

DOCUMENT RESUME

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[Review of the Office Equipment Service of the House of Representatives for the Year Ended June 30, 1978]. GGD-79-3; B-114865. November 28, 1978. 3 pp. + 3 enclosures (4 pp.).

Report to Edmund L. Henshaw, Jr., House of Representatives: Clerk of the House; by Elmer B. Staats, Comptroller General.

Issue Area: Accounting and Financial Reporting: Operations, Financial Position, and Changes (2802).

Contact: General Government Div.

Budget Function: General Government: Legislative Functions (801).

Organization Concerned: House of Representatives: Office Equipment Service.

Congressional Relevance: House Committee on House Administration; Congress.

Authority: 2 U.S.C. 112e.

The Office Equipment Service of the House of Representatives furnishes electrical and mechanical office equipment to Members, officers, and committees of the House of Representatives. Examination of selected purchase and disposal transactions showed that they were properly documented and recorded and that the Service's records adequately account for purchased equipment and provide adequate control over the dollar amount of equipment chargeable to Members. Records on leased equipment were also adequate. Operating costs for the Service for the year ended June 30, 1978, were \$5,766,076. (SC)



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

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B-114865

NOV 23 1978

The Honorable Edmund L. Henshaw, Jr.
Clerk of the House of Representatives

Dear Mr. Henshaw:

Pursuant to your April 14, 1978, request, we reviewed the activities of the Office Equipment Service of the House of Representatives for the year ended June 30, 1978.

GENERAL COMMENTS

The act of December 5, 1969 (2 U.S.C. 112e), as amended, directs the Clerk of the House to furnish electrical and mechanical office equipment, in accordance with the limitations and regulations prescribed by the Committee on House Administration, to (1) Members (including the Resident Commissioner from Puerto Rico and Delegates to the House of Representatives from the District of Columbia, Guam, and the Virgin Islands) and (2) officers and committees of the House of Representatives.

The Committee on House Administration has issued regulations establishing equipment purchase and lease programs for Members and authorizing equipment purchases for committees consistent with individual needs. In addition, the Clerk may purchase or lease equipment for Officers of the House with the approval of the Committee on House Administration.

Enclosures I and II set forth the Committee's regulations pertaining to the Members' lease and purchase programs.

The Clerk's responsibilities for furnishing electrical and mechanical office equipment are carried out by the Service's accounting, messenger, and typewriter repair service units.

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(41434)

The accounting unit consists of a chief, an assistant chief, and six clerks. It maintains accounting control over owned and leased office equipment and is responsible for leasing, purchasing, and disposing of electrical and mechanical office equipment.

The messenger unit consists of a supervisor, a repairman, and five messenger-laborers. It is responsible for picking up, delivering, and transferring electrical and mechanical office equipment.

The typewriter repair service unit consists of a repairman-supervisor, a clerk, and 10 repairmen. It is responsible for cleaning and repairing automatic, electric, and manual typewriters.

We reviewed the controls over owned and leased equipment, examined selected purchases and disposals of equipment, and test checked the repair parts inventory.

PURCHASED OFFICE EQUIPMENT

The Service maintains a computerized system of accounts which provides for each type of equipment (1) information on the inventory at the beginning of the year, the acquisitions and disposals during the year, the inventory at the end of the year, and the items furnished to and accountable by each Member or officer and (2) a summary listing of disposed equipment. The June 30, 1978, inventory of office equipment consisted of 12,411 items with an acquisition cost of about \$8.3 million and a net book value of about \$4.4 million. (See sch. 1.)

Our examination of selected purchase and disposal transactions showed that they were properly documented and recorded and that the Service's records adequately account for purchased equipment and provide adequate control over the dollar amount of equipment chargeable to Members.

LEASED EQUIPMENT

The Service maintains manual records of leased office equipment consisting of (1) a control card for each item and (2) an account card for each Member or officer. The control card shows the Member's or officer's name, the lease order number, the lessor's name, a description of the leased item, the rental rate and period, and the rent paid.

The Service does not maintain records of leased computer equipment or equipment leased with committee funds by the various committees of the House of Representatives.

The Member's account card shows the items of equipment leased for the Member or officer, the annual rental rates, and the installation and cancellation dates of each lease.

