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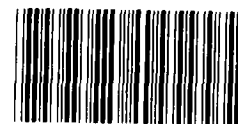
# Comptroller General

OF THE UNITED STATES

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## Review Of The Activities Of The House Office Equipment Service For The Year Ended June 30, 1980



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GGD-81-17  
NOVEMBER 6, 1980

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COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

B-200924

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

Dear Mr. Henshaw:

Pursuant to your June 12, 1980, request, we reviewed the activities of the Office Equipment Service of the House of Representatives for the year ended June 30, 1980.

GENERAL COMMENTS

Under section 112e of title 2, United States Code, the Clerk of the House furnishes electrical and mechanical 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, and the Virgin Islands) and (2) officers and committees of the House of Representatives.

The Committee on House Administration has issued regulations establishing equipment purchase and lease programs for Members and 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.

Appendixes I, II, and III set forth the Committee's regulations pertaining to the lease and purchase programs.

The Clerk's responsibilities for furnishing electrical and mechanical office equipment are carried out by the Service's accounting, messenger, and repair service units.

The accounting unit consists of a chief, an assistant chief, and seven clerks. It maintains accounting control over owned and leased office equipment and is responsible for leasing, purchasing, and disposing of electrical and mechanical office equipment.

The messenger unit consists of a supervisor, a repairman, and five messenger-laborers. It is responsible for picking up, delivering, transferring, and lending electrical and mechanical office equipment and providing electronic stencil cutting services.

The repair service unit consists of a repairman-supervisor, a clerk, and 10 repairmen. It is responsible for cleaning and repairing automatic, electric, and manual typewriters and mimeograph machines.

We reviewed the controls over owned and leased equipment, examined selected purchases and disposals of equipment, test checked the Service's repair parts inventory, and inventoried equipment awaiting disposal and equipment used for loans to Members, officers, or committees while regular equipment is being repaired.

#### PURCHASED OFFICE EQUIPMENT

The Service maintains a computerized system of accounts which provides for each type of equipment (1) information on the inventory at the beginning of the year, the acquisitions and disposals during the year, the inventory at the end of the year, and the items furnished to and accountable by each Member or officer and (2) a summary listing of disposed equipment. The June 30, 1980, inventory of office equipment consisted of 13,248 items with an acquisition cost of about \$10.2 million and a net book value of about \$5.5 million. (See sch. 1.)

Our examination of selected purchase and disposal transactions showed that they were properly documented and recorded and that the Service's records adequately account for purchased equipment and provide adequate control over the dollar amount of equipment chargeable to Members.

#### LEASED EQUIPMENT

The Service uses a computerized recordkeeping system for leased equipment. The system provides detailed information on lease payment records and Member's and officer's leased equipment accounts. For example, the lease payment record shows the Member's or officer's name, the lease order number, the lessor's name, a description of the leased item, the rental

rate and period, invoice amount, voucher number, check number, and date of payment. The system does not maintain records of leased computer equipment or equipment leased with committee funds by the various committees of the House of Representatives.

The Member's daily account status shows the items of equipment leased for the Member or officer, the monthly and annual rental cost, and the installation and cancellation dates of each lease, as well as pending deliveries of equipment.

The Service uses the lease payment record (1) to verify vendors' billings and (2) to provide the House Finance Office with a monthly report of Members' leasing costs to be charged against their allowance for official expenses.

