

“SEC. 808. REVISION OF SHORT TITLES.

“(a) [Amended section 4001 of Pub. L. 104-106, set out as a Short Title of 1996 Act note under section 101 of Title 41, Public Contracts.]

“(b) [Amended section 5001 of Pub. L. 104-106, div. E, Feb. 10, 1996, 110 Stat. 679, subsequently repealed by Pub. L. 107-217, §6(b), Aug. 21, 2002, 116 Stat. 1304.]

“(c) Any reference in any law, regulation, document, record, or other paper of the United States to the Federal Acquisition Reform Act of 1996 or to the Information Technology Management Reform Act of 1996 shall be considered to be a reference to the Clinger-Cohen Act of 1996 [see Short Title of 1996 Act note set out under section 101 of Title 41].”

§ 3513. Financial reporting and accounting system

(a) The Secretary of the Treasury shall prepare reports that will inform the President, Congress, and the public on the financial operations of the United States Government. The reports shall include financial information the President requires. The head of each executive agency shall give the Secretary reports and information on the financial conditions and operations of the agency the Secretary requires to prepare the reports.

(b) The Secretary may—

(1) establish facilities necessary to prepare the reports; and

(2) reorganize the accounting functions and procedures and financial reports of the Department of the Treasury to develop an effective and coordinated system of accounting and financial reporting in the Department that will integrate the accounting results for the Department and be the operating center for consolidating accounting results of other executive agencies with accounting results of the Department.

(c) The Comptroller General shall—

(1) cooperate with the Secretary in developing and establishing the reporting and accounting system under this section; 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.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 960.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
3513(a)	31:66b(a).	Sept. 12, 1950, ch. 946, §114(a), 64 Stat. 836; Reorg. Plan No. 2 of 1970, eff. July 1, 1970, §102(a), 84 Stat. 2085.
3513(b)	31:66b(b).	Sept. 12, 1950, ch. 946, §§112(b)(related to Treasury Department), 114(b), (c), 64 Stat. 835, 836.
3513(c)	31:66b(b)(related to Treasury Department). 31:66b(c).	

In subsection (a), the words “the results of” are omitted as surplus. The words “The report” are substituted for “Provided, That” for clarity. The word “information” is substituted for “data” for consistency. The word “President” is substituted for “Director of the Office of Management and Budget” because sections 101 and 102(a) of Reorganization Plan No. 2 of 1970 (eff. July 1, 1970, 84 Stat. 2085) redesignated the Bureau of the Budget as the Office of Management and Budget and

transferred all functions of the Bureau to the President. The words “in connection with the preparation of the Budget or for other purposes of the Office” are omitted as unnecessary. The words “The head of” are added for consistency in the revised title and with other titles of the United States Code. The words “by rules and regulations” are omitted as unnecessary because of section 321(b) of this title. The words “to prepare the reports” are substituted for “for the effective performance of his responsibilities under this section” for clarity and to eliminate unnecessary words.

In subsection (b)(2), the words “install, revise, or eliminate”, “the several bureaus and offices of”, “with such concentration of accounting and reporting as is necessary”, and “the activities of” are omitted as surplus. The word “be” is substituted for “provide” for clarity. The text of 31:66b(b)(last sentence) is omitted as unnecessary because of section 321 of this title.

In subsection (c), before clause (1), the text of 31:66b(c) is omitted as unnecessary. The words “Comptroller General” are substituted for “General Accounting Office” for consistency. In clause (1), the word “Secretary” is substituted for “Treasury Department” in 31:66b(b)(related to Treasury Department) for consistency. The word “central” is omitted as surplus. In clause (2), the word “considers” is substituted for “deemed” as being more precise. The words “under section 3511 of this title” are substituted for “by him” for clarity.

§ 3514. Discontinuing certain accounts maintained by the Comptroller General

The Comptroller General may discontinue an agency appropriation, expenditure, limitation, receipt, or personal ledger account maintained by the Comptroller General when the Comptroller General believes that the accounting system and internal controls of the agency will allow the Comptroller General to carry out the functions related to the account.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 960.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
3514	31:66d.	Sept. 12, 1950, ch. 946, §116, 64 Stat. 837.

The words “Comptroller General” are substituted for “General Accounting Office” for consistency. The word “agency” is substituted for “executive, legislative, and judicial agencies” because of sections 101, 102, and 3501 of the revised title. The word “properly” is omitted as surplus.

§ 3515. Financial statements of agencies

(a)(1)¹ Except as provided in subsection (e), not later than March 1 of 2003 and each year thereafter, the head of each covered executive agency shall prepare and submit to the Congress and the Director of the Office of Management and Budget an audited financial statement for the preceding fiscal year, covering all accounts and associated activities of each office, bureau, and activity of the agency.

(b) Each audited financial statement of a covered executive agency under this section shall reflect—

(1) the overall financial position of the offices, bureaus, and activities covered by the statement, including assets and liabilities thereof; and

¹ So in original. No par. (2) has been enacted

(2) results of operations of those offices, bureaus, and activities.

