



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON

A-51627

March 15, 1937

Administrator,

Works Progress Administration.

Sir:

Examination by representatives of this office of the accounts and records of the Works Progress Administration in Louisville, Ky., brings out matters to which it is thought advisable to invite your attention, and which are reported substantially as follows:

Under an informal agreement with certain officials of the City of Louisville, in return for locating the Works Progress Administration office of the sixth district in that city, office space at 107 South Fifth Street was furnished without charge by the city. Subsequently the Works Progress Administration gave up the said space and leased new quarters at 2500 South Third Street at which time the City of Louisville and Jefferson County agreed to contribute towards defraying the rent of the new quarters. Of the monthly contributions amounting to \$400, \$250 was to have been applied toward the payment of rental bills and the balance used for other purposes. Examination of the accounts of P. A. Caulk, Treasury-State Disbursing Clerk, at Louisville, Ky., developed the fact that in November 1936 he was carrying in his "special deposit" account \$910.50 which, it was stated, represented contributions by the City of Louisville to cover one-half of the office space rental for the months of September, October, November, and December 1936. However, from the contribution for the December rent \$81.50 was used for erecting a cage around the office of the paymaster.

With reference to the contributions, it appears that Mr. P. M. Brooks, Director, Works Progress Administration, Sixth District, Kentucky, received the said checks which

were drawn to his order and endorsed and delivered them to Salon F. Russell, Treasurer (an official of the city welfare association), for deposit in the Lincoln Bank and Trust Company to the credit of an account designated "Local Works Progress Administration Funds Account". The deposits to this account in 1936 were as follows:

Jan.	9	....	\$1,049.50	Aug.	7	....	\$400.00
Feb.	6	....	400.00	"	29	....	320.00
March	3	....	400.00	Sept.	29	....	320.00
April	7	....	400.00	Oct.	3	....	320.00
May	7	....	400.00	"	7	....	320.00
"	16	....	320.00	"	29	....	320.00
June	11	....	80.00	Nov.	4	....	320.00
July	2	....	400.00	Dec.	4	....	320.00
"	6	....	320.00				

An examination of the paid checks drawn against the "Local Works Progress Administration Funds Account" (bank) indicated that a payment therefrom in the amount of \$168.52 had also been made, at the direction of Mr. Brooks, to the Louisville Gas and Electric Company, for electricity used by the Works Progress Administration office at 2500 South Third Street. In addition thereto other payments for towels, laundry, etc., had been made, leaving a balance of \$297.43 in the account as of December 12, 1936. In discussing with the local officials of the Works Progress Administration the acceptance and use of donated funds, the intention was manifested to use any donations of cash received for the purchase of items, such as electric typewriters, kodak supplies, etc., which could not be secured through the Procurement Division, under the appropriation.

While the Joint Resolution of April 8, 1935 (49 Stat. 115), making appropriations for relief purposes provides in section 3, in part, that in carrying out the provisions thereof the President may accept and utilize voluntary and uncompensated services (which in the spirit of the act, supra, may reasonably include office space, equipment, etc., furnished gratis), there

appears to be no lawful authority for the acceptance on behalf of the United States of donations or contributions of cash to be used to supplement the amounts duly allotted for administrative purposes. It has been generally held that in the absence of such authority no officer or employee of the Federal Government may accept such voluntary gifts. However, where such authority has been given, it is the duty and responsibility of the administration accepting the donation or contribution to apply same solely to the specific purposes for which donated or contributed.

Assuming that the President has authorized the acceptance of voluntary and uncompensated services, etc., in view of the fact that office space at 107 South Fifth Street was previously furnished gratis by the City of Louisville, and that the subsequent arrangement whereby the city offered to defray a part of the rental cost of the premises at 2500 South Third Street (for which contract was entered into by the Works Progress Administration providing for monthly rental payments of \$500) was in effect a continuation of the previous arrangement, the full amount so received by the Works Progress Administration at Louisville, Ky., should be deposited into the Treasury of the United States as a repayment to the appropriation (and allotment) chargeable with the rental payments for the said office space. That portion of the amount contributed to be applied to the December rental which was used for the construction of the cage around the paymaster's office

should likewise be deposited into the Treasury of the United States.

The district director should be instructed to avoid accepting in his official capacity unauthorized contributions and donations of cash on behalf of the Federal Government.

(See 11 Comp. Gen. 355 and citations therein.)

Advice as to the action taken on the matter herein reported will be appreciated.

Respectfully,

(Signed) R. N. Elliott

Acting Comptroller General
of the United States