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BY THE COMPTROLLER GENERAL
**Report To The Speaker And
The Sergeant At Arms Of
The House Of Representatives**
OF THE UNITED STATES

**Audit Of Financial Transactions Of
The House Sergeant At Arms For
The 12 Months Ended June 30, 1981**



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

B-114854

To the Speaker and the Sergeant at Arms
of the House of Representatives

This report summarizes the results of our examination of the financial transactions of the Sergeant at Arms, House of Representatives, for the 12 months ended June 30, 1981. We made our examination pursuant to the act of July 26, 1949 (2 U.S.C. 81a). Financial statements for these activities for the 12 months ended June 30, 1981, are presented as pages 3 to 7. Our opinion on these statements is on page 2.

The Sergeant at Arms, as a fiscal officer of the House, disburses funds appropriated for (1) compensation of Members, (2) mileage of Members, and (3) gratuities to widows, widowers, or heirs of deceased Members. He also maintains an operation commonly referred to as the "House Bank."

Salary and expenses appropriations are disbursed on the basis of monthly payroll vouchers covering the earned salaries and mileage of Members. The amounts due Members are either paid by check or, if Members request, transferred to their credit in the deposit fund account established in the Treasury for this purpose.

The deposit fund consists of the total of the individual accounts for the various Members who use the "House Bank" facility. Members withdraw money from their accounts by presenting written orders for payment either directly to the Sergeant at Arms or through regular banking channels.

Money in the Members' accounts is used to cash checks for Members and employees of the House. Checks drawn on other banks by Members and staff are exchanged for cash at a local bank on the next business day. Other "House Bank" operations consist of selling traveler's checks and assisting Members in (1) purchasing savings bonds and (2) negotiating and liquidating personal loans with a local bank.

Our audit consisted of examinations of the financial transactions of the Sergeant at Arms for the 6 months ended December 31, 1980, and June 30, 1981, respectively, and included:


- A review of Federal laws relating to payments of salaries and mileage of Members and payments of gratuities to widows, widowers, or heirs of deceased Members.
- A review of "House Bank" operations.
- A review, on a test basis, of records and financial transactions.

Because employees' salaries and other expenses of the Office of the Sergeant at Arms are paid by the Clerk of the House from separate appropriations, such transactions were not covered in this audit.

AUDITOR'S OPINION

We have examined the balance sheet of the Sergeant at Arms as of December 31, 1980, and June 30, 1981, and the related statements of financial transactions for appropriated funds and deposit funds for each of the 6-month periods then ended. Our examination was made in accordance with generally accepted government auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position and accountability of the Sergeant at Arms for the 6 months ended December 31, 1980, and June 30, 1981, respectively, and the financial transactions for the 6-month periods ended at those dates, in conformity with the financial accounting policies described in note 1 to the financial statements applied on a basis consistent with that of the preceding year and in accordance with applicable Federal laws.


Comptroller General
of the United States

SERGEANT AT ARMS
HOUSE OF REPRESENTATIVES
BALANCE SHEET

AT DECEMBER 31, 1980, AND JUNE 30, 1981

A S S E T S

	<u>December 31,</u> <u>1980</u>	<u>June 30,</u> <u>1981</u>
APPROPRIATED FUNDS:		
Funds with U.S. Treasury (note 1)	<u>\$14,899,542.88</u>	<u>\$10,158,320.87</u>
DEPOSIT FUNDS:		
Funds with U.S. Treasury (note 1)	640,745.96	550,903.69
Cash on hand	145,919.03	146,086.27
Exchange items on hand (note 2)	52,491.67	161,455.52
Accounts receivable:		
Due from Members (note 3)	119,149.74	76,924.48
Tellers' shortages (note 4)	<u>72.71</u>	<u>369.06</u>
	<u>958,379.11</u>	<u>935,739.02</u>
Total assets	<u>\$15,857,921.99</u>	<u>\$11,094,059.89</u>

L I A B I L I T I E S A N D
G O V E R N M E N T E Q U I T Y

APPROPRIATED FUNDS:		
Liabilities:		
Accrued salaries (note 1)	\$ 2,405,550.59	\$ 2,402,521.69
Government equity:		
Unobligated budget authority	<u>12,493,992.29</u>	<u>7,755,799.18</u>
	<u>14,899,542.88</u>	<u>10,158,320.87</u>
DEPOSIT FUNDS:		
Liabilities:		
Accounts payable:		
Members' deposits (note 1)	958,366.19	935,544.88
Tellers' overages (note 4)	<u>12.92</u>	<u>194.14</u>
	<u>958,379.11</u>	<u>935,739.02</u>
Total liabilities and Government equity	<u>\$15,857,921.99</u>	<u>\$11,094,059.89</u>

The accompanying notes are an integral part of this statement.

