

Comptroller

7 February 1952

Deputy Comptroller

Proposed Policy and Support Relationships between [redacted] and Its Principal Sponsor

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1. In accordance with the conference held in your Office on 5 February 1952, I called [redacted] with respect to the attached and advised him that we agree with the general principals of his conclusions and recommendations. I pointed out, however, that as now written the full amount of the proposed Contingency Fund could be utilized on any one of the budgetary segments, and that I suggested that consideration should be given to placing a percentage limitation on the amount that each budget limitation can be exceeded without prior approval. In other words, although there would be a Contingency Fund established, the [redacted] could only exceed any one divisional budget limitation at their own discretion by an established percentage of 10, 15, or 20 percent or whatever might be considered equitable.

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2. I also pointed out to [redacted] that his proposal provides that [redacted] must submit budget revisions to CIA for authorization, and that while it appears that it is intended that this be on a post-approved basis for any such revisions which are within the amount of the Contingency Fund, this point is not entirely clear and it raises the question as to what procedure will be followed in the event such post review results in a disapproval.

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3. [redacted] agreed that these were questions that should be considered and that it would be his intention to prepare a memorandum per [redacted] suggestion to the DD/A which would only describe proposed general principals, and that details such as those which I have commented on would be discussed and decided upon at a subsequent date after the general principals have received approval.

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Attachment

Signer's Copy

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5. It seems to me that until steps are taken such as described above, each report will be handled somewhat differently and without a positive course of action.



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Attachment

1st Inc.

28 December 1951

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Forwarded for your review and consideration. Please discuss with Deputy Comptroller at your convenience.

E. R. SAUNDERS
Comptroller

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