



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON 25

October 19, 1954

B-120978-O.M.

Director of Audits
Director, Accounting Systems Division

Attention is invited to attached copy of memorandum of August 2, 1954, from the Director, Claims Division, and my indorsement of today thereon.

Appropriate action should be taken informally by your respective Divisions to have the transaction involved adjusted by the Bureau of Engraving and Printing as indicated in the above referred-to indorsement.

FRANK H. WENTZEL

Acting Comptroller General
of the United States

Attachment

CB-Z 18(303)-JGD
Z 18(339)

The Acting Comptroller General

Transmitted herewith are the files in connection with two claims of the Bureau of Engraving and Printing (hereinafter referred to as the "Bureau"), in the respective amounts of \$203.09 and \$16.39 for material furnished and services rendered the Department of State. The billing was accomplished by use of Standard Form 1080-Revised, Voucher for Transfers Between Appropriations and/or Funds (Collection); the appropriation to be credited is "20X1502 Bureau of Engraving and Printing Fund" and the appropriation chargeable is "1990101 Printing and Binding, Department of State, 1949", which is lapsed. There remained to the credit of the latter appropriation account only sufficient funds to provide for \$106.27 of the \$203.09 voucher, requiring a deficiency appropriation to take care of the \$96.82 balance of said voucher and \$16.39, the full amount of the second voucher.

The Department of State has made inquiry as to whether it would be agreeable to this Office if the Bureau should see fit to effect appropriate adjustments in their records to cancel the amount of these claims. In the event this Office should acquiesce they propose to initiate negotiations with the Bureau to accomplish the desired end. The Department of State predicates its request on the cost to the Government which would be entailed in obtaining a deficiency appropriation, calling attention to the relatively small amounts in question. In this regard, the proposal that the amount involved should determine or influence departure from prescribed accounting practices, appears neither persuasive nor well founded.

Public Law 656, 81st Congress, 64 Stat. 408, provides for financing the operations of the Bureau of Engraving and Printing. The act requires that the Bureau be reimbursed for work or services rendered by it for the agencies of the Government. It states the requisitioning agency "shall" make payment to the Bureau in an amount adequate to recover the costs, direct or indirect, to the Bureau, incidental to performing the work or services requisitioned.

Failure to reimburse the Bureau fund where required, as proposed in this instance, would contribute to depletion of the fund, and while not consequential in this case a multiplication of such actions which might follow establishment of such a precedent, could make necessary further premature appropriation by the Congress to restore the fund to functional proportions.

To concur in the manner of adjustment suggested would create a technical augmentation of the Department of State's appropriation for printing and binding and obscure the creation of a deficiency in the Bureau of Engraving and Printing Fund. In this connection, see 31 U. S. C. 665.

In view of the foregoing, the matter is submitted for your consideration and instructions.

Director, Claims Division

Enclosure

October 19, 1954

B-120978-O.M.

Director, Claims Division

Returned. It appears from the administrative record accompanying your submission and from information informally obtained from officials of the departments concerned that, during the latter part of the fiscal year 1949, the Department of State obligated its 1949 printing and binding appropriation in the amount of \$870 to cover the estimated cost of certain printing and engraving work ordered from the Bureau of Engraving and Printing; also, that when the work was completed, which was during a subsequent fiscal year, the Bureau determined that the actual cost thereof exceeded its original estimate by several hundred dollars. Since the balance of funds in the 1949 appropriation, at the time it lapsed to "Payment of Certified Claims," was sufficient to pay only a part of the additional cost of the work, there resulted a deficiency of \$113.21 necessary to liquidate the indebtedness.

It will be noted that the work in question was not performed with funds provided the working capital fund "20X14502" established by the act of August 4, 1950, 64 Stat. 408, and that the item of \$113.21 merely represents an authorized receivable thereof which has been carried on the books for several years. In that connection, it is understood that officials of the Bureau have discussed the particular item with representatives of the Accounting Systems and Audit Divisions of this Office, and expressed the desire to waive and cancel the receivable by appropriate adjustment in their records. Such action was urged on the basis that even if such sum were collected it would merely serve, as evidenced by the history of the fund, to increase its year-end earned surplus, which by section 2 (e) of the cited statute is required to be transferred to miscellaneous receipts.

As indicated in your memorandum, the performance of work by one department or establishment for another without reimbursing the actual cost of such work would contravene the requirements of law that "all sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made and for no others"--section 3678, Revised Statutes, 31 U. S. C. 628--in that it would augment one appropriation at the expense of another. See 3 Comp. Gen. 974; 10 *id.* 275; 30 *id.* 295. However, the responsibility for determining "actual cost" primarily is that of the administrative agencies and, where as here, it reasonably appears from the circumstances involved in an interdepartmental billing for work or services rendered that the action required to seek a deficiency appropriation merely to effect a bookkeeping adjustment of a small sum due thereon is not in the best interest of the Government, a request by the performing agency to waive the collection of such sum may be viewed as in the nature of a rebilling and need not be objected to. See B-8368-O.M., February 24, 1940; B-84325-O.M., February 3, 1950; B-95311-O.M., July 17, 1950; B-115434-O.M., June 19, 1953. Cf. B-114633, September 18, 1953.

Accordingly, the Department of State should be requested informally to return copies of Certificates of Settlements Nos. 2041496 (Claim No. Z18-303) and 2107539 (Claim No. Z18-339).

The Division of Audits and Accounting Systems Division have been instructed to take action informally to appropriately conclude the matter.

FRANK H. WEITZEL

Acting Comptroller General
of the United States

Attachments