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TO : Management Officer

FROM : Chief, Administrative Staff

SUBJECT: Survey, Fiscal Division

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DDA Memo, 4 Apr 77

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Date: 22 Feb 78 By: 022 27

1. The subject survey dated 27 March 1950 has been reviewed with officers of the Fiscal Division and consideration given the recommendations as you have requested. Concurrences are indicated on a number of individual suggestions, however, in certain cases our appraisal of findings differs in substance from the survey. The differences of opinions are explained and supported by laws and regulations, interpretations and statistical data, or references to practical experience already gained in the nature of satisfactory performances in a "going and growing concern". In addition, our position has taken cognizance of projected trends in the growth of the Agency and the factors which affect the operations and production of the Fiscal Division.

2. In giving consideration to the survey, it is felt that in connection with certain comments the recommendations may have been based upon generalities and it is believed that a more detailed consideration should be given before arriving at a final determination. Reference to survey paragraphs with comments, follows:

Para. 4a(1)(a) - Numerous written directives have been issued for the guidance of Branch officials in the Fiscal Division. However, statements of the duties and responsibilities of each individual in the Division have not been prepared within the Division in writing for the reason that detailed statements written by the Classification Branch, Personnel Division, are available and have been reviewed by each employee in the Fiscal Office. It is believed that to attempt to prepare detailed descriptions would result in duplicating the efforts of the Classification Officer.

Para. 4b - There are three Branches within the Division where overtime has been performed since the inception of the Organization. For the purpose of commenting, a statement for each Branch is listed as follows:

Payroll: Overtime in this Branch has been necessary in filing retirement and tax reports and for heading individual earning record cards for the entire Agency and this is not considered a function to "maintain currency". No overtime would have been necessary had it not been for the reports and card preparation.

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Travel: This Branch forms a small unit in which not more than four people have been on duty and overtime was required because of a work backlog during absence or as a result of the employees on vacation and also when special reports were necessitated. Had this Branch been up to T/O strength (5), no overtime would have been required.

Fiscal Processing: The Branch performed overtime during a few weekends for the purpose of preparing documents of the predecessor organization for the Archives.

Para. 4c - It is desired to point out here, that the functions performed in the Accounts Branch are completed with the use of National Cash Register Bookkeeping Machines. The payroll process for the Agency is performed through the media of graphotype and addressograph equipment. Under the present systems employed, it is believed that all operations in the Fiscal Division which may be properly performed by machines are being completed by other than a manual process.

Para. 4e - We are in no position to comment at this time since the basis for the statement that there would be a reduction of 1500 purchase orders per year has not been established. Any proposed change should be carefully reviewed with respect to legality and a close coordination pertaining to billing procedures should be made.

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to me*  
Para. 5a - In comparing CIA organizational unit strength on the basis of average staffing standards established by the Bureau of the Budget, consideration must be given to the special requirements peculiar to this Agency. It would appear that the budgetary annual man year figure has been confused with the actual T/O to arrive at the proposed reduction in positions. In this connection, it should be noted that in any old line organization where personnel may be procured within a period of approximately two weeks, an allowance of approximately 10% is made in the T/O above the actual budgetary annual man-hour needs. In an Agency like CIA, a greater increase in the T/O is required to permit adequate staffing on the annual man hour basis. In view of the foregoing, re-consideration of the matter is necessary and possibly a re-survey of the staffing requirements should be made.

Para. 5b - While it is stated that a complete complement of personnel on duty (54) is essential to enable the Division to carry out its present mission, no allowance has been given the increase in workload in a growing agency. An increase in personnel in the Fiscal Division will be necessary as there will be an increase by more than one-fourth in Agency employees to fill the prescribed Agency T/O.

Para. 5c - See discussion under 4b above with respect to overtime. Regarding the obtaining of employees from the personnel pool, it should be remembered that fiscal technicians are very seldom available.

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Para. 6a(1)(a) - The Fiscal Division program provides for an ever increasing demand for the work of a Fiscal Inspector. This is occasioned by the need for the review of fiscal and accounting methods and principles with respect to departmental and field operations. The Fiscal Inspector's position was only recently placed under the jurisdiction of the Fiscal Division and duties may be foreseen for such an employee in the position for a minimum period of 12 months on present assignments. We fully agree that divisions within the Agency and even within the Government should cooperate by making personnel that may be spared available to others. The Fiscal Inspector has already been detailed during his short assignment in the Fiscal Division to the Finance Division for an inspection assignment even though it was difficult sparing his services for the period involved.

