



Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Department of the Interior, Bureau of Indian Affairs--Payments for McDonald's Gift Certificates and Movie Tickets

File: B-243074

Date: September 11, 1991

DIGEST

Payments for McDonald's gift certificates and movie tickets, which will be redeemed at a later date for their full value, are not in violation of the advance payment prohibition in 31 U.S.C. § 3324, provided that adequate administrative safeguards for the control of the certificates and tickets are maintained, the purchase of the certificates and tickets is in the government's interest, and the certificates and tickets are readily redeemable for cash.

DECISION

An authorized certifying officer, Department of Interior, Bureau of Indian Affairs (BIA), requested an advance decision pursuant to 31 U.S.C. § 3529 (1988) on whether payments for McDonald's gift certificates and movie tickets, which will be redeemed after payment has been made, are prohibited advances of public money. Under 31 U.S.C. § 3324, an advance of public money may be made only if it is authorized by a specific appropriation or the President.^{1/}

BIA submitted five vouchers for our consideration. BIA has already paid two vouchers for McDonald's gift certificates for students at the Chemawa Indian School, Salem, Oregon, a voucher for movie tickets for grade school students at the Wahpeton Indian School, Wahpeton, North Dakota, and a voucher for discount movie tickets for students at the Richfield Dormitory, Richfield, Utah. The fifth voucher, for \$3,000 of McDonald's gift certificates for students at the Flandreau Indian School, Flandreau, South Dakota, which BIA has not yet paid, prompted this request for an advance decision.

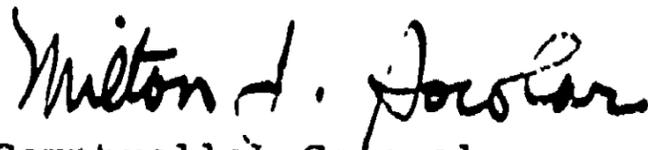
In a similar case, 39 Comp. Gen. 201 (1959), we held that paying for coupon books which would later be used to purchase gasoline at a discount for official vehicles was not a

^{1/} BIA, in its submission, did not identify any specific authority to make advance payments in this case, and we are not aware of any such authority.

prohibited advance of public moneys under 31 U.S.C. § 3324. In that case, as here, payment was made in advance of receipt of the item or service desired. We concluded, however, that the payment for the coupons was unobjectionable because administrative safeguards were in place to assure that the coupons were used for official purposes only, the purchase of gasoline at a discount was in the government's interest, the unused coupons were readily redeemable for cash, and the payment did not exceed the actual value of the coupon books. Id. We have no objection to BIA's proposed payments so long as BIA satisfies these criteria.

BIA's payment of four of the five vouchers suggests that it believes the purchase of gift certificates and movie tickets is in the government's interest. Also, the vouchers submitted indicate that the payments will not exceed the actual value of the gift certificates and tickets. However, the BIA submission does not indicate that administrative safeguards are in place, or that unused items will be readily redeemable for cash.

In this regard, BIA informally advised that it is developing guidelines for the proper safeguarding and control of the gift certificates and movie tickets. So long as BIA also ensures that the certificates and tickets are readily redeemable for cash, we would have no objection to the proposed payments.


for Comptroller General
of the United States