

JUL 2 1952

MEMORANDUM FOR: Acting Deputy Director (Administration)
FROM: Acting Assistant Director (Personnel)
SUBJECT: CIA Employee Welfare Fund

1. **PROBLEM:** To explore the feasibility of broadening the scope of the Central Intelligence Group Welfare Fund.

2. **ASSUMPTIONS:**

a. The furnishing of welfare-type activities or services to members of the Agency is highly desirable.

b. No other non-appropriate funds activity of the Agency will be in a position to furnish welfare-type services for members of the Agency.

3. **FACTS BEARING ON THE PROBLEM:**

a. On 20 February 1947 a memorandum was issued appointing a committee to draft a constitution and by-laws for a welfare fund. At the conclusion of this effort, a memorandum dated 3 June 1947 was issued appointing members of the Welfare Fund Committee. (Copies of both memorandums attached as Tab A). The stated purposes of the fund, as contained in the rules and regulations, was "to render financial assistance to employees of CIG for emergency purposes." The rules and regulations provided for loans to newly appointed employees and to employees who, through emergency causes, required financial assistance. (Copy of the rules and regulations attached as Tab B).

b. Government Services, Inc. advanced the sum of \$500.00 to the Fund as initial working capital. GSI was requested to assist the Fund in view of the cafeteria franchise it held for Q Building. Subsequently GSI agreed to donate to the Fund 10% of the net profits resulting from the operation of cafeterias for CIA employees, and effective 1 January 1950, agreed to donate a portion of the gross income from cafeterias operated for the benefit of CIA members. (See Tab C). At this time approximately \$1400.00 has been accumulated through this division of profits. The Fund is now on deposit with the CIA Federal Credit Union,

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with Messrs. Edward R. Saunders and [REDACTED] authorized to make withdrawals.

c. When the CIA Federal Union was established the Fund ceased making small loans to employees. At the present time, expenditures are limited to defraying the cost of bonding of Agency personnel who are Notaries Public for the benefit of all Agency members.

4. DISCUSSION:

a. The old CIG Employee Welfare Fund continues to exist under CIA although its present scope is extremely limited. While it met the needs existing at that time, there now exists a need for a type of welfare activity which is somewhat broader in its concept. Appropriated funds are not legally expendable for such items as flowers or "get well" cards for employees who are ill, or floral gifts to the spouse of a deceased member. These and similar activities on the part of the Agency do much toward engendering good employee morale and the feeling that the Agency is solicitous of the personal welfare of the individual. In rare instances, there may be occasion to advance funds to an employee or his family faced with indigency even without the prospect of repayment.

b. Government Services, Inc. undoubtedly will continue its policy of voluntary donations to welfare societies of federal employees so long as it enjoys the privilege of operating cafeterias within federal areas. This will represent a source of income for the Fund so long as GSI realizes a net income. The actual yearly donations are not susceptible to estimate by this Agency but nevertheless represent a potential source of revenue.

c. The Fund need not be entirely dependent upon the donations from GSI. Other money-raising schemes are possible with a minor expenditure of time and effort. The Office of the Chief of Engineers of the Department of the Army has replenished its welfare fund periodically by cash raffles. Participation by the Fund in periodic sales of cookies, candies and cakes by GSI represents another potential source of income.

d. The newly formed Potomac Recreation Association will require financial assistance in its program for providing recreational facilities and equipment to CIA members. While

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this association is to be operated without specific reference to CIA its purposes are compatible with the general concept of welfare activities. Financial aid from the CIA Employee Welfare Fund would do much toward assuring the success of this venture.

e. The Federal Personnel Council has no hesitancy in urging federal agencies to provide welfare-type activities for federal employees. Close control of funds by top management is considered essential, however, and designated, rather than elected, administrators are preferred.

5. CONCLUSIONS:

a. The continuance of the CIA Employee Welfare Fund on a broader scope under CIA is both desirable and necessary.

b. The Fund has a reasonable prospect of income necessary to operate effectively.

c. The purposes of the Fund should be restated in more general terms so as to encompass welfare, health, safety, and recreational activities generally.

d. The Fund should function as the overall welfare organization of the Agency and contribute as liberally as possible to the Potomac Recreation Association in support of the activities of that group.

e. The administrators of the Fund should be designated rather than elected.

6. RECOMMENDATIONS: It is recommended that

a. The Deputy Director (Administration) designate a committee of three to administer the CIA Employee Welfare Fund. It is suggested that either the Personnel Director or his Deputy be designated as Chairman of the Committee. It is further suggested that the Comptroller and the Special Assistant to the ADD/A be designated as the other two members. It is further suggested that the Auditor be made responsible for such audits of the books and records of the Fund as may be determined to be necessary.

b. The designated Committee draft a restatement of the purposes of the Fund and the rules and regulations by which administration of the fund will be governed, such restatement be submitted for your approval.

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c. An appropriate announcement be made of the reconstituted committee and the general purposes of the Fund.

SIGNED

MATTHEW BAIRD

3 Attachments

Tab A
Tab B
Tab C

OPD:CWC: (1 Jul 52)

Distribution:

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Reading

ACTION BY APPROVING AUTHORITY:

Approved:

~~Disapproved:~~

Exceptions (See Memo dtd 11
Jul 52 to A-AD/P
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Date: _____

L. K. WHITE
Acting Deputy Director
(Administration)

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