

APPENDIX B--EXCERPTS FROM TITLE 31, UNITED STATES CODE

“MONEY AND FINANCE”

SUBTITLE II - THE BUDGET PROCESS

CHAPTER 11 - THE BUDGET AND FISCAL, BUDGET, AND PROGRAM INFORMATION

31 UNITED STATES CODE 1104 BUDGET AND APPROPRIATIONS AUTHORITY OF THE PRESIDENT

§ 1104. Budget and appropriations authority of the President

“(a) The President shall prepare budgets of the United States Government under section 1105 of this title and proposed deficiency and supplemental appropriations under section 1107 of this title. To the extent practicable, the President shall use uniform terms in stating the purposes and conditions of appropriations.

(b) Except as provided in this chapter, the President shall prescribe the contents and order of statements in the budget on expenditures and estimated expenditures and statements on proposed appropriations and information submitted with the budget and proposed appropriations. The President shall include with the budget and proposed appropriations information on personnel and other objects of expenditure in the way that information was included in the budget for fiscal year 1950. However, the requirement that information be included in the budget in that way may be waived or changed by joint action of the Committees on Appropriations of both Houses of Congress. This Subsection does not limit the authority of a committee of Congress to request information in a form it prescribes.

(c) When the President makes a basic change in the form of the budget, the President shall submit with the budget information showing where items in the budget for the prior fiscal year are contained in the present budget. However, the President may change the functional categories in the budget only in consultation with the Committees on Appropriations and on the Budget of both Houses of Congress. Committees of the House of Representatives and Senate shall receive prompt notification of all such changes.

(d) The President shall develop programs and prescribe regulations to improve the compilation, analysis, publication, and dissemination of statistical information by executive agencies. The President shall carry out this subsection through the Administrator for the Office of Information and Regulatory Affairs in the Office of Management and Budget.

(e) Under regulations prescribed by the President, each agency shall provide information required by the President in carrying out this chapter. The President has access to, and may inspect, records of an agency to obtain information.”

31 UNITED STATES CODE 1105 BUDGET CONTENTS AND SUBMISSION TO CONGRESS

§ 1105. Budget contents and submission to Congress

“(a) On or after the first Monday in January but not later than the first Monday in February of each year, the President shall submit a budget of the United States Government for the following fiscal year. Each budget shall include a budget message and summary and supporting information. The President shall include in each budget the following:

- (1) information on activities and functions of Government.
- (2) when practicable, information on costs and achievements of Government programs.
- (3) other desirable classifications of information.
- (4) a reconciliation of the summary information on expenditures with proposed appropriations.
- (5) except as provided in subsection (b) of this section, estimated expenditures and proposed appropriations the President decides are necessary to support the Government in the fiscal year for which the budget is submitted and the 4 fiscal years after that year.
- (6) estimated receipts of the Government in the fiscal year for which the budget is submitted and the 4 fiscal years after that year under--
 - (A) laws in effect when the budget is submitted; and
 - (B) proposals in the budget to increase revenues.
- (7) appropriations, expenditures, and receipts of the Government in the prior fiscal year.
- (8) estimated expenditures and receipts, and appropriations and proposed appropriations, of the Government for the current fiscal year.
- (9) balanced statements of the--
 - (A) condition of the Treasury at the end of the prior fiscal year;
 - (B) estimated condition of the Treasury at the end of the current fiscal year; and
 - (C) estimated condition of the Treasury at the end of the fiscal year for which the budget is submitted if financial proposals in the budget are adopted.
- (10) essential information about the debt of the Government.

- (11) other financial information the President decides is desirable to explain in the practicable detail the financial condition of the Government.
- (12) for each proposal in the budget for legislation that would establish or expand a Government activity or function, a table showing--
- (A) the amount proposed in the budget for appropriation and for expenditure because of the proposal in the fiscal year for which the budget is submitted; and
 - (B) the estimated appropriation required because of the proposal for each of the 4 fiscal years after that year that the proposal will be in effect.
- (13) an allowance for additional estimated expenditures and proposed appropriations for the fiscal year for which the budget is submitted.
- (14) an allowance for unanticipated uncontrollable expenditures for that year.
- (15) a separate statement on each of the items referred to in section 301(a)(1)-(5) of the Congressional Budget Act of 1974 (2 U.S.C. 632(a)(1)-(5)).
- (16) the level of tax expenditures under existing law in the tax expenditures budget (as defined in section 3(a)(3) of the Congressional Budget Act of 1974 (2 U.S.C. 622(a)(3))) for the fiscal year for which the budget is submitted, considering projected economic factors and changes in the existing levels based on proposals in the budget.
- (17) information on estimates of appropriations for the fiscal year following the fiscal year for which the budget is submitted for grants, contracts, and other payments under each program for which there is an authorization of appropriations for that following fiscal year when the appropriations are authorized to be included in an appropriation law for the fiscal year before the fiscal year in which the appropriation is to be available for obligation.
- (18) a comparison of the total amount of budget outlays for the prior fiscal year, estimated in the budget submitted for that year, for each major program having relatively uncontrollable outlays with the total amount of outlays for that program in that year.
- (19) a comparison of the total amount of receipts for the prior fiscal year, estimated in the budget submitted for that year, with receipts received in that year, and for each major source of receipts, a comparison of the amount of receipts estimated in that budget with the amount of receipts from that source in that year.
- (20) an analysis and explanation of the differences between each amount compared under clauses (18) and (19) of this subsection.
- (21) a horizontal budget showing--

(A) the programs for meteorology and of the National Climate Program established under section 5 of the National Climate Program Act (15 U.S.C. 2904);

(B) specific aspects of the program of, and appropriations for, each agency; and

(C) estimated goals and financial requirements.

(22) a statement of budget authority, proposed budget authority, budget outlays, and proposed budget outlays, and descriptive information in terms of --

(A) a detailed structure of national needs that refers to the missions and programs of agencies (as defined in section 101 of this title); and

(B) the missions and basic programs.

(23) separate appropriation accounts for appropriations under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) and the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 801 et seq.).

(24) recommendations on the return of Government capital to the Treasury by a mixed ownership corporation (as defined in section 9101(2) of this title) that the President decides are desirable.

(25) a separate appropriation account for appropriations for each Office of Inspector General of an establishment defined under section 11(2) of the Inspector General Act of 1978.

(26) an analysis, prepared by the Office of Management and Budget after consultation with the chairman of the Council of Economic Advisors, of the budget's impact on the international competitiveness of United States business and the United States balance of payments position and shall include the following projections, based upon the best information available at the time, for the fiscal year for which the budget is submitted--

(A) the amount of borrowing by the Government in private credit markets;

(B) net domestic savings (defined as personal savings, corporate savings, and the fiscal surplus of state and local governments);

(C) net private domestic investment;

(D) the merchandise trade and current accounts;

(E) the net increase or decrease in foreign indebtedness (defined as net foreign investment); and

(F) the estimated direction and extent of the influence of the Government's borrowing in private credit markets on United States dollar interest rates and on real effective exchange rate of the United States dollar.

