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Audit Of The Stationery  
Revolving Fund  
Fiscal Year 1973

B-114862

House of Representatives

BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES

DEC. 7, 1973

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

B-114862

The Honorable W. Pat Jennings  
C1 Clerk of the House of Representatives 645 3

Dear Mr. Jennings:

We have audited the Stationery Revolving Fund of the House of Representatives for the fiscal year ended June 30, 1973, pursuant to your request dated June 12, 1973.

GENERAL COMMENTS

c2 The Stationery Revolving Fund, established by the act of July 17, 1947 (2 U.S.C. 46b-1), is administered by the Office of Supply Service (OSS) under the jurisdiction of the Clerk of the House of Representatives and is subject to rules and regulations of the Committee on House Administration. c3

The act of July 2, 1954, as amended (2 U.S.C. 46b), authorizes a stationery allowance of \$3,000 for each Member; the Resident Commissioner from Puerto Rico; and the Delegates from the District of Columbia, Guam, and the Virgin Islands for a full regular session. The act of February 27, 1956 (2 U.S.C. 46b-2), authorizes a pro rata allowance for each Member, Delegate, or Resident Commissioner elected for part of a term. House Resolution 1276, effective December 2, 1970, and made permanent law by Public Law 91-665, approved January 8, 1971, authorizes an additional allowance of \$500, upon request, for each Member and for the Resident Commissioner or Delegate.

House Resolution 457, 92d Congress, made permanent by Public Law 92-184, approved December 15, 1971, provided authority to the Committee on House Administration to adjust allowances. Committee order number four, effective January 3, 1973, increased the stationery allowance to \$4,250 for each regular session. Funds for these allowances are provided in the annual and supplemental appropriations for the House of Representatives.

The stationery allowances are credited to the Members' accounts at the beginning of each session of the Congress, or

when new Members qualify, and may be withdrawn in cash or applied to purchases from OSS and other vendors. When a Member's service is terminated, any stationery allowance remaining to his credit is payable in cash to him or his heirs.

OSS has a salesroom in the Longworth House Office Building, a stockroom and an accounting room adjacent to the salesroom, and smaller stockrooms containing bulk paper and envelopes in the Cannon and Rayburn Buildings. OSS maintains a basic stock inventory of the most frequently used items and furnishes other items through special orders.

OSS furnishes House Members, committees, departments, and officers with stationery and office supplies at cost (exclusive of salaries and other operating expenses). Stationery and office supplies are furnished to certain committees, departments, and officers upon the receipt of requisitions approved by the Chairman, Committee on House Administration. The Stationery Revolving Fund is reimbursed monthly for stationery and supplies from funds appropriated for miscellaneous items and for special and select committees of the House. Stationery and supplies are also furnished on a reimbursable basis to other officials and committees of the House having funds not under direct control of the Committee on House Administration.

A Member may authorize OSS, in writing, to use his stationery allowance to pay for printing services, photocopying services, and certain other miscellaneous services documented by a commercial vendor's invoice.

#### SCOPE OF AUDIT

We made our audit in accordance with generally accepted auditing standards and included a review of operations and of applicable Federal laws, an observation of the physical count of stock on hand, an examination of selected financial transactions and records, a verification of Members' stationery account balances through confirmations, and such other auditing procedures as we considered necessary.

OPINION ON FINANCIAL STATEMENTS

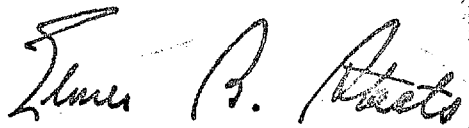
We prepared the comparative statements of assets and liabilities (sch. 1), operations and retained income (sch. 2), and changes in financial position (sch. 3) from the records of OSS. Salaries and other operating expenses of OSS are provided for under separate appropriations for the House of Representatives and are not included as expenses in determining the net income of the revolving fund.