SERGEANT AT ARMS

HOUSE OF REPRESENTATIVES

STATEMENT OF FINANCIAL TRANSACTIONS

APPROPRIATED FUNDS

FOR 6-MONTH PERIODS ENDED DECEMBER 31, 1980, AND

JUNE 30, 1981, AND FOR THE 12-MONTH PERIOD ENDED JUNE 30, 1981

12-month period ended June 30, 1981	6-month periods ended June 30, 1981	6-month periods ended December 31, 1980	ACCOUNTABLE BALANCE AT BEGINNING OF PERIOD
\$ 8,423,300.60	\$14,899,542.88	\$ 8,423,300.60	\$14,899,542.88
APPROPRIATIONS:			
21,025,700.00	9,751,600.00	21,025,700.00	210,000.00
Salaries		Salaries	
Mileage		Mileage	
Transfer from the Contingent Fund of the House of Representatives (H. Res. 41, Jan. 27, 1981)		Transfer from the Contingent Fund of the House of Representatives (H. Res. 41, Jan. 27, 1981)	
Gratuities	1,519.25	1,519.25	1,519.25
Total appropriations	9,753,119.25	9,753,119.25	31,110,145.25
COLLECTIONS AND REFUNDS:			
36.40	828.80	36.40	865.20
DISBURSEMENTS AND TRANSFERS:			
29,780,363.00	24,653,490.93	29,780,363.00	39,534,311.05
SALARIES AND GOVERNMENT CONTRIBUTIONS:			
729,067.29	978,891.93	729,067.29	1,707,959.22
By check		By check	
Transferred to deposit fund account (sch. 3)		Transferred to deposit fund account (sch. 3)	
Federal withholding tax	7,328,579.13	7,328,579.13	14,422,920.96
deductions paid to Internal Revenue Service		deductions paid to Internal Revenue Service	
State withholding tax	3,581,608.77	3,581,608.77	7,160,643.23
deductions transferred to deposit fund account		deductions transferred to deposit fund account	
(sch. 3)		(sch. 3)	
Paid to Office of Personnel Management:	416,511.00	416,511.00	840,444.00
Members' deductions:		Members' deductions:	
Retirement	994,281.80	994,281.80	1,934,964.47
Life insurance	79,018.70	79,018.70	157,740.76
Health insurance	121,246.96	132,400.74	253,647.70
Optional life insurance	10,979.67	40,108.41	51,088.08
Deductions for U.S. Savings Bonds	16,500.00	12,250.00	28,750.00
Deductions for transfer to other banks	-	3,749.36	3,749.36
Government contributions:		Government contributions:	
Retirement	994,281.80	940,682.67	1,934,964.47
Life insurance	39,509.37	39,361.07	78,870.44
Health insurance	151,624.90	167,271.76	318,896.66
Total	14,463,209.39	14,431,429.96	28,894,639.35
Mileage of Members:			
-	3,551.20	-	3,551.20
Paid by check		Paid by check	
Transferred to deposit fund account (sch. 3)		Transferred to deposit fund account (sch. 3)	
1,736.00	60,188.90	1,736.00	61,924.90
Total	1,736.00	63,740.10	65,476.10
Total salaries and mileage			
14,464,945.39	14,495,170.06	14,464,945.39	28,960,115.45
Gratuities to widows and heirs of deceased Members			
121,326.00	-	121,326.00	121,326.00
Unexpended balance of appropriations deposited into general fund of the Treasury		Unexpended balance of appropriations deposited into general fund of the Treasury	
294,548.73	-	294,548.73	294,548.73
Total disbursements and transfers			
14,880,820.12	14,495,170.06	14,880,820.12	29,375,990.18
ACCOUNTABLE BALANCE AT END OF PERIOD	\$10,158,320.87	\$10,158,320.87	\$10,158,320.87

The accompanying notes are an integral part of this statement.

