

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
Washington 25, D. C.

May 20, 1963

BUDGET PROCEDURES MEMORANDUM NO. 189

TO: Division Chiefs

FROM: Assistant Director for Budget Review

SUBJECT: Review of overseas offices and missions (Bulletin No. 63-13)

1. Purpose. Bureau of the Budget Bulletin No. 63-13 requires a special review of offices and missions abroad by all civilian agencies. This memorandum sets forth (a) an interpretation of the Bulletin with respect to contractors abroad and (b) internal procedures for carrying out the requirements of the Bulletin.

2. Interpretation of Bulletin. Questions have been raised regarding the applicability of the Bulletin to payments under certain arrangements with contractors, including research and development contracts with private firms and institutions, contracts with supply organizations of other governments, and contracts with attorneys for the defense of law suits abroad.

The key words for the interpretation at this point are those in the first paragraph of section 4 of the Bulletin: ". . . where U.S. contractor personnel . . . are stationed to provide services under continuing U.S. Government direction" (underscoring supplied). Where the contractor is providing services which are intended to be responsive to U.S. Government needs from week to week and month to month, as in the case of a NASA tracking station, the activity is reportable under the Bulletin. Where a contractor is responsible for providing a completed product, proceeding largely at his own pace, as in the case of a research contract intended to accomplish a specific mission or to cover a specific number of tests, the activity is not reportable. In most cases, a contract with an agency of another government would not be reportable, since it will be assumed that such an agency does not respond on a continuing basis to U.S. Government direction. Of course, any case where one or more U.S. Government employees are stationed is reportable, regardless of whether there are contracts or contractor personnel at the same station.

3. Responsibilities for internal review. Each division is responsible for evaluating the reports under the Bulletin for agencies or parts of agencies regularly assigned to it, and for making recommendations as to further action to be taken. The International Division (Strait) will advise divisions concerning the need for consultation with the State Department on foreign policy implications of proposed actions, and will coordinate such consultation where needed. The Office of Management and Organization (Jasper) will advise divisions on questions of responsibility between agencies and coordination among them. The

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Office of Budget Review (Spears) will provide, or obtain, advice to divisions on all other problems concerning the submissions. The Office of Budget Review (Rockelli) will also compile summary tables of agency totals, as required.

In the case of the "selected agencies" listed in paragraph 2 of the Bulletin, the International Division is responsible for making the necessary procedural arrangements with those agencies, with advice as may be needed from others in the Bureau and subject to clearance with the Office of Budget Review for consistency with procedures for other civilian agencies.

4. Routing of agency reports. All copies of the agency reports will be routed to the division responsible for the agency concerned. One copy each should be rerouted to Mr. Strait, Mr. Jasper, and Miss Spears.

5. Review of agency reports. Reports submitted by the agencies should be critically examined as to the need for, and size and cost of, the office or mission, considering both the program requirements and the balance-of-payments situation. Hearings should be held as necessary, and a searching inquiry should be made into all possibilities for actions which might reduce the Government's net payments abroad. For the purposes of this review, great weighting should be attached to the balance-of-payments factor and relatively lesser to normal program factors.

Advice should be obtained as indicated in section 2, as deemed necessary by the division except that Mr. Strait should be consulted in all cases concerning the need for State Department consultation.

6. Report to the Director. A report to the Director, in memorandum form, should be prepared for each agency subject to the requirements of the Bulletin and should cover all overseas offices and missions of the agency. This memorandum should be accompanied by a summary table (or tables), in the form of the attachment to this memorandum.

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Where there are a significant number of offices and missions abroad, the summary should be broken down by regions, (in addition to the summary for the agency as a whole) distinguishing: Latin America, Europe, the Far East, the Near East and South Asia, and Africa (following State Department jurisdictions). In such a breakdown, missions to international organizations abroad should be placed in the geographic region where the mission is actually located.

The memorandum should indicate what actions were proposed by the agency as a result of its review and their effect on authorized strength, on the balance of payments, on total costs of the office or mission, and on total budgetary costs. It should further indicate the additional possibilities for reducing payments abroad which have been identified in the Bureau's evaluation, the recommendations of the division and of others in the Bureau with respect

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to such possibilities, the agency viewpoint as determined in hearings and conferences, and the probable consequences of taking further action in each such instance. Where further action is recommended, an appropriate letter to the head of the agency should also be prepared by the division and forwarded with the memorandum.

The memorandum should be forwarded to the Director not later than July 1, 1963, through the Office of Management and Organization, the Office of Budget Review, and Assistant Director Hansen. For agencies covered by the preview, division staff should be prepared to report on the status of the special review at the Director's Review on the preview. Any policy questions or issues pending at the time of the Director's Review on the June 15 submissions required by Circular No. A-58 should be included in the material prepared for that review. Extra copies of the memorandum and letter should be provided for Mr. Hansen, the Office of Budget Review, and the International Division.