OFFICE EQUIPMENT SERVICE'S  
OPERATING COSTS

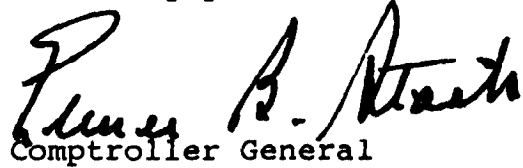
The Service's operating costs for the year ended June 30, 1980, excluding the cost of forms obtained from the Government Printing Office and the cost of data processing services, utilities, office furniture, and building space, which are charged to other activities, were as follows:

Administrative salaries and benefits		\$ 151,678
Operating salaries and benefits		416,338
Leasing costs		5,725,399
Depreciation of equipment		880,218
Depreciated value of equipment transferred to the General Services Administration		26,970
Repair parts:		
Restaurant computer software	\$25,876	
Recording Studio	29,623	
Office Equipment	<u>29,342</u>	84,841
Vendor repairs		69,848
Office supplies		<u>1,580</u>
		<u>\$7,356,872</u>

B-200924

A copy of this report is being sent to the Chairman of  
the Committee on House Administration.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "James B. Atwater". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Comptroller General  
of the United States

HOUSE OF REPRESENTATIVES  
OFFICE EQUIPMENT SERVICE  
SUMMARY OF EQUIPMENT ACCOUNTS  
JULY 1, 1979 TO JUNE 30, 1980

Type of equipment	Inventory July 1, 1979		Acquisitions		Disposals	
	Units	Cost	Units	Cost	Units	Cost
Addressing	139	\$ 113,496	2	\$ -(a)	14	\$ 7,955
Automatic typewriters	288	502,321	2	251	30	75,997
Typewriters	6,859	3,690,571	475	372,626	313	128,815
Dictating	1,934	721,492	170	53,971	110	41,243
Duplicating	725	512,126	13	12,317	33	23,874
Adding machines and calculators	735	180,708	68	10,307	29	8,053
Telephone accessories	354	209,501	25	11,782	-	-
Television sets	409	116,748	39	11,861	-	-
Computers	127	1,588,388	38	113,691	3	18,000
Television broadcast equipment	300	1,432,248	3	40,613	2	35,100
Miscellaneous (note b)	935	764,324	157	104,779	15	3,491
	<u>12,805</u>	<u>\$9,831,923</u>	<u>992</u>	<u>\$732,198</u>	<u>549</u>	<u>\$342,528</u>

Units	Cost	Inventory June 30, 1980	
		Accumulated depreciation	Net book value
127	\$ 105,541	\$ 81,973	\$ 23,568
260	426,575	371,414	55,161
7,021	3,934,382	2,108,621	1,825,761
1,994	734,220	369,040	365,180
705	500,569	323,064	177,505
774	182,962	96,192	86,770
379	221,283	48,942	172,341
448	128,609	20,771	107,838
162	1,684,079	630,830	1,053,249
301	1,437,761	202,009	1,235,752
1,077	865,612	447,178	418,434
<u>13,248</u>	<u>\$10,221,593</u>	<u>\$4,700,034</u>	<u>\$5,521,559</u>

a/An Elliott cabinet and Scriptomatic addressograph which were not recorded on Office Equipment Service records were found in hallways. Equipment record numbers, but no dollar values, were assigned for control purposes prior to disposal.

b/Includes automatic letter openers and sealers, automatic letter folders and inserters, delivery trucks, Motorola Pageboy Pagers, camera equipment, cash registers, and other miscellaneous equipment.

Note: This schedule does not include about 3,300 pieces of office equipment that the Office Equipment Service leased and controlled for Members and officers at a cost of about \$5.7 million in fiscal year 1980.

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## APPENDIXES



HOUSE OF REPRESENTATIVES  
COMMITTEE ON HOUSE ADMINISTRATION  
REGULATIONS FOR COMMITTEES

**P. OFFICE EQUIPMENT**

1. Committees will be provided equipment consistent with individual needs based on personnel, workload, and other factors.
2. Requests for the purchase of equipment should be addressed to the Committee on House Administration, should describe the type of equipment desired, and should include a statement justifying the purchase of new equipment. Upon approval, the Committee on House Administration will authorize the Clerk of the House to purchase the equipment.
3. 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.
4. 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.
5. In the event of the change of the majority in the House, there shall be an immediate physical inventory of the offices affected.
6. 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.
7. 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.
8. If it is determined that the Chairman or responsible official is liable he or she will be charged with the GSA 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.
9. 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.
10. 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.
11. 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.