(27) a separate statement of the amount of appropriations requested for the Office of National Drug Control Policy and each program of the National Drug Control Program.

(28) a separate statement of the amount of appropriations requested for the Office of Federal Financial Management.

(b) estimated expenditures and proposed appropriations for the legislative branch and the judicial branch to be included in each budget under subsection (a)(5) of this section shall be submitted to the President before October 16 of each year and included in the budget by the President without change.

(c) The President shall recommend in the budget appropriate action to meet an estimated deficiency when the estimated receipts for the fiscal year for which the budget is submitted (under laws in effect when the budget is submitted) and the estimated amounts in the Treasury at the end of the current fiscal year available for expenditure in the fiscal year for which the budget is submitted, are less than the estimated expenditures for that year. The President shall make recommendations required by the public interest when the estimated receipts and estimated amounts in the Treasury are more than the estimated expenditures.

(d) When the President submits a budget or supporting information about a budget, the President shall include a statement on all changes about the current fiscal year that were made before the budget or information was submitted.

(e)(1) The President shall submit with materials related to each budget transmitted under subsection (a) on or after January 1, 1985, an analysis for the ensuing fiscal year that shall identify requested appropriations or new obligational authority and outlays for each major program that may be classified as a public civilian capital investment program, and for each major program that may be classified as a military capital investment program, and shall contain summaries of the total amount of such appropriations or new obligational authority and outlays for public civilian capital investment programs and summaries of the total amount of such appropriations or new obligational authority and outlays for military capital investment programs. In addition, the analysis under this paragraph shall contain --

(A) an estimate of the current service levels of public civilian capital investment and of military capital investment and alternative high and low levels of such investments over a period of ten years in current dollars and over a period of five years in constant dollars;

(B) the most recent assessment analysis and summary, in a standard format, of public civilian capital investment needs in each major program area over a period of ten years;

(C) an identification and analysis of the principle policy issues that affect estimated public civilian capital investment needs for each major program; and

(D) an identification and analysis of factors that affect estimated public civilian capital investment needs for each major program, including but not limited to the following factors:

(i) economic assumptions;

(ii) engineering standards;

(iii) estimates of spending for operation and maintenance;

(iv) estimates of expenditures for similar investments by State and local governments; and

(v) estimates of demand for public services derived from such capital investments and estimates of the service capacity of such investments.

To the extent that any analysis required by this paragraph relates to any program for which Federal financial assistance is distributed under a formula prescribed by law, such analysis shall be organized by State and within each State by major metropolitan area if data are available.

(2) For purposes of this subsection, any appropriation, new obligational authority, or outlay shall be classified as a public civilian capital investment to the extent that such appropriation, authority, or outlay will be used for the construction, acquisition, or rehabilitation of any physical asset that is capable of being used to produce services or other benefits for a number of years and is not classified as a military capital investment under paragraph (3). Such assets shall include (but not be limited to)--

(A) roadways or bridges,

(B) airports or airway facilities,

(C) mass transportation systems,

(D) waste water treatment or related facilities,

(E) water resources projects,

(F) hospitals,

(G) resource recovery facilities,

(H) public buildings,

- (I) space or communications facilities,
- (J) railroads, and
- (K) federally assisted housing.

(3) For purposes of this subsection, any appropriation, new obligational authority, or outlay shall be classified as a military capital investment to the extent that such appropriation, authority, or outlay will be used for the construction, acquisition, or rehabilitation of any physical asset that is capable of being used to produce services or other benefits for purposes of national defense and security for a number of years. Such assets shall include military bases, posts, installations, and facilities.

(4) Criteria and guidelines for use in the identification of public civilian and military capital investments, for distinguishing between public civilian and military capital investments, and for distinguishing between major and non-major capital investment programs shall be issued by the Director of the Office of Management and Budget after consultation with the Comptroller General and the Congressional Budget Office. The analysis submitted under this subsection shall be accompanied by an explanation of such criteria and guidelines.

(5) For purposes of this subsection--

(A) the term “construction” includes the design, planning, and erection of new structures and facilities, the expansion of existing structures and facilities, the reconstruction of a project at an existing site or adjacent to an existing site, and the installation of initial and replacement equipment for such structures and facilities;

(B) the term “acquisition” includes the addition of land, sites, equipment, structures, facilities, or rolling stock by purchase, lease-purchase, trade, or donation; and

(C) the term “rehabilitation” includes the alteration of or correction of deficiencies in an existing structure or facility so as to extend the useful life or improve the effectiveness of the structure or facility, the modernization or replacement of equipment at an existing structure or facility, and the modernization of, or replacement of parts for, rolling stock.

(f) The budget transmitted pursuant to subsection (a) for a fiscal year shall be prepared in manner consistent with the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985 that apply to that and subsequent fiscal years.”

31 UNITED STATES CODE 1106 SUPPLEMENTAL BUDGET ESTIMATES AND CHANGES

§ 1106. Supplemental budget estimates and changes

“(a) Before July 16 of each year, the President shall submit to Congress a supplemental summary of the budget for the fiscal year for which the budget is submitted under section 1105(a) of this title. The summary shall include--

(1) for that fiscal year--

(A) substantial changes in or reappraisals of estimates of expenditures and receipts;

(B) substantial obligations imposed on the budget after its submission;

(C) current information on matters referred to in section 1105(a)(8) and (9)(B) and (C) of this title, and

(D) additional information the President decides is advisable to provide Congress with complete and current information about the budget and current estimates of the functions, obligations, requirements, and financial condition of the United States Government.

(2) for the 4 fiscal years following the fiscal year for which the budget is submitted, information on estimated expenditures for programs authorized to continue in future years, or considered mandatory, under law; and

(3) for future fiscal years, information on estimated expenditures of balances carried over from the fiscal year for which the budget is submitted.

(b) Before July 16 of each year, the President shall submit to Congress a statement of changes in budget authority requested, estimated budget outlays, and estimated receipts for the fiscal year for which the budget is submitted (including prior changes proposed for the executive branch of the Government) that the President decides are necessary and appropriate based on current information. The statement shall include the effect of those changes on the information submitted under section 1105(a)(1)-(14) and (b) of this title and shall include supporting information as practicable. The statement submitted before July 16 may be included in the information submitted under subsection (a)(1) of this section.

(c) Subsection (f) of section 1105 shall apply to revisions and supplemental summaries submitted under this section to the same extent that such subsection applies to the budget submitted under section 1105(a) to which such revisions and summaries relate.”

