

GGM

DECISION



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

[Availability of ~~the~~ Forest Service Appropriated Funds For ^{10,470} Miscellaneous]

FILE: B-177610

DATE: JUN 15 1979

MATTER OF: Federal Services to Employees' Credit Union
Service Center]

DIGEST: Available space and services may be provided to Federal Credit Union Service Centers if approved by the appropriate officer or agency. 12 U.S.C. § 1770 (1976). Also, General Accounting Office will not raise legal objection if credit union is allowed to use desks, chairs, and office machines without charge. However, agency funds are hereafter not available to furnish without charge telephone services for credit union.

The Director, Fiscal and Accounting Management, United States Forest Service, Department of Agriculture (Forest Service), has requested our decision on whether funds appropriated to the Forest Service are available to finance miscellaneous services provided to a local Forest Service employees' Credit Union Service Center (Credit Union). The Director states that for a number of years, property and services have been provided without charge to its Atlanta Region Credit Union office, including the use of "surplus" Government property (desks, chairs, and office machines) and "telephone installations, FTS lines, and monthly use rates." He questions whether Forest Service appropriations are available for these purposes. DLG 01816

A Federal credit union is a cooperative association organized in accordance with the provisions of the Federal Credit Union Act, as amended, 12 U.S.C. §§ 1751 et seq. (1976), for the purpose of promoting thrift among its members and creating a source of credit for provident or productive purposes. 12 U.S.C. § 1752(1). While organized under Federal law and subject to the supervision of the Administrator of the National Credit Union Administration, a Federal credit union is a private organization; its funds are obtained from private sources and are not appropriated by the Federal Government.

However, when organized within the terms of the Federal Credit Union Act, supra, Federal employee credit unions may be assigned space in Government-controlled buildings in the community or district in which they do business. 12 U.S.C. § 1770 (1976). Assignment of space, if it is available, is within the discretion of the officer or agency of the United States charged with the allotment of space in the Federal building, and it may be assigned without charge for rent or services. Id. The statute reads as follows:

bs

005587

"* * * Upon application by any credit union organized under State law or by any Federal credit union organized in accordance with the terms of this Act, at least 95 per centum of the membership of which is composed of persons who either are presently Federal employees or were Federal employees at the time of admission into the credit union, and members of their families, which application shall be addressed to the officer or agency of the United States charged with the allotment of space in the Federal buildings in the community or district in which such credit union does business, such officer or agency may in his or its discretion allot space to such credit union if space is available without charge for rent or services."

We have held that the kind of services which may be supplied without charge to Federal credit unions under section 1770 includes only those services which are necessary to meet normal space needs. Any special services over and above those normal needs, such as providing security alarm systems, are not authorized to be furnished from Federal appropriated funds. Payment for such services must be provided from funds of the Credit Union, which may contract and pay for the services itself. B-164310, August 28, 1968.

Unlike available space, which must be paid for by the United States whether used by a credit union or not, telephones and telephone service for the credit union would not otherwise be required and would therefore, to some degree, result in additional cost to the United States. We believe that furnishing of telephone service (including installations, FTS lines, and other expenses associated with telephone service) by a Federal agency would fall into the category of special service, the cost of which should be borne by the credit union.

However, under the circumstances, the Department need not bill the credit union for costs of telephone service previously incurred. The credit union should be billed for such costs henceforth.

With regard to the so-called surplus property, the question is more complex. Section 1770 allows agencies controlling allotment of space in Federal buildings to give credit unions "space and services." While the authorization to provide "services" to credit

B-177610

unions may originally have been understood as covering services associated with the space, such as lighting, heat or cooling, and maintenance, in practice certain personal property such as furniture and office machines has also been widely made available. In our report, "Applying a Uniform Policy With Respect to Rental Charges For Credit Unions" (B-164031(4), February 17, 1971), we recognized that Federal agencies commonly provided office furniture and equipment to credit unions without charge. We concluded that the Federal Credit Union Act contained sufficient authority to charge credit unions for space and personal property furnished by Government agencies and we recommended that the Administrator of General Services establish guidelines for use by Federal agencies in determining such charges.

However, on reconsideration, we held that, while we continued to believe that the Act permitted establishment of a policy of "rent" assessments to credit unions, in view of the doubts raised by the legislative history of the 1937 Act "and the resulting need for legislative clarification of the actual wording" of 12 U.S.C. § 1770, we would not pursue the matter without further action by the Congress. B-164031(4), July 1, 1971. To our knowledge, Congress has taken no further action. Accordingly, we will not raise legal objections to the practice of allowing a Federal employees' credit union to use available Government space or so-called surplus personal property (furniture and office machines) without charge.

(SIGNED) EDWARD B. STAATS

Comptroller General
of the United States