

**DECISION**

**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D. C. 20548

61498

FILE: B-186189

DATE: September 16, 1976

MATTER OF: United States Government Printing Office

98025

## DIGEST:

Where over substantial period of time contractor offers in its invoices prompt payment discounts not offered in bids or resulting contracts and contracting activity expedites payments so as to avail itself of discounts, discounts were properly taken and need not be refunded.

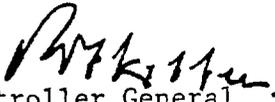
The United States Government Printing Office (GPO) requests advice regarding the propriety of availing itself of the prompt payment discounts set forth in invoices submitted to it by the Globe-Weis Systems Company (Globe) for purchase orders on various GPO contracts. This request was initiated by the following events. A Globe invoice for GPO purchase order No. B-0792, in which was set forth a prompt payment discount of "1% 20 Days, Net 30 Days," was paid by the GPO within 20 days. Therefore, the GPO deducted 1 percent (\$116.72) of the billing. Globe protested this deduction, alleging that the "1% 20 Days" discount provision had been erroneously placed in the invoice, and stated that its bid and contract with the GPO provided only for payment of "Net 30 Days."

While the sum of \$116.72 was refunded by the GPO to Globe, the GPO questions whether it was legally bound to make this refund. The GPO also notes that Globe has submitted other refund claims for monies deducted in view of prompt payment discounts set forth on Globe's invoices--but not in its bids. It is also noted that GPO files contain records of numerous other payments where prompt payment discounts were taken on the basis of discounts offered in the invoices but not included in the contracts. Billings and payments in this manner, we are advised, have occurred since at least June 1974. Consequently, our opinion is requested as to whether the taking of such discounts was proper as offers made independent of the contract terms for the purpose of inducing prompt payments.

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The GPO deductions from payments to Globe in accordance with the terms of Globe's invoices occurred over a period of approximately 1-1/2 years. Protests against these deductions were not filed by Globe with the GPO until the end of this period of time. Because the GPO was not obliged under its contracts with Globe to make expedited payments, but did, the presumption is that the GPO expedited the payments in question in order to take advantage of the special discounts offered voluntarily and independently of the contract terms by Globe--whether erroneously or not--and that the GPO was inconvenienced in a manner that it would not have been had such payments been made in the regular course. 25 Comp. Gen. 890 (1946); B-123732, December 30, 1955.

Accordingly, we believe that the GPO properly availed itself of the prompt payment discounts offered in the Globe invoices and that refund of the monies discounted is not required.

  
Deputy Comptroller General  
of the United States