



**G A O**

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**Comptroller General  
of the United States**

**United States Government Accountability Office  
Washington, DC 20548**

## **Decision**

**Matter of:** Veterans Benefits Administration—Refreshments for Focus Groups

**File:** B-304718

**Date:** November 9, 2005

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### **DIGEST**

To fulfill its statutory mission, the Veterans Benefits Administration (VBA), Department of Veterans Affairs, conducts focus groups in which veterans and their families participate. VBA asks whether it may use appropriated funds to pay for incentives in the form of refreshments or light meals to increase participation in and the effectiveness of focus groups. VBA may reasonably determine administratively that providing such incentives encourages participation in and improves the quality of information gleaned from focus groups, and accordingly may use appropriated funds to pay for such incentives. VBA should provide incentives pursuant to an enforceable policy that ensures incentives are provided only when necessary and appropriate.

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### **DECISION**

The Veterans Benefits Administration (VBA) of the Department of Veterans Affairs (VA) has requested an advance decision under 31 U.S.C. § 3529 on whether it may use appropriated funds to pay for incentives in the form of refreshments or light meals, as a means to attract veterans and their families to VBA focus groups, and to encourage participation in and improve the quality and reliability of the feedback from the focus groups. VBA conducts focus groups, to satisfy a requirement in 38 U.S.C. § 527(a) that VA “measure and evaluate” its programs. We would not object to a VBA administrative determination that providing such an incentive to veterans and their families encourages their participation in and improves the quality of information gleaned from focus groups. Accordingly, based on such a determination, VBA may use appropriated funds to purchase the refreshments.

### **BACKGROUND**

In recent years, to aid in its customer service efforts, VBA has been conducting focus groups wherein veterans and members of veterans’ families provide feedback on

VBA benefit programs and how they might be improved. Letter from James W. Bohmbach, Chief Financial Officer, VBA, to Susan Poling, Associate General Counsel, GAO, Feb. 11, 2005, at 2 (hereinafter Bohmbach Letter). VBA solicits feedback under direction of 38 U.S.C. § 527(a), which requires that the agency “measure and evaluate ... all programs authorized under this title, in order to determine their effectiveness in achieving stated goals in general, and in achieving such goals in relation to their cost, their effect on related programs, and their structure and mechanisms for delivery of services.” *Id.* While VBA obtains information from a variety of sources, including mail or internet surveys and telephone interviews, VBA has determined that use of focus groups, in many circumstances, is the best method of gathering this feedback.<sup>1</sup> *Id.* Focus group participants are not VBA employees but are veterans and family members of veterans served by VBA. *Id.* VBA usually pays the veterans and their family members who participate \$50 each for their participation. *Id.*

It is a common practice in the private sector for refreshments or light meals to be served to focus group participants as an incentive for participation and as a means to facilitate greater communication within the group. Richard A. Krueger and Mary Anne Casey, *Focus Groups: A Practical Guide for Applied Research* at 104 (3d ed. 2000). Referring to this practice, VBA argues that the provision of refreshments to the veterans and members of their families who participate in focus groups is very helpful both in attracting these participants and getting useful information from the focus group. Bohmbach Letter at 2-3. VBA also argues that because focus groups are held near the dinner hour, participation levels would be drastically lower if VBA did not provide refreshments or light meals as an additional incentive. *Id.* at 2. VBA states that allowing participants to leave the group for dinner and then return would disrupt the group dynamic and add considerable time to the event. *Id.* Finally, VBA stresses that providing refreshments relaxes participants, facilitating the flow of required information. *Id.* at 3-4.

VBA has asked if it may use funds appropriated for VA’s General Operating Expenses<sup>2</sup> to provide refreshments or light meals for the non-employee participants

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<sup>1</sup> VBA believes that focus groups have some distinct benefits. For example, moderators can ask hypothetical questions and participants can express detailed opinions and raise issues that the researchers did not anticipate. Bohmbach Letter at 2.

<sup>2</sup> These funds are available “[f]or necessary operating expenses of [VA], not otherwise provided for, including administrative expenses in support of department-wide capital planning, management and policy activities.” Consolidated Appropriations Act of 2005, Pub. L. No. 108-447, 118 Stat. 2809, 3289 (Dec. 8, 2004). VBA is presently funded by a continuing resolution that expires on November 18, 2005. Joint Resolution Making Continuing Appropriations for the Fiscal Year 2006, and for Other Purposes, Pub. L. No. 109-77, 119 Stat. 2037 (2005).

in VBA focus groups as an incentive for participation, and as a means to more effectively carry out its statutory mandate.

## ANALYSIS

Appropriated funds generally are not available for personal expenditures, such as refreshments. B-247966, June 16, 1993. However, in circumstances similar to the present case, we held that agencies may use appropriations to provide incentives to the general public when these incentives help to produce information necessary to the achievement of the agency's statutory goals. For example, the National Oceanic and Atmospheric Administration (NOAA), exercising its statutory responsibility to conduct research to measure the availability and abundance of fish, tagged stocks of fish and asked fishermen to return to NOAA any tags found on fish they caught. To increase the return rate, and thus enhance its research, NOAA proposed to use its appropriations to pay a reward of \$5 for each returned tag. We concluded that although in other circumstances the \$5 reward might be seen as a personal gift barred by our decisions on personal items, NOAA's appropriation was available to make the rewards in these circumstances because the rewards were reasonably necessary to the accomplishment of NOAA's research. The rewards provided an incentive to the public to return fish tags that they might otherwise collect, display, or discard. 70 Comp. Gen. 720, 721-22 (1991).