In our opinion, the accompanying financial statements, which were prepared on a basis consistent with that of the preceding year and in accordance with the financial arrangement described above, present fairly the financial position of the Stationery Revolving Fund at June 30, 1973; the results of its operations, and the changes in its financial position for the year then ended.

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We are sending a copy of this report today to the Chairman of the Committee on House Administration.

Sincerely yours,



Comptroller General  
of the United States

SCHEDULE 1

HOUSE OF REPRESENTATIVES  
 STATIONERY REVOLVING FUND  
 COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES  
 JUNE 30, 1973 AND 1972

	<u>1973</u>	<u>1972</u>
ASSETS		
CASH:		
In U.S. Treasury	\$ 546,211	\$ 875,787
ACCOUNTS RECEIVABLE:		
Supplemental appropriation	\$336,250	\$ -
Committees, officers of the		
House, and others	23,198	19,860
Members' stationery accounts		
overdrawn	112	576
Vendors	1,497	3,665
Contingent fund	<u>-</u>	<u>1,500</u>
	361,057	25,601
MERCHANDISE INVENTORY, at cost	<u>423,937</u>	<u>328,547</u>
Total assets	<u>\$1,331,205</u>	<u>\$1,229,935</u>
LIABILITIES AND RETAINED INCOME		
ACCOUNTS PAYABLE (note a):		
Due vendors	\$ 124,453	\$ 75,776
AMOUNT DUE MEMBERS (sch. 4)	943,670	861,088
ALLOWANCE APPROPRIATED BUT NOT ALLOTTED	33,938	75,250
RETAINED INCOME (sch. 2)	<u>229,144</u>	<u>217,821</u>
Total liabilities and retained income	<u>\$1,331,205</u>	<u>\$1,229,935</u>

<sup>a</sup>Obligations for undelivered orders amounted to \$131,273 at June 30, 1973, and \$88,941 at June 30, 1972.

SCHEDULE 2

HOUSE OF REPRESENTATIVES

STATIONERY REVOLVING FUND

COMPARATIVE STATEMENT OF OPERATIONS

AND RETAINED INCOME FOR FISCAL YEARS

ENDED JUNE 30, 1973 AND 1972

	1973			1972		
	Merchandise	Services	Combined	Merchandise	Services	Combined
<b>NET SALES:</b>						
Members	\$1,487,997	\$289,022	\$1,777,019	\$1,290,896	\$240,044	\$1,530,940
Committees, officers of the House, and others	<u>260,202</u>	<u>1,128</u>	<u>261,330</u>	<u>226,644</u>	<u>1,122</u>	<u>227,766</u>
Total	<u>1,748,199</u>	<u>290,150</u>	<u>2,038,349</u>	<u>1,517,540</u>	<u>241,166</u>	<u>1,758,706</u>
<b>COST OF SALES:</b>						
Beginning inventory	<sup>a</sup> 328,547	-	<sup>a</sup> 328,547	<sup>a</sup> 302,387	-	<sup>a</sup> 302,387
Purchases less returns and discounts	<u>1,832,266</u>	<u>290,150</u>	<u>2,122,416</u>	<u>1,532,227</u>	<u>241,166</u>	<u>1,773,393</u>
Total	2,160,813	290,150	2,450,963	1,834,614	241,166	2,075,780
Less ending inventory	<u><sup>a</sup>423,937</u>	<u>-</u>	<u><sup>a</sup>423,937</u>	<u><sup>a</sup>328,547</u>	<u>-</u>	<u><sup>a</sup>328,547</u>
Cost of sales	<u>1,736,876</u>	<u>290,150</u>	<u>2,027,026</u>	<u>1,506,067</u>	<u>241,166</u>	<u>1,747,233</u>
<b>NET INCOME FOR THE PERIOD</b> (note b)	<u>\$ 11,323</u>	<u>\$ -</u>	<u>\$ 11,323</u>	<u>\$ 11,473</u>	<u>\$ -</u>	<u>\$ 11,473</u>
<b>RETAINED INCOME:</b>						
Balance beginning period			\$ 217,821			\$ 209,290
Less prior period ad- justment (note c)			<u>-</u>			<u>2,942</u>
Adjusted balance beginning of period			217,821			206,348
Add net income for period			<u>11,323</u>			<u>11,473</u>
Balance end of period (sch. 1)			<u>\$ 229,144</u>			<u>\$ 217,821</u>

<sup>a</sup>Amount adjusted on the basis of purchase prices less trade discounts.