Attachment

ATTACHMENT to
B.P. Memorandum No. 189

REVIEW OF OVERSEAS OFFICES AND MISSIONS

[NAME OF AGENCY]

SUMMARY - TOTAL [OR . . . REGION]

	<u>Agency report</u>	<u>Division recommendation</u>
1. Number of offices and missions		
2. Employment:		
a. Total authorized strength		
b. Current employment		
c. Increase planned for 1964		
3. Costs or obligations:		
a. Total annual costs, 1963		
b. Portion of 3a entering into the balance of payments		
c. Increase planned for 1964		
d. Portion of 3b entering into the balance of payments		

Budget

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D. C.

BULLETIN NO. 63-13

May 10, 1963

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Offices and missions abroad

1. Purpose and significance. In view of the importance to our balance of payments of limiting U.S. Government expenditures abroad, this Bulletin provides for a special review and controls with respect to offices and missions outside the United States, its territories and possessions. It is imperative that all agencies of the Federal Government minimize their payments and maximize their receipts which enter into the U.S. balance of payments. Bureau of the Budget Circular No. A-58 sets forth policies and procedures for management and control systems in this regard. This Bulletin supplements that Circular with respect to offices and missions abroad.

2. Procedures applicable to selected agencies. The following agencies will work out immediately, with concurrence of staff of the Bureau of the Budget, a procedure for a special review of personnel and other needs for their offices and missions abroad: The Department of State, the Agency for International Development, the Peace Corps, and the United States Information Agency. Such a review will provide for a further critical evaluation of the need for, and size and cost of, each office and mission abroad, taking into account the objectives and purposes of the agency and the importance of minimizing net payments abroad. The review is to be initiated as soon as possible and completed by June 30, with appropriate action undertaken at or before the completion of the review. It is expected that the review will bring about a further reduction in the net international payments of the United States.

Pending the completion of the foregoing review, it is requested that each of the agencies named refrain from establishing new offices or missions abroad. It is also requested that, during the review, there be no expansion of the total authorized personnel strength or of the total expenditure levels abroad for the agency, unless specific concurrence is obtained from the Bureau of the Budget.

3. Procedures applicable to all other civilian agencies. The head of each civilian agency, other than those named in section 2, is requested to forward to the Bureau of the Budget by June 3 a report on offices and missions abroad. Such a report is to include factual data and evaluations as outlined herein. The reports will become the subject

*Bob [unclear]
by [unclear]
2-9 [unclear]*

of hearings, conferences, or other reviews by the Bureau of the Budget to assure that all possible actions are being taken to minimize the balance-of-payments costs of maintaining offices and missions abroad.

A separate report, following the attached format, will be submitted, in five copies, for each existing or proposed office or mission. Individual reports need not be held for a single submission; they may be submitted as they are completed, but the report for the last office or mission to be covered must be submitted by the date specified above.

Pending the completion of the review provided for in this section and its evaluation in the Bureau of the Budget, it is requested that no new offices or missions be established, and that no expansion of existing offices or missions abroad take place. This part of the instruction will remain in effect until 30 days after the agency has completed its submission of reports under the Bulletin to the Bureau of the Budget.

4. General instructions. For the purposes of this Bulletin, an office or mission abroad is considered to exist in any case where U.S. Government personnel are stationed, or are assigned for tours of duty of more than six months, outside the United States, its territories and possessions. An office or mission abroad is also considered to exist in any case where U.S. contractor personnel (whether U.S. nationals or nationals of other countries) are stationed to provide services under continuing U.S. Government direction.

Employees stationed abroad who are paid from allocation accounts will be reported by the agency administering the parent appropriation account, and will be considered to be a part of the office or mission abroad of that agency.

In the case of reimbursements between agencies, both agencies should report the obligations involved; the receiving agency should include an additional entry to deduct the reimbursements from its total obligations.

No special review is required in those cases where more than 90 percent of the cost of the office or mission is financed from U.S.-owned currencies of the eight countries designated in Bulletin No. 63-3 as excess currency countries for fiscal year 1964.

KERMIT GORDON
Director

Attachment

REPORT ON REVIEW OF OFFICES AND MISSIONS ABROAD

Date: _____

Department or Agency _____ Service or Bureau _____

Location: Country _____

City, Province, etc. _____

Purpose of office or mission:

[Indicate succinctly the authority and reason for maintaining the office or mission. Explain the benefits derived by the United States from this activity in this location.]

Personnel:

[Provide an organizational chart, showing authorized positions by title and grade, indicating vacancies and distinguishing between nationals of the United States and those of other countries. Describe any expansion proposed for 1964.]

Accomplishments of office or mission:

[State succinctly the accomplishments of the office or mission during the past 12 months. Each agency should be prepared to produce, upon request by Bureau of the Budget examiners, a file of the program reports from the office or mission for the past 12 months.]

Annual costs:

[Show the annual costs or obligations, by object class if possible, giving two columns therefor, one on the total cost to the Government, and the other on the portion of cost entering into the balance of payments as defined in Bureau of the Budget Circular No. A-58. Identify separately the annual costs of any expansion proposed for 1964.]

