



United States
General Accounting Office
Washington, D.C. 20548

Accounting and Information
Management Division

B-277105

October 15, 1997

The Honorable Alfonse M. D'Amato
Chairman
The Honorable Paul S. Sarbanes
Ranking Minority Member
Committee on Banking, Housing, and Urban Affairs
United States Senate

The Honorable James A. Leach
Chairman
The Honorable Henry B. Gonzalez
Ranking Minority Member
Committee on Banking and Financial Services
House of Representatives

Subject: Commemorative Coin Program: Vietnam Veterans Memorial Fund

The Vietnam Veterans Memorial Fund, incorporated in 1979, established a national memorial on public land in the District of Columbia to honor those who fought in the Vietnam War. Title II of Public Law 103-186, the United States Veterans Commemorative Coin Act of 1993, provided that the Fund use surcharge proceeds from the sale of commemorative coins to help create an endowment for the repair, maintenance, and addition of names to the Vietnam Veterans Memorial. Section 303 of Public Law 103-186 required that we perform a one-time audit of the use of commemorative coin surcharge proceeds received by the Fund.¹

¹Section 303 applied to recipients that received surcharge proceeds between December 14, 1993, and September 29, 1996. Public Law 104-208 repealed Section 303 and requires recipients that receive commemorative surcharge proceeds on or after September 30, 1996, to separately account for the receipt and expenditure of surcharge proceeds and obtain annual financial audits by an independent public accounting firm until all surcharge proceeds are expended or placed in trust. (Section 529 of the Treasury, Postal Service, and General Government Appropriations Act, 1997, as enacted by Section 101(f) of Public Law 104-208, the Omnibus Consolidated Appropriations Act, 1997, amended Section 5134 of Title 31, United States Code, effective September 30, 1996.)

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We determined that the Fund received about \$2,849,000 in surcharge proceeds from the U.S. Mint from October 1994 through April 1996 and established an endowment in accordance with the provisions of Title II of Public Law 103-186. As of May 1997, the Fund had expended about \$252,000 from the endowment. The endowment balance as of May 1997 was about \$3.3 million.

In conducting our work, we obtained direct confirmation from the U.S. Mint of the amounts of surcharge proceeds transferred to the Fund. We traced those amounts to the Fund's bank and endowment statements, traced expenditures to source documents, reviewed the Fund's accounting for the surcharge proceeds and expenditures, and traced the balance of the endowment as of May 1997 to investment reports. We also reviewed minutes of the Board of Directors' meetings related to surcharge proceeds. Our audit was performed from May 1997 through July 1997 in accordance with generally accepted government auditing standards. At the conclusion of our work, we provided a draft of this letter to the President of the Fund for comment and he had no comments. This letter is reprinted in enclosure I.

Copies of this letter are being sent to interested parties and will be made available to others on request. Please contact me at (202) 512-9489 if you or your offices have any questions about this letter.



David L. Clark
Director, Audit Oversight
and Liaison

Enclosure

COMMENTS FROM THE VIETNAM VETERANS MEMORIAL FUND



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 *served in Vietnam

September 24, 1997

Gene L. Dodaro
 Assistant Comptroller General
 Accounting and Information Management Division
 United States General Accounting Office
 Washington, DC 20548

Dear Mr. Dodaro;

Thank you very much for your letter of September 12, 1997 forwarding the draft GAO report on the Vietnam Veterans Memorial Fund Commemorative Coin Program for review and comment. We were very pleased that the report reflects our full compliance with the legislation. Given the fact that the report is favorable in every respect, we have no comments regarding any point discussed in the report.

