



Comptroller General  
of the United States  
Washington, D.C. 20548

# Decision

**Matter of:** Bureau of Land Management--Disposition of  
Water Resources Council Appropriations  
Advanced Pursuant to the Economy Act

**File:** B-25041'

**Date:** March 1, 1993

### DIGEST

1. Appropriations advanced by an ordering agency under an Economy Act agreement, 31 U.S.C. § 1535, should be returned to the ordering agency by the agency filling the order to the extent that the amount advanced is in excess of actual costs incurred by the performing agency.
2. An Economy Act agreement, which terminated over 10 years ago, may not be treated as a reimbursable agreement by the performing agency, and the balance of funds transferred under the agreement may not be used to provide the agency with reimbursable authority.
3. The retention by the performing agency of amounts in excess of actual costs incurred under an Economy Act agreement would result in an improper augmentation of the performing agency's appropriations.

### DECISION

The Bureau of Land Management (BLM) has requested guidance on the disposition of \$167,143.54, the remaining balance of \$325,000 which the Water Resources Council (WRC) advanced to BLM in fiscal year 1978 pursuant to a memorandum of agreement (MOA). Under the MOA, BLM agreed to facilitate the conduct of the Southcentral Alaska Water Resources Study. BLM has retained the balance in a suspense account since the project was completed in 1981. Specifically, BLM asks whether the balance may be used to fund water-related research that was not included in the river basin study covered by the MOA; whether the MOA may be treated as reimbursable authority; or whether the balance may be transferred to BLM's general receipts account.

We conclude that the \$167,143.54 is not available for any purpose and should be transferred to the WRC Appropriation

Account maintained by the General Services Administration (GSA).<sup>1</sup>

## BACKGROUND

WRC was established by the Water Resources Planning Act to study and assess the adequacy of, and to determine the national interest in, water supplies necessary to meet the water requirements in each water resource region in the United States. 42 U.S.C. § 1962a. WRC was also authorized to study the relation of regional or river basin plans and programs to the requirements of larger regions of the nation, and to coordinate, appraise and make recommendations to the President on the adequacy of policies and programs in meeting water requirements. 42 U.S.C. § 1962a-1.

On March 21, 1978, BLM and WRC entered into the MOA under which BLM acted as a fiscal agent to facilitate the conduct of the Southcentral Alaska Study. Under the MOA, WRC was to provide BLM with not to exceed \$611,250 for fiscal year 1978, \$382,750 for fiscal year 1979, and \$116,000 for fiscal year 1980. In fiscal year 1978, WRC advanced \$325,000 from its no-year appropriations to BLM for the study pursuant to the Economy Act, 31 U.S.C. § 1535.<sup>2</sup> After project completion in 1981, BLM deposited the remaining balance of \$167,143.54 in a suspense account where it has remained. By its terms, the MOA terminated September 30, 1980.

Since October 2, 1982, WRC has been in an inactive status. Our research indicates that funding for WRC ceased in fiscal year 1983.

## DISCUSSION

The Economy Act authorizes agencies to place orders for goods and services with a major organizational unit within the same agency or with another agency. 31 U.S.C. § 1535(a). Payment may be made in advance or upon receipt of the goods and services. 31 U.S.C. § 1535(b). The performing agency may only recover the actual cost of goods and services provided and, when advance payment is made,

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<sup>1</sup>The GSA External Services Branch, Kansas City, Missouri, provides accounting services for the WRC appropriation account.

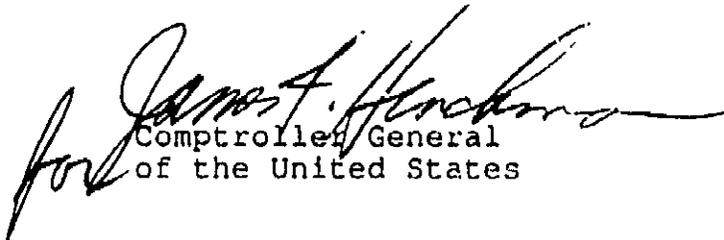
<sup>2</sup>Public Works for Water and Power Development and Energy Research Appropriation Act, 1978, Pub. L. No. 95-96, Aug. 7, 1977, 91 Stat. 808.

must return to the ordering agency amounts in excess of actual costs. Id.

Here, WRC advanced funds, which, as it turned out, were in excess of actual costs incurred by BLM, the project having been completed in 1981 with over \$167,000 unused. BLM therefore should have returned the \$167,143.54 to WRC upon determining the actual costs of the study after project completion in 1981.

BLM may not use the remaining balance for other water-related projects. Because the MOA terminated on September 30, 1980, it may not be treated as a source of current reimbursable authority. Nor may the funds be treated as general receipts and retained by BLM. Indeed, any retention of amounts in excess of actual costs for the study called for in the MOA would result in an improper augmentation of BLM's appropriations. 57 Comp. Gen. 674, 685 (1978).

We conclude, therefore, that because the funds were appropriated with no fiscal year limitation on availability, the \$167,143.54 should be transferred to the WRC Appropriation Account maintained by the GSA.

  
for James F. Hendon  
Comptroller General  
of the United States