



The Comptroller General  
of the United States

Washington, D.C. 20548

*Hilton*

## Decision

Reimbursements for Excess Personal Property  
Transferred to Cooperative Administrative Support  
Unit

Matter of:

File: B-233847

Date: April 14, 1989

### DIGESTS

1. 40 U.S.C. § 293 (1982), which authorizes the establishment of a working capital fund (fund) within the General Services Administration, does not require the GSA fund to be reimbursed with the net proceeds from transfers to other federal agencies of excess equipment originally purchased by the fund.
2. The Federal Property and Administrative Services Act of 1949, as amended, 40 U.S.C. §§ 483 and 485 (1982), grants the General Services Administration the discretion to request reimbursement from a federal agency to which excess equipment originally purchased by a GSA working capital fund has been transferred.

### DECISION

The Chairman of the Tenant Board of Directors of the Chicago Cooperative Administrative Support Unit (CASU) has requested our opinion on whether the CASU must reimburse the working capital fund of the General Services Administration (GSA) for excess printing and duplicating equipment which was originally acquired by the fund and subsequently has been transferred from GSA to the CASU. For the reasons stated below, we conclude that, (1) absent a request for reimbursement from GSA, the CASU is not required to reimburse the GSA working capital fund, (2) GSA is within its discretion to ask for a reimbursement, and (3) the CASU is required to reimburse the GSA working capital fund if GSA requests reimbursement.

### BACKGROUND

The CASU Program is an initiative of the President's Council on Management Improvement intended to save the federal government money on the cost of providing administrative services (such as shipping and receiving, labor and moving, printing and duplicating, and photocopying) to federal

agencies. The Program is designed to be used in the various cities around the United States where different federal agencies have office space in the same building, and their common administrative functions can be consolidated into larger, more efficient units.

Key steps in establishing a CASU include forming a Tenant Board of Directors and selecting a "lead agency" in a particular building occupied by the participating agencies. The Tenant Board of Directors is selected from among the participating agencies, and is responsible for establishing, operating and providing policy for the CASU. Under the general direction of the Board, the lead agency is responsible for acquiring the equipment and supplies, hiring personnel, and managing the operations to provide the administrative services to all of the participating agency offices. The lead agency often acquires the equipment, supplies, and personnel by accepting transfers from the other participating agencies. Each agency then enters into agreements under the Economy Act, 31 U.S.C. § 1535 (1982), to purchase the administrative services it needs from the lead agency and to reimburse the lead agency for its costs of supplying those services. The federal agencies save money on acquiring their administrative services because the lead agency's costs of supplying the services are cheaper than each agency office's cost of acquiring the services directly.

During October 1986, several federal agencies with offices in the John C. Kluczynski Federal Building in Chicago, Illinois, organized a CASU with the Internal Revenue Service (IRS) as the lead agency. During the organization of the CASU, each agency transferred equipment to the IRS by declaring it to be excess personal property in accordance with the Federal Property Management Regulations, 41 C.F.R. Part 101-43. In 1987, the CASU expanded the services it provided to include printing and duplication. To give the CASU the equipment it needed for this service, the GSA transferred printing and duplicating equipment valued at about \$43,000 to the IRS (as the lead agency) by declaring it to be excess personal property on July 21, 1987. According to your request, the GSA has asserted that its working capital fund for blueprinting, photostating, and duplicating services (which originally purchased the equipment) must be reimbursed for the equipment it transferred to the CASU. You have asked for our opinion as to whether the CASU must reimburse the working capital fund.