31 UNITED STATES CODE 1107 DEFICIENCY AND SUPPLEMENTAL APPROPRIATIONS

§ 1107. Deficiency and supplemental appropriations

“The President may submit to Congress proposed deficiency and supplemental appropriations the President decides are necessary because of laws enacted after submission of the budget or that are

in the public interest. The President shall include the reasons for the submission of the proposed appropriations and the reasons the proposed appropriations were not included in the budget. When the total proposed appropriations would have required the President to make a recommendation under section 1105(c) of this title if they had been included in the budget, the President shall make a recommendation under that section.”

31 UNITED STATES CODE 1108 PREPARATION AND SUBMISSION OF APPROPRIATIONS REQUESTS TO THE PRESIDENT

§ 1108. Preparation and submission of appropriations requests to the President

"(a) In this section (except subsections (b)(1) and (e)), “agency” means a department, agency, or instrumentality of the United States Government.

(b)(1) The head of each agency shall prepare and submit to the President each appropriation request for the agency. The request shall be prepared and submitted in the form prescribed by the President under this chapter and by the date established by the President. When the head of the agency does not submit a request by that date, the President shall prepare the request for the agency to be included in the budget or changes in the budget or as deficiency and supplemental appropriations. The President may change agency appropriation requests. Agency appropriation requests shall be developed from cost-based budgets in the way and at times prescribed by the President. The head of the agency shall use the cost-based budget to administer the agency and to divide appropriations or amounts.

(2) An officer or employee of an agency in the executive branch may submit to the President or Congress a request for legislation authorizing deficiency or supplemental appropriations for the agency only with the approval of the head of the agency.

(c) The head of the agency shall include with an appropriation request submitted to the President a report that the statement of obligations submitted with the request contains obligations consistent with section 1501 of this title. The head of the agency shall support the report with a certification of the consistency and shall support the certification with records showing that the amounts have been obligated. The head of the agency shall designate officials to make the certifications, and those officials may not delegate the duty to make the certifications. The certifications and records shall be kept in the agency--

- (1) in a form that makes audits and reconciliations easy; and
- (2) for a period necessary to carry out audits and reconciliations.

(d) To the extent practicable, the head of the agency shall--

(1) Provide information supporting the agency's budget request for its missions by function and subfunction (including the mission of each organizational unit of the agency); and

(2) relate the agency's programs to its missions.

(e) Except as provided in subsection (f) of this section, an officer or employee of an agency (as defined in section 1101 of this title) may submit to Congress or a committee of Congress an appropriation estimate or request, a request for an increase in that estimate or request, or a recommendation on meeting the financial needs of the Government only when requested by either House of Congress.

(f) (Not applicable to DoD)

(g) amounts available under law are available for field examination of appropriation estimates. The use of the amounts is subject only to regulations prescribed by the appropriate standing committees of Congress.”

31 UNITED STATES CODE 1112 FISCAL, BUDGET, AND PROGRAM INFORMATION

§ 1112. Fiscal, budget, and program information

“(a) In this section, “agency” means a department, agency, or instrumentality of the United States Government except a mixed-ownership Government corporation.

(b) In cooperation with the Comptroller General, the Secretary of the Treasury and the Director of the Office of Management and Budget (OMB) shall establish and maintain standard data processing and information systems for fiscal, budget, and program information for use by agencies to meet the needs of the Government, and to the extent practicable, of State and local governments.

(c) The Comptroller General

(1) in cooperation with the Secretary, the Director of OMB, and the Director of the Congressional Budget Office (CBO), shall establish, maintain, and publish standard terms and classifications for fiscal, budget, and program information of the Government, including information on fiscal policy, receipts, expenditures, programs, projects, activities, and functions;

(2) when advisable, shall report to Congress on those terms and classifications, and recommend legislation necessary to promote the establishment, maintenance, and use of standard terms and classifications by the executive branch of the Government; and

(3) in carrying out this subsection, shall give particular consideration to the needs of the Committees of Appropriations and on the Budget of both Houses of Congress, the Committee on Ways and Means of the House, the Committee on Finance of the Senate, and the CBO.

- (d) Agencies shall use the standard terms and classifications published under subsection (c)(1) of this section in providing fiscal budget, and program information to Congress.
- (e) In consultation with the President, the head of each executive agency shall take actions necessary to achieve to the extent possible--
- (1) consistency in budget and accounting classifications;
 - (2) synchronization between those classifications and organizational structure; and
 - (3) information by organizational unit on performance and program costs to support budget justifications.
- (f) In cooperation with the Director of the CBO, the Comptroller General, and appropriate representatives of State and local governments, the Director of OMB (to the extent practicable) shall provide State and local governments with fiscal, budget, and program information necessary for accurate and timely determination by those governments of the impact on their budgets of assistance of the United States Government.”

EXCERPTS FROM CHAPTER 13, TITLE 31, UNITED STATES CODE

“MONEY AND FINANCE”

SUBTITLE II - THE BUDGET PROCESS

CHAPTER 13 - APPROPRIATIONS

SUBCHAPTER I - GENERAL

31 UNITED STATES CODE 1301 APPLICATION

§ 1301. Application

- “(a) Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.
- (b) The reappropriation and diversion of the unexpended balance of an appropriation for a purpose other than that for which the appropriation was originally made shall be construed and accounted for as a new appropriation. The unexpended balance shall be reduced by the amount to be diverted.
- (c) An appropriation in a regular, annual appropriation law may be construed to be permanent or available continuously only if the appropriation--

(1) is for rivers and harbors, lighthouses, public buildings, or the pay of the Navy and Marine Corps; or

(2) expressly provides that it is available after the fiscal year covered by the law in which it appears.

(d) A law may be construed to make an appropriation out of the Treasury or to authorize making a contract for the payment of money in excess of an appropriation only if the law specifically states that an appropriation is made or that such a contract may be made.”

SUBCHAPTER II - TRUST FUNDS AND REFUNDS

31 UNITED STATES CODE 1321 TRUST FUNDS

§ 1321. Trust funds

“(a) The following are classified as trust funds:

- (1) Philippine special fund (custom duties).
- (2) Philippine special fund (internal revenue).
- (3) Unclaimed condemnation awards, Dept. of Treasury.
- (4) Naval reservation, Olangapo civil fund.
- (5) Armed Forces Retirement Home Trust Fund.
- (6) Return to deported aliens of passage money collected from steamship companies.
- (7) Vocational Rehabilitation, special fund.
- (8-11) Library of Congress - trust funds.
- (12) Relief and Rehabilitation, Longshoremen's and Harbor Workers' Compensation Act.
- (13) Cooperative work, Forest Service.
- (14) Wages and effects American Seamen, Dept. of Commerce.
- (15-16) St. Elizabeth's Hospital.
- (17-19) National Park Service, donations.