The Service uses the record cards (1) to verify vendors' billings and (2) to provide the House Finance Office with a monthly report of Members' leasing costs to be charged against their allowance for official expenses.


OFFICE EQUIPMENT SERVICE'S
OPERATING COSTS

The Service's operating costs for the year ended June 30, 1978, excluding the cost of forms obtained from the Government Printing Office and the cost of data processing services, utilities, office furniture, and building space, which are charged to other activities, were as follows:

Administrative salaries and benefits	\$ 146,789
Operating salaries and benefits	354,236
Leasing costs	4,447,912
Depreciation of equipment	643,631
Depreciated value of equipment transferred to the General Services Administration	47,689
Repair parts	18,463
Vendor repairs	105,847
Office supplies	<u>1,509</u>
Total	<u>\$5,766,076</u>

A copy of this report is being sent to the Chairman of the Committee on House Administration.

Sincerely yours,



Comptroller General
of the United States

Enclosures

HOUSE OF REPRESENTATIVES
OFFICE EQUIPMENT SERVICE
SUMMARY OF EQUIPMENT ACCOUNTS
JULY 1, 1977, TO JUNE 30, 1978

Type of equipment	Inventory July 1, 1977		Acquisitions				Disposals				Inventory June 30, 1978		
	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Accumulated depreciation	Net book value	
Addressing	246	\$ 165,848	a/ 7	\$ 10,659	a/ 63	\$ 22,383	190	\$ 143,465	385	\$ 688,001	\$ 98,391	\$ 45,074	
Automatic typewriters	400	840,767	47	392,002	62	163,625	385	688,001	7,095	3,629,623	574,951	113,050	
Typewriters	6,863	3,369,703	543	113,616	311	132,082	7,095	3,629,623	1,997	752,121	1,077,453	1,752,170	
Dictating	1,856	690,028	296	31,138	155	51,523	1,997	752,121	775	544,236	325,676	426,845	
Duplicating	813	547,886	34	13,551	72	34,788	775	544,236			295,989	248,247	
Adding machines and calculators	683	202,877	97	178,608	42	12,087	738	204,341			100,220	104,121	
Telephone accessories	-	-	302	51,042	-	-	302	178,608			7,814	170,794	
Television sets	-	-	176	601,880	-	-	176	51,042			113	50,929	
Computer	47	942,436	56	114,568	-	-	103	1,544,316			322,079	1,212,237	
Miscellaneous (note b)	517	485,905	165	-	32	18,793	650	581,680			301,452	280,228	
Total	11,425	\$7,245,450	1,723	\$1,507,264	737	\$ 435,281	12,411	\$8,317,433			\$3,914,138	\$4,403,295	

a/ Includes seven previously unrecorded items which the Service recorded on its books to establish an official record before it was transferred to the General Services Administration. The cost of the equipment was not recorded since no purchase record was available.

b/ Includes automatic letter openers and sealers, automatic letter folders and inserters, delivery trucks, and other miscellaneous equipment.

Note: This schedule does not include leased equipment controlled by the Office Equipment Service.

HOUSE OF REPRESENTATIVES
COMMITTEE ON HOUSE ADMINISTRATION
REGULATIONS FOR MEMBERS

F. PROVISIONS RELATING TO THE LEASE OF OFFICE EQUIPMENT

a. Leased electrical and mechanical equipment shall be furnished to Members for use in their offices by the Clerk of the House from an approved list of such equipment established by the Committee on House Administration. No other equipment may be leased without the specific approval of the committee.

b. At the written request of a Member, the Clerk of the House will furnish items of equipment, the monthly cost of which is not covered by the lease agreement, provided that—

- (1) The Member pays the cost in excess of the limitation;
- (2) the excess cost will be for a specific item; and
- (3) the leasing firm agrees in writing to send a monthly or quarterly invoice to the Member for the excess cost.

c. A lease may be terminated upon written request to the Clerk of the House thirty (30) days from the date of the request.

d. The Clerk of the House will furnish equipment to be charged jointly to the allowances of two or more Members, provided that—

- (1) the leasing agreement clearly defines the allocation of the rental fee and liability for damage or loss;
- (2) the leasing agreement clearly defines the conditions for termination;
- (3) the leasing agreement specifies the location of the equipment; and
- (4) prior approval of the joint leasing agreement has been obtained from the Committee on House Administration.

e. Special regulations governing the leasing of equipment follow:

Automatic typewriters:

- (1) A Member may retain a machine previously furnished under the purchase program of the House regardless of age, as long as it is economically feasible to keep it in working order, or he may turn it in.
- (2) When a Member turns in a machine previously furnished under the purchase program, it may be replaced only through the leasing allowance.

