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UNITED STATES GENERAL ACCOUNTING OFFICE

REGIONAL OFFICE

FEDERAL BUILDING, 16TH FLOOR WEST

230 SOUTH DEARBORN STREET

CHICAGO, ILLINOIS 60604

089562

7 APR 1976

Mr. Julius Berman, Regional Representative
Social Security Administration
Bureau of Retirement and Survivors Insurance
165 North Canal Street, 14th Floor
Chicago, Illinois 60606

Dear Mr. Berman:

We recently surveyed cash management practices at several Federal agencies one of which was the Chicago Program Center of the Bureau of Retirement and Survivors Insurance. We wanted to determine whether collections are deposited promptly, as required by Title 7 of the GAO manual, a practice which would decrease the need for borrowing by the U. S. Treasury and reduce interest costs to the Government.

The Chicago Program Center collects Medicare program premiums and refunds of overpayments under the Federal Old Age and Survivors Insurance program averaging about \$115,000 daily. Collections however, are not processed until the second day following receipt.

Your staff advised us that daily deposits could be accomplished with some changes in procedures.

A concerted practice of daily deposit by Program Centers and other Federal agencies could help immensely to reduce the borrowing burden on the U. S. Treasury. We would appreciate being advised of the corrective actions you carried out.

A copy of this report is being sent to the Acting Director, Bureau of Retirement and Survivors Insurance, Baltimore, Maryland, to consider what actions may be needed to promote prompt deposit of collections by all Program Centers.

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Thank you for the cooperation extended to our representatives during the survey.

Sincerely yours,

W. J. Schad

W. J. Schad
Acting Regional Manager