- (20) Indian monies.
- (21) Funds of Federal prisoners.
- (22) Commissary Funds, Federal prisons.
- (23) Pay of Navy, deposit funds.
- (24) Pay of Marine Corps, deposit funds.
- (25) Pay of Army, deposit funds.
- (26) Lincoln birthplace.
- (27) Flood control, Mississippi River.
- (28) Flood control, Sacramento River.
- (29) Effects deceased employees, Dept. of Treasury.
- (30) Effects of patients, Public Health Service.
- (31) Effects of deceased employees, Dept. of Commerce.
- (32) Topographic survey, contributions.
- (33-34) National Institutes of Health, gift funds.
- (35) Patients' deposits, U.S. Marine Hospital, Carville.
- (36) Estates deceased personnel, Department of Army.
- (37) Effects of deceased personnel, Department of Interior.
- (38) Fredericksburg and Spotsylvania Battlefields memorial fund.
- (39) Petersburg Military Park.
- (40) Gorgas laboratory quotas.
- (41) Contributions, boundary commission U.S. and Mexico.
- (42) Salvage proceeds, American vessels.
- (43) Wages due American seamen.

- (44) Federal Industrial Institution for Women, chapel.
- (45) General Post funds, National Homes, Dept of V.A.
- (46) Repatriation of American seamen.
- (47-48) Expenses, public survey.
- (49) Contributions, Alaska roads.
- (50) Protective works Lake of Woods/Rainy River, Minn.
- (51) Washington redemption fund.
- (52-58) District of Columbia funds.
- (59) Repealed.
- (60) Music auditorium, Library of Congress.
- (61) Bequest Gertrude Hubbard.
- (62) Puerto Rico special fund (Internal Revenue).
- (63) Miscellaneous trust funds, Department of State.
- (64) Improvement funds contributed (name of river or harbor).
- (65) Improvement funds, advanced (name of river or harbor).
- (66) Funds contributed for Indian projects.
- (67) Trust funds Indian tribes.
- (68) Ships stores profits, Navy.
- (69) Completing Surveys within Railroad land grants.
- (70) Memorial to Women of World War, contributions.
- (71) Memorial to John Ericsson.
- (72) Red Cross Building, contributions.

- (73) Estate of decedents, Dept. of State Trust Fund.
 - (74) Funds due Incompetent Beneficiaries, Dept of V. A.
 - (75) Promote Education of Blind.
 - (76) Fort Sill road paving.
 - (77) Bequest, museum and library - Army Surgeon General.
 - (78) Contributed, flood control (river, harbor or project).
 - (79) Matured obligations, District of Columbia.
 - (80) Promote Education of Blind, interest.
 - (81) Repealed.
 - (82) Post-Vietnam era Veterans Education Acct., Dept of V. A.
 - (83) U. S. Government Life Insurance Fund, Dept of V. A.
 - (84) Estates of deceased soldiers, U.S. Army.
 - (85-86) District of Columbia funds.
 - (87) Expenses Smithsonian Trust.
 - (88) Civil Service Retirement and Disability Fund.
 - (89) Canal Zone Retirement and Disability Fund.
 - (90) Foreign Service Retirement and Disability Fund.
- (b) Amounts (except amounts received by the Comptroller of the Currency and the Federal Deposit Insurance Corporation) that are analogous to the funds named in subsection (a) of this section and are received by the United States Government as trustee shall be deposited in an appropriate trust fund account in the Treasury. Amounts accruing to these funds (except to the trust fund "Soldiers' Home, Permanent Fund") are appropriated to be disbursed in compliance with the terms of the trust. Expenditures from the trust fund "Soldiers' Home, Permanent Fund" shall be made only under annual appropriations. Those appropriations are authorized to be made."

SUBCHAPTER III - LIMITATIONS, EXCEPTIONS, AND PENALTIES

31 UNITED STATES CODE 1341 LIMITATIONS ON EXPENDING AND OBLIGATING AMOUNTS

§ 1341. Limitations on expending and obligating amounts

“(a)(1)An officer or employee of the United States Government or of the District of Columbia government may not--

(A) make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation;

(B) involve either government in a contract or obligation for the payment of money before an appropriation is made unless authorized by law;

(C) make or authorize an expenditure or obligation of funds required to be sequestered under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985; or

(D) involve either government in a contract or obligation for the payment of money required to be sequestered under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

(2) This subsection does not apply to a corporation getting amounts to make loans (except paid in capital amounts) without legal liability of the United States Government.

(b) An article to be used by an executive department in the District of Columbia that could be bought out of an appropriation made to a regular contingent fund of the department may not be bought out of another amount available for obligation.”

31 UNITED STATES CODE 1342 LIMITATION ON VOLUNTARY SERVICES

§ 1342. Limitation on voluntary services

“An officer or employee of the United States Government or of the District of Columbia government may not accept voluntary services for either government or employ personal services exceeding that authorized by law except for emergencies involving the safety of human life or the protection of property. This section does not apply to a corporation getting amounts to make loans (except paid in capital amounts) without legal liability of the United States Government. As used in this section, the term "emergencies involving the safety of human life or the protection of property" does not include ongoing, regular functions of government the suspension of which would not imminently threaten the safety of human life or the protection of property.”

31 UNITED STATES CODE 1349 ADVERSE PERSONNEL ACTIONS

§ 1349. Adverse personnel actions

“(a) An officer or employee of the United States Government or of the District of Columbia government violating section 1341(a) or 1342 of this title shall be subject to appropriate administrative discipline including, when circumstances warrant, suspension from duty without pay or removal from office.”

b) An officer or employee who willfully uses or authorizes the use of a passenger motor vehicle or aircraft owned or leased by the United States Government (except for an official purpose authorized by section 1344 of this title) or otherwise violates section 1344 shall be suspended without pay by the head of the agency. The officer or employee shall be suspended for at least one month, and when circumstances warrant, for a longer period or summarily removed from office.”

31 UNITED STATES CODE 1350 CRIMINAL PENALTY

§ 1350 Criminal penalty

“An officer or employee of the United States Government or of the District of Columbia government knowingly and willfully violating section 1341(a) or 1342 of this title shall be fined not more than \$5000, imprisoned for not more than 2 years, or both.”

31 UNITED STATES CODE 1351 REPORTS OF VIOLATIONS

§ 1351. Reports on violations

“If an officer or an employee of an executive agency or an officer or employee of the District of Columbia government violates section 1341(a) or 1342 of this title, the head of the agency or the Mayor of the District of Columbia, as the case may be, shall report immediately to the President and Congress all relevant facts and a statement of actions taken.”

