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B-87636 August 4, 1949

Number: B-87636

Date: 1949-08-04

B-87636 August 4, 1949

The Honorable The Secretary of Commerce

My dear Mr. Secretary:

Reference is made to your letter of July 6, 1949, stating that a delivery truck belonging to your Department was damaged to the extent of $400 or $500 in a collision with a privately-owned truck and that the insurance company representing the owner of the privately-owned truck has offered (1) to replace your Department's truck with a vehicle of equal condition, prior to collision, and of equal or less ages or (2) to make a cash settlement equal to the cost of replacement of the vehicle.

The said lotter further states that:

"Your decision is requested as to whether or not the Weather Bureau may legally accept the first proposition, which would appear to be to the advantage of the Weather Bureau since the amount of the cash settlement would presumably have to be deposited to the credit of 'Miscellaneous Receipts' unless it can be considered as 'proceeds of the sale; of old equipment under authority of Section 6 of the Act of August 2, 1946 (60 Stat. 808) and the amount applied to the purchase of a new book. Your decision on that point is also requested."

Regarding your question concerning a settlement under which the insurance company would replace the damaged vehicle with a vehicle of equal value prior to the collision, you are advised that this Office preceives no objection is the acceptance of such offer.

With respect to the question as to the application of moneys recovered as damages on account of an accident toward the purchase price of replacement equipment, it was hold in 26 Comp. Gen. 618, quoting from the syllabus, that:

"The recovery of damages on account of an accident between a Government- owned Vehicle as contemplated by sectin 8 of the administrative expense statute of August 2, 1946, pursuant to which exchange allowances of proceeds of sales may be applied in whole or in part payment toward ther purchases price of new vehicles; instead, the amount recovered should be deposited and covered into the Treasury as miscellaneous receipts as required by section 3617, Revised Statutes."

Your questions are answered accordingly,

Sincerely yours,

Comptroller General of the United States