In another case, the General Services Administration (GSA) proposed to use appropriations to pay for prizes in a drawing held in connection with customer satisfaction surveys. B-286536, Nov. 17, 2000. GSA, responsible for the operation, maintenance, and protection of most government buildings, is required to survey the public building needs of federal agencies. 40 U.S.C. §§ 611(a), (b). For several years, GSA had attempted to collect such information through customer satisfaction surveys of employees of its tenant agencies. Faced with a declining response rate, GSA proposed to offer prizes to individuals who completed and submitted the survey. Like NOAA's rewards, GSA's prizes in other circumstances would be viewed as personal gifts. We concluded that in these circumstances, GSA's appropriation was available to cover the cost of the prizes. B-286536, Nov. 17, 2000. Clearly, because of GSA's statutory mission regarding public buildings, it was necessary for GSA to collect sound information about the status of federal buildings and the needs of federal employees. *Id.* We found that GSA, using incentives, could encourage employees to participate in surveys they might otherwise ignore, thereby providing GSA with information vital to its statutory mission.<sup>3</sup> *Id.* Because there was a "direct

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<sup>3</sup> The employees involved in the GSA drawing were not GSA employees, but employees of other agencies, and were "under no statutory, regulatory, or employment-related requirement" to participate in the survey; they did not receive prizes for something they were already required to do. B-286536, Nov. 17, 2000. The  
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connection” between the purpose with which GSA was statutorily tasked and “the use of prizes to increase the response rate” to GSA surveys, GSA could use appropriated funds for such purposes. *Id.*

In both of these cases, the agencies established the need for incentives to stimulate production of information necessary to effectively carry out the agency’s responsibilities, thereby justifying as a necessary expense the expenditure of appropriated funds. In a similar vein, VBA would like to use an incentive to stimulate the production of information. As discussed above, VBA uses focus groups to gather information from its constituents regarding its programs, pursuant to its statutory mandate under 38 U.S.C. § 527(a). VBA has determined that focus groups are an effective tool to obtain such information. Bohmbach Letter at 2. VBA points to several factors that suggest a significant benefit inuring to the government from offering food as an incentive.

VBA notes that because many potential focus group participants work during the day, the time when VBA has the best chance of assembling a representative group is in the early evening, which is, of course, the time of day when most people usually eat dinner. Bohmbach Letter at 2. While VBA does provide \$50 to participants, the incentive provided by an offer of refreshments serves to draw participants during the dinner hour.<sup>4</sup> Holding a focus group at a mealtime and providing the meal is a common incentive for recruiting participants. Thomas L. Greenbaum, *The Practical Handbook and Guide to Focus Group Research* at 113-14 (1990). *See also* David L. Morgan, *Planning Focus Groups* at 37 (1998) (“[i]f you are holding a session at the dinner hour, you must provide food for participants”); David W. Stewart and Prem N. Shamdasani, *Focus Groups: Theory and Practice* at 55 (1990).

VBA also states that the offer of food produces better results for VBA in the form of increased levels of conversation and creation of an “atmosphere most conducive for information collection.” Bohmbach Letter at 2-4; Morgan, *supra* at 37. VBA points out that when participants receive refreshments, they are more relaxed and comfortable, and the quality of information VBA receives is enhanced. Bohmbach Letter at 2-4. Thus, by offering refreshments as an incentive for non-employee veterans and their families to participate in focus groups, VBA also reaps a material benefit in the quality of information it receives, enhancing VBA’s ability to fulfill its statutory mission.

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participants in the VBA focus groups are not government employees. Rather, they are veterans and veterans’ families served by VBA. Bohmbach Letter at 2.

<sup>4</sup> Independent commentators advise that scheduling focus groups near the dinner hour can be critical for the focus group’s success. *See, e.g.,* David L. Morgan, *Planning Focus Groups* at 101 (1998). The blocks of time that are likely to be convenient for participants are “roughly from 5:00 to 7:00 and 7:00 to 9:00.” *Id.*

To the extent VBA concludes that it needs to offer refreshments and light meals as an incentive to maximize participation by nonemployee veterans and their families in focus groups to fulfill its statutory requirement, we have no objection to VBA's use of its appropriated funds to do so. Whether the expenditure is reasonably necessary to carry out an authorized function or, as here, will contribute materially to the effective accomplishment of that function is, in this first instance, a matter for the informed use of agency discretion. Our review of such discretionary judgments is deferential, inquiring, among other things, whether the relationship of the proposed expenditure to the appropriation is so attenuated as to take the proposed expenditure beyond the agency's legitimate range of discretion. B-301367, Oct. 23, 2003. VBA's determination in these circumstances is not so attenuated as to be beyond the legitimate range of VBA's discretion.

We caution, however, that VBA should provide incentives pursuant to an appropriate, enforceable policy with procedures for approval. Such a policy should ensure that incentives are only provided when necessary and are used strictly for nonemployee focus groups (not for internal employee meetings or focus groups). Procedures should include appropriate approval mechanisms to ensure that the policy is adhered to. This policy will ensure that VBA judiciously uses its appropriation when providing incentives at focus groups.

#### CONCLUSION

If VBA determines that providing incentives in the form of refreshments or light meals to nonemployee veterans and their families encourages participation in and improves the quality of information gleaned from focus groups, we would not object to its use of appropriated funds for this purpose.

/signed/

Anthony H. Gamboa  
General Counsel