EXCERPTS FROM CHAPTER 15, TITLE 31, UNITED STATES CODE

CHAPTER 15 - APPROPRIATION ACCOUNTING

SUBCHAPTER I -- GENERAL

31 UNITED STATES CODE 1501 DOCUMENTARY EVIDENCE REQUIREMENT FOR GOVERNMENT OBLIGATIONS

§ 1501. Documentary evidence requirement for Government obligations

“(a) An amount shall be recorded as an obligation of the United States Government only when supported by documentary evidence of--

(1) a binding agreement between an agency and another person (including an agency) that is--

(A) in writing, in a way and form, and for a purpose authorized by law; and

(B) executed before the end of the period of availability for obligation of the appropriation or fund used for specific goods to be delivered, real property to be bought or leased, or work or service to be provided;

(2) a loan agreement showing the amount and terms of repayment;

(3) an order required by law to be placed with an agency;

(4) an order issued under a law authorizing purchases without advertising--

(A) when necessary because of a public exigency;

(B) for perishable subsistence supplies; or

(C) within specific monetary limits;

(5) a grant or subsidy payable--

(A) from appropriations made for payment of, or contributions to, amounts required to be paid in specific amounts fixed by law or under formulas prescribed by law;

(B) under an agreement authorized by law; or

(C) under plans approved consistent with and authorized by law;

(6) a liability that may result from pending litigation;

(7) employment or services of persons or expenses of travel under law;

(8) services provided by public utilities; or

(9) other legal liability of the Government against an available appropriation or fund.

(b) A statement of obligations provided to Congress or a committee of Congress by an agency shall include only those amounts that are obligations consistent with subsection (a) of this section.”

31 UNITED STATES CODE 1502 BALANCES AVAILABLE

§ 1502. Balances available

“(a) The balance of an appropriation or fund limited for obligation to a definite period is available only for payment of expenses properly incurred during the period of availability or to complete contracts properly made within that period of availability and obligated consistent with section 1501 of this title. However, the appropriation or fund is not available for expenditure for a period beyond the period otherwise authorized by law.”

(b) A provision of law requiring that the balance of an appropriation or fund to be returned to the general fund of the Treasury at the end of a definite period does not affect the status of lawsuits or rights of action involving the right to an amount payable from the balance.

SUBCHAPTER II - APPORTIONMENT

31 UNITED STATES CODE 1511 DEFINITION AND APPLICATION

§ 1511. Definition and application

“(a) In this subchapter, “appropriations” means--

- (1) appropriated amounts;
- (2) funds; and
- (3) authority to make obligations by contract before appropriations.

(b) This subchapter does not apply to--

- (1) amounts (except amounts for administrative expenses) available--
 - (A) for price support and surplus removal of agricultural commodities; and
 - (B) under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c);
- (2) a corporation getting amounts to make loans (except paid in capital amounts) without legal liability on the part of the United States Government; and

(3) the Senate, the House of Representatives, a committee of Congress, a member, officer, employee, or office of either House of Congress, or the Office of the Architect of the Capitol or an officer or employee of that Office.”

31 UNITED STATES CODE 1512 APPORTIONMENT AND RESERVES

§ 1512. Apportionment and reserves

“(a) Except as provided in this subchapter, an appropriation available for obligation for a definite period shall be apportioned to prevent obligation or expenditure at a rate that would indicate a necessity for a deficiency or supplemental appropriation for the period. An appropriation for an indefinite period and authority to make obligations by contract before appropriations shall be apportioned to achieve the most effective and economical use. An apportionment may be reapportioned under this section.

(b)(1) An appropriation subject to apportionment is apportioned by--

- (A) months, calendar quarters, operating seasons or other time periods;
- (B) activities, functions, projects, or objects; or
- (C) a combination of the ways referred to in clauses (A) and (B) of this paragraph.

(2) The official designated in section 1513 of this title to make apportionments shall apportion an appropriation under paragraph (1) of this subsection as the official considers appropriate. Except as specified by the official, an amount apportioned is available for obligation under the terms of the appropriation on a cumulative basis unless reapportioned.

(c)(1) In apportioning or reapportioning an appropriation, a reserve may be established only--

- (A) to provide for contingencies;
- (B) to achieve savings made possible by or through changes in requirements or greater efficiency of operations; or
- (C) as specifically provided by law.

(2) A reserve established under this subsection may be changed as necessary to carry out the scope and objectives of the appropriation concerned. When an official designated in section 1513 of this title to make apportionments decides that an amount reserved will not be required to carry out the objectives and scope of the appropriation concerned, the official shall recommend the rescission of the amount in the way provided in Chapter 11 of this title for appropriation requests. Reserves established under this section shall be reported to Congress as provided in the Impoundment Control Act of 1974 (2 U.S.C. 681 et seq.).

(d) An apportionment or reapportionment shall be reviewed at least 4 times a year by the official designated in section 1513 of this title to make apportionments.”

31 UNITED STATES CODE 1513 OFFICIALS CONTROLLING APPORTIONMENTS

§ 1513. Officials controlling apportionments

“(a) The official having administrative control of an appropriation available to the legislative branch, the judicial branch, the United States International Trade Commission, or the District of Columbia government that is required to be apportioned under section 1512 of this title shall apportion the appropriation in writing. An appropriation shall be apportioned not later than the later of the following:

(1) 30 days before the beginning of the fiscal year for which the appropriation is available;
or

(2) 30 days after the date of enactment of the law by which the appropriation is made available.

(b)(1) The President shall apportion in writing an appropriation available to an executive agency (except the Commission) that is required to be apportioned under section 1512 of this title. The head of each executive agency to which the appropriation is available shall submit to the President information required for the apportionment in the form and the way and at the time specified by the President. The information shall be submitted not later than the following:

(A) 40 days before the beginning of the fiscal year for which the appropriation is available; or

(B) 15 days after the date of enactment of the law by which the appropriation is made available.

(2) The President shall notify the head of the executive agency of the action taken in apportioning the appropriation under paragraph (1) of this subsection not later than the later of the following:

(A) 20 days before the beginning of the fiscal year for which the appropriation is available; or

(B) 30 days after the date of enactment of the law by which the appropriation is made available.

(c) By the first day of each fiscal year, the head of each executive department of the United States Government shall apportion among the major organizational units of the department the

maximum amount to be expended by each unit during the fiscal year out of each contingent fund appropriated for the entire year for the department. Each amount may be changed during the fiscal year only by written direction of the head of the department. The direction shall state the reasons for the change.

(d) An appropriation apportioned under this subchapter may be divided and subdivided administratively within the limits of the apportionment.

(e) This section does not affect the initiation and operation of agricultural price support programs.”

31 UNITED STATES CODE 1514 ADMINISTRATIVE DIVISION OF APPORTIONMENTS

§ 1514. Administrative division of apportionments

“(a) The official having administrative control of an appropriation available to the legislative branch, the judicial branch, the United States International Trade Commission, or the District of Columbia government, and, subject to the approval of the President, the head of each executive agency (except the Commission) shall prescribe by regulation a system of administrative control not inconsistent with accounting procedures prescribed under law. The system shall be designed to--

(1) restrict obligations or expenditures from each appropriation to the amount of apportionments or reapportionments of the appropriation; and

(2) enable the official or the head of the executive agency to fix responsibility for an obligation or expenditure exceeding an apportionment or reapportionment.

