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[Comments on Non-Monetary Incentive Awards]

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DIGEST

Ms. Kenyetta L. Bell Supervisory Personnel Management Specialist Department of the Navy Naval Aviation Depot Norfolk, Virginia 23511-5899

Dear Ms. Bell:

This is in response to your letter to the Comptroller General dated January 31, 1994 (Reference 12451 NADEP-11000).

You indicate that your naval facility will soon be implementing a non-monetary awards program and would like to use, as a form of recognition, items such as tickets to local sporting events or local amusement parks. You ask for guidance on whether such award items are appropriate under the Government Employees Incentive Awards Act, 5 U.S.C. Secs. 4501-4507 (1988).

The Office of Personnel Management (OPM) has promulgated regulations and policy guidance on incentive awards. The regulations specifically provide for non-monetary awards for superior accomplishment, including a medal, certificate, plaque, citation, badge, or similar item that has an award or honor connotation. See, 5 C.F.R. Sec. 451.103 (1993). In subchapter 7 of chapter 451, of the Federal Personnel Manual (FPM), (Inst. 265, Aug. 14, 1981) (Non-Monetary Recognition), OPM emphasizes that the range and variety of non-monetary incentives is almost limitless and that each organization should design incentive programs that will motivate high levels of accomplishment.

Our decisions have also recognized the appropriateness of non-monetary items or merchandise-type items as awards. See e.g., Federal Aviation Administration, B-243025, May 2, 1991 (jackets with FAA insignia); 67 Comp.Gen. 349 (1988) (coffee mugs, pins, and telephones of nominal value); (copies of decisions cited enclosed). In both cases, we held that the purchase of the items for use as awards to employees is a proper expenditure of appropriated funds. The same funding should be used for the non-monetary awards as is used for cash awards under the Act. See 5 U.S.C. Sec. 4502(d) (1988).

We have not placed a dollar limit on these awards items, but have limited them to nominal cost. We note that the value of occasional sporting and entertainment tickets would appear to be excludable from an employee's income as de minimis fringe benefits, under 26 U.S.C. Secs. 132(a)(4) and 132(e)(1) (1988). See 26 C.F.R. Sec. 1.132-6(e)(1) and (e)(2) (1993). Since this is an income tax matter, you may wish to consult with the Internal Revenue Service.

Based on the foregoing, we see no legal objection to an award of tickets of nominal value to a sporting or entertainment event as part of a non-monetary awards program within the sound discretion of management.

Sincerely yours, /s/ Seymour Efros

for Robert P. Murphy

Acting General Counsel

Enclosures