(C) by inserting after subsection (a) the following new subsections:

"(b) The Administrator may conduct pre- or post-payment audits of transportation bills of any Federal agency. The number and types of bills audited shall be based on the Administrator's judgment.

"(c)(1) The Administrator shall adjudicate transportation claims which cannot be resolved by the agency procuring the transportation services, or the carrier or freight-forwarder presenting the bill.

"(2) A claim under this section shall be allowed only if it is received by the Administrator not later than 3 years (excluding time of war) after the later of the following dates:

"(A) The date of accrual of the claim.

"(B) The date payment for the transportation is made.

"(C) The date a refund for an overpayment for the transportation is made.

"(D) The date a deduction under subsection (d) of this section is made.";

(D) in subsection (f), as so redesignated, by striking "subsection (c)" and inserting "subsection (e)", and by adding at the end the following new sentence: "This reporting requirement expires December 31, 1998."; Expiration date.

(E) in subsection (i)(1), as so redesignated, by striking "subsection (a)" and inserting "subsection (c)"; and

(F) by adding after subsection (i), as so redesignated, the following new subsection:

"(j) The Administrator of General Services may provide transportation audit and related technical assistance services, on a reimbursable basis, to any other agency. Such reimbursements may be credited to the appropriate revolving fund or appropriation from which the expenses were incurred.".

31 USC 3322 note.

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective 18 months after the date of the enactment of this Act.

SEC. 4. REIMBURSEMENT FOR TAXES ON MONEY RECEIVED FOR TRAVEL EXPENSES.

(a) IN GENERAL.—Title 5, United States Code, is amended by inserting after section 5706b the following new section:

"§ 5706c. Reimbursement for taxes incurred on money received for travel expenses

"(a) Under regulations prescribed pursuant to section 5707 of this title, the head of an agency or department, or his or her designee, may use appropriations or other funds available to the agency for administrative expenses, for the reimbursement of Federal, State, and local income taxes incurred by an employee of the agency or by an employee and such employee's spouse (if filing jointly), for any travel or transportation reimbursement made to an employee for which reimbursement or an allowance is provided.

"(b) Reimbursements under this section shall include an amount equal to all income taxes for which the employee and spouse, as the case may be, would be liable due to the reimbursement for the taxes referred to in subsection (a). In addition, reimbursements under this section shall include penalties and interest, for the tax years 1993 and 1994 only, as a result of agencies failing to withhold the appropriate amounts for tax liabilities of employees affected by the change in the deductibility of travel expenses made by Public Law 102–486.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 57 of title 5, United States Code, is amended by inserting after the item relating to section 5706b the following new item:

"5706c. Reimbursement for taxes incurred on money received for travel expenses.".

5 USC 5706c note.

(c) EFFECTIVE DATE.—This section shall be effective as of January 1, 1993.

SEC. 5. AUTHORITY FOR TEST PROGRAMS.

(a) TRAVEL EXPENSES TEST PROGRAMS.—Subchapter I of chapter 57 of title 5, United States Code, is amended by adding at the end the following new section:

"§ 5710. Authority for travel expenses test programs

"(a)(1) Notwithstanding any other provision of this subchapter, under a test program which the Administrator of General Services determines to be in the interest of the Government and approves, an agency may pay through the proper disbursing official for a period not to exceed 24 months any necessary travel expenses in lieu of any payment otherwise authorized or required under this subchapter. An agency shall include in any request to the Administrator for approval of such a test program an analysis

of the expected costs and benefits and a set of criteria for evaluating the effectiveness of the program.

"(2) Any test program conducted under this section shall be designed to enhance cost savings or other efficiencies that accrue to the Government.

"(3) Nothing in this section is intended to limit the authority of any agency to conduct test programs.

"(b) The Administrator shall transmit a copy of any test program approved by the Administrator under this section to the appropriate committees of the Congress at least 30 days before the effective date of the program.

"(c) An agency authorized to conduct a test program under subsection (a) shall provide to the Administrator and the appropriate committees of the Congress a report on the results of the program no later than 3 months after completion of the program. Reports. Deadline.

"(d) No more than 10 test programs under this section may be conducted simultaneously.

"(e) The authority to conduct test programs under this section shall expire 7 years after the date of the enactment of the Travel and Transportation Reform Act of 1998.". Expiration date.

(b) RELOCATION EXPENSES TEST PROGRAMS.—Subchapter II of chapter 57 of title 5, United States Code, is further amended by adding at the end the following new section:

"§ 5739. Authority for relocation expenses test programs

"(a)(1) Notwithstanding any other provision of this subchapter, under a test program which the Administrator of General Services determines to be in the interest of the Government and approves, an agency may pay through the proper disbursing official for a period not to exceed 24 months any necessary relocation expenses in lieu of any payment otherwise authorized or required under this subchapter. An agency shall include in any request to the Administrator for approval of such a test program an analysis of the expected costs and benefits and a set of criteria for evaluating the effectiveness of the program.

