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Approved For Release 2000/05/15 : CIA-RDP80-01370R000100120003-5

MEMORANDUM FOR: Assistant Director, Office of Central Reference

SUBJECT: Inspector General Study of CIA Library  
Procurement Policies and Procedures

1. The Comptroller comment on the recommendations proposed in the subject report, applicable to the Office of the Comptroller, are discussed in the following paragraphs.

2. Simplified Billing Procedures

a. On page 9 the report recommends that: "The CIA Librarian explore with the Office of the Comptroller and the Department of State the possibility of simplifying procedures for periodic adjustment of publications purchase funds."

b. The Office of the Comptroller agrees that a simplified billing procedure, along the lines suggested, can be implemented. Discussions with OCR and the Foreign Publications Branch, ICD, Department of State, are now in process.

3. Reservation of Funds for Research and Reference; Distribution of Charges to Other Offices

a. At the present time, the Office of Central Reference budgets for all purchases of publications, except for minor purchases made by overseas stations for station use. On page 15 the report recommends that arrangements be made ". . . to reserve CIA Library Procurement funds generally for research, reference, and background information material", and ". . . that publications purchased through the CIA Library for operational, welfare, training or other non-reference purposes be charged against appropriate accounts."

b. In regard to the first recommendation, it is to be noted that OCR prepares its budget on the basis of its own needs plus the needs of other components, and estimates developed for each Agency component are submitted to the Budget Division on a supplemental schedule. Except for this one schedule, the distinction between funds budgeted for research and reference requirements, and funds budgeted for procurement for other purposes tends to become lost. It is recognized that an accounting system could be established to reflect the intended use of books and publications as proposed

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in the Inspector General's report. Past experience in trying to achieve such objectives through accounting techniques has resulted, unfortunately, in complex, cumbersome, and costly systems. We feel that the control over the intended use of the books and publications can be more effectively and economically applied by the requisitioning officer.

c. The second recommendation was implemented effective 1 July 1959. Since that date, the Budget Division has given each operating office a cost authorization to draw against; and all issues against these authorizations are charged to an account of the requisitioning office rather than to OCR. (The IG Study refers to this authorization as a sub-allotment which is not quite accurate.) Where charges to a requisitioning office exceed the cost authorization, the requisitioning office may be required, as necessary, to provide additional funds to the OCR Library. Thus, funds programmed for research and reference are, in effect, reserved only for that purpose and each operating office must provide from its own funds for requisitions above the amount budgeted. This procedure appears to be resulting in a more careful review by each office of both its initial estimates and of its requisitions.

d. We believe the procedures outlined above achieve the intended results at a minimum cost to the Agency.

#### 4. DD/P Procedures

The second recommendation on page 16 would, in effect, require each DD/P office to provide in its own budget for operational, welfare, and other non-reference publication material. The problem of having each office budget for all the services and goods it consumes, including books and publications for any purpose, is one of the major study areas in the Comptroller's Financial Management Program. The overall objective in this study is to have each office budget for all such services and goods to the extent that the management benefit gained will be commensurate with the cost of maintaining the accounting system. Until such time as current cost experiments are tested and evaluated and final policy decisions are made, it is recommended that action on this proposal be deferred.

BNL/RLW/yvs/sms

Distribution:

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E. R. SAUNDERS  
Comptroller

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