Approved For Release 2002/05/14 : CIA-RDP78-05246A000100030002-0

Comptroller

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Document No. 2
No Change in Class. ☐
☐ Declassified
Class. Changed To: TS S C
Auth.: HR 70-2
Date: 22 Sep 78

9 AUG 1961

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MEMORANDUM FOR: Comptroller Financial Advisory Committee

SUBJECT : Report of Analysis of Requirements for the Office Estimates Budget Submission

REFERENCE : Committee Report dtd 16 May 61, same subject

1. Your work in reviewing the Office of the Comptroller requirements for budget information is appreciated. The report has been given serious consideration and, to the extent possible, your recommendations have been adopted. It is the feeling in this office that some of the recommendations resulted from misunderstanding or lack of communication concerning the necessity for the required data. Clarification on these points is given below and will be incorporated in the Call for Estimates for Fiscal Year 1963.

2. The following action was taken on the recommendations in paragraph 6. of your report:

a. The problem of the workload involved in summarizing basic budget data was thoroughly reviewed. Since 1950, some of the budget and accounting functions have been decentralized to the operating offices and staffs have been established to assist with the workload. The size of the central budget staff has been held to the same level. As you know, the trend in the last ten years has been towards more information on financial matters. Until we are able to place some of the increasing workload on machines, it is necessary that we distribute it between the central and operating office budget staffs. Therefore, for the time being, it is necessary that we continue having the operating budget staffs prepare the budget summaries as in the past. Actions on your specific recommendations are:

(1) Your recommendation to limit organizational data to the office level cannot be approved. In order to adequately review budget requests and budget execution data, it is necessary that this office have budget formulation data below the operating office level. In general,

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this means the first level below the office and staff; area divisions are exempt from this requirement. However, your recommendation to eliminate Form 1275, "Organizational Unit and Office Activity Relationship", is accepted since the information can be obtained from other sources.

(2) The recommendation to eliminate current year over past year requirements can be accepted only as it applies to the narrative justification in the activity presentation. Although the printed budgets returned to your offices do not reflect this information, this office compiles it in a separate book which is used by the Director and this office in answering questions submitted by the Congress and the Bureau of the Budget. During the past few years, there have been many questions concerning the current year use of funds as compared with the past year use of funds.

(3) Since the recommendation to limit organizational data to the operating office level cannot be accepted, Form 1037, "Analysis of Obligations", cannot be eliminated. Form 1037 is the only place where budget data is reflected at the first level below the office level.

(4) The objective expressed in your recommendation to consolidate the personal services data on several forms into one submission is a desirable one. However, after much study, it does not appear that this can be accomplished without the creation of an undesirable large spreadsheet. Some changes are being made in data requirements on the various forms to avoid repeating data wherever possible. The Budget Division will study this problem further to see if a more consolidated submission can be made in future years.

(5) The recommendation to eliminate Form 1277, "Schedule of Real Estate and Construction" is approved.

(6) Your recommendation to show the [redacted] on Form 1279, "Schedule of Reimbursements and Advances", and thereby eliminate [redacted]" cannot be accepted because it serves no practical value. The information has to be prepared and it is easier to place it on a special form designed for the purpose rather than improvise on another form designed for a different purpose.

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b. and c. Your recommendations concerning the narrative justification and introductory statements are being reflected in the Call for Estimates for Fiscal Year 1963.

d. This office agrees that the office of official record should furnish basic budget data; in this instance, the Office of Logistics should furnish the beginning inventory of motor vehicles. The Office of Logistics does furnish such information for budget purposes. However, the data called for on Form 1430, "Schedule of Motor Vehicle Requirements", is the estimated on hand at the beginning of the budget year. This necessitates taking the beginning inventory for the current year and having the offices adjust the figure to reflect activity anticipated during the current year. Only the office that will be buying and disposing of vehicles will have the best information concerning vehicle change plans.

e. A study leading to a machine application to the preparation of various arrangements of budget data will be undertaken as soon as practicable. Since such a study and the development of machine programs will consume a great deal of time, a target date of Fiscal Year 1964 is unrealistic. Instead, it is proposed to set a goal of machine application to personal services data for Fiscal Year 1964 with other items being added as capability is developed.

E. R. SAUNDERS
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