

DOCUMENT RESUME

00440 - [A0590827] (Restricted)

Activities of the Office Equipment Service for the Fiscal Year Ended June 30, 1976. GGD-77-11; B-114865. December 27, 1976. 4 pp. + enclosure.

Report to Edmund L. Henshaw, Jr., House of Representatives: Clerk of the House; by Elmer B. Staats, Comptroller General.

Contact: General Government Div.

Budget Function: General Government: Legislative Functions (801).

Congressional Relevance: House of Representatives: Clerk of the House; House Committee on House Administration.

Authority: 2 U.S.C. 112e.

The activities of the Office Equipment Service of the House of Representatives were reviewed for the fiscal year ended June 30, 1976. Findings/Conclusions: The service maintains a computerized system of accounts which provides information for each type of equipment. These accounts showed that, as of June 30, 1976, the inventory of office equipment consisted of 13,110 items with an acquisition cost of about \$6.6 million and a net value of about \$2.9 million. The computerized system also maintains a listing of disposed equipment which is updated monthly. The purchase and disposal transactions were properly documented and recorded. Service manual records adequately account for leased equipment and provide adequate control over the dollar amount of leasing allowances. The Service's operating costs for fiscal 1976 totalled \$4,237,637. (RRS)

DEC 27 1976

B-114865

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

Dear Mr. Henshaw:

Pursuant to your June 14, 1976, request, we reviewed the activities of the Office Equipment Service of the House of Representatives for the fiscal year ended June 30, 1976.

GENERAL COMMENTS

The act of December 5, 1969 (2 U.S.C. 112e), as amended, directs the Clerk of the House to furnish 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.

The Committee's regulations pertaining to the Members' purchase and lease programs

- provide that the total depreciated value of purchased electrical and mechanical office equipment in use at any one time by each Member shall not exceed \$5,500;
- authorize an office leasing allowance of \$750 a month to lease equipment, including automatic typewriters, photocopying equipment, facsimile units, and signature machines;
- permit a Member to use, upon written request to the Committee, up to \$250 a month of unused clerk hire allowance to lease additional equipment; and



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--authorize each Member, upon written request to the Committee, to allocate not more than \$1,000 a month of unused clerk hire allowance to lease computers and to obtain related services.

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

The accounting unit consists of a chief, an assistant chief, and five clerks. It maintains accounting control over owned and leased 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 four messenger-laborers. It is responsible for picking up, delivering, and transferring electrical and mechanical office equipment.

The typewriter 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.

We reviewed the controls over owned and leased equipment, examined selected purchases and disposals of equipment, and tested the repair parts inventory.

#### OWNED OFFICE EQUIPMENT

The Service maintains a computerized system of accounts which provides information for each type of equipment on (1) the inventory at the beginning of the year, the acquisitions and disposals during the year, and the inventory at the end of the year and (2) the units furnished to, and accountable by, each Member or officer. These accounts showed that as of June 30, 1976, the inventory of office equipment consisted of 11,110 items with an acquisition cost of about \$6.6 million and a net value of about \$2.9 million. (See sch. 1.)

The computerized system also maintains a listing of disposed equipment. This listing is updated monthly for new disposals and is maintained in perpetuity. Procedures are not provided for deleting information from the listing

when it is no longer useful. Our review and discussion with the Service staff have indicated that adequate information and controls can be provided from listings of disposed equipment covering the current and immediate past fiscal year. We recommend that the computer program for this activity be modified to eliminate outdated material from the listing.

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

#### LEASED EQUIPMENT

The Service maintains manual records of leased office and computer equipment consisting of (1) a control card for each item and (2) a Member's account card. The control card 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, and the rent paid. The Service does not maintain records of equipment leased with committee funds by the various committees of the House of Representatives.

The Member's account card shows the balance of the Member's or officer's leasing allowance, the items of equipment leased for the Member or officer, the rental rate, and the beginning and ending dates of the lease period.

Service records adequately account for leased equipment and provide adequate control over the dollar amount of leasing allowances.

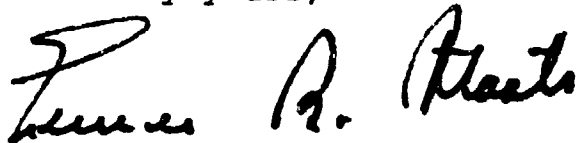
#### OFFICE EQUIPMENT SERVICE'S OPERATING COSTS

The Service's operating costs for fiscal year 1976, excluding the cost of forms obtained from the Government Printing Office and of data processing services, utilities, office furniture, and building space, which are charged to other activities, were as follows:

Administrative salaries and benefits	\$ 109,358
Operating salaries and benefits	268,826
Leasing costs	3,137,755
Depreciation of equipment	550,748
Depreciated value of equipment transferred to the General Services Administration	84,443
Repair parts	19,688
Vendor repairs	65,170
Office supplies	<u>1,649</u>
Total	<u>\$4,237,637</u>

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

Sincerely yours,



Comptroller General  
of the United States

HOUSE OF REPRESENTATIVES  
OFFICE EQUIPMENT SERVICE  
SUMMARY OF EQUIPMENT ACCOUNTS  
JULY 1, 1975, TO JUNE 30, 1976

Type	Inventory July 1, 1975 (note a)			Acquisitions			Disposals			Inventory June 30, 1976		
	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Accumulated depreciation	Net value
Addressing equipment	390	\$ 273,441	3	\$ 5,288	96	\$ 70,156	297	\$ 208,573	122,493	\$ 86,080		
Automatic typewriters	524	1,239,590	16	3,689	59	147,607	481	1,095,672	844,325	251,347		
Typewriters	6,253	2,771,912	668	431,245	304	122,701	6,617	3,080,456	1,621,366	1,459,090		
Dictating equipment	1,568	593,082	299	100,292	90	30,736	1,777	662,638	280,494	382,144		
Duplicating equipment	887	551,302	55	57,195	79	46,843	863	561,654	271,787	289,867		
Adding machines and calculators	490	165,904	121	36,770	22	13,047	589	189,627	91,712	97,915		
Miscellaneous (note b)	415	718,223	81	70,344	10	2,515	486	786,0	417,354	369,698		
<b>Total</b>	<b>10,527</b>	<b>\$6,313,454</b>	<b>1,243</b>	<b>\$704,823</b>	<b>660</b>	<b>\$433,605</b>	<b>11,110</b>	<b>\$6,584,672</b>	<b>\$3,649,531</b>	<b>\$2,935,141</b>		

a/Inventory restated for prior year adjustments.

b/Includes automatic letter openers and sealers, automatic letter folders and inserters, typing machines, delivery trucks, computer equipment, and other miscellaneous equipment.

Note: This schedule does not include leased equipment in the custody of the Office Equipment Service.