



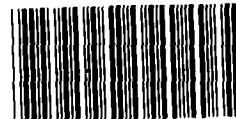
COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

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B-114865

JANUARY 3, 1983

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



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Dear Mr. Henshaw:

Subject: Review of the Activities of the House Office
Equipment Service for the Year Ended June 30,
1982 (GAO/AFMD-83-4)

Pursuant to your May 10, 1982, request, we reviewed the activities of the Office Equipment Service (Service) of the House of Representatives for the year ended June 30, 1982.

We reviewed the controls over owned and leased equipment; examined selected operating cost transactions and transactions for purchases and disposals of equipment; inventoried equipment awaiting disposal and equipment leased to Members, officers, or committees while regular equipment is being repaired; and reviewed the trade-in of excess typewriters and the disposition of reimbursements received from the General Services Administration for the sale of excess House equipment.

Our examination of selected operating cost and equipment purchase, lease, and disposal transactions showed them to be properly documented and recorded. The Service's records adequately account for the equipment and provide satisfactory control over the monthly charges for use of the equipment.

Enclosures I through V provide additional information on the Service's activities, operating costs, and regulations governing office equipment.

Sincerely yours,

Comptroller General
of the United States

Enclosures

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COMMENTS ON OPERATIONS OF THE
HOUSE OFFICE EQUIPMENT SERVICE

Under section 112e of title 2, United States Code, the Clerk of the House furnishes 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, the Virgin Islands, and American Samoa), and (2) officers and committees of the House of Representatives. Other individuals and organizations are provided equipment either directly by the Clerk of the House or through their sponsoring Member.

The Service is charged with operating the programs for purchasing, leasing, and servicing House office equipment. The Service's activities are financed through various appropriations available to the House of Representatives, and its operating costs are reported under those appropriations in the quarterly reports of the Clerk.

The Committee on House Administration has issued regulations governing office equipment. Enclosures III, IV, and V set forth those portions of the Committee's regulations that pertain to (1) establishing equipment purchase and lease programs for Members and (2) 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.

The Service depreciates purchased equipment on an estimated useful life of 5 years using the straight line method. The June 30, 1982, inventory of purchased equipment consisted of 14,931 items with an acquisition cost of about \$16.7 million. (See encl. II.)

The Service's operating costs for the year ended June 30, 1982, are shown below. Those costs exclude the cost of forms obtained from the Government Printing Office and the cost of data processing services, utilities, office furniture, and building space, all of which are charged to other accounts.

Administrative salaries and benefits	\$ 253,114
Operating salaries and benefits	484,944
Equipment leasing costs	5,195,960
Depreciation of purchased equipment	643,026
Depreciated value of equipment transferred to the General Services Administration	6,300
Office equipment repair parts	31,606
Vendor services	560,675
Office supplies	<u>3,451</u>
	<u>\$ 7,199,076</u>

HOUSE OF REPRESENTATIVES OFFICE EQUIPMENT SERVICE
SUMMARY OF PURCHASED EQUIPMENT ACCOUNTS JULY 1, 1981
TO JUNE 30, 1982

<u>Type of equipment</u>	<u>Inventory</u> <u>July 1, 1981</u>		<u>Acquisitions</u>		<u>Disposals</u>		<u>Inventory</u> <u>June 30, 1982</u>	
	<u>Units</u>	<u>Cost</u>	<u>Units</u>	<u>Cost</u>	<u>Units</u>	<u>Cost</u>	<u>Units</u>	<u>Cost</u>
Addressing	74	62,277	3	4,274	20	15,287	57	51,264
Automatic typewriter	533	2,063,518	490	483,681	27	75,800	996	2,471,399
Typewriters	6,570	3,918,044	343	296,668	465	199,800	6,448	4,014,912
Dictating	1,929	714,023	193	74,186	272	90,593	1,850	697,616
Duplicating	560	389,822	54	63,243	80	48,351	534	404,714
Adding machines and calculators	748	168,251	121	17,266	60	17,254	809	168,263
Telephone accessories	403	235,378	7	12,586	1	552	409	247,412
Television sets	552	163,441	43	15,283	-	-	595	178,724
Computers	348	1,823,079	375	726,554	1	850	722	2,548,783
Television broadcast	326	1,446,192	4	3,385	-	-	330	1,449,577
Acoustical hoods	115	22,791	21	5,030	28	5,010	108	22,811
Word processors	28	229,658	163	928,010	-	-	191	1,157,668
Photocopiers	84	473,795	316	1,952,774	-	-	400	2,426,569
Facsimile transceivers	18	25,509	26	63,695	-	-	44	89,204
Signature machines	37	39,603	5	4,335	-	-	42	43,938
Miscellaneous (note a)	1,210	622,730	178	281,948	92	168,923	1,296	735,755
Total	13,535	\$12,398,111	2,342	\$4,932,918	1,046	\$622,420	14,831	\$16,708,609

