Decision

Matter of: Department of the Air Force--Purchase of Decals for Installation on Public Utility Water Tower

File: B-301367

Date: October 23, 2003

DIGEST

1. The Air Force Reserve Operation and Maintenance appropriation is available for affixing decals of the major units assigned to Grissom Air Reserve Base onto a nearby utility company water tower to inform the public of the military’s activities in the area.

2. Affixing decals of units assigned to Grissom Air Reserve Base to a utility company water tower would not violate the rule against using appropriated funds for improvements to non-federal property because the decals would not enhance the water tower’s value.

DECISION

The Comptroller of the 434th Air Refueling Wing, Grissom Air Reserve Base, (Grissom) has requested an advance decision on whether the Air Force Reserve Operation and Maintenance appropriation is available to purchase and install decals on a public utility water tower. The decals would include the patches and designations of the major reserve units assigned to the base. As explained below, we conclude that the appropriation is available for this purpose.

BACKGROUND

On October 1, 1994, Grissom Air Force Base was realigned to what it is now, Grissom Air Reserve Base (Grissom). As a result, the Wing Commander, in charge of Grissom’s operations, believes that the Base’s “footprint” became much smaller. He believes that the public generally is not aware that Grissom is still in operation. To address this, the Wing Commander would like to have decals of the major units assigned to the Base (Air Force, Navy, Marines, and Army Reserves), showing their unit patch and unit designations, affixed to a water tower owned by Peru Utilities,
located near the Base and visible from a major highway. He believes that this will contribute to the Air Force Reserve’s recruiting effort and will inform the public that there is a military presence in Indiana.

The utility company has agreed to allow the decals on its water tower with the understanding that the Air Force will cover the cost of the decals and their installation. The Comptroller has indicated that materials will cost approximately $2,500. Military and civilian employees will perform the necessary labor.

The Comptroller asks whether the Operations and Maintenance, Air Force Reserve appropriation1 is available for the purpose of putting the decals on the water tower under the rationale stated by the Wing Commander. Also, he asks if affixing the decals would constitute a prohibited alteration to non-federal government property.

DISCUSSION

An agency may use appropriated funds only for the purposes for which appropriated. 31 U.S.C. § 1301(a). While the Air Force Reserve Operation and Maintenance appropriation does not specifically provide funds for informing the public about its activities, it is generally available for “expenses . . . necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment . . . .”2

Where, as here, an appropriation does not authorize an expenditure specifically, the availability of that appropriation for the expenditure is determined by applying the “necessary expense rule.” 66 Comp. Gen. 356, 359 (1987). The appropriation is available if the expenditure is reasonably necessary to carry out an authorized function or will contribute materially to the effective accomplishment of that function, and is not otherwise prohibited by law. Id. The application of the necessary expense rule, in the first instance, is a matter of agency discretion. When an agency determines that an expenditure is a permissible use of its appropriation under a necessary expense analysis, we will review the reasonableness of that determination. In those instances, our inquiry focuses on whether the relationship of the proposed expenditure to the appropriation sought to be charged is so attenuated as to take the proposed expenditure beyond the agency’s legitimate range of discretion. See B-280440, Feb. 26, 1999; B-247563, May 12, 1993. In this case, we conclude that the Wing Commander’s use of the operation and maintenance appropriation for the proposed decals falls within the Wing Commander’s discretion.


2 Id.
Agencies may use appropriated funds to convey information to the public about their authorized activities. For example, the Immigration and Naturalization Service salaries and expenses appropriation was available to purchase medals to be worn by employees of the Border Patrol to commemorate its 75th anniversary. B-280440, Feb. 26, 1999. The Border Patrol asserted that “the metals would heighten public awareness of the stability and longevity of the division, hopefully creating goodwill that would benefit the agents while they perform their duties.” Id. We found that the Border Patrol’s justification for the use of its salaries and expenses appropriation was not so attenuated as to remove the proposed expenditure of the appropriation beyond INS’ range of discretion: “The metals convey as well as serve an institutional purpose, i.e., reminding the public and agency staff of the Border Patrol’s 75 years of hard work and dedication, advancing knowledge and appreciation for the agency’s history and mission and promoting the stability and longevity of the agency.” Id.

Similarly, in another case, we did not question the Army’s administrative determination that the expense of purchasing calendars solely for the purpose of publicizing the activities of the Chaplain’s Office and Army Community Services was reasonably necessary to carry out the purposes of those two programs. We found payment for the calendars out of appropriated funds permissible. 62 Comp. Gen. 566 (1983). See also B-62501, Jan. 7, 1947.

Whether a particular expenditure furthers an agency’s mission depends largely on the facts and circumstances of the case. In this case, in light of Grissom’s realignment as a reserve base, affixing decals of the major units assigned to Grissom Air Reserve Base onto the Peru Utilities water tower nearby serves to inform the public of its modified, but continuing presence. As the Wing Commander has indicated, this will inform the public that the base remains open, and that there are now Air Force, Army, Navy, and Marine reserve units on the base. Further, local awareness of the Base’s presence can foster goodwill between Grissom and the community and increase the public’s knowledge and appreciation for the Base. Without any evidence to the contrary, we defer to the Wing Commander’s determination that the use of the decals to advertise the units present on Base would advance the Reserves’ recruiting efforts.3

The Comptroller also questions affixing the decals on another ground. He notes the longstanding policy that agencies may not use appropriated funds to make permanent improvements to non-federal property.4 Although he recognizes that

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3 The Air Force Reserve fiscal year 2003 Operation and Maintenance Appropriation specifies that it is available for recruiting. Id.

affixing the decals would not be a permanent improvement, he states that it would constitute what he terms an alteration, and he questions whether appropriated funds would be available.

The policy to which the Comptroller refers is specifically directed at prohibiting improvements—permanent enhancements to the value of property—to private property. 71 Comp. Gen. 4 (1991). Our decisions have sanctioned the use of appropriated funds for improvements to private property where certain factors are present. 69 Comp. Gen. 673 (1990), 53 Comp. Gen. 351 (1973). The proposed improvements must be incidental to and essential for the accomplishment of the purpose of the appropriation. The cost must be reasonable. The improvements must be used for the principal benefit of the government, and the government’s interest in the improvements must be protected. Although the decals would alter the appearance of the water tower, neither the Comptroller nor Peru Utilities has suggested that they would enhance its value.

CONCLUSION

The Air Force Reserve may use operation and maintenance funds to affix decals of the units assigned to Grissom Air Reserve Base to the Peru Utilities water tower for the purpose of informing the public of its continuing presence. Affixing the decals would not violate the rule against using appropriated funds for improvements to private property because affixing the decals would not constitute an improvement to the water tower.

/signed/
Anthony Gamboa
General Counsel