"(2) Any test program conducted under this section shall be designed to enhance cost savings or other efficiencies that accrue to the Government.

"(3) Nothing in this section is intended to limit the authority of any agency to conduct test programs.

"(b) The Administrator shall transmit a copy of any test program approved by the Administrator under this section to the appropriate committees of the Congress at least 30 days before the effective date of the program.

"(c) An agency authorized to conduct a test program under subsection (a) shall provide to the Administrator and the appropriate committees of the Congress a report on the results of the program no later than 3 months after completion of the program. Reports. Deadline.

"(d) No more than 10 test programs under this section may be conducted simultaneously.

"(e) The authority to conduct test programs under this section shall expire 7 years after the date of the enactment of the Travel and Transportation Reform Act of 1998.". Expiration date.

(c) CLERICAL AMENDMENTS.—The table of sections for chapter 57 of title 5, United States Code, is further amended by—

(1) inserting after the item relating to section 5709 the following new item:

"5710. Authority for travel expenses test programs.";

and

(2) inserting after the item relating to section 5738 the following new item:

"5739. Authority for relocation expenses test programs.".

SEC. 6. DEFINITION OF UNITED STATES.

Chapter 57 of title 5, United States Code, is amended—

(1) in section 5721—

(A) in paragraph (4), by striking "and" following the semicolon at the end;

(B) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new paragraphs:

"(6) 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the territories and possessions of the United States, and the areas and installations in the Republic of Panama that are made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements (as described in section 3(a) of the Panama Canal Act of 1979); and

"(7) 'Foreign Service of the United States' means the Foreign Service as constituted under the Foreign Service Act of 1980.";

(2) in section 5722—

(A) in subsection (a)(2), by striking "outside the United States" and inserting "outside the continental United States"; and

(B) in subsection (b), by striking "United States" each place it appears and inserting "Government";

(3) in section 5723(b), by striking "United States" each place it appears and inserting "Government";

(4) in section 5724—

(A) in subsection (a)(3), by striking ", its territories or possessions" and all that follows through "1979"; and

(B) in subsection (i), by striking "United States" each place it appears in the last sentence and inserting "Government";

(5) in section 5724a, by striking subsection (j);

(6) in section 5725(a), by striking "United States" and inserting "Government";

(7) in section 5727(d), by striking "United States" and inserting "continental United States";

(8) in section 5728(b), by striking "an employee of the United States" and inserting "an employee of the Government";

(9) in section 5729, by striking "or its territories or possessions" each place it appears;

(10) in section 5731(b), by striking "United States" and inserting "Government"; and

(11) in section 5732, by striking "United States" and inserting "Government".

SEC. 7. TECHNICAL CORRECTIONS TO THE FEDERAL EMPLOYEE TRAVEL REFORM ACT OF 1996.

Section 5724a of title 5, United States Code, is amended—

(1) in subsections (a) and (d)(1) and (2), by striking "An agency shall pay" each place it appears and inserting "Under regulations prescribed under section 5738, an agency shall pay";

(2) in subsections (b)(1), (c)(1), (d)(8), and (e), by striking "An agency may pay" each place it appears and inserting "Under regulations prescribed under section 5738, an agency may pay";

(3) by amending subsection (b)(1)(B)(ii) to read as follows:

"(ii) an amount for subsistence expenses, that may not exceed a maximum amount determined by the Administrator of General Services.";

(4) in subsection (c)(1)(B), by striking "an amount for subsistence expenses" and inserting "an amount for subsistence expenses, that may not exceed a maximum amount determined by the Administrator of General Services,";

(5) in subsection (d)(2)(A), by striking "for the sale" and inserting "of the sale";

(6) in subsection (d)(2)(B), by striking "for the purchase" and inserting "of the purchase";

(7) in subsection (d)(8), by striking "paragraph (2) or (3)" and inserting "paragraph (1) or (2)";

(8) in subsection (f)(1), by striking "Subject to paragraph (2)," and inserting "Under regulations prescribed under section 5738 and subject to paragraph (2),"; and

(9) by striking subsection (i).

Approved October 19, 1998.

LEGISLATIVE HISTORY—H.R. 930:

SENATE REPORTS: No. 105-295 (Comm. on Governmental Affairs).
CONGRESSIONAL RECORD:
Vol. 143 (1997): Apr. 16, considered and passed House.
Vol. 144 (1998): Sept. 1, considered and passed Senate, amended.
Oct. 5, House concurred in Senate amendments.

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