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RELEASED

Audit Of The Stationery  
Revolving Fund  
Fiscal Year 1972

B-114862

House of Representatives

**BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES**

904354  
090661

JAN. 17, 1973



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

B-114862

*JR*  
Dear Mr. Jennings:

The General Accounting Office has audited the Stationery Revolving Fund of the House of Representatives for the fiscal year ended June 30, 1972, pursuant to your request dated June 6, 1972.

GENERAL COMMENTS

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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.

The act of July 2, 1954, as amended (2 U.S.C. 46b), authorizes a stationery allowance of \$3,000 for each Member and for the Resident Commissioner from Puerto Rico 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 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 from Puerto Rico. Public Law 91-405, approved September 22, 1970, extended these allowances to the Delegate to the House of Representatives from the District of Columbia. Funds for these allowances are provided for in the annual appropriation for contingent expenses of the House of Representatives.

The stationery allowances are credited to the Members' accounts at the beginning of each session of Congress, or when new Members qualify, and may be withdrawn in cash or applied to purchases from OSS and other vendors.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 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

Our audit was made 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 OF FINANCIAL STATEMENTS

The comparative statement of assets and liabilities (sch. 1), statement of operations and retained income (sch. 2), and statement of changes in financial position (sch. 3), were prepared by us from the records of OSS. Salaries and other

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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, 1972, the results of its operations, and the changes in its financial position for the year then ended.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "James B. Axtell".

Comptroller General  
of the United States

The Honorable W. Pat Jennings  
Clerk of the House of Representatives

## HOUSE OF REPRESENTATIVES

## STATIONERY REVOLVING FUND

## COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES

JUNE 30, 1972 AND 1971

	<u>1972</u>	<u>1971</u>
ASSETS		
CASH:		
In U.S. Treasury	\$ 875,787	\$630,544
ACCOUNTS RECEIVABLE:		
Committees, officers of the House, and others	\$19,860	\$22,547
Members' stationery accounts overdrawn	576	1,304
Vendors	3,665	4,101
Contingent fund	<u>1,500</u>	<u>5,500</u>
	25,601	33,452
MERCHANDISE INVENTORY AT COST	<u>328,547</u>	<u>303,606</u>
Total assets	<u>\$1,229,935</u>	<u>\$967,602</u>
LIABILITIES AND RETAINED INCOME		
ACCOUNTS PAYABLE (note a):		
Due vendors	\$ 75,776	\$ 31,451
AMOUNT DUE MEMBERS (sch. 4)	861,088	726,861
ALLOWANCE APPROPRIATED BUT NOT ALLOTTED:		
Beginning balance	\$ -	\$ 3,000
Current year	<u>75,250</u>	<u>-3,000</u>
	75,250	-
RETAINED INCOME (sch. 2)	<u>217,821</u>	<u>209,290</u>
Total liabilities and retained income	<u>\$1,229,935</u>	<u>\$967,602</u>

<sup>a</sup>Obligations for undelivered orders amounted to \$88,941 at June 30, 1972, and \$62,535 at June 30, 1971. Fiscal year 1971 obligations for undelivered orders, amounting to \$53,909, were found subsequent to our report for fiscal year 1971 (B-114862, Nov. 17, 1971).

HOUSE OF REPRESENTATIVES  
STATIONERY REVOLVING FUND

COMPARATIVE STATEMENT OF OPERATIONS AND RETAINED INCOME

FOR FISCAL YEARS ENDED JUNE 30, 1972 AND 1971

	1972			1971		
	Merchan- dise	Services	Combined	Merchan- dise	Services	Combined
NET SALES:						
Members	\$1,290,896	\$240,044	\$1,530,940	\$1,319,361	\$234,544	\$1,553,905
Committees, of- ficers of the House, and others	<u>226,644</u>	<u>1,122</u>	<u>227,766</u>	<u>207,268</u>	<u>354</u>	<u>207,622</u>
Total	<u>1,517,540</u>	<u>241,166</u>	<u>1,758,706</u>	<u>1,526,629</u>	<u>234,898</u>	<u>1,761,527</u>
COST OF SALES:						
Beginning inven- tory	302,387 <sup>a</sup>	-	302,387 <sup>a</sup>	200,401	-	200,401
Purchases less returns and discounts	<u>1,532,227</u>	<u>241,166</u>	<u>1,773,393</u>	<u>1,618,209</u>	<u>234,898</u>	<u>1,853,107</u>
Total	1,834,614	241,166	2,075,780	1,818,610	234,898	2,053,508
Less ending inventory	<u>328,547</u>	<u>-</u>	<u>328,547</u>	<u>303,606</u>	<u>-</u>	<u>303,606</u>
Cost of sales	1,506,067	241,166	1,747,233	1,515,004	234,898	1,749,902
NET INCOME FOR THE PERIOD (note b)	<u>\$ 11,473</u>	<u>\$ -</u>	<u>\$ 11,473</u>	<u>\$ 11,625</u>	<u>\$ -</u>	<u>\$ 11,625</u>
RETAINED INCOME:						
Balance beginning period			\$ 209,290			\$ 197,665
Less prior period adjustment (note c)			<u>2,942</u>			<u>-</u>
Adjusted balance beginning of period			206,348			197,665
Add net income for period			<u>11,473</u>			<u>11,625</u>
Balance end of period (sch. 1)			<u>\$ 217,821</u>			<u>\$ 209,290</u>