Para. 6b - In order to maintain Agency travel and transportation accounts in a current status, it is not possible for the T/O of the Travel Branch (consisting of 5 positions) to be reduced without jeopardizing the level of service that must be provided. This is borne out by the fact that overtime has been necessary during or as a result of absences to maintain work levels. While we concur that Travel Branch staff strength as well as other staff requirements should be generally based upon guides established by the Bureau of the Budget, adequate allowances must be made for CIA operations since they are not comparable to functions provided in average Government agencies. With respect to Bureau of the Budget staffing standards, attention is invited to "Guide for Appraisal of Staffing Requirements, Voucher Examinations Activities, Fiscal Year 1951" which states that the staffing standards are a guide not intending to set a minimum or maximum level for a staff engaged in voucher examination activities but, rather, they are to be used as a level for staffing under conditions which are usual in average Government agencies and the publication provides a measure for comparison. It is also indicated that agencies having large numbers of complex vouchers or other variables such as are met by CIA may exceed the levels provided in the publication. Certain of the peculiarities found in processing travel accounts within CIA are:

1. Abnormal number of permanent changes of station, occasioned by increasing domestic and overseas operations. (Not involved in most agencies).
2. "Repeat" travel orders. (Many trips being performed against one order thus requiring a consolidation of many trips on one account.)
3. Extended trips of long duration usually covering many points.

Another item to be taken into consideration with staffing requirements arises through the enactment of Public Law 92, 81st Congress, which permits travelers to procure advances in the amount of estimated

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per diem and this has resulted in a large portion of CIA travelers requesting advances. This necessitates preparation and processing in each instance of Standard Form #1034 and performing related accounting functions. This extra volume of work has been established in the Travel Branch and is in addition to the normal audit functions, but it was not considered at the time the budgetary estimates relating to staffing requirements for 1951 were prepared nor have the advances been counted in the number of vouchers processed.

Para. 6b(1)(a) - The Fiscal Division concurs in the recommendation that the function of procurement, stock issuances, accountability and reporting of transportation requests be transferred to the Services Division, but feels that this function is a minor step in the overall handling of Agency travel and little will actually be gained by the transfer. *Concur*

Para. 6b(1)(b) - With respect to the transfer of the travel order preparation function to the Services Division, this office feels that the preparation of such orders may be delegated to any appropriate office. However, in the opinion of the Fiscal Division, it is more economical and sound in principle to have travel directed by the Fiscal Division. This is based to a certain extent on the fact that it is a technician's job requiring familiarity with laws, executive orders, regulations, etc., pertaining to travel administration. The functions of directing travel, procuring and processing transportation requests were originally placed within the Fiscal Division, later transferred to the Services Division and subsequently, at the direction of the Executive, returned to the Fiscal Division, leaving the function of issuing and processing transportation requests in the Services Division. *OK*

Para. 6b(1)(c) - It is believed it would be an unsound business practice to place the preparation of travel vouchers in the Fiscal Division where the audit function is performed. A great number of vouchers received are in good order and require no changes or consultation. The use of a work sheet and subsequent typing by the Fiscal Division would result in duplication of claims presentation in a large number of instances. No reduction in inquiries or requests for explanations or for receipts and other supporting data can be foreseen, in the event the preparation function was assumed by the Fiscal Division. *check procedure*

Para. 6c(1)(a) - See discussions under 4c above. At present, the Accounts Branch is using National Cash Register Bookkeeping machines and it should be noted that manual postings are maintained only for administrative and statistical information purposes. The feasibility of using IBM equipment will be explored. *Cost info 20m*

