General Accounting Office (GAO) matters for consideration by the Comptroller General of the United States or by a division of the GAO or shall forward direct to the Department of Justice matters for its consideration of collection action, litigation, and related proceedings, as prescribed in 4 CFR part 105. A claimant who disagrees with the settlement of his claim by GSA's audit surrogate may request reconsideration by the agency head or review by the Comptroller General of the United States in accordance with the guidelines set forth in subpart 101–41.7. These matters need not be forwarded through GSA.

(c) GSA also makes technical examinations of payments to and claims by or against carriers for transportation services procured on commercial or Government documentation by certain Government agencies and corporations exempted from submitting transportation payment documents for centralized audit.

(d) GSA, independently or in cooperation with other agencies, will confer with individual carriers or carrier groups and associations representing specific modes of transportation to resolve mutual problems concerning technical and accounting matters and to acquaint them with the requirements of the Federal Government.

(e) Carrier accounting and traffic officials are welcome to visit the GSA transportation audit facilities to discuss transportation audit matters. These facilities are located in the GS Building, 18th and F Sts., NW, Washington, DC. The mailing address is General Services Administration (BW), Washington, DC 20405. Notice of an intended visit and, when necessary, an outline or a list of subjects for discussion should be furnished in advance so that necessary internal arrangements can be made and the required records assembled.

(31 U.S.C. 952, 31 U.S.C. 3726; 40 U.S.C. 486(c))

[42 FR 36672, July 15, 1977, as amended at 46 FR 42661, Aug. 24, 1981; 48 FR 27726, June 17, 1983]

**§101–41.103 Procedures, conditions, and limitations relevant to the delegation of authority to perform prepayment audits of selected transportation bills.**

(a) Except for the authority exercised by GSA in §101–41.103(i), requests for a delegation of authority from the Administrator of General Services to conduct prepayment audits shall be accompanied by a specific and complete description of the organization to perform the audit and the manner whereby the audit will be conducted. Such requests shall demonstrate cost-effectiveness or other public benefits.

(b) Prepayment audits by GSA's Office of Transportation Audits on behalf of itself and/or other agencies, need not be approved by the Administrator because the authority to conduct prepayment audits is already provided by law.

(c) Each request shall include a detailed model of the audit process from receipt of carrier bills to disbursement and the subsequent submission of paid vouchers to GSA for postpayment audit.

(d) The requester shall demonstrate the capability not only to complete an accurate audit within 15 calendar days of receipt of a carrier's bill, but also evidence the ability to generate an accurate notice to the carrier which specifically describes the reason for any full or partial rejection of the carrier's charges, citing the rate authority applicable thereto.

(e) The request shall contain a mechanism to report savings, on a semiannual basis and in a manner acceptable to GSA, accomplished by identifying overcharges/overbillings, or other savings indicating the program is cost-effective or otherwise in the public interest.

(f) Public notice of delegated authorities will be effected by publication in the FEDERAL REGISTER notices section. Such notices will specify the Government department/agency whose bills are subject to such audit and the organization or command; i.e., the activity which will conduct such audits.

(g) Authority delegated in accordance with this section is subject to

complete oversight by GSA. This oversight and a test of accuracy will be made through the postpayment audit process and through onsite inspection. To assist in this process, prepayment audit activities (and/or their contractors) are required to stamp each bill so audited with a certification substantially as follows:

I certify that this bill was audited and certified for payment in the amount of $____.

The stamp will also indicate both the name of the audit activity and the name of any contractor involved, and be initialed and dated by the auditor. Paid bills that were subject to prepayment audit must be forwarded to GSA, Attn: FWA (Code PA), under separate cover.

(h) Except as provided in § 101–41.604–2, when a prepayment audit results in a reduction to a properly presented invoice, interest penalties will be paid if required by the Prompt Payment Act. The designee must approve for payment the amount claimed by the carrier, reduced only by the amount disputed on prepayment audit, or otherwise allowed to be withheld by law or regulation.

(i) *Unpaid bills.* (1) Notwithstanding any other provision herein, GSA may request that agencies forward unpaid transportation bills approved for payment after prepayment audit by a designee agency (if any), in lieu of payment to the carrier/forwarder, in order to adequately protect the Government's right to setoff or where the best interests of the Government so require.

(2) These unpaid bills shall be audited only to the extent necessary to prevent excess billings and to adequately protect the Government's right to setoff for identified and projected overpayments, and for known debts owed to other agencies.

