

COMMENTARY

THE TYRANNY OF ACCOUNTING – AND A PLEA FOR REASON



We would like to call attention to the fallacy of an accounting system that is frequently used, particularly where there are large research machines or facilities being operated with funds deriving from more than one major program. Fortunately, the system is not yet universally applied, but we understand that wherever government funds are involved the *pressure* to have this system adopted is universal. We contend that where it is applied it creates more havoc than is generally acknowledged.

The system to which we refer says, in effect, “We admit that this reactor is going to be running in order to service the other users and that it really costs no more to absorb the excess neutrons in your sample than it does to absorb them in our control rods, but nevertheless you can’t irradiate your sample unless you pay us.” The wording could be revised to fit an accelerator, a ^{60}Co irradiation room, or any large device of which the operating costs are not strongly dependent on the work load, once a financial threshold has been exceeded.

We contend that this out-of-one-pocket-into-the-other approach stifles research and accomplishes nothing. Research projects having only little financial support are prevented from using such facilities because of the high cost. This means relatively few users among whom to spread the total cost of operating the device. This results in high charges per remaining user, which, in turn, eventually eliminate more users at the bottom of the financial totem pole. The result is a spiralling strangulation which makes the facility less and less useful until finally no user is left who can afford to pay the entire cost of the device out of his own research program.

Even before this unhappy state is reached, how many man-hours are spent in book-keeping! Each project has to request and receive sufficient funds to pay for its share of the time used. Someone has to spend a lot of time keeping track of the usage, project by project, compiling monthly (or weekly! or daily!!) breakdowns, forwarding these to the accounting department, which, in turn, bills the various accounts and notifies the budget people if and when a particular project appears to be approaching the limit of its allotted share.

How much simpler, more logical, and more productive it would be to decide at a high level in a policy-making group that a given research facility is or is not worthy of running, and then, if the decision is to run, to supply all of the necessary operating funds as a lump sum. The facility would then be open to internal users “free-of-charge” on either a first-come-first-served basis, a rotation basis, or a system of priorities determined by the relative importance of the intended work but *not* on the highly artificial system of whether the user had enough money in his particular budget to pay for the requested usage. Perhaps the bookkeepers that this would displace could be put to work tabulating research data!

It will be argued that the proposed system is unprincipled in that it abandons control over the type of work that is done in the big facility and opens the door to trivial unnecessary usage. This need not and should not be the case. The decision to run or not to run can and should be based on an overall review (at the high policy-making level) of the total work accomplished as a result of the operation of the facility. Let the person responsible for its operation compile an annual list of the research accomplishments which the various users report to him as having been made possible by virtue of the usage which each made of the device, and let the policy-making body review this list. This will provide for greater, rather than lesser, control of the device and its usage, because it is not always easy or possible to say that this one-hour usage that I want to undertake is really worth the \$100 or so that it is going to cost me to do it, but it is much easier to look at a list of accomplishments and see that nowhere in this list is there anything of real significance or consequence—nothing that can really justify the expenditure of the kind of money that it takes to operate the device. Conversely, if, happily, the list of results does include a gratifying number of sound accomplishments, what does it matter if the list also includes some experiments which were exploratory and unsuccessful or which, in retrospect, can be judged to be trivial? The device would not have cost significantly less to run if perfect judgement and foresight had prevented this extra usage.

It will also be argued that the taxpayer is being cheated unless the full costs of operation are “recovered” by making each individual user pay for his own use and “his share” of the overhead. We would ask just as strongly, “When the funds are allotted to individual users rather than to the entire research device, just what is it that is being recovered? What father gives his children money with which to pay him back for their room and board in the family’s house?”

The important point is that the capital investment in a large device can be justified best if the device is used to the fullest extent possible within a framework which evaluated on a broad basis the overall real accomplishments made possible by it. Such full usage will never occur with a drop-your-quarter-in-the-slot accounting procedure.

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