

~~CONFIDENTIAL~~

21 JUN 1960

**MEMORANDUM FOR:** Chief, FE Division

**ATTENTION :** Chief, Support

**SUBJECT :** Financial Procedures in the Utilization of Receipts from Sale of Assets

**REFERENCE :** FE Division memorandum to Comptroller, dated 7 December 1959, Same Subject

1. We regret the delay which has inadvertently occurred in replying to reference which states that with the current development of cost procedures it has become evident that the direct utilization of proceeds from the sale of assets for approved replacements of similar items for the same project or activity should be accomplished at the Station level and requests that procedures be developed to permit the recording of these transactions in the field. From conversations with representatives of your Division, it is our understanding that motor vehicles are the property items of primary concern.

2. This matter has been given much consideration both from a financial accounting standpoint as well as with respect to the budgetary administration of reimbursements to the Agency's appropriation. The primary objection to permitting direct utilization of proceeds from sales of personal property at field station levels is that under Governmental regulations the treatment of proceeds from sales of personal property are required to be recorded as reimbursements, as opposed to re-funds, to appropriations. Therefore, the amounts involved have to be re-allotted before they are available for expenditure. To provide for such re-allotments to be made from accumulations of sales proceeds at field stations located world-wide is considered impractical as the procedures for such re-allotments would prove more complicated than the present procedures for handling the subject proceeds.

3. We feel that field stations are not penalized with respect to their funding position under current procedures which provide initial sub-allotments for property procurement to cover the net cost of motor vehicles planned for replacement since a further sub-allotment can readily be justified based upon evidence of the sales transactions. Also, when necessary, the Division's allotment can be augmented by a similar justification made to the Budget Division.

PRC	38	REV DATE	27-5-81	BY	00699
ERIC CLASS	5	REV	38	TYPE	01
JUST	22	REV CLASS	2	REV CLASS	C
		NEXT REV	2011	AUTH	HR 702

4. In view of the foregoing, we do not deem it advisable to make any change with respect to the headquarters administration and the recording of proceeds from sales of personal property involving replacement transactions.



25X1A9a

Deputy Comptroller

**Distribution:**

- Orig. & 1 - Addressee
- 1 - Signer
- 1 - Chief, Budget Division
- 1 - TAS Subject
- 1 - TAS Reading
- 1 - TAS Chrono

TAS/FWG:fmd (13 June 1960)

~~CONFIDENTIAL~~

~~SECRET~~  
- 2 -