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November 14, 2019

The President of the Senate  
The Speaker of the House of Representatives

### **Certificated Expenditures: Executive Office of the President FY 2018 Certificated Expenditures Were Spent for Authorized Purposes**

Pursuant to 3 U.S.C. §§ 105(d) and 106(b), we inspected and verified certificated (officially documented) expenditures from the fiscal year 2018 appropriations of the President of the United States and the Vice President of the United States. These sections authorize the President and the Vice President to expend appropriated funds for certain specified purposes that may be accounted for solely on their certificates and as they determine, notwithstanding the provisions of any other law.<sup>1</sup> Sections 105(d) and 106(b) also authorize us to examine records related to these expenditures for the purpose of verifying that all such expenditures related to purposes specified in those sections and to report to Congress our verification and any amounts not expended for the specified purposes.

This report presents the results of our audit of certificated expenditures from funds appropriated for fiscal year 2018 to the President and the Vice President for these specified purposes.<sup>2</sup> Based on the results of our work, we concluded that the certificated expenditures were spent for the purposes authorized under sections 105(d) and 106(b), as applicable.

### Background

Section 105(d) of Title 3 of the United States Code authorizes the President to certificate the expenditure of appropriated funds for certain purposes. Specifically,

- section 105(d)(1) authorizes appropriations for the “care, maintenance, repair, alteration, refurbishing, improvement, air-conditioning, heating, and lighting (including electric power and fixtures) of the Executive Residence at the White House;”

<sup>1</sup>These types of expenditures have also been referred to as unvouchered expenditures. See, e.g., GAO, *Unvouchered Expenditures: Executive Office of the President Fiscal Year 1991 Expenditures Subject to Audit Were Proper*, [GAO/AFMD-93-63](#) (Washington, D.C.: May 17, 1993), and Office of Management and Budget Circular No. A-11, *Preparation, Submission and Execution of the Budget*, sec. 140, Reports on Unvouchered Expenditures (2019).

<sup>2</sup>For fiscal year 2018, the Executive Office of the President Appropriations Act, 2018, Pub. L. No. 115-141, div. E, tit. II, 132 Stat. 348, 546-52 (Mar. 23, 2018), appropriated funds for the President and the Vice President.

- section 105(d)(3) authorizes appropriations for the “official entertainment expenses of the President;” and
- section 105(d)(5) authorizes appropriations for the “subsistence expenses of persons in the Government service while traveling on official business in connection with the travel of the President.”<sup>3</sup>

Similarly, section 106(b) of Title 3 of the United States Code authorizes the Vice President to certificate the expenditure of appropriated funds for certain purposes. Specifically,

- section 106(b)(2) authorizes appropriations for the “official entertainment expenses of the Vice President” and
- section 106(b)(3) authorizes appropriations for the “subsistence expenses of persons in the Government service while traveling on official business in connection with the travel of the Vice President.”<sup>4</sup>

### Objective, Scope, and Methodology

Our objective was to determine whether the President’s and the Vice President’s fiscal year 2018 certificated expenditures were spent for purposes authorized under 3 U.S.C. §§ 105(d) and 106(b). To achieve our objective, we did the following:

- Obtained the population of certificated expenditures and a written assertion from the Chief Financial Officer (CFO) of the Executive Office of the President affirming the completeness of the data population of fiscal year 2018 certificated expenditures per 3 U.S.C. §§ 105(d)(1), (3), and (5) and 106(b)(2) and (3). Based on our professional judgment, we determined that the data were reliable for our purposes.<sup>5</sup>
- Selected a statistical sample from the population of certificated expenditures of the President that related to the purposes in 3 U.S.C. § 105(d)(1), (3), and (5) and verified them against underlying supporting documentation, such as credit card statements, invoices, and journal vouchers.<sup>6</sup>

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<sup>3</sup>Executive Office of the President officials told us that only travel expenditures in excess of 300 percent of the maximum per diem allowance are certificated. Federal Travel Regulations (FTR) allow agencies to approve travel expenditures up to 300 percent of the maximum per diem rate. See FTR, *codified at* 41 C.F.R. §§ 301-11.30, 11.303, 11.305.