HOUSE OF REPRESENTATIVES  
COMMITTEE ON HOUSE ADMINISTRATION  
REGULATIONS FOR MEMBERS

**F. PROVISIONS RELATING TO THE LEASE OF OFFICE EQUIPMENT**

a. Leased electrical and mechanical 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 leased without the specific approval of the Committee.

b. At the written request of a Member, the Clerk of the House will furnish items of equipment, the monthly cost of which is not covered by the lease agreement, provided that—

- (1) The Member pays the cost in excess of the limitation;
- (2) the excess cost will be for a specific item; and
- (3) the leasing firm agrees in writing to send a monthly or quarterly invoice to the Member for the excess cost.

c. A lease may be terminated upon written request to the Clerk of the House thirty (30) days from the date of the request.

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

- (1) the leasing agreement clearly defines the allocation of the rental fee and liability for for damage or loss;
- (2) the leasing agreement clearly defines the conditions for termination;
- (3) the leasing agreement specifies the location of the equipment; and
- (4) prior approval of the joint leasing agreement has been obtained from the Committee on House Administration.

e. Special regulations governing the leasing of equipment follow:

Automatic typewriters:

(1) A Member may retain a machine previously furnished under the purchase program of the House regardless of age, as long as it is economically feasible to keep it in working order, or he may turn it in.

(2) When a Member turns in a machine previously furnished under the purchase program, it may be replaced only through the leasing allowance.

HOUSE OF REPRESENTATIVES  
COMMITTEE ON HOUSE ADMINISTRATION  
REGULATIONS FOR MEMBERS

**P. OTHER ALLOWANCES**

**1. EQUIPMENT PURCHASE ALLOWANCE**

a. Electrical and mechanical equipment is purchased and owned by the House of Representatives and is furnished under a purchase allowance to Members for use in their Washington offices. Office equipment so furnished is limited to those types and categories which the Committee on House Administration shall prescribe.

b. The total value of such equipment in use in a Member's office under the purchase allowance at any one time shall not exceed \$6,500.

c. The value of each item of equipment furnished under the above limitations is the initial cost of the article less the amount of depreciation, determined on a 10-year straight line basis.

d. At the request of a Member, the Clerk of the House will furnish items of equipment, the cost of which is in excess of the limitations established by these regulations, provided that—

(1) the Member pays the cost in excess of the limitation; and

(2) the Member agrees in writing that title to the equipment will rest with the House of Representatives and that the Member will claim no equity whatever in the equipment.

e. The Clerk of the House will not furnish purchased equipment to be charged jointly to the allowances of two or more Members.

f. The Clerk of the House will not purchase used equipment for use by a Member unless such equipment is fully covered by warranty as new equipment of the same type.

g. 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 60 days following his taking the oath of office.

(2) From 60 to 90 days after his taking the oath of office, a Member may dispose of any equipment that has proven 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 h.

h. Equipment furnished under the purchase program will be disposed of as follows:

(1) Requests for disposition are to be made in writing by Members to the Clerk of the House, and by the Chairmen of Committees and Officers of the House to the Committee on House Administration.

(2) The equipment, except manual typewriters, will be turned in to the Clerk of the House for disposal, only (i) if the condition is such that it is not economically feasible to keep the item operating; (ii) if the item has become obsolete due to substantial design changes; or (iii) 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 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 for hearing.

(5) The Clerk of the House will dispose of worn out or obsolete equipment only through the General Services Administration.

(6) If a member has equipment which is surplus to his needs, but which does not qualify for disposal, he may, upon 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 depreciated value.

(Rev. 10/1/70)

1. All equipment furnished under the purchase program 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, committee, or office of the House, showing assigned equipment. Each Member, Chairman of a committee or top official of an office, 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 equipment so charged.

(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, a committee chairmanship or House office, the staff employee in charge of operations in the vacated office is responsible for the assigned equipment.

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

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