<sup>b</sup>Fiscal year 1973 salaries of \$249,200 (\$243,285 in 1972), employee benefits of \$22,768 (\$23,737 in 1972), and other operating expenses of OSS were provided for under separate appropriations for the House of Representatives and were not required to be included as expenses in determining net income.

<sup>c</sup>Prior period adjustment of 1971 retained income includes certain unrecorded costs and the adjustment of the amount of the closing inventory for trade discounts.

## HOUSE OF REPRESENTATIVES

## STATIONERY REVOLVING FUND

## COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE FISCAL YEARS ENDED JUNE 30, 1973 AND 1972

	<u>1973</u>	<u>1972</u>
<b>FUNDS PROVIDED:</b>		
Sales:		
Members	\$1,487,997	\$1,290,896
Committees, officers of the House, and others	260,202	226,644
Services:		
Members	289,022	240,044
Committees, officers of the House, and others	1,128	1,122
Appropriation for stationery allowances	<u>1,865,750</u>	<u>1,529,500</u>
Total	<u>\$3,904,099</u>	<u>\$3,288,206</u>
<b>FUNDS APPLIED:</b>		
Cost of sales	\$1,736,876	\$1,506,067
Cost of services	290,150	241,166
Appropriation allotted	1,907,063	1,454,250
Increase or decrease (-) in working capital	-29,990	83,781
Prior period adjustment	<u>-</u>	<u>2,942</u>
Total	<u>\$3,904,099</u>	<u>\$3,288,206</u>

## ANALYSIS OF CHANGES IN WORKING CAPITAL

<b>INCREASE OR DECREASE (-) IN CURRENT ASSETS:</b>		
Cash in U.S. Treasury	\$ -329,576	\$ 245,243
Accounts receivable:		
Supplemental appropriation	336,250	-
Committees, officers of the House, and others	3,338	-2,687
Members' stationery accounts over- drawn	-464	-728
Vendors	-2,168	-436
Contingent fund	-1,500	-4,000
Inventory	95,389	24,941
<b>INCREASE (-) IN CURRENT LIABILITIES:</b>		
Accounts payable	-48,677	-44,325
Allowance due Members	<u>-82,582</u>	<u>-134,227</u>
<b>INCREASE OR DECREASE (-) IN WORKING CAPITAL</b>	<u>\$ -29,990</u>	<u>\$ 83,781</u>

SCHEDULE 4

HOUSE OF REPRESENTATIVES  
 STATIONERY REVOLVING FUND  
 STATEMENT OF MEMBERS' STATIONERY ACCOUNTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1973

AMOUNT DUE MEMBERS AT JULY 1, 1972		\$ 861,088
ADDITIONS:		
Amount provided by Legislative Branch Appropriation Act, 1973 (Public Law 92-342), for 1st session, 93d Congress, less unallotted appropriations	\$1,831,812	
Unallotted prior year's appropriation	75,250	
Amount transferred from contingent fund for new Members serving parts of terms and for Members requesting addi- tional funds	5,500	
Cash deposits by Members	<u>550,966</u>	<u>2,463,528</u>
Total available		3,324,616
DEDUCTIONS:		
Stationery purchases by Members	1,487,997	
Services authorized	289,022	
Cash withdrawals	603,463	
Decrease in debit balance of Members' accounts	<u>464</u>	<u>2,380,946</u>
AMOUNT DUE MEMBERS AT JUNE 30, 1973		\$ <u>943,670</u>