

~~17094~~

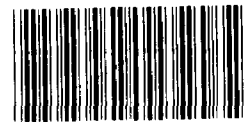
110915

REPORT BY THE

Comptroller General

OF THE UNITED STATES

Review Of The Activities Of The House Office Equipment Service For The Year Ended June 30, 1979



110915



007870

GGD-80-17
NOVEMBER 21, 1979



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

B-114865

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

Dear Mr. Henshaw:

Subject: Review of the Activities of the
House Office Equipment Service
for the Year Ended June 30, 1979

GHS00003

C#513

Pursuant to your June 4, 1979, request, we reviewed the activities of the Office Equipment Service of the House of Representatives for the year ended June 30, 1979.

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 repair service units.

*For reporting
meeting*

GGD-80-17
(414392)

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, transferring, and lending electrical and mechanical office equipment, and providing electronic stencil cutting services.

The 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. In August 1978, the Service also assumed the responsibility for repairing and maintaining mimeograph machines.

We reviewed the controls over owned and leased equipment, examined selected purchases and disposals of equipment, test checked the repair parts inventory, and inventoried equipment awaiting disposal and equipment used for loans to Members, officers, or committees while regular equipment is being repaired.

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, 1979, inventory of office equipment consisted of 12,805 items with an acquisition cost of about \$9.8 million and a net book value of about \$5.7 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

In May 1979, the Service computerized its recordkeeping system for leased equipment. The new system provides detailed information on lease payment records and Member's and officer's leased equipment accounts. For example, the lease payment record 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, invoice amount, voucher number, check number, and date of payment. The system 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 daily account status shows the items of equipment leased for the Member or officer, the monthly and annual rental cost, and the installation and cancellation dates of each lease, as well as pending deliveries of equipment.

The Service uses the lease payment record (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

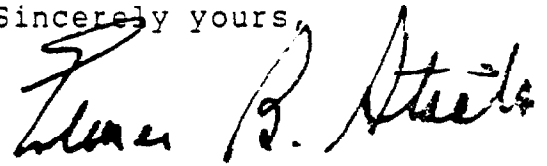
The Service's operating costs for the year ended June 30, 1979, excluding the cost of forms obtained from the Government Printing Office and the cost of data processing services, utilities, office furniture, and building space, which are charged to other activities, were as follows:

Administrative salaries and benefits	\$ 156,253
Operating salaries and benefits	386,242
Leasing costs	4,441,556
Depreciation of equipment	828,849
Depreciated value of equipment transferred to the General Services Administration	112,730
Repair parts	82,551
Vendor repairs	76,174
Office supplies	<u>1,324</u>
Total	<u>\$6,085,679</u>

B-114865

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

Sincerely yours,

A handwritten signature in black ink, appearing to read "Thomas P. Steeds". The signature is written in a cursive style with a large, prominent initial "T".

Comptroller General
of the United States

Enclosure

HOUSE OF REPRESENTATIVES
OFFICE EQUIPMENT SERVICE
SUMMARY OF EQUIPMENT ACCOUNTS
JULY 1, 1978 TO JUNE 30, 1979

Type of equipment	Inventory July 1, 1978		Acquisitions		Disposals		Inventory June 30, 1979		Accumulated depreciation	Net book value
	Units	Cost	Units	Cost	Units	Cost	Units	Cost		
Addressing	190	\$ 143,465	2	\$ 3,410	53	\$ 33,379	139	\$ 113,496	\$ 81,568	\$ 31,928
Automatic typewriters	385	688,001	14	70,115	111	255,795	288	502,321	414,933	87,388
Typewriters	7,095	3,629,623	438	326,718	674	265,770	6,859	3,690,571	1,924,306	1,766,265
Dictating	1,997	752,121	163	55,380	226	86,009	1,934	721,492	335,550	385,942
Duplicating	775	544,236	20	20,354	70	52,464	725	512,126	301,684	210,442
Adding machines and calculators	738	204,341	95	12,206	98	35,839	735	180,708	87,125	93,583
Telephone accessories	302	178,608	53	31,445	1	552	354	209,501	27,204	182,297
Television sets	176	51,042	233	65,706	-	-	409	116,748	8,460	108,288
Computers	103	1,544,316	27	82,708	3	38,636	127	1,588,388	472,649	1,115,739
Television broadcast equipment	-	-	300	1,432,248	-	-	300	1,432,248	57,261	1,374,987
Miscellaneous (note a)	650	581,680	326	191,368	41	8,724	935	764,324	376,189	388,135
	<u>12,411</u>	<u>\$8,317,433</u>	<u>1,671</u>	<u>\$2,291,658</u>	<u>1,277</u>	<u>\$777,168</u>	<u>12,805</u>	<u>\$9,831,923</u>	<u>\$4,086,929</u>	<u>\$5,744,994</u>

a/Includes automatic letter openers and sealers, automatic letter folders and inserters, delivery trucks, Motorola Pageboy Pagers, camera equipment, cash registers, and other miscellaneous equipment.

Note: This schedule does not include about 3,100 pieces of office equipment that the Office Equipment Service leased and controlled for Members and officers at a cost of about \$4.4 million in FY79.

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.

HOUSE OF REPRESENTATIVES
COMMITTEE ON HOUSE ADMINISTRATION
REGULATIONS FOR MEMBERS

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 procedures 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.

Single copies of GAO reports are available free of charge. Requests (except by Members of Congress) for additional quantities should be accompanied by payment of \$1.00 per copy.

Requests for single copies (without charge) should be sent to:

U.S. General Accounting Office
Distribution Section, Room 1518
441 G Street, NW.
Washington, DC 20548

Requests for multiple copies should be sent with checks or money orders to:

U.S. General Accounting Office
Distribution Section
P.O. Box 1020
Washington, DC 20013

Checks or money orders should be made payable to the U.S. General Accounting Office. NOTE: Stamps or Superintendent of Documents coupons will not be accepted.

PLEASE DO NOT SEND CASH

To expedite filling your order, use the report number and date in the lower right corner of the front cover.

GAO reports are now available on microfiche. If such copies will meet your needs, be sure to specify that you want microfiche copies.

AN EQUAL OPPORTUNITY EMPLOYER

**UNITED STATES
GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548**

**OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300**

**POSTAGE AND FEES PAID
U. S. GENERAL ACCOUNTING OFFICE**



THIRD CLASS