

GENERAL ACCOUNTING OFFICE

F-17390-OM

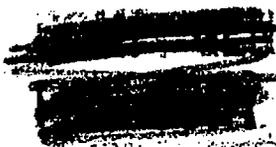
WASHINGTON 25

Dec. 17, 1952

DEC 17

OFFICE OF
COMPTROLLER GENERAL OF THE UNITED STATES
IN REPLY QUOTE INITIALS

X-17390
B-111086



DEC 8 1952

The Comptroller General:

Reference is made to decision B-111086 dated August 29, 1952, 32 Comp. Gen. 124, wherein it was held that funds received by representatives of the Federal Bureau of Investigation from the installation of vending machines in its divisional offices are required to be deposited in the Treasury of the United States as miscellaneous receipts under section 3617, Revised Statutes, (31 U.S. Code 484).

Instructions are requested as to what changes in our policy with respect to charges for vending machines installed on Government property are to be made as a result of this decision.

While the specific facts ruled upon cover only "funds so received by the Federal Bureau of Investigation from the installation of vending machines," the decision goes on to state:

"It has been the consistent view of the General Accounting Office that funds derived from the installation and operation of vending machines in Government-owned or controlled property, are funds received 'for the use of the United States' * * * and, as such, are required to be deposited in the Treasury as miscellaneous receipts, in the absence of express statutory authority to the contrary."

Heretofore, the policy of the General Accounting Office had been stated to us in the Acting Comptroller General's memorandum of July 19, 1944, A-44022 (file herewith) as follows:

"There is no showing * * * as to whether the vending machine was installed and is operated by the Government or by an employees' association or other concessionaire. If by the former, of course, the profits should be covered as required by section 3617, Revised Statutes, but if by the latter, I doubt that we may properly question the practice except to the extent that apparently it fails to provide for reimbursing the Government for its costs such as for electric current, etc.

"In the absence of definite information on the above question as to installation and operation, I would not object to the comment * * * if it were qualified

to show it is based on the assumption that the vending machine was installed by the Government or with its consent and is operated under its direction, or words to that effect."

Carrying out that policy, in our inspections of hundreds of Federal installations, we have asked only for the deposit of the cost of electric current consumed by the machines (as near as it can conveniently be computed) whenever the machines are found to have been installed by an employees' association, an officers', NCOs', or enlisted men's club, officers' mess, civilian cafeteria association, an "unofficial" non-profit organization (such as GSI's in this building), or a concessionaire of any of them. For lack of statutory clarification of their status, post exchanges have been treated similarly. B-45103, September 30, 1952. No instance is recalled in recent years where the machines were found to be the direct installation of the Government activity.

To give effect to this policy, the Public Buildings Administration and the Department of the Navy have prescribed a flat monthly charge averaging out the normal consumption charge for each type of machine. See Navy BSA Manual 66405, 3e(1).

Very considerable sums have been collected and settled upon the current charge basis. As a sample of one now in process see the attached copy of pages 14 and 15 of the report of our recent inspection of the Bergstrom Air Force Base at Austin, Texas, I-17390.

Numerous oral inquiries are being received in the field as to whether the language of the decision of August 29 contemplated a change in the policy referred to; several collections and settlements are currently under way, some of them retroactive.

Specifically, instructions are requested whether the requirement of the decision is to be limited to those cases, if any there be, where the machines are installed and maintained under the direct auspices of the department or agency occupying or in charge of the premises (excluding post exchanges, clubs, and the like as listed above).

(Signed) W. L. Ellis

Chief of Investigations

Enclosure

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I-17390- O.M.

Indorsement

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Chief of Investigations

32 Comp. Dec. 782

Returned, inviting attention to Office decision of December 10, 1952, B-112840, to the Postmaster General. Action should be accordingly.

Lindsay C. Warren
Comptroller General
of the United States

Enclosure