



UNITED STATES GENERAL ACCOUNTING OFFICE
 REGIONAL OFFICE
 ROOM 204, 161 PEACHTREE STREET, N.E.
 ATLANTA, GEORGIA 30303

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Mr. Randolph Mobbs, Director
 Birmingham Disbursing Center
 Division of Disbursement, Treasury Department
 2225 3rd Avenue, North
 Birmingham, Alabama 35203

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AGC 05855

Dear Mr. Mobbs:

We have completed our review of the records pertaining to your accountability as Disbursing Officer for the period January 1, 1967, through November 30, 1970. The review was made pursuant to the Budget and Accounting Act of 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Our review, which was completed in February 1971, was directed principally toward the accounting and internal controls related to your accountability and included such tests of financial transactions as we deemed appropriate. Also, we examined and considered the audit report dated September 1970 prepared by representatives of the Audit Staff, Division of Financial Management, Bureau of Accounts, Department of the Treasury, on their audit of financial records, reports, and related operations of the Birmingham Disbursing Center.

NEED TO EVALUATE CONTINUANCE OF WORK FOR CREDIT UNION

We were informed that the Cashier Accounts Clerk and the Personnel Clerk, in his absence, accept Federal Employees Credit Union deposits and loan payments, post borrowers' pass books, and keep the collections in a specially designated Government safe until picked up by a credit union representative. The Cashier Accounts Clerk takes time out from his regular duties to perform the service. Both employees are covered by the credit union's blanket bond. The Cashier Accounts Clerk is covered by a Government position bond. This practice reportedly has been in effect since at least April 1, 1964. The current schedule you established on May 24, 1967, for credit union transactions, is as follows:

Employees - Regular tour of duty

Tuesday (after pay day) - 12:15 p.m. - 1:15 p.m.
 Wednesday (do.) - 12:15 p.m. - 2:15 p.m.

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Employees - Night shift

Wednesday

- 3:30 p.m. - 3:45 p.m.

This State-chartered credit union is a privately owned cooperative association.

In our discussions concerning the use of Government employees to transact credit union business during their regular duty hours, it was generally stated that the arrangement with the credit union was established as a benefit to the Center's management and to its employees because, otherwise, the employees would have to take annual leave to transact credit union business at another building some distance away.

We believe that, in evaluating the arrangement, consideration should be given to

- the value of the services rendered to the Center's management and to its employees,
- one of the basic objectives of Federal credit unions that they be self-supporting after their formative years, and
- discontinuing Federal assistance to the credit union if it has the ability to pay for these services.

We shall appreciate your comments as to the action taken on this matter.


Our review of accounting and internal controls and tests of transactions disclosed no deficiencies in functions related to your accountability.

Pursuant to 8 GAO 13, records of financial transactions which have been audited by the General Accounting Office and which are no longer needed for administrative requirements may be sent to the Federal Records Center for storage.

We wish to acknowledge the cooperation given our representatives during this review.

A copy of this letter is being sent to the Chief Disbursing Officer.

Very truly yours,


Regional Manager