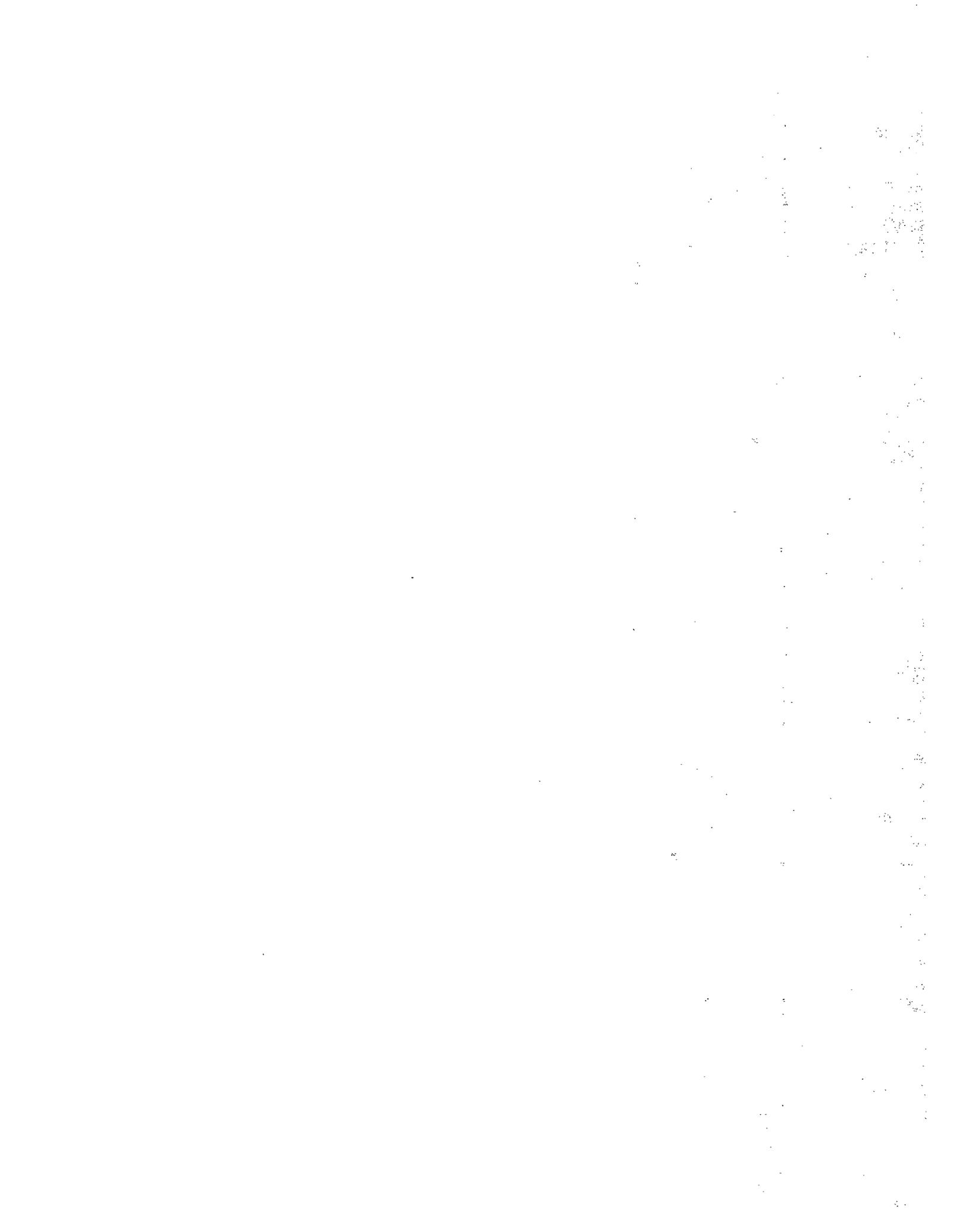
We appreciate the diligence of Mr. Potter in conducting the review and preparing the report and we look forward to cooperating with GAO in future reviews of the Commemorative Coin Program.

Very truly yours,

Jan C. Scruggs, Esq.
 President

Vietnam Veterans Memorial Fund, Inc.
 1012 Fourteenth St., NW, Suite 201, Washington, D.C. 20005 • (202) 393-0090 Fax (202) 393-0029

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