(b) To have a simplified system for administratively dividing appropriations, the head of each executive agency (except the Commission) shall work toward the objective of financing each operating unit, at the highest practical level, from not more than one administrative division for each appropriation affecting the unit.”

31 UNITED STATES CODE 1515 AUTHORIZED APPORTIONMENTS NECESSITATING DEFICIENCY OR SUPPLEMENTAL APPROPRIATIONS

§ 1515. Authorized apportionments necessitating deficiency or supplemental appropriations

“(a) An appropriation required to be apportioned under section 1512 of this title may be apportioned on a basis that indicates the need for a deficiency or supplemental appropriation to the extent necessary to permit payment of such pay increases as may be granted pursuant to law

to civilian officers and employees (including prevailing rate employees whose pay is fixed and adjusted under subchapter IV of Chapter 53 of title 5) and to retired and active military personnel.

(b)(1) Except as provided in subsection (a) of this section, an official may make, and the head of an executive agency may request, an apportionment under section 1512 of this title that would indicate a necessity for a deficiency or supplemental appropriation only when the official or agency head decides that the action is required because of--

(A) a law enacted after submission to Congress of the estimates for an appropriation that requires an expenditure beyond administrative control; or

(B) an emergency involving the safety of human life, the protection of property, or the immediate welfare of individuals when an appropriation that would allow the United States Government to pay, or contribute to, amounts required to be paid to individuals in specific amounts fixed by law or under formulas prescribed by law, is insufficient.

(2) If an official making an apportionment decides that an apportionment would indicate a necessity for a deficiency or supplemental appropriation, the official shall submit immediately a detailed report of the facts to Congress. The report shall be referred to in submitting a proposed deficiency or supplemental appropriation.”

31 UNITED STATES CODE 1516 EXEMPTIONS

§ 1516. Exemptions

“An official designated in section 1513 of this title to make apportionments may exempt from apportionment--

(1) a trust fund or working fund if an expenditure from the fund has no significant effect on the financial operations of the United States Government;

(2) a working capital fund or a revolving fund established for intragovernmental operations;

(3) receipts from industrial and power operations available under law; and

(4) appropriations made specifically for--

(A) interest on, or retirement of, the public debt;

(B) payment of claims, judgments, refunds, and drawbacks;

(C) items the President decides are of a confidential nature;

(D) payment under a law requiring payment of the total amount of the appropriation to a designated payee; and

(E) grants to the States under the Social Security Act (42 U.S.C. 301 et seq.).”

31 UNITED STATES CODE 1517 PROHIBITED OBLIGATIONS AND EXPENDITURES

§ 1517. Prohibited obligations and expenditures

“(a) An officer or employee of the United States Government or of the District of Columbia government may not make or authorize an expenditure or obligation exceeding--

(1) an apportionment; or

(2) the amount permitted by regulations prescribed under section 1514(a) of this title.

(b) If an officer or employee of an executive agency or of the District of Columbia government violates subsection (a) of this section, the head of the executive agency or the Mayor of the District of Columbia, as the case may be, shall report immediately to the President and Congress all relevant facts and a statement of actions taken.

31 UNITED STATES CODE 1518 ADVERSE PERSONNEL ACTIONS

§ 1518. Adverse personnel actions

“An officer or employee of the United States Government or of the District of Columbia government violating section 1517(a) of this title shall be subject to appropriate administrative discipline including, when circumstances warrant, suspension from duty without pay or removal from office.”

31 UNITED STATES CODE 1519 CRIMINAL PENALTY

§ 1519. Criminal penalty

“An officer or employee of the United States Government or of the District of Columbia government knowingly and willfully violating section 1517(a) of this title shall be fined not more than \$5,000, imprisoned for not more than 2 years, or both.”

SUBCHAPTER III - TRANSFERS AND REIMBURSEMENTS

31 UNITED STATES CODE 1531 TRANSFERS OF FUNCTIONS AND ACTIVITIES

§ 1531. Transfers of functions and activities

“(a) The balance of an appropriation available and necessary to finance or discharge a function or activity transferred or assigned under law within an executive agency or from one executive agency to another may be transferred to and used--

(1) by the organizational unit or agency to which the function or activity was transferred or assigned; and

(2) for the purpose for which the appropriation was originally available.

(b) The head of the executive agency determines the amount that, with the approval of the President, is necessary to be transferred when the transfer or assignment of the function or activity is within the agency. The President determines the amount necessary to be transferred when the transfer or assignment of the function or activity is from one executive agency to another.

(c) A balance transferred under this section is--

(1) credited to an applicable existing or new appropriation account;

(2) merged with the amount in an account to which the balance is credited; and

(3) with the amount with which the balance is merged, accounted for as one amount.

(d) New appropriation accounts may be established to carry out subsection (c)(1) of this section.”

SUBCHAPTER IV - CLOSING ACCOUNTS

31 UNITED STATES CODE 1552 PROCEDURE FOR APPROPRIATION ACCOUNTS AVAILABLE FOR DEFINITE PERIODS

§ 1552. Procedure for appropriation accounts available for definite periods

“(a) On September 30th of the 5th fiscal year after the period of availability for obligation of a fixed appropriation account ends, the account shall be closed and any remaining balance (whether obligated or unobligated) in the account shall be canceled and thereafter shall not be available for obligation or expenditure for any purpose.

(b) Collections authorized or required to be credited to an appropriation account, but not received before closing of the account under subsection (a) or under section 1555 of this title shall be deposited in the Treasury as miscellaneous receipts.”

31 UNITED STATES CODE 1553 AVAILABILITY OF APPROPRIATION ACCOUNTS
TO PAY OBLIGATIONS

§ 1553. Availability of appropriation accounts to pay obligations

“(a) After the end of the period of availability for obligation of a fixed appropriation account and before the closing of that account under section 1552(a) of this title, the account shall retain its fiscal-year identity and remain available for recording, adjusting, and liquidating obligations properly chargeable to that account.

(b)(1) Subject to the provisions of paragraph (2), after the closing of an account under section 1552(a) or 1555 of this title, obligations and adjustments to obligations that would have been properly chargeable to that account, both as to purpose and in amount, before closing and that are not otherwise chargeable to any current appropriation account of the agency may be charged to any current appropriation account of the agency available for the same purpose.

(2) The total amount of charges to an account under paragraph (1) may not exceed an amount equal to 1 percent of the total appropriations for that account.