## LEGAL ANALYSIS

The statute under which GSA established the working capital fund states that the fund is to be reimbursed ". . . at rates to be determined by the Administrator of General Services on the basis of estimated or actual charges for personal services, materials, equipment (including maintenance, repair, and depreciation on existing as well as new equipment) and other expenses . . . ." 40 U.S.C. § 293 (1982). In 35 Comp. Gen. 207 (1955), we considered whether Department of Defense working capital funds had to be reimbursed for equipment purchased by the fund which was subsequently transferred to other agencies as excess property. We noted that the statute authorizing Department of Defense working capital funds, 10 U.S.C. § 2208 (1982), did not specifically require reimbursements for excess equipment transferred out of the funds. 35 Comp. Gen. at 208. We also concluded that the statute's requirement to be reimbursed for the "cost" of equipment was not directed at excess equipment. *Id.* Similarly, the statute establishing the GSA working capital fund, 40 U.S.C. § 293, does not specifically require reimbursement for excess equipment transferred to other agencies. In addition, we see no distinction between reimbursements for the "cost" of equipment in the legislation governing the Defense working capital funds and reimbursements based on "charges for" equipment in the legislation governing the GSA fund. Therefore, we conclude that 40 U.S.C. § 293 does not require that the GSA working capital fund be reimbursed for the excess equipment transferred to the CASU.

After concluding that 10 U.S.C. § 2208 did not require reimbursements for transfer of excess property, we discussed in 35 Comp. Gen. 207 the provisions of the Federal Property and Administrative Services Act of 1949 relating to the proceeds from the disposition of excess property. The Act states in part:

. . . in order to minimize expenditures for property, the Administrator [of GSA] shall prescribe policies and methods to promote the maximum utilization of excess property by executive agencies, and he shall provide for the transfer of excess property among Federal agencies . . . . The Administrator, with the approval of the Director of the Office of Management and Budget, shall prescribe the extent of reimbursement for such transfers of excess property: Provided, That reimbursement shall be required of the fair value, as determined by the Administrator, of any excess property transferred

whenever net proceeds are requested pursuant to section 485(c) of this title . . . .

40 U.S.C. § 483(a)(1) (1982) (emphasis supplied).

The Act further provides in part that:

[w]here the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated therefrom but by law reimbursable from assessment, tax, or other revenue or receipts, then the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the Federal agency which determined such property to be excess . . . .

40 U.S.C. § 485(c) (1982) (emphasis supplied).

We pointed out that excess property from Department of Defense working capital funds should be disposed of under the Act. 35 Comp. Gen. at 209. Thus, since the Defense funds established under 10 U.S.C. § 2208 were reimbursable within the meaning of 40 U.S.C. § 485(c), the Department of Defense could obtain reimbursement for its working capital funds from the proceeds of the transfer of excess property. However, we concluded that due to the proviso in 40 U.S.C. § 483(a)(1), enacted as part of a 1952 amendment to the 1949 Act, reimbursement was not mandatory in all cases where the property was originally acquired with reimbursable funds; it is mandatory only when it is requested by the agency. 35 Comp. Gen. at 210. Accordingly, we concluded that the reimbursements were required if the Department of Defense requested them. 35 Comp. Gen. at 211.

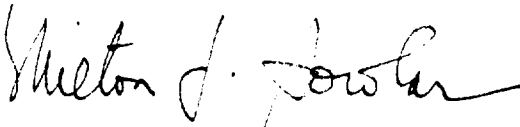
As with the Department of Defense working capital funds, we view this issue of reimbursement for excess equipment purchased by the GSA fund and later transferred from GSA to the CASU to be controlled by 40 U.S.C. §§ 483(a)(1) and 485(c). We hold, therefore, that the GSA is not required to request reimbursement of its working capital fund. However, should GSA exercise its discretion to request reimbursements, such reimbursement is required.

Under 40 U.S.C. § 483(a)(1), GSA has the authority to prescribe the amount of the reimbursement which the CASU must pay upon request. We note that GSA's regulations issued under this statute state that "[i]t is the current policy of the executive branch of the government that transfers of working capital property shall be without reimbursement." 41 C.F.R. § 101-43.315-3.

CONCLUSION

In summary, the transfer of excess personal property purchased by the GSA working capital fund from GSA to the CASU does not require the CASU to reimburse the GSA fund. However, the GSA, in its discretion, may request reimbursement of its working capital fund, and the CASU must honor that request.

Since it is the IRS which formally accepted the excess property as lead agency for the CASU, it will be the IRS which is primarily responsible for reimbursing the GSA fund. However, once this reimbursement is paid by the IRS, it becomes part of the cost of providing printing and duplicating services to the CASU's customers which the IRS should recover from the CASU's printing and duplicating customers.

*for*   
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