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Para. 6d(1)(a) - With respect to the recommendation that the Payroll Branch be reduced by one payroll or audit clerk, attention is invited to our previous statement that the Agency is still under three-fourths of its authorized strength. Any increase in personnel obviously results in additional duties in the Payroll Branch and, generally, in other Branches within the Fiscal Division. Budgetary staffing requirements do not take into consideration the post audit of foreign pay accounts and related documents as required by this Agency. In comparing CIA with other Government agencies of similar size, the Payroll Branch has a favorable ratio of staff strength in relation to the number of employees payrolled. Moreover, in considering staff strength, greater weight must be given the work load factors in CIA which are believed to be relatively larger and more complex than in other agencies. For example, the percentage of change slips processed per pay period is 30% of the employees payrolled whereas in other agencies it is approximately 15%. The turnover of approximately 20% per year of employees payrolled is also high compared to other agencies. *cut by spec*

Para. 6d(1)(b) - Representatives from OCD, the Finance Division and the Fiscal Division discussed IBM possibilities with a representative from the company and officials in the Bureau of Public Roads (where IBM equipment used in payroll is installed). No formal proposal with respect to IBM use has been presented. *che the further*

Para. 6f(1)(a) - The messenger duties of the clerk now occupying the position are merely incidental to his regular duties of mail and file clerk and handling document distribution within the Fiscal Division. The average time applied to messenger duties outside the Agency involve approximately one hour per day. We have been informally advised that the OCD courier service can not furnish special couriers in connection with the pick-up of pay checks, travel advances and other rush items. Information was furnished, however, that OCD courier service might be available to accomplish the regular daily Treasury run but this still leaves the rush items to be handled by the Fiscal Processing Branch clerk. *ok per spec*

Para. 6f(1)(b) - This office concurs in the recommendation that the domestic postage stamp procurement and issuance function be transferred to the Services Division. Only a small amount of time has been required to carry out this function and therefore no significant effect upon the Fiscal Processing Branch work-load will be realized by the transfer of the function to the Services Division. *Concur*

Para. 6f(1)(c) - All publication items for which the Agency is charged and which are needed in the Fiscal Division are procured through OCD. Because of the close working level liaison between the Fiscal Division and representatives of the Departments of Army, Navy and State, the Treasury Department, General Accounting Office and the Bureau of the Budget, it is felt that items available from these *from the*

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activities (at no cost to the Agency) can be secured in a more expeditious manner by the Fiscal Division. It is recommended that no change be made in this type of procurement.

Para. 6f(1)(d) - Property accountability records are being maintained in an excellent manner by the Fiscal Processing Branch and no benefit can be foreseen in transferring the function to the Office of the Chief, Fiscal Division. *check further*

Para. 6f(1)(e) - All internal messenger and courier mail is opened and delivered upon receipt as is any material identified as a special item. Routine mail which includes vendors' bills, inquiries from vendors and similar documents is opened and distributed twice daily. *all below covered by*

Para. 7a(1)(a) - The Fiscal Division concurs in the recommendation that the practice of showing cumulative figures on the Allotment Advices be discontinued and that there be indicated on the advice the allotment for each quarter. However, this is a Budget Staff duty, affecting the Fiscal Division, and it is understood that the Budget Staff intends to follow the recommendation effective 1 July 1950. *Budget*

Para. 7a(1)(b) - It is felt that this is a matter of primary concern to the Budget Staff. It appears inadvisable to create an additional form to process information that can be adequately shown on an existing form. Form No. 32-5 could be revised to provide adequate features when it is issued to indicate changes in allotment.

Para. 7b(1)(a) - The Fiscal Division strongly concurs in the recommendation that Form No. 34-12, or other forms containing similar information, be distributed directly to the operating offices and that questions raised thereunder be presented to and answered directly by the Fiscal Division. Copies of all pertinent reports prepared by the Fiscal Division would be furnished the Budget Staff for budgetary and liaison use.

Para. 8a & b - Comments on items in these paragraphs have been discussed in other parts of this memorandum. ✓

3. It is felt that the present Fiscal Division T/O when filled is adequate to meet present conditions. However, an increase in T/O is requested to insure the entrance on duty of Fiscal personnel simultaneously with the incoming personnel reporting to the operating offices. It would be highly desirable if appropriate members of the Management Staff and the Fiscal Division could discuss the planned increase of the Agency so that the Fiscal Division will not suddenly find itself inadequately staffed to handle the work load as the Agency progresses towards completion of its T/O. *no*

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4. The survey and statements of functions have been well received by all concerned and it is believed the mission in general will prove most beneficial. The efforts of the Management Staff are sincerely appreciated.



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