(c)(1) In the case of a fixed appropriation account with respect to which the period of availability for obligation has ended, if an obligation of funds from that account to provide funds for a program, project, or activity to cover amounts required for contract changes would cause the total amount of obligations from that from that appropriation during a fiscal year for contract changes for that program, project, or activity to exceed \$4,000,000, the obligation may only be made if the obligation is approved by the head of the agency (or an officer of the agency within the Office of the head of the agency to whom the head of the agency has delegated the authority to approve such an obligation).

(2) In the case of a fixed appropriation account with respect to which the period of availability for obligation has ended, if an obligation of funds from that account to provide funds for a program, project, or activity to cover amounts required for contract changes would cause the total amount obligated from that appropriation during a fiscal year for that program, project, or activity to exceed \$25,000,000, the obligation may not be made until--

(A) the head of the agency submits to the appropriate authorizing committees of Congress and the Committees on Appropriations of the Senate and the House of Representatives a notice in writing of the intent to obligate such funds, together with a description of the legal basis for the proposed obligation and the policy reasons for the proposed obligation; and

(B) a period of 30 days has elapsed after the notice is submitted.

(3) In this subsection, the term "contract change" means a change to a contract under which the contractor is required to perform additional work. Such term does not include adjustments to pay claims or increases under an escalation clause.

(d)(1) Obligations under this section may be paid without prior action of the Comptroller General.

(2) This subchapter does not--

(A) relieve the Comptroller General of the duty to make decisions requested under law; or

(B) affect the authority of the Comptroller General to settle claims and accounts.

31 UNITED STATES CODE 1555 CLOSING OF APPROPRIATION ACCOUNTS AVAILABLE FOR INDEFINITE PERIODS

§ 1555. Closing of appropriation accounts available for indefinite periods

An appropriation account available for obligation for an indefinite period shall be closed, and any remaining balance (whether obligated or unobligated) in that account shall be canceled and thereafter shall not be available for obligation or expenditure for any purpose, if--

(1) the head of the agency concerned or the President determines that the purposes for which the appropriation was made have been carried out; and

(2) no disbursement has been made against the appropriation for two consecutive fiscal years.”

31 UNITED STATES CODE 1557 AUTHORITY FOR EXEMPTIONS IN APPROPRIATION LAWS

§ 1557. Authority for exemptions in appropriation laws

A provision of an appropriation law may exempt an appropriation from the provisions of this subchapter and fix the period for which the appropriation remains available for expenditure.

EXCERPTS FROM CHAPTER 33, TITLE 31, UNITED STATES CODE

CHAPTER 33 - DEPOSITING, KEEPING, AND PAYING MONEY

31 UNITED STATES CODE 3324 ADVANCES

§ 3324. Advances

“(a) Except as provided in this section, a payment under a contract to provide a service or deliver an article for the United States Government may not be more than the value of the service already provided or the article already delivered.

(b) An advance of public money may be made only if it is authorized by--

(1) a specific appropriation or other law; or

(2) the President to be made to -

(A) a disbursing official if the President decides the advance is necessary to carry out -

(i) the duties of the official promptly and faithfully; and

(ii) an obligation of the Government; or

(B) an individual serving in the armed forces at a distant station if the President decides the advance is necessary to disburse regularly pay and allowances.

(c) Before the Secretary of the Treasury acts on a requisition for an advance, the Comptroller General shall act on the requisition under section 3522 of this title. The Comptroller General does not countersign a requisition for an advance.

(d) The head of an agency may pay in advance from appropriations available for the purpose--

(1) to the Secretary of the Army, charges for messages sent by the Secretary of the Army for the head of the agency, including charges for--

(A) payment of tolls of commercial carriers;

(B) leasing facilities for sending messages; and

(C) installing and maintaining facilities for sending messages; and

(2) charges for a publication printed or recorded in any way for auditory or visual use of the agency.

CHAPTER 35 -- ACCOUNTING AND COLLECTION

SUBCHAPTER II -- ACCOUNTING REQUIREMENTS, SYSTEMS, AND INFORMATION

31 UNITED STATES CODE 3511 PRESCRIBING ACCOUNTING REQUIREMENTS AND DEVELOPING ACCOUNTING SYSTEMS

§ 3511. Prescribing accounting requirements and developing accounting systems

“(a) The Comptroller General shall prescribe the accounting principles, standards, and requirements that the head of each executive agency shall observe. Before prescribing the principles, standards, and requirements, the Comptroller General shall consult with the Secretary of the Treasury and the President on their accounting, financial reporting, and budgetary needs, and shall consider the needs of the heads of the other executive agencies.

(b) Requirements prescribed under subsection (a) of this section shall--

(1) provide for suitable integration between the accounting process of each executive agency and the accounting of the Department of the Treasury:

(2) allow the head of each agency to carry out section 3512 of this title; and

(3) provide a method of--

(A) integrated accounting for the United States Government;

(B) complete disclosure of the results of the financial operations of each agency and the Government; and

(C) financial information and control the President and Congress require to carry out their responsibilities.

(c) Consistent with subsections (a) and (b) of this section--

(1) the authority of the Comptroller General continues under section 205(b) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486(b)); and

(2) the Comptroller General may prescribe the forms, systems, and procedures that the judicial branch of the Government (except the Supreme Court) shall observe.

(d) The Comptroller General, the Secretary, and the President shall conduct a continuous program for improving accounting and financial reporting in the Government.

31 UNITED STATES CODE 3512 EXECUTIVE AGENCY ACCOUNTING AND OTHER FINANCIAL MANAGEMENT REPORTS AND PLANS

§ 3512. Executive agency accounting and other financial management reports and plans

“(a)(1) the Director of OMB shall prepare and submit to the appropriate committees of the Congress a financial management status report and a government-wide 5-year financial management plan.

- (2) A financial management status report under this subsection shall include--
- (A) a description and analysis of the status of financial management in the executive branch;
 - (B) a summary of the most recently completed financial statements--
 - (i) of Federal agencies under section 3515 of this title; and
 - (ii) of Government Corporations;
 - (C) a summary of the most recently completed financial statement audits and reports--
 - (i) of Federal agencies under section 3521(e) and (f) of this title; and
 - (ii) of Government corporations;
 - (D) a summary of reports on internal accounting and administrative control systems submitted to the President and Congress under the amendments made by the Federal Managers' Financial Integrity Act of 1982 (Public Law 97-255); and
 - (E) any other information the Director considers appropriate to fully inform the Congress regarding the financial management of the Federal Government.
- (3)(A) A government-wide 5-year financial management plan under this subsection shall describe the activities the Director, the Deputy Director for Management, the Controller of the Office of Federal Financial Management, and agency Chief Financial Officers shall conduct over the next 5 fiscal years to improve the financial management of the Federal Government.
- (B) Each government-wide 5-year financial management plan prepared under this subsection shall--
- (i) describe the existing financial management structure and any changes needed to establish an integrated financial management system;
 - (ii) be consistent with applicable accounting principles, standards, and requirements;
 - (iii) provide a strategy for developing and integrating individual agency accounting, financial information, and other financial management systems to ensure adequacy, consistency, and timeliness of financial information;

(iv) identify and make proposals to eliminate duplicative and unnecessary systems, including encouraging agencies to share systems which have sufficient capacity to perform the function needed;

(v) identify projects to bring existing systems into compliance with the applicable standards and requirements;

(vi) contain milestones for equipment acquisitions and other actions necessary to implement the 5-year plan consistent with the requirements of this section;

(vii) identify financial management personnel needs and actions to ensure those needs are met;

(viii) include a plan for ensuring the annual audit of financial statements of executive agencies pursuant to section 3521(h) of this title; and

(ix) estimate the costs of implementing the government-wide 5-year plan.

