Text as published on gao.gov, https://www.gao.gov/products/b-117566, archived 2026-08-26. GAO published no original file for this decision. Rendered by Comptroller Desk.

B-117566 April 29, 1959

Number: B-117566

Date: 1959-04-29

B-117566 April 29, 1959

Mr. James Ring, Executive Director National Capital Housing Authority

Dear Mr. Ring:

Your letter of April 17, 1959, requested our opinion concerning a proposal to establish a checking account for use in prepaying court costs and fees. This matter was also the subject of your letter of October 28, 1953, which you subsequently requested to be withdrawn because of your decision to use a revolving petty cash fund for such purpose.

Your letters indicate that suits are presently filed only in the Municipal Court for the District of Columbia and consist of actions for possession of leased promises, or actions in debt, against tenate and ex-tenants of the Authority's housing properties. The amount of such costs are charged against the tenant's account, and ultimately recouped in the great majority of cases. The Authority has been of the opinion that its tenants against whom legal action is required should bear the normal legal fees similar to what would be charged if they were tenants of private landlords. The Authority also feels that the payment of such costs and fees and the recoupment thereof from the tenante is in the best interest of the public agencies concerned and actually facilitates the operation by the Authority of its low-rent housing program.

You state that the use of the petty cash fund has not been a satisfactory and set out the following basic changes occurring since the fund was originally established:

The fee of the United Sates Marshel for service of process is now $1.00 per defendant, contrasted with $0.50 at that time.

The volume of such cases filed by the Authority has substantially doubled: in fiscal 1953, 2645 were filed in Municipal Court while the total in fiscal 1958 increased to 5163.

The Municipal Court has ordered, effective May 1, 1959, that the fee payable to the Court for the filing of each Landlord and Tenant action be increased from $0.50 tp $2.00.

"Stated otherwise, we have moved from a situation involving $1.00 per case for about 2600 cases per year to one involving $3.00 per cases for about 5100 cases. Moreover, the number of dwelling units operated by the Authority has increased roughly 1300 in the part eighteen months, and can be expected to increase by

over 1100 in the next year."

Since the most practical solution appears to be the use of a checking account in a private bank, you propose authorization of such an account in an amount not to exceed $5,000 with initial deposit of approximately $31,000, the amount to be retained, of course, being subject to analysis based upon experience. In the circumstances here involved, we have no objection from either an accounting or audit viewpoint to your proposal provided that appropriate control procedures can be developed covering disbursements from the checking account.

We therefore approve the proposal subject to your obtaining the approval of the Secretary of the Treasury as required by law. See sections 492, 495, 521, and 867, of title 31, United States Code.

Sincerely yours,

Joseph Campbell Comptroller General of the United States