



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

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January 7, 1981

Daniel Malachuk, Jr.
Deputy Special Assistant
for Administration
White House Operations

Dear Mr. Malachuk:

Your letter of September 16 invites our comments on your proposal to the Treasury Department to change the administration of the Compensation of the President account. You propose that payments from the expense subaccount portion of the compensation account be certified directly by the White House Administrative Office rather than by the Comptroller General as has been the case historically. Because your proposal would merely apply administrative procedures which are presently utilized in the certification of payments from other White House accounts, including those set forth in 3 U.S.C. § 105(d) (Supp. III, 1979), and because we are aware of no statutory requirements to the contrary, This Office does not object to your proposal.

The President's salary and expense accounts are currently both appropriated by Congress in the Compensation of the President account pursuant to section 102 of Title 3, United States Code (1976), as amended. See, for example, the Executive Office Appropriation Act, Title III of the Act of September 29, 1979, Pub. L. No. 96-74, 93 Stat. 563.

This Office currently certifies payments from both the salary and expense accounts. While legislation provides for the amount, taxability and timing of payments made from the compensation account, the actual administration of the account is more a matter of historical practice than legal prescription. We are not aware of any statutory mandate as to the actual method of payment from the President's Compensation Account.

The Comptroller General assumed the responsibility for certifying the President's compensation payments as one of the duties performed by his predecessor, the First Comptroller of the Treasury, and transferred to the Comptroller General by section 304 of the Budget and Accounting Act of 1921. 31 U.S.C. § 44 (1976). In 1949, the expense account was authorized as a permanent subaccount of the compensation account provided for in 3 U.S.C. § 102 when Congress both increased the President's salary and provided him with an additional expense allowance of \$50,000 "for which no accounting shall be made by him." In 1951, the expense account of 3 U.S.C. § 102 was made subject to income taxation so that the portion not expended for official expenses could be retained by and taxed to the President as income. Act of October 20, 1951, ch.

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521, § 619(a), 65 Stat. 569. (This Office reviewed this legislation and concluded that since the account was treated for practical purposes as part of the President's salary, we would certify the funds from the expense subaccount as well as the actual salary payments.)

For fiscal year 1980, Congress changed the nature of the expense subaccount. It provided in the Executive Office Appropriations Act, 1980, under the title "Executive Office of the President," subtitle "Compensation of the President" appropriations:

"For compensation of the President, including an expense allowance at the rate of \$50,000 per annum as authorized by 3 U.S.C. 102, \$250,000: Provided, That none of the funds made available for official expenses shall be expended for any other purpose and any unused amount shall revert to the Treasury pursuant to section 701 of title 31 of the United States Code: Provided, further, That none of the funds made available for official expenses shall be considered as taxable to the President."

Treasury, Postal Service, and General Government Appropriations Act, 1980, Pub. L. No. 96-74, approved September 29, 1979, 93 Stat. 559, 563, 3 U.S.C. § 102nt. (Supp. III, 1979).

According to the congressional debate, the change was felt necessary to prevent the expense account from being viewed by the President as a salary increment. The amendment's sponsor, Congressman Bauman, stated that if the President needed greater income, his salary should be increased. 125 Cong. Rec. H5875 (1979). Thus the subaccount was changed to more closely resemble an expense account. In light of this change, you reviewed the present practice and have determined that it appears to make more sense for this subaccount to be certified by the White House Administrative Office. (Beginning with fiscal year 1982, you plan to ask the Congress to appropriate the President's expense subaccount together with the other White House expense account, rather than as part of his Compensation appropriation.

Since we see no particular need for us to certify payments from this subaccount, we see no objection to your certifying the President's expenses from this account in the same manner as the other White House expense accounts.

Sincerely yours,



For the Comptroller General
of the United States