(4)(A) Not later than 15 months after the date of the enactment of this subsection, the Director of OMB shall submit the first financial management status report and government-wide 5-year financial management plan under this subsection, to the appropriate committees of Congress.

(B)(i) Not later than January 31 of each year thereafter, the Director of OMB shall submit to the appropriate committees of Congress, a financial management status report and a revised government-wide 5-year financial management plan to cover the succeeding 5 fiscal years, including a report on the accomplishments of the executive branch in implementing the plan during the preceding fiscal year.

(ii) The Director shall include with each revised government-wide 5-year financial management plan a description of any substantive changes in the financial statement audit plan required by paragraph (3)(B)(viii), progress made by executive agencies in implementing the audit plan, and any improvements in Federal Government financial management related to preparation and audit of financial statements of executive agencies.

(5) Not later than 30 days after receiving each annual report under section 902(a)(6) of this title, the Director shall transmit to the Chairman of the Committee on Governmental Operations of the House of Representatives and the Chairman of the Committee on Governmental Affairs of the Senate a final copy of that report and any comments on the report by the Director.

(b) The head of each executive agency shall establish and maintain systems of accounting and internal controls that provide--

(1) complete disclosure of the financial results of the activities of the agency,

- (2) adequate financial information the agency needs for management purposes;
 - (3) effective control over, and accountability for, assets for which the agency is responsible, including internal audit;
 - (4) reliable accounting results that will be the basis for--
 - (A) preparing and supporting the budget requests of the agency;
 - (B) controlling the carrying out of the agency budget; and
 - (C) providing financial information the President requires under section 1104(e) of this title; and
 - (5) suitable integration of the accounting of the agency with the central accounting and reporting responsibilities of the Secretary of the Treasury under section 3513 of this title.
- (c)(1) To ensure compliance with subsection (a)(3) of this section and consistent with standards the Comptroller General prescribes, the head of each executive agency shall establish internal accounting and administrative controls that reasonably ensure that--
- (A) obligations and costs comply with applicable law;
 - (B) all assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and
 - (C) revenues and expenditures applicable to agency operations are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained.
- (2) Standards the Controller General prescribes under this subsection shall include standards to ensure the prompt resolution of all audit findings.
- (d)(1) In consultation with the Comptroller General, the Director of OMB--
- (A) shall establish by December 31, 1982, guidelines that the head of each executive agency shall follow in evaluating the internal accounting and administrative control systems of the agency to decide whether the systems comply with subsection (b) of this section; and
 - (B) may change a guideline when considered necessary.
- (2) By December 31 of each year (beginning in 1983), the head of each executive agency, based on an evaluation conducted according to the guidelines prescribed under paragraph (1) of this subsection, shall prepare a statement on whether the systems of the agency comply with subsection (b) of this section, including--

(A) if the head of an executive agency decides the systems do not comply with subsection (b) of this section, a report identifying any material weakness in the systems and describing the plans and schedule for correcting the weakness; and

(B) a separate report on whether the accounting system of the agency conforms to the principles, standards, and requirements the Comptroller General prescribes under section 3511(a) of this title.

(3) The head of each executive agency shall sign the statement and reports required by this subsection and submit them to the President and Congress. The statement and reports are available to the public, except that information shall be deleted from a statement or report before it is made available if the information specifically is--

(A) prohibited from disclosure by law; or

(B) required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs.

(e) To assist in preparing a cost-based budget under section 1108(b) of this title and consistent with principles and standards the Comptroller General prescribes, the head of each executive agency shall maintain the accounts of the agency on an accrual basis to show the resources, liabilities, and costs of operations of the agency. An accounting system under this subsection shall include monetary property accounting records.

(f) The Comptroller General shall--

(1) cooperate with the head of each executive agency in developing an accounting system for the agency; and

(2) approve the system when the Comptroller General considers it to be adequate and in conformity with the principles, standards, and requirements prescribed under section 3511 of this title.

(g) The Comptroller General shall review the accounting systems of each executive agency. The results of a review shall be available to the head of the executive agency, the Secretary, and the President. The Comptroller General shall report to Congress on a review when the Comptroller General considers it proper.”

31 UNITED STATES CODE 3524 AUDITING EXPENDITURES APPROVED WITHOUT VOUCHERS

§ 3524. Auditing expenditures approved without vouchers

“(a)(1) The Comptroller General may audit expenditures, accounted for only on the approval, authorization, or certificate of the President or an official of an executive agency, to decide if the expenditure was authorized by law and made. Records and related information shall be made available to the Comptroller General in conducting the audit.

(2) The Comptroller General may release the results of the audit or disclose related information only to the President or head of the agency, or, if there is an unresolved discrepancy, to the Committee on Governmental Affairs of the Senate, the Committee on Government Operations of the House of Representatives, and the committees of Congress having legislative or appropriation oversight of the expenditure.

(b) Before December 1 of each year, the Director of OMB shall submit a report listing each account that may be subject to this section to the committees on the Budget and Appropriations of both Houses of Congress, the Committee on Governmental Affairs, and to the Committee on Government Operations, and to the Comptroller General.

(c) The President may exempt from this section a financial transaction about sensitive foreign intelligence or foreign counter-intelligence activities or sensitive law enforcement investigations if an audit would expose the identifying details of an active investigation or endanger investigative or domestic intelligence sources involved in the investigation. The exemption may apply to a class or category of financial transactions.

(d) This section does not--

(1) apply to expenditures under section 102, 103, 105(d)(1),(3), or (5), or 106(b)(2) or (3) of title 3; or

(2) affect authority under section 8(b) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403j(b)).

(e) Information about a financial transaction exempt under subsection (c) of this section or a financial transaction under section 8(b) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403j(b)) may be reviewed by the Permanent Select Committee on Intelligence of the House and the Select Committee on Intelligence of the Senate.

(f) Subsections (a)(1) and (d)(1) of this section may be superseded only by a law enacted after April 3, 1980, specifically repealing or amending this section.”