<sup>4</sup>Ibid.

<sup>5</sup>The fiscal year 2018 population of certificated expenditures for the President of the United States provided to GAO also included some fiscal year 2019 transactions; however, this did not affect our overall conclusion based on our objective of determining that the expenditures that the President certificated were spent for authorized purposes.

<sup>6</sup>We selected a random sample and are 95 percent confident that the actual error rate associated with the sampling error inherent in statistical sampling is not more than 3 percent.

- Selected a statistical sample from the population of certificated expenditures of the Vice President that related to the purposes in 3 U.S.C. § 106(b)(2) and (3) and verified them against underlying supporting documentation, such as credit card statements, invoices, and journal vouchers.<sup>7</sup>

We obtained an understanding of and evaluated those internal controls that were significant to achieving our objective. We did not intend to audit, nor did we audit, all internal controls relating to such expenditures or conclude on their effectiveness.

We conducted this performance audit from April 2019 to November 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

### **Certificated President and Vice President Expenditures for Fiscal Year 2018 Were Spent for Authorized Purposes**

Table 1 shows, by purpose category, the dollar amounts of expenditures subjected to our audit that the President and Vice President certificated, respectively, for fiscal year 2018. These amounts were reflected in the underlying accounting records and attested to by the CFO of the Executive Office of the President.

**Table 1: Fiscal Year 2018 Certificated Expenditures Covered by GAO’s Audit**

<b>Purpose</b>	<b>President of the United States (dollars)</b>	<b>Vice President of the United States (dollars)</b>
The care, maintenance, repair, alteration, refurbishing, improvement, air conditioning, heating, and lighting (including electric power and fixtures) of the Executive Residence at the White House (3 U.S.C. § 105(d)(1))	12,368,625	Not applicable
The official entertainment expenses of the President and Vice President (3 U.S.C. §§ 105(d)(3) and 106(b)(2))	436,440	66,682
The subsistence expenses of persons in the government service while traveling on official business in connection with the travel of the President and of the Vice President (3 U.S.C. §§ 105(d)(5) and 106(b)(3))	2,240	0
<b>Total</b>	<b>12,807,305</b>	<b>66,682</b>

Source: The Executive Office of the President. | GAO-20-139R

<sup>7</sup>We selected a random sample and are 95 percent confident that the actual error rate associated with the sampling error inherent in statistical sampling is not more than 2.5 percent.

As detailed in table 1, for fiscal year 2018, the President under 3 U.S.C. § 105(d)(1), (3), and (5) certificated \$12,807,305 of expenditures, and the Vice President under 3 U.S.C. § 106(b)(2) and (3) certificated \$66,682 of expenditures. We tested a statistical sample of the certificated expenditures of the President and a statistical sample of the certificated expenditures of the Vice President for fiscal year 2018 and found no exceptions. Based upon the results of our work, we concluded that the fiscal year 2018 expenditures that the President and Vice President certificated were spent for the purposes authorized under the sections noted above.

#### Agency Comments

We requested comments on a draft of this product from the Executive Office of the President. The CFO provided us with an email response stating that the Executive Office of the President did not have any comments.

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We are sending copies of this report to the President and Vice President. This report is also available at no charge on GAO's website at <http://www.gao.gov>.

We acknowledge and appreciate the cooperation and assistance of officials in the Executive Office of the President. Please contact me at (202) 512-3406 or [clarkce@gao.gov](mailto:clarkce@gao.gov) if you or your staff have any questions regarding this report. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. The following GAO staff made major contributions to this report: Lynda E. Downing (Assistant Director), Glenn Gambardella, and Dragan Matic.



Cheryl E. Clark

Director

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