

## Federal Management Regulation

## § 102-118.415

Washington, DC 20405

[65 FR 24569, Apr. 26, 2000, as amended at 74 FR 30476, June 26, 2009]

### **§ 102-118.385 What must a waiver request include?**

A waiver request must explain in detail how the use of a prepayment audit increases costs over a postpayment audit, decreases efficiency, involves a relevant public interest, adversely affects the agency's mission, or is not feasible for the agency. A waiver request must identify the mode or modes of transportation, agency or subagency to which the waiver would apply.

### **§ 102-118.390 On what basis does GSA grant a waiver to the prepayment audit requirement?**

GSA issues waivers to the prepayment audit requirement based on:

- (a) Cost-effectiveness;
- (b) Government efficiency;
- (c) Public interest; or
- (d) Other factors the Administrator of General Services considers appropriate.

### **§ 102-118.395 How long will GSA take to respond to a waiver request?**

GSA will respond to a written waiver request within 30 days from the receipt of the request.

### **§ 102-118.400 Must my agency renew a waiver of the prepayment audit requirements?**

Yes, your agency waiver to the prepayment audit requirement will not exceed 2 years. Your agency must reapply to ensure the circumstances at the time of approval still apply.

### **§ 102-118.405 Are my agency's prepayment audited transportation bills subject to periodic postpayment audit oversight from the GSA Audit Division?**

Yes, two years or more after starting prepayment audits, the GSA Audit Division (depending on its evaluation of the results) may subject your agency's prepayment audited transportation bills to periodic postpayment audit oversight rather than blanket postpayment audits. The GSA Audit Division will then prepare a report analyzing the success of your agency's prepayment audit program. This report

will be on file at GSA and available for your review.

### **SUSPENSION OF AGENCY PREPAYMENT AUDIT PROGRAMS**

### **§ 102-118.410 Can GSA suspend my agency's prepayment audit program?**

(a) Yes, the Director of the GSA Audit Division may suspend your agency's prepayment audit program based on his or her determination of a systematic or frequent failure of the program to:

(1) Conduct an accurate prepayment audit of your agency's transportation bills;

(2) Abide by the terms of the Prompt Payment Act;

(3) Adjudicate TSP claims disputing prepayment audit positions of the agency regularly within 30 days of receipt;

(4) Follow Comptroller General decisions, GSA Board of Contract Appeals decisions, the Federal Management Regulation and GSA instructions or precedents about substantive and procedure matters; and/or

(5) Provide information and data or to cooperate with on-site inspections necessary to conduct a quality assurance review.

(b) A systematic or a multitude of individual failures will result in suspension. A suspension of an agency's prepayment audit program may be in whole or in part for failure to conduct proper prepayment audits.

## **Subpart E—Postpayment Transportation Audits**

### **§ 102-118.415 Will the widespread mandatory use of prepayment audits eliminate postpayment audits?**

No, the mandatory use of prepayment audits will not eliminate postpayment audits because:

(a) Postpayment audits will continue for those areas which do not lend themselves to the prepayment audit; and

(b) The GSA Audit Division will continue to review and survey the progress of the prepayment audit by performing a postpayment audit on the bills. The GSA Audit Division has a Congressionally mandated responsibility under 31