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

Note: This summary does not include about 3,000 pieces of office equipment that the Office Equipment Service leased and controlled for Members and officers in fiscal 1982 at a cost of about \$5.2 million.

House of Representatives
Committee on House Administration
Members' Regulations

Provisions Relating to Office Equipment

a. Office 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 acquired without the specific approval of the Committee.

b. Members Allowance for Official Expenses will be charged a monthly user fee for all equipment under their control. Such user fee will be determined based upon the terms and conditions applicable to individual items of equipment as listed in the approved list of equipment.

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

(1) the sharing agreement clearly defines the allocation of the user fee and liability for damage or loss;

(2) the sharing agreement clearly defines the conditions for termination;

(3) the sharing agreement specifies the location of the equipment; and

(4) prior approval of the joint sharing agreement has been obtained from the Committee on House Administration.

d. 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 30 days following his taking the oath of office.

(2) From 30 to 90 days after his taking the oath of office, a Member may dispose of any equipment that has proved 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 e.

e. Equipment will be disposed of as follows:

(1) Requests for dispositions are to be made in writing by Member to the Clerk of the House.

(2) The equipment, except manual typewriters, will be turned in to the Clerk of the House for disposal, only (i) if its rental plan has expired; (ii) if the condition is such that it is not economically feasible to keep the item operat-

ing; (iii) if the item has become obsolete due to substantial design changes; or (iv) 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 under the 5 year plan 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.

(5) Equipment may be disposed by the Clerk, at the direction of the Committee on House Administration, through the General Services Administration, open market trade-in, or any other manner advantageous to the House; except that, no equipment may be sold or traded to any individual other than on a competitive basis. The Clerk shall not, under this authority, sell or trade any equipment to Members, officers or employees of the House.

(6) If a Member has equipment which is surplus to his needs, but which does not qualify for disposal, he may, upon written 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 current usage fee.

f. All equipment furnished 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. Each Member 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 local equipment so charged. An affidavit will be sent to verify the presence of listed equipment in the district office.

(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 the staff employee in charge of operations in the vacated office is responsible for the assigned equipment.

(3) When, through inventory or other means, it is determined that an item of equipment is damaged or lost, the Member should inform the Clerk of the House by letter, explaining the circumstances surrounding the loss of the item, or if damaged, how such damages occurred. Upon receipt of this letter, the Clerk will order an investigation of the occurrence in an effort to locate the missing item or items and ascertain the circumstances surrounding the loss or damage. At the completion of the investigation, the Clerk will send to the Committee on House Administration a copy of the letter, a copy of the investigation report (including an objective statement as to the cause of the loss or damage) and a letter indicating the value of the item at the time it was discovered missing, or if damaged, the extent of the damage, the result of his investigation, and his action to dispose of the case.

(4) If it is determined that the Member or responsible official is liable he or she will be charged with the established trade-in value or the depreciated book value of the item, whichever is higher. Liability will be determined on the facts supporting each case. In cases involving the loss of or damage to an item while the equipment is outside the assigned office, the Member or responsible official will be held liable.

(5) The Clerk's decision as to liability shall be final and binding unless, within 30 days, the Member or responsible official requests in writing a hearing before the Committee on House Administration.

(6) Payment of a charge levied against a Member or responsible official must be made within 30 days of the date of final decision. If a charge is made against a Member or responsible official leaving the House payroll for any reason, payment will be deducted from his final paycheck.

(7) The equipment will be dropped from the inventory and limitation records when payment is made or when the Member or responsible official is absolved of liability by the Committee on House Administration.