SERGEANT AT ARMS
HOUSE OF REPRESENTATIVES
STATEMENT OF FINANCIAL TRANSACTIONS
APPROPRIATED FUNDS
FOR 6-MONTH PERIODS ENDED DECEMBER 31, 1980, AND
JUNE 30, 1981, AND FOR THE 12-MONTH PERIOD ENDED JUNE 30, 1981

	<u>6-month periods</u>		<u>12-month period</u>
	<u>ended</u> <u>December 31,</u> <u>1980</u>	<u>June 30,</u> <u>1981</u>	<u>ended</u> <u>June 30,</u> <u>1981</u>
ACCOUNTABLE BALANCE AT BEGINNING OF PERIOD	\$ 8,423,300.60	\$14,899,542.88	\$ 8,423,300.60
APPROPRIATIONS:			
Salaries	21,025,700.00	9,751,600.00	30,777,300.00
Mileage	210,000.00	-	210,000.00
Transfer from the Contingent Fund of the House of Representatives (H. Res. 41, Jan. 27, 1981)	-	1,519.25	1,519.25
Gratuities	121,326.00	-	121,326.00
Total appropriations	<u>21,357,026.00</u>	<u>9,753,119.25</u>	<u>31,110,145.25</u>
COLLECTIONS AND REFUNDS:			
Mileage of Members	36.40	828.80	865.20
Total funds available	<u>29,780,363.00</u>	<u>24,653,490.93</u>	<u>39,534,311.05</u>
DISBURSEMENTS AND TRANSFERS:			
Salaries and Government contributions:			
Paid to Members:			
By check	729,067.29	978,891.93	1,707,959.22
Transferred to deposit fund account (sch. 3)	7,328,579.13	7,094,341.83	14,422,920.96
Federal withholding tax deductions paid to Internal Revenue Service	3,581,608.77	3,579,034.46	7,160,643.23
State withholding tax deductions transferred to deposit fund account (sch. 3)	416,511.00	423,933.00	840,444.00
Paid to Office of Personnel Management:			
Members' deductions:			
Retirement	994,281.80	940,682.67	1,934,964.47
Life insurance	79,018.70	78,722.06	157,740.76
Health insurance	121,246.96	132,400.74	253,647.70
Optional life insurance	10,979.67	40,108.41	51,088.08
Deductions for U.S. Savings Bonds	16,500.00	12,250.00	28,750.00
Deductions for transfer to other banks	-	3,749.36	3,749.36
Government contributions:			
Retirement	994,281.80	940,682.67	1,934,964.47
Life insurance	39,509.37	39,361.07	78,870.44
Health insurance	151,624.90	167,271.76	318,896.66
Total	<u>14,463,209.39</u>	<u>14,431,429.96</u>	<u>28,894,639.35</u>
Mileage of Members:			
Paid by check	-	3,551.20	3,551.20
Transferred to deposit fund account (sch. 3)	1,736.00	60,188.90	61,924.90
Total	<u>1,736.00</u>	<u>63,740.10</u>	<u>65,476.10</u>
Total salaries and mileage	14,464,945.39	14,495,170.06	28,960,115.45
Gratuities to widows and heirs of deceased Members	121,326.00	-	121,326.00
Unexpended balance of appropriations deposited into general fund of the Treasury	294,548.73	-	294,548.73
Total disbursements and transfers	<u>14,880,820.12</u>	<u>14,495,170.06</u>	<u>29,375,990.18</u>
ACCOUNTABLE BALANCE AT END OF PERIOD	<u>\$14,899,542.88</u>	<u>\$10,158,320.87</u>	<u>\$10,158,320.87</u>

The accompanying notes are an integral part of this statement.

SERGEANT AT ARMS
HOUSE OF REPRESENTATIVES
STATEMENT OF FINANCIAL TRANSACTIONS
DEPOSIT FUNDS
FOR 6-MONTH PERIODS ENDED DECEMBER 31, 1980, AND
JUNE 30, 1981, AND FOR THE 12-MONTH PERIOD ENDED JUNE 30, 1981

