

AUTHORIZING REVISION OF THE PROCEDURES EMPLOYED IN THE  
ADMINISTRATION OF CERTAIN TRUST FUNDS ADMINISTERED  
BY THE VETERANS' ADMINISTRATION

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MAY 25 (legislative day, MARCH 29), 1950.—Ordered to be printed

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Mr. GEORGE, from the Committee on Finance, submitted the following

## R E P O R T

[To accompany S. 3582]

The Committee on Finance, to whom was referred the bill (S. 3582) to authorize revision of the procedures employed in the administration of certain trust funds administered by the Veterans' Administration, having considered the same, report favorably thereon without amendment, and recommend that the bill do pass.

### PURPOSE OF BILL

The purpose of the proposed bill is to authorize the revision of the procedures presently employed by the Veterans' Administration in the administration of the following-described trust funds:

(1) *Personal funds of patients*.—This fund consists of moneys belonging to patients in Veterans' Administration stations, which funds are held for safekeeping, and are payable to such patients upon demand.

(2) *Funds due incompetent beneficiaries*.—This fund consists of moneys belonging to incompetent veterans who are maintained by the Government of the United States in an institution which, if not expended for their benefit, will be returned to them upon recovery or paid in accordance with applicable laws in the event of death.

### EFFECT OF BILL

Would establish a form of special-deposits account under these two trust funds for each Veterans' Administration station into which all collections would be deposited and thereafter be immediately available to the depositing station for disbursing purpose. It would no longer be necessary to transfer deposits in such trust funds to Washington. Will eliminate a large volume of certificates of deposit which are now received and processed in the Veterans' Administration Control

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Accounts Service. Will eliminate task of accounting for collections from all field stations and reconciling with the corresponding certificates of deposit picked up by the Treasury Department which would result in a saving to the Veterans' Administration in personnel and tabulating-machine time now required for this purpose. Would make funds available to the veteran within a matter of hours instead of 2 to 4 weeks time required under present procedure.

### PRESENT PROCEDURE

Funds received at field stations of Veterans' Administration for deposit in the two trust funds must be covered into the Treasury of the United States in the same manner as other general receipts. It is necessary that such funds be reappropriated to the Veterans' Administration by warrant, requisitioned by the Central Disbursing Office of the Treasury Department, and thereafter transferred back to the regional disbursing office of the Treasury Department serving the particular station of the Veterans' Administration to which the funds are made available for disbursing purposes.

### APPROVAL OF BILL

The bill has been coordinated with the Department of the Treasury, the General Accounting Office, and the Bureau of the Budget and is recommended by the Veterans' Administration.

The report of the Administrator of Veterans' Affairs on this bill, addressed to the President of the Senate, is as follows:

MAY 8, 1950.

Hon. ALBEN W. BARKLEY,  
*President of the Senate, Washington 25, D. C.*

DEAR MR. PRESIDENT: Transmitted herewith is a draft of bill entitled "A bill to authorize revision of the procedures employed in the administration of certain trust funds administered by the Veterans' Administration," with a request that it be introduced and considered for enactment.

The purpose of the proposed bill is to authorize the revision of the procedures presently employed by the Veterans' Administration in the administration of the following-described trust funds:

(1) *Personal funds of patients.*—This fund consists of moneys belonging to patients in Veterans' Administration stations, which funds are held for safe-keeping, and are payable to such patients upon demand.

(2) *Funds due incompetent beneficiaries.*—This fund consists of moneys belonging to incompetent veterans who are maintained by the Government of the United States in an institution which, if not expended for their benefit, will be returned to them upon recovery or paid in accordance with applicable laws in the event of death.

Under existing law, all funds received at field stations for deposit to the aforementioned trust funds must be covered into the Treasury of the United States in the same manner as other general receipts. It is necessary that such funds be reappropriated to the Veterans' Administration by warrant, requisitioned by the Central Disbursing Office of the Treasury Department and thereafter transferred back to the regional disbursing office of the Treasury Department serving the particular station to which the funds are made available for disbursing purposes.

The proposed legislation contemplates that each regional disbursing officer would establish a form of special-deposits account under these two trust funds for each Veterans' Administration station into which all collections would be deposited and thereafter be immediately available to the depositing station for disbursing purposes.

Under the proposed legislation it would no longer be necessary to transfer deposits in such trust funds to Washington. This would eliminate a large

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volume of certificates of deposit which are now received and processed in the Veterans' Administration Control Accounts Service. The task of accounting for the collections from all field stations and reconciling with the corresponding certificates of deposit picked up by the Treasury would be eliminated with a resultant saving to the Veterans' Administration in personnel and tabulating-machine time now required for this purpose.

Under the proposed legislation funds received at field stations for deposit in these two trust funds would be available within a matter of hours for disbursing purposes. Under present procedures there is a lapse of from 2 to 4 weeks between the time funds are received for deposit by the agent cashier and the time at which the money for disbursing purposes resulting from these deposits becomes available to the field station. The proposed method would eliminate the delays which now occur occasionally at small hospitals where a patient deposits a substantial amount of money with the agent cashier, is released from the hospital a few days later, and is unable to obtain either cash or a check for the amount he has on deposit because the station does not have a sufficient balance in its account with the disbursing officer to cover the amount due.

In view of the foregoing, it is apparent that enactment of the proposed legislation would facilitate payments from the mentioned trust funds and reduce the cost of administrative action required under existing law.

The proposal has been coordinated with the Department of the Treasury and the Comptroller General and in its present form incorporates certain suggestions made by each.

Advice has been received from the Bureau of the Budget that there would be no objection to the presentation of the draft bill to the Congress for its consideration.

Sincerely yours,

CARL R. GRAY, Jr., *Administrator.*

