



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON 25

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JUL 23 1948

The Honorable,

The Acting Secretary of Labor.

My dear Mr. Gibson:

Reference is made to letter dated June 22, 1948, from the then Acting Secretary of Labor, proposing the establishment of a fiscal year 1949 working fund account under the Office of the Secretary by the advance of funds from the several bureaus of the Department, based on estimates of costs of supplies, to be available for the procurement of certain office and duplicating supplies.

It is stated that, in 1948 and prior fiscal years, the Department had a Contingent Expense appropriation which was available and used for the procurement of such supplies and that, in connection therewith, the Department maintained a centralized stock room from which stock was issued to the several bureaus to meet their needs. Also, there was maintained a centralized duplicating unit in which duplicating supplies were used to perform duplicating services for all of the bureaus. It is stated further that, beginning with the fiscal year 1949, the Contingent Expense appropriation will no longer exist and that funds for the items under consideration

will be included as a part of each bureau's salary and expense appropriation. However, it is urged that it was not intended that the centralized procurement of supplies and duplicating facilities be abolished and, in such connection, it is pointed out that funds for personnel to operate such services for the bureaus is provided for in the Salary and Expense appropriation for the Office of the Secretary for the fiscal year 1949.

An examination of the legislative history of the bill which became the appropriation act for the Department of Labor for the fiscal year 1949 (Public Law 639, approved June 14, 1948), fails to disclose that there was any specific intent on the part of the Congress to decentralize the procurement of supplies for the various bureaus of the Department at the time the Contingent Expense item was eliminated. Rather, the change appears to have been directed primarily to modernizing the budget and appropriation set-up of the Department. In this connection there is for noting the statement on pages 4 and 5 of House Report No. 1519, 80th Congress, 2d Session, as follows:

"In writing this bill the committee has effected the consolidation of a number of appropriations with the view to making the bill more informative to Members and others as regards funds proposed for particular functions and activities, to facilitate and simplify constructive analysis and consideration of budget estimates in future years, to emphasize functions and activities (i.e., the end objectives) rather than particular objects of expenditure (i.e., means used to attain end objectives), and generally to simplify and shorten the appropriation structure by combining certain items which

are intended for use in accomplishing the same general purpose. The consolidations are based upon recommendations reflected in the Budget for 1949, largely at the suggestion of the committee last fall, and principally relate to so-called central appropriations for contingent expenses, travel, and printing and binding, plus several other combinations of administrative and grant appropriations in the Federal Security Agency.

"The Committee believes that its proposals in this respect represent a constructive and forward step in modernizing the appropriation set-up. As an example of the antiquated set-up now prevailing, the 'Contingent Expense' item of the Labor Department provides for miscellaneous expenses of all bureaus and offices in Washington, while the individual bureau appropriations include funds for identical types of expense in the field service."

Thus, under the 1949 appropriation act, funds for the purchase of supplies for the various bureaus of the Department are included in the respective amounts appropriated for each bureau. However, it appears that the Office of the Secretary has the personnel and the facilities for performing the services, as heretofore. Under the circumstances, such office may be viewed as being in a position to furnish services required by the other bureaus of the Department and, therefore, the situation reasonably may be viewed as one falling within the purview of section 601 of the act of June 30, 1932, as amended (31 U.S.C. 686, et. seq.), authorizing the rendition of services by one office or bureau of the Government for another office or bureau and permitting the advance of funds for such purpose.

Accordingly, and since the expenditures for the services involved will be reflected under the appropriations of the several bureaus--which appears to have been the intent of the Congress in

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changing the appropriation structure—I have to advise that the establishment of an appropriate working fund, as administratively suggested, would be proper.

Respectfully,

(Signed) Frank  
Acting Comptroller General  
of the United States.