	<u>6-month periods</u>		<u>12-month period</u>
	<u>ended</u>		<u>ended</u>
	<u>December 31,</u>	<u>June 30,</u>	<u>June 30,</u>
	<u>1980</u>	<u>1981</u>	<u>1981</u>
ACCOUNTABLE BALANCE AT BEGINNING OF PERIOD	\$ <u>1,225,765.50</u>	\$ <u>958,379.11</u>	\$ <u>1,225,765.50</u>
RECEIPTS:			
Transfer from appropriated funds (sch. 2):			
Salaries of Members	7,328,579.13	7,094,341.83	14,422,920.96
Mileage of Members	1,736.00	60,188.90	61,924.90
State withholding tax deductions	<u>416,511.00</u>	<u>423,933.00</u>	<u>840,444.00</u>
Total	7,746,826.13	7,578,463.73	15,325,289.86
Members' deposits	7,808,378.27	9,566,497.81	17,374,876.08
Sale of traveler's checks	81,017.19	92,306.33	173,323.52
Tellers' overages	<u>66.48</u>	<u>181.22</u>	<u>247.70</u>
Total receipts	<u>15,636,288.07</u>	<u>17,237,449.09</u>	<u>32,873,737.16</u>
Total available for disbursement	<u>16,862,053.57</u>	<u>18,195,828.20</u>	<u>34,099,502.66</u>
DISBURSEMENTS:			
Payments to or for accounts of Members (net of amounts due from Members)	15,405,636.18	16,743,849.85	32,149,486.03
State withholding tax deductions:			
Paid to State tax departments	416,511.00	423,933.00	840,444.00
Remittances to consignors for traveler's checks sold	81,017.19	92,306.33	173,323.52
Tellers' overages (prior years) applied to shortages	<u>510.09</u>	<u>-</u>	<u>510.09</u>
Total disbursements	<u>15,903,674.46</u>	<u>17,260,089.18</u>	<u>33,163,763.64</u>
ACCOUNTABLE BALANCE AT END OF PERIOD	\$ <u>958,379.11</u>	\$ <u>935,739.02</u>	\$ <u>935,739.02</u>

The accompanying notes are an integral part of this statement.

SERGEANT AT ARMS
HOUSE OF REPRESENTATIVES
SIGNIFICANT ACCOUNTING POLICIES
AND
NOTES TO FINANCIAL STATEMENTS
FINANCIAL TRANSACTIONS FOR 6-MONTH PERIODS ENDED
DECEMBER 31, 1980, AND JUNE 30, 1981

1. Significant Accounting Policies

The Sergeant at Arms, as a fiscal officer of the House, is accountable for funds appropriated for (1) compensation of Members, (2) mileage of Members, and (3) gratuities to widows, widowers, or heirs of deceased Members. He also maintains an operation commonly referred to as the "House Bank" and is accountable for funds on deposit in the bank.

The Sergeant at Arms maintains separate appropriation and deposit fund accounts on a cash basis. In preparing the financial statements we made adjustments to these accounts to present the accountability of the Sergeant at Arms on an accrual basis.

2. Exchange items on hand amounting to \$52,491.67 at December 31, 1980, and \$161,455.52 at June 30, 1981, represent checks drawn on other banks and cashed for Members and employees of the House on the last business day of each 6-month period.

The peak volume of check-cashing transactions occurs when House employees cash their paychecks. During the 12 months ended June 30, 1981, the largest volume of checks cashed during 1 month occurred in April, when checks amounting to \$2,776,647.82 were cashed, and the largest volume during 1 day occurred on November 12, 1980, when checks totaling \$276,869.50 were cashed.

The check-cashing transactions for the 12 months ended June 30, 1981, are summarized below.

	<u>6 months ended</u>	
	<u>December 31,</u> <u>1980</u>	<u>June 30,</u> <u>1981</u>
Checks on hand at beginning of period	\$ 177,079.20	\$ 52,491.67
Checks cashed	<u>12,700,387.30</u>	<u>14,949,307.91</u>
	12,877,466.50	15,001,799.58
Checks exchanged for cash	<u>12,824,974.83</u>	<u>14,840,344.06</u>
Checks on hand at end of period	<u>\$ 52,491.67</u>	<u>\$ 161,455.52</u>

Of the checks cashed during the year, \$100,974 or about 0.37 percent were returned for reasons such as insufficient funds. This represented a 0.08-percent increase over the previous year in the percentage of checks returned.

The Sergeant at Arms maintains control over each returned check until it is liquidated; all such items are monitored daily, and only minor losses have occurred under this control. No loss was incurred during the 12-month period under review.

3. Amounts due from Members represent checks drawn on and cashed or paid by the Sergeant at Arms but not charged to the Members' accounts. Usually a check is held because of insufficient funds in the account of the Member drawing the check.

The Sergeant at Arms monitors daily all such items, and no losses have occurred under this control.

4. Tellers' shortages and overages are recorded each day and the net shortage, if any, at September 30th of each year is reimbursed from the Contingent Fund of the House, as authorized by the act of June 27, 1956 (2 U.S.C. 81b). The amount reimbursed from the Contingent Fund for the 12 months ended September 30, 1981, was \$185.44.

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