P. OTHER ALLOWANCES

1. EQUIPMENT PURCHASE ALLOWANCE

a. Electrical and mechanical equipment is purchased and owned by the House of Representatives and is furnished under a purchase allowance to Members for use in their Washington offices. Office equipment so furnished is limited to those types and categories which the Committee on House Administration shall prescribe.

b. The total value of such equipment in use in a Member's office under the purchase allowance at any one time shall not exceed \$5,500.

c. The value of each item of equipment furnished under the above limitations is the initial cost of the article less the amount of depreciation, determined on a 10-year straight line basis.

d. At the request of a Member, the Clerk of the House will furnish items of equipment, the cost of which is in excess of the limitations established by these regulations, provided that—

(1) the Member pays the cost in excess of the limitation; and

(2) the Member agrees in writing that title to the equipment will rest with the House of Representatives and that the Member will claim no equity whatever in the equipment.

e. The Clerk of the House will not furnish purchased equipment to be charged jointly to the allowances of two or more Members.

f. The Clerk of the House will not purchase used equipment for use by a Member unless such equipment is fully covered by warranty as new equipment of the same type.

g. When a new Member is elected to Congress he will inherit the equipment charged to his predecessor subject to the following conditions:

(1) The inherited equipment will be retained by the new Member for a period of at least 60 days following his taking the oath of office.

(2) From 60 to 90 days after his taking the oath of office, a Member may dispose of any equipment that has proven excessive or otherwise unsatisfactory. Requests for disposition will be made in writing to the Clerk of the House.

(3) After 90 days from the Member's oath of office, such equipment will be disposed of in accordance with the procedure outlined in paragraph h.

h. Equipment furnished under the purchase program will be disposed of as follows:

(1) Requests for disposition are to be made in writing by Members to the Clerk of the House, and by the Chairmen of Committees and Officers of the House to the Committee on House Administration.

(2) The equipment, except manual typewriters, will be turned in to the Clerk of the House for disposal, only (i) if the condition is such that it is not economically feasible to keep the item operating; (ii) if the item has become obsolete due to substantial design changes; or (iii) if the item is fully depreciated. Manual typewriters may be turned in at any time.

(3) The Clerk of the House will examine the equipment to determine whether it meets the criteria for disposal.

(4) Disputes with the Clerk of the House as to the determination of whether an item meets the criteria for disposal may be submitted to the Committee on House Administration for hearing.

(5) The Clerk of the House will dispose of worn out or obsolete equipment only through the General Services Administration.

(6) If a member has equipment which is surplus to his needs, but which does not qualify for disposal, he may, upon notification to the Clerk of the House, arrange with a Member who desires the item, to transfer it to the other Member's account at the depreciated value.

i. All equipment furnished under the purchase program will be subject to the following inventory procedures:

(1) At the beginning of each session of Congress, the Clerk will send a list (in duplicate) to each Member, committee, or office of the House, showing assigned equipment. Each Member, Chairman of a committee or top official of an office, will return one copy to the Clerk certifying that the items are in his office. If the certification is not received within 30 days the Clerk will conduct a physical inventory of the equipment so charged.

(2) When a Member has been defeated in an election, or otherwise leaves office, the Clerk will conduct an immediate physical inventory of the equipment assigned to that Member's office. If the departing Member is a committee chairman, the Clerk will also inventory the equipment assigned to the committee. In any periods during which a vacancy exists in a congressional district, a committee chairmanship or House office, the staff employee in charge of operations in the vacated office is responsible for the assigned equipment.

(3) In the event of the change of the majority in the House, there shall be an immediate physical inventory of the offices affected.