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

<sup>b</sup>Fiscal year 1972 salaries of \$243,285 (\$221,748 in 1971), employee benefits of \$23,737 (\$16,717 in 1971), 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.

H O U S E    O F    R E P R E S E N T A T I V E S  
S T A T I O N E R Y   R E V O L V I N G   F U N D

S T A T E M E N T   O F   C H A N G E S   I N   F I N A N C I A L   P O S I T I O N  
F O R   T H E   F I S C A L   Y E A R   E N D E D   J U N E   3 0 ,   1 9 7 2

## FUNDS PROVIDED:

## Sales:

Members	\$1,290,896
Committees, officers of the House, and others	226,644

## Services:

Members	240,044
Committees, officers of the House, and others	1,122

Appropriation for stationery allowances	<u>1,529,500</u>
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Total	<u>\$3,288,206</u>
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## FUNDS APPLIED:

Cost of sales	1,506,067
Cost of services	241,166
Appropriation allotted	1,454,250
Increase in working capital	83,781
Prior period adjustment	<u>2,942</u>

Total	<u>\$3,288,206</u>
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## ANALYSIS OF CHANGES IN WORKING CAPITAL

## INCREASE OR DECREASE (-) IN CURRENT ASSETS:

Cash in U.S. Treasury	\$ 245,243
Accounts receivable:	
Committees, officers of the House, and others	-2,687
Members' stationery accounts overdrawn	-728
Vendors	-436
Contingent fund	-4,000
Inventory	24,941

## INCREASE (-) IN CURRENT LIABILITIES:

Accounts payable	-44,325
Amount due Members	<u>-134,227</u>

INCREASE IN WORKING CAPITAL	<u>\$ 83,781</u>
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## H O U S E O F R E P R E S E N T A T I V E S

## S T A T I O N E R Y R E V O L V I N G F U N D

## S T A T E M E N T O F M E M B E R S ' S T A T I O N E R Y A C C O U N T S

F O R T H E F I S C A L Y E A R E N D E D J U N E 3 0 , 1 9 7 2

AMOUNT DUE MEMBERS AT JULY 1, 1971		\$ 726,861
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## A D D I T I O N S :

Amount provided by Legislative Branch Appropriation Act, 1972 (Pub. L. 92-51), for 2d session, 92d Congress less unallotted appropriations	\$1,454,250	
Amount transferred from contingent fund for new Members serving parts of terms and for Members requesting additional funds	67,250	
Amount due from the contingent fund	1,500	
Cash deposits by Members	<u>526,286</u>	<u>2,049,286</u>
Total available		2,776,147

## D E D U C T I O N S :

Stationery purchases by Members	1,292,118	
Service authorized	240,511	
Cash withdrawals	381,702	
Decrease in debit balance of Members' accounts	<u>728</u>	<u>1,915,059</u>

AMOUNT DUE MEMBERS AT JUNE 30, 1972		\$ <u>861,088</u>
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W. Pat Jennings  
Clerk

Office of the Clerk  
U. S. House of Representatives  
Washington, D. C. 20515

June 6, 1972

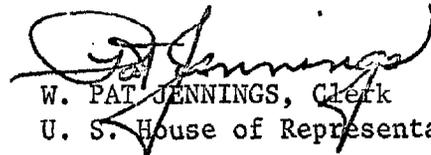
Honorable Elmer B. Staats  
Comptroller General of the United States  
General Accounting Office  
Washington, D. C.

Dear Mr. Staats:

I would be grateful if you would cause a physical inventory and audit to be made of the Office Supply Service of the House of Representatives for fiscal year 1972.

With kind regards, I am

Sincerely,

  
W. PAT JENNINGS, Clerk  
U. S. House of Representatives