

Approved For Release 2000/05/15 : CIA-RDP80-01370R000100120001-7



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CENTRAL INTELLIGENCE AGENCY
OFFICE OF CENTRAL REFERENCE

9 March 1960

MEMORANDUM FOR: Inspector General
THROUGH : Deputy Director/Intelligence
SUBJECT : CIA Library Procurement Procedure
REFERENCE : IG memorandum to the DD/I, dated 1 Dec. 1959,
transmitting the Report

1. The "Inspector General's Study of CIA Library Procurement Policies and Procedures" has been reviewed by OCR, DD/P, and the Comptroller.

2. We find the report accurate and well presented, and are in general agreement with the recommendations made therein. Reported below are specific actions taken or planned in response to the recommendations. These comments are the coordinated views of the Comptroller, DD/P and OCR:

Recommendation, page 9:

The CIA Librarian explore with the Office of the Comptroller and the Department of State the possibility of simplifying procedures for periodic adjustment of publications purchase funds.

Comment:

OCR and the Office of the Comptroller agree that a simplified billing procedure, along the lines suggested, can be implemented. OCR has initiated discussions with the Comptroller's Office and the Department of State. Simplified procedures are being developed.

Recommendations (a) and (c), page 15:

In collaboration with the Comptroller, the Assistant Director for Central Reference arrange to reserve CIA Library procurement funds generally for research, reference, and background information material; and, The Deputy Director (Plans) and the Deputy Director (Support) insure that publications purchased through the CIA Library for operational, welfare, training, or other non-reference purposes be charged against appropriate accounts.

DOC 1 REV DATE 26-5-81 BY 06199
ORIG COMP 38 TYPE 01
Approved For Release 2000/05/18 : CIA-RDP 80-01370R000100120001-7
JUST 22 NEXT REV 2011 AUTH: NR 70-2

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Comments:

Costs for all publications are charged to a special allotment account in OCR which the Comptroller establishes on the basis of estimates submitted to the Budget Division by Agency components. Beginning 1 July 1959, costs incurred during the year are charged to appropriate cost centers (requisitioning offices), according to procedures set up in the Comptroller's "Financial Improvement Instruction No. 4". Under this system DD/P components are able to indicate (on Form 1395) what cost account is to be charged. Individual accounts will generally not confuse charges for operational, welfare, training or other non-reference purposes with those for reference materials. Confusion will still result in cases where a special operational account is short of funds and funds from a regular account are tapped to acquire publications which are for operational use. The cases where this happens will, however, remain few in number and are insufficient justification for complicating accounting procedures.

While DD/P can thus furnish data showing what amounts are spent on publications for operational vs. reference purposes, the records of OCR and DD/S will not make this distinction. OCR prepares its budget on the basis of its own needs plus the needs of other components, and estimates developed from each Agency component are submitted to the Budget Division on a supplemental schedule. Except for this one schedule, the distinction between funds budgeted for research and reference requirements, and funds budgeted for procurement for other purposes tends to become lost. While an accounting system could be established to reflect the intended use of

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publications, the result would be unduly complex, cumbersome and costly. We feel that control over the intended use of publications can be more effectively and economically applied by the requisitioning offices.

Recommendation (b), page 15:

The Deputy Director (Plans) instruct field installations that minor and routine purchases of publications required abroad should be made locally from funds available to [REDACTED]

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Comment:

This is already the general practice where needed publications are locally available, and the DD/P does not believe additional instructions are necessary. AD/CR will, however, re-emphasize this point in the OCR notice on Library functions and procedures, suggested in Recommendation (c), page 16.

Recommendation (a), page 16:

The Deputy Director (Plans) designate a liaison point to which the Library may turn for discussion of procurement, assistance in preparing guide-type requirements, and coordination of other Library matters. This liaison point should be in the Intelligence Staff recommended in the Inspector General's Survey of the DD/P Headquarters dated July 1959, or in an appropriate division of the FI Staff.

Comment:

When the Operational Intelligence Support Division was reorganized, the [REDACTED] was transferred intact to the FI Staff, [REDACTED] Division. The DD/P has redesignated this [REDACTED] in FI/[REDACTED] as the liaison point to which the Library may turn. Matters beyond the competence of the [REDACTED] will be referred to the Chief, Operational Services, DD/P.

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Recommendation (b), page 16:

The Deputy Director (Plans) require each of his staffs and divisions to give careful consideration to the annual suballotment estimates requested by the Library and adjust these estimates downward to reflect the elimination of operational, welfare and other non-reference publication purchases.

Comment:

This recommendation would, in effect, require each DD/P office to provide in its own budget for operational, welfare, and other non-reference publication material. The problem of having each office budget for all the services and goods it consumes, including books and publications for any purpose, is one of the major study areas in the Comptroller's Financial Management Program. The over-all objective of this study is to have each office budget for all such services and goods to the extent that the management benefit gained will be commensurate with the cost of maintaining the accounting system. Hence, while DD/P is willing to adopt this recommendation, the Comptroller and OCR propose to defer action until such time as current cost experiments are tested and evaluated.

Recommendation (c), page 16:


The CIA Librarian prepare for general dissemination an Agency notice which explains the role and functions of the CIA Library, emphasizing its dual capacity as a research and reference center, and as a purchasing agent. This notice should stress the economies of petty cash purchases abroad, should define the difference between orders chargeable to the Library account and those chargeable against other accounts, and should be distributed both at CIA Headquarters and [REDACTED]

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Comment:

Agree. A draft initial notice has been prepared (see attached copy).
As methods for costing acquisitions are changed or other circumstances
warrant, supplementary notices will be circulated.


PAUL A. BOREL
Assistant Director
Central Reference

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Attachment

Concurrences:


Signed by

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for Edward H. Saunders
Comptroller

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Chief, Operational Services, ID/P


Robert Amory, Jr.
Deputy Director/Intelligence