



United States  
General Accounting Office  
Washington, D.C. 20548

145-36

Accounting and Financial  
Management Division



145836

B-247428

January 30, 1992

The Honorable Newt Gingrich  
Republican Whip  
House of Representatives

Dear Mr. Gingrich:

In response to your November 19, 1991, letter, we are providing information regarding the contingent fund of the House of Representatives. Specifically, you asked us to respond to four questions concerning funding for H. Res. 258. We discussed the contingent fund in a meeting with your office on January 9, 1992.

BACKGROUND

The contingent fund is not a discrete fund established by law. Instead, the House has applied the term to appropriations for certain expenses and certain revolving funds established to support House operations. These appropriations include appropriations for

- "Contingent Expenses of the House (Standing Committees, Special and Select),"
- "Contingent Expenses of the House (House Information Systems)," and
- "Contingent Expenses of the House (Allowances and Expenses)."

When expenses arise for activities that are not otherwise specifically provided for by appropriation or fund account, the practice has been for the House to pass a resolution authorizing the payment of expenses from the appropriations for contingent expenses. The Committee on House Administration, which has jurisdiction over appropriations for contingent expenses, approves vouchers for the payment of contingent expenses.

GAO/AFMD-92-41R House Contingent Fund

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RELEASED

FUNDING FOR H. RES. 258

Reported to the House on November 19, 1991, H. Res. 258 would, if adopted, create a task force of Members of the House Foreign Affairs Committee to investigate certain allegations concerning the holding of American hostages by Iran in 1980. The Congressional Budget Office (CBO) estimates that H. Res. 258 would cost between \$1.5 million and \$2.5 million. However, CBO estimates that \$750,000 to \$1.5 million of the cost would be for staff detailed from, and budgeted for, elsewhere in the government. (See H.R. Rep. 102-296, Part 1, 102d Cong., 1st Sess., 9 (1991)).

Under the resolution, funding for the task force would be paid from the contingent fund. You asked four questions related to that funding.

1. Are there sufficient funds to cover the costs of the task force?

At the start of each session of the Congress, each committee submits a proposed expense resolution setting forth its budget for the session to the Committee on House Administration. The Committee on House Administration considers each such resolution and reports to the House either an individual expense resolution for each committee or a unified one for all committees.

As of January 30, 1992, the Committee on House Administration had not reported an individual or unified committee expense resolution to the House. Thus, funding for the task force may be considered during House deliberations on the committee expense resolution. If the Foreign Affairs Committee expense resolution does not budget for the task force, section 9 of H. Res. 258 would authorize use of the contingent fund to pay the task force's expenses in an unspecified amount. If, pursuant to section 9 of H. Res. 258, the contingent fund is used to fund the task force, steps could be taken to ensure that there are sufficient funds available to fund the task force by either (1) administratively assuring that sufficient funds are available to meet the task force's expected expenses from funds available for this purpose or (2) legislatively limiting the task force to a known amount of available resources.

**2. Can funds be made available through reprogramming or a supplemental appropriation?**

If adopted, section 9 of H. Res. 258 would authorize payment of task force expenses from the contingent fund of the House. Subject to any requirements of the House or its committees, the appropriation account for "Contingent Expenses of the House (Standing Committees, Special and Select)" can be reprogrammed to fund the task force. In addition, the Appropriations Committee can approve a transfer of funds from another House appropriation account, pursuant to authority contained in section 101 of the Legislative Branch Appropriation Act for 1992. A supplemental appropriation can also be provided.

In recent years, unexpended House appropriations available for transfer have lapsed in amounts greater than the \$1.5 million to \$2.5 million the CBO estimates the task force would cost. Beginning in 1991, many House appropriations subject to transfer became no-year appropriations. Any unobligated balances in the no-year appropriations are available for transfer to the account for "Contingent Expenses of the House (Standing Committees, Special and Select)" to fund the task force.

**3. Do funds left over from Members' allowances remain in the contingent fund?**

Members' allowances are funded through appropriations for "Contingent Expenses of the House (Allowances and Expenses)." Any unexpended balance of a Member's allowance is part of the contingent fund.

**4. When would we know if sufficient funds were going to be available for the task force?**

We will know if sufficient funds are going to be available for the task force when one of the following three actions occurs:

- the House includes funds for the task force in the Foreign Affairs Committee expense resolution for 1992;

- pursuant to section 9 of H. Res. 258, funds are committed to meet the estimated cost of the task force; or
- a supplemental appropriation is used to fund the task force.

AUDIT OF CONTINGENT FUND EXPENSES

You asked that we audit the expenses of the contingent fund for fiscal years 1989 to 1991. As discussed below, we have audited the expenses of the contingent fund for fiscal years 1989 and 1990. We are currently auditing the contingent fund for fiscal year 1991.

The Clerk of the House, through the House Finance Office, administers the three appropriation accounts for contingent fund expenses of the House. At the Clerk of the House's request, we audited and reported on the Statements of Accountability for Appropriations and other funds arising from cash transactions of the House Finance Office for the years ending September 30, 1989, and September 30, 1990.<sup>1</sup> Contingent fund expenses are part of those Statements of Accountability. In our reports, we (1) expressed unqualified opinions on the Statements of Accountability for both 1989 and 1990, (2) reported that we found no material internal control weaknesses in the House Finance Office's internal control structure or its operation, and (3) reported that we found nothing that would cause us to believe that the House Finance Office did not comply, in all material respects, with the provisions of laws and regulations that we tested.

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<sup>1</sup>Financial Audit: Statement of Accountability of the House Finance Office for Fiscal Year 1989 (GAO/AFMD-90-95, September 28, 1990) and Statement of Accountability of the House Finance Office for Fiscal Year 1990 (GAO/AFMD-91-67, July 19, 1991).

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Should you or your staff have any questions or require additional information on the matters discussed in this letter, please contact me at (202) 275-9489 or Richard Cambosos, Senior Attorney, at (202) 275-5644.

Sincerely yours,

A handwritten signature in black ink that reads "David L. Clark". The signature is written in a cursive style with a large initial "D" and a stylized "C".

David L. Clark  
Director, Legislative Reviews  
and Audit Oversight