(3) Consistent with the purpose of paragraphs (i) (1) and (2) of this section, GSA may conduct a prepayment audit of carrier bills in the following circumstances:

(i) The carrier/forwarder is involved in a proceeding under the Bankruptcy Code as a debtor or possible debtor, or is subject to the control of a receiver, trustee, or other similar representative;

(ii) The carrier/forwarder consistently fails to refund overcharges without assertion of substantial defense or other valid reasons when notified by GSA or any other interested Government agency;

(iii) The carrier/forwarder, without good cause, fails to make timely disposition or settlement of loss or damage or other claims asserted by agencies of the United States;

(iv) The carrier/forwarder owes substantial sums of money to the United States for which no adequate arrangements for settlement have been made;

(v) The carrier/forwarder, as a person or business entity, was determined administratively for valid reasons to be ineligible for payment, unless after review of the facts and in the absence of objection by the U.S. General Accounting Office, it is determined administratively that the best interests of the United States will not be jeopardized by such payment;

(vi) The carrier/forwarder voluntarily withdraws or is otherwise involuntarily terminated from an agency-wide transportation program; or

(vii) Any other circumstances where a reasonable person, in the exercise of ordinary prudence, would conclude that the carrier/forwarder is in such financial condition that is ability to pay debts owed to the Government is questionable.

(4) Carriers/forwarders subject to prepayment audit by GSA for the reasons outlined in § 101–41.103(i)(3), may offer substitute arrangements to adequately protect the Government's right to setoff in consideration for the avoidance of prepayment audit and/or a release of funds deemed adequate by the Government to pursue its right of setoff.

(5) The exercise of actual setoff shall be conducted in accordance with the law.

(j) All forms used by the designee or its audit activity in performing the prepayment audit must be approved by GSA (attn: FWC) prior to usage, and no rules or procedures relative to the prepayment audit may be published by them without GSA approval.

(k) The designee and any audit activity under him/her is required to follow

Comptroller General decisions and Federal Property Management Regulations, instructions, and precedents regarding substantive and procedural matters.

(l) The designee may utilize contractors to accomplish the prepayment audit, but contractors are subject to all of the requirements that apply to the designee and his/her audit activity.

(m) Except as provided for GSA in §101–41.103(i), prepayment audit authority exercised under this paragraph will not be directed to a particular carrier but may be directed toward specific types or categories of bills or exercised in some other nondiscriminatory manner.

(n) GSA will exercise continuous oversight of the delegated prepayment audit authority. A delegation of authority to conduct a prepayment audit may be suspended in whole or in part by the Director, Office of Transportation Audits for failure to properly conduct prepayment audits. Such failures may include any of the following:

(1) Failure to conduct an accurate audit (not less that 85 percent accuracy).

(2) A pattern of failure to make timely payments, or failure to inform carriers within 15 days of defective invoices (Prompt Payment Act time limitations).

(3) Audit not cost-effective, i.e., where the cost of the audit exceeds the benefits derived.

(4) Failure to adjudicate carriers' claims disputing prepayment audit positions of the designee agency within 30 days of receipt.

(5) Failure of the designee, or any audit authority under it to follow Comptroller General decisions, Federal Property Management Regulations, and instructions, or precedents regarding substantive and procedural matters.

(6) Failure to provide information/data, or to cooperate in onsite inspections, necessary to analyze cost-effectiveness or to conduct a quality assurance review.

[53 FR 25165, July 5, 1988; 53 FR 26779, July 15, 1988]

### §101–41.104 Procedures and standards for utilizing EDI.

(a) The medium, timing, and precise format of transmissions of data must be approved in advance by GSA's Office of Transportation Audits (FW), Washington, DC 20405. The Office of Transportation Audits will exercise oversight of individual agency EDI programs through periodic management reviews. Authority to utilize EDI as an alternative to hard copy Standard forms will be suspended by the Director, Office of Transportation Audits, if individual EDI programs fail to meet the transportation documentation and accounting needs of the Government. EDI standards for freight transportation services include but are not limited to Transportation Data Coordinating Committee Transaction Sets (104 and 110 (air), 204 and 210 (motor), 304 and 310 (ocean), 404 and 410 (rail)), and/or ANSI Transaction Sets.

(b) The data required for transmission is that data which GSA must have to carry out its responsibilities including data specified in part 101–41.

[54 FR 15941, Apr. 20, 1989]

## Subpart 101–41.2—Passenger Transportation Services Furnished for the Account of the United States

### §101–41.200 Scope and applicability of subpart.

This subpart sets forth regulations and procedures governing the procurement of and the billing and payment for passenger transportation services for the account of the United States.

### §101–41.201 [Reserved]

### §101–41.202 Standard forms relating to passenger transportation.

The Standard Forms listed in paragraphs (a) through (g) of this section are prescribed for use in connection with the procurement of passenger transportation services for the account of the United States.

(a) SF 1113, Public Voucher for Transportation Charges (Original).

(b) SF 1113–A, Public Voucher for Transportation Charges (Memorandum Copy).