House of Representatives
Committee on House Administration
Committees' Regulations

O. OFFICE EQUIPMENT

1. Committees may acquire equipment consistent with individual needs based on personnel, workload, and other factors. Such equipment will be purchased or leased by the Clerk of the House from a list approved by the Committee on House Administration, as appropriate, and the committee will be charged a monthly use charge for all equipment under its control and this fee will be charged against the funds provided to the committee to carry out its studies and investigation.

2. Requests for equipment should be addressed to the Clerk of the House, should describe the type of equipment desired, and should include the plan under which the committee wishes to acquire the equipment.

3. Requests for equipment not on the approved list will be forwarded to the Committee on House Administration. Upon approval, the Committee on House Administration will direct the Clerk to provide the equipment.

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

5. When a committee Chairman has been defeated in an election, or otherwise leaves office, the Clerk will conduct an immediate physical inventory of the equipment assigned to that committee. In any periods during which a vacancy exists in a committee chairmanship or House office, the staff employee in charge of operations in the vacated office is responsible for the assigned equipment.

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

7. The removal of office equipment, other than dictating equipment, from its assigned Washington office, is prohibited except for repairs by authorized dealers. Interoffice moves of equipment will be accomplished only by the Office Equipment Service, Office of the Clerk.

8. When, through inventory or other means, it is determined that an item of equipment is damaged or lost, the Chairman should inform the Clerk of the House by letter, explaining the circumstances surrounding the loss of the item or if damaged, how such damages occurred. Upon receipt of this letter, the Clerk will order an investigation of the occurrence in an effort to locate the missing item or items and ascertain the circumstances surrounding the loss or damage. At the completion of the investigation, the Clerk will send to the Committee on House Administration a copy of the letter, a copy of the investigation report (including an objective statement as to the cause of the loss or damage) and a letter indicating the value of the item at the time it was discovered missing, or if damaged, the extent of the damage, the result of his investigation, and his action to dispose of the case.

9. If it is determined that the Chairman or responsible official is liable he or she will be charged with the established trade-in value or the depreciated book value of the item, whichever is higher. Liability will be determined on the facts supporting each case. In cases involving the loss of or damage to an item while the equipment is outside the assigned office, the Chairman or responsible official will be held liable.

10. The Clerk's decision as to liability shall be final and binding unless, within 30 days, the Chairman or responsible official requests a hearing before the Committee on House Administration.

11. Payment of a charge levied against a Chairman or responsible official must be made within 30 days of the date of final decision. If a charge is made against a Chairman or responsible official leaving the House payroll for any reason, payment will be deducted from his final paycheck.

12. The equipment will be dropped from the inventory and limitation records when payment is made or when the Chairman or responsible official is absolved of liability by the Committee on House Administration.

~~James H. ...~~

~~H. Raymond ...~~

Office of the Clerk
U.S. House of Representatives
Washington, D.C. 20515

NOTICE

OFFICE EQUIPMENT

NEW REGULATIONS: Rules promulgated by the Committee on House Administration have resulted in the following CHANGES concerning office equipment effective with the commencement of the 97th Congress:

EQUIPMENT LISTINGS: Two previous equipment listings- the Office Equipment Purchase Account and the Office Equipment Leasing Inventory- will be combined into a single listing, the Member Office Equipment Inventory.

FIVE YEAR PLAN: Items previously acquired under the Purchase Account will be assigned to the Member Office Equipment Inventory under the 5 YEAR PLAN. There will be a monthly charge to the Official Expenses Allowance for each unit, based on its original purchase cost, and this charge will be reduced by 25% annually until the fifth year. Equipment over five years old will carry the fifth year monthly charge and may be disposed of at any time.

ADDITIONAL PLANS: Items previously acquired under the Leasing Inventory will be assigned to the Member Office Equipment Inventory at their current status. These items may be cancelled upon thirty days written notice, unless leased under a contract plan, and may be converted to the 5 Year Plan upon written request.

APPROVED LIST: After January 3, 1981, no equipment may be acquired that is not on the House Approved List. Computer contracts currently in effect may continue without change until they are terminated.

ANNUAL INVENTORIES: Equipment inventories conducted by Office Equipment Service will include leased equipment. A Member of Congress is personally liable for the loss of or damage to any assigned equipment.

MONTHLY STATEMENT: A monthly allowance statement from the Finance Office will advise you of the total equipment charge to your Official Expenses Allowance.

QUESTIONS: Questions concerning your office equipment should be directed to Office Equipment Service on extension 53994.