Evaluation of alternatives and tentative conclusions:

[Indicate the alternatives which have been considered for accomplishing the purposes with less burden on our net payments abroad. For example, evaluate the possibilities of accomplishing the purposes through U.S.-based offices. Explain any important considerations not included above which seem, in the view of the agency, to require that the office or mission be continued. If the evaluation leads to the conclusion that the office should be continued, indicate what reduction can be expected in personnel and in costs entering into the balance of payments.]

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EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D. C.



BULLETIN NO. 63-8

October 30, 1962

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Charges for Government services - Increases in costs due to Public Law 87-793

Attention is invited to the necessity of promptly reviewing and revising existing fees and charges for services in the light of increases in costs which result from the "Postal Services and Federal Employees Salary Act of 1962" (Public Law 87-793).

Bureau of the Budget Circular No. A-25 requires that "where a service (or privilege) provides special benefits to an identifiable recipient above and beyond those which accrue to the public at large, a charge should be imposed to recover the full cost to the Federal Government of rendering that service." In arriving at the cost, salaries and related benefits (Government contributions to life insurance and retirement funds, etc.) of personnel must be considered. The increases in postal rates are another factor which may also affect some fees and charges.

Agencies should promptly amend their 1964 Budget submissions to reflect increases in receipts expected to result from revisions of fees because of the circumstances outlined above.

DAVID E. BELL
Director

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Not applicable to CIA.
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Should this not go to DD/S immediately. We have computed costs for GSA and other services and should advise
[Signature]

Completed 7/10/61

Handwritten initials and a large letter 'D' in a box.

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D. C.

BULLETIN NO. ⁵ 63-7

October 10, 1962

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Increased use of economical airplane accommodations for official travel

It is necessary to emphasize again the importance of avoiding the use of first class air accommodations for official travel.

At the request of the Bureau of the Budget, the General Accounting Office has made an analysis of more than 80,000 travel vouchers. This analysis showed that first class accommodations were used on two thirds of these flights although the standard regulations providing for use of less costly accommodations had been in effect for more than a year when these trips were made. While improvement has been made during the past year in agency practices the overall results are not yet satisfactory.

The head of each department and agency is requested to issue new and clear instructions placing strong emphasis on the responsibility of officials and employees to avoid the use of first-class air accommodations when more economical transportation will serve the Government's needs adequately. Procedures should be adopted to see that these objectives are carried out in all organizational units. These instructions and procedures should include all categories of persons who travel on official orders, including consultants, and employees' families, as well as those classes of uniformed and civilian personnel not expressly subject to the Standardized Government Travel Regulations. In addition, travel by personnel of cost-type contractors should be brought in line with agencies' practices regarding travel by Government employees.

The Standardized Government Travel Regulations do not make it mandatory to use other than first-class air travel accommodations. The reason is that a variety of compelling circumstances may arise which may require a traveler to book first-class travel in the Government's interest. However, this flexibility is intended to be used sparingly and only for good and sufficient reasons, rather than as a general loophole. In making travel arrangements, Government officials and employees are expected to adhere to the highest standards of responsibility and propriety.

There is plainly no reason why any department or agency cannot use other than first-class air accommodations for more than 50 percent of its authorized travel, and most departments and agencies should be able to achieve a far higher figure.

For your information, the Bureau of the Budget itself has adopted the following internal guidelines:

1. Accommodations less than first class are the standard for Bureau use.
2. Reservations should be made at least a week in advance.
3. Secretaries when making reservations for staff will request accommodations less than first class.
4. Aides in field establishments assisting Bureau travelers are to be told accommodations less than first class are desired.
5. Consultants and personnel on detail to the Bureau will be informed of this Bureau policy.

Department and agency representatives should be prepared to provide information at budget hearings as to internal controls and procedures for carrying out these instructions.

DAVID E. BELL
Director

- 1 - Comptroller
- 1 - Budget
- 1 - T A S
- 1 - Gen. Counsel
- 1 - O - O S / S
- 1 - Fiscal
- 1 - Finance
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3 - Audit - 11/20/62

1 - Central Processing 11/23/62

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D. C.

BULLETIN NO. 63-5

September 7, 1962

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Management Bulletin: Progress in Measuring Work

1. Purpose. This Bulletin provides for the initial distribution to Federal agencies of a Management Bulletin dealing with various approaches to the measurement of work and with applications in Federal agencies. The publication is intended to inform managers and operating and staff personnel about proven uses and new developments. Special attention is given to the potential of broad productivity measures for Federal programs.

2. Distribution. One copy of the Management Bulletin is attached (only to initial distribution of Bulletin No. 63-5). It is suggested that agencies arrange to obtain additional copies, sufficient to make the publication reasonably available to employees who should have an interest in the subject treated.

Each executive department and independent establishment desiring additional copies should designate one office to determine a reasonable distribution of copies throughout its bureaus and offices. The designated offices should, by October 1, 1962, submit in writing to the Publications Unit, Bureau of the Budget, the total requirement for additional copies for their respective agencies. After October 1, the Bureau of the Budget will distribute its available copies (3,000), adjusting the orders as may be necessary to assure equitable distribution of this supply. Agencies desiring still more copies, and individuals wishing to have personal copies, may purchase them directly from the Superintendent of Documents.

DAVID E. BELL
Director

Attachment