(c) The Director of the Office of Management and Budget shall identify components of covered executive agencies that shall be required to have audited financial statements meeting the requirements of subsection (b).

(d) The Director of the Office of Management and Budget shall prescribe the form and content of the financial statements of covered executive agencies under this section, consistent with applicable accounting and financial reporting principles, standards, and requirements.

(e)(1) The Director of the Office of Management and Budget may exempt a covered executive agency, except an agency described in section 901(b), from the requirements of this section with respect to a fiscal year if—

(A) the total amount of budget authority available to the agency for the fiscal year does not exceed \$25,000,000; and

(B) the Director determines that requiring an annual audited financial statement for the agency with respect to the fiscal year is not warranted due to the absence of risks associated with the agency's operations, the agency's demonstrated performance, or other factors that the Director considers relevant.

(2) The Director shall annually notify the Committee on Government Reform of the House of Representatives and the Committee on Governmental Affairs of the Senate of each agency the Director has exempted under this subsection and the reasons for each exemption.

(f) The term "covered executive agency"—

(1) means an executive agency that is not required by another provision of Federal law to prepare and submit to the Congress and the Director of the Office of Management and Budget an audited financial statement for each fiscal year, covering all accounts and associated activities of each office, bureau, and activity of the agency; and

(2) does not include a corporation, agency, or instrumentality subject to chapter 91 of this title.

(Added Pub. L. 101-576, title III, §303(a)(1), Nov. 15, 1990, 104 Stat. 2849; amended Pub. L. 103-356, title IV, §405(a), Oct. 13, 1994, 108 Stat. 3415; Pub. L. 106-531, §4(a), Nov. 22, 2000, 114 Stat. 2539; Pub. L. 107-289, §2(a), Nov. 7, 2002, 116 Stat. 2049.)

AMENDMENTS

2002—Subsec. (a). Pub. L. 107-289, §2(a)(1), substituted "(1) Except as provided in subsection (e), not later" for "Not later", "2003" for "1997", and "each covered executive agency" for "each executive agency identified in section 901(b) of this title".

Subsec. (b). Pub. L. 107-289, §2(a)(2), substituted "a covered executive agency" for "an executive agency" in introductory provisions.

Subsecs. (c), (d). Pub. L. 107-289, §2(a)(3), substituted "covered executive agencies" for "executive agencies".

Subsecs. (e), (f). Pub. L. 107-289, §2(a)(4), added subsecs. (e) and (f).

2000—Subsec. (a). Pub. L. 106-531, §4(a)(1), inserted "Congress and the" before "Director".

Subsecs. (e) to (h). Pub. L. 106-531, §4(a)(2), struck out subsecs. (e) to (h) which read as follows:

"(e) The Director of the Office of Management and Budget may waive the application of all or part of subsection (a) for financial statements required for fiscal years 1996 and 1997.

"(f) Not later than March 1 of 1995 and 1996, the head of each executive agency identified in section 901(b) of this title and designated by the Director of the Office of Management and Budget shall prepare and submit to the Director of the Office of Management and Budget an audited financial statement for the preceding fiscal year, covering all accounts and associated activities of each office, bureau, and activity of the agency.

"(g) Not later than March 31 of 1995 and 1996, for executive agencies not designated by the Director of the Office of Management and Budget under subsection (f), the head of each executive agency identified in section 901(b) of this title shall prepare and submit to the Director of the Office of Management and Budget a financial statement for the preceding fiscal year, covering—

"(1) each revolving fund and trust fund of the agency; and

"(2) to the extent practicable, the accounts of each office, bureau, and activity of the agency which performed substantial commercial functions during the preceding fiscal year.

"(h) For purposes of subsection (g), the term 'commercial functions' includes buying and leasing of real estate, providing insurance, making loans and loan guarantees, and other credit programs and any activity involving the provision of a service or thing for which a fee, royalty, rent, or other charge is imposed by an agency for services and things of value it provides."

1994—Pub. L. 103-356 amended section generally, revising and restating as subsecs. (a) to (h) provisions of former subsecs. (a) to (e) which required agency preparation and submission of annual financial statements, provided for form and contents of such statements, and defined term "commercial functions" for purposes of section.

CHANGE OF NAME

Committee on Government Reform of House of Representatives changed to Committee on Oversight and Government Reform of House of Representatives by House Resolution No. 6, One Hundred Tenth Congress, Jan. 5, 2007.

Committee on Governmental Affairs of Senate changed to Committee on Homeland Security and Governmental Affairs of Senate, effective Jan. 4, 2005, by Senate Resolution No. 445, One Hundred Eighth Congress, Oct. 9, 2004.

EFFECTIVE DATE; WAIVER OF REQUIREMENT; RESOLUTION APPROVING DESIGNATION OF AGENCIES

Section 303(a)(2), (3), (b) of Pub. L. 101-576 provided that section 3515(e) of this title, as added by section 303(a)(1) of Pub. L. 101-576, would take effect on date on which a resolution was passed by Congress and approved by the President, provided that Director of Office of Management and Budget could, for fiscal year 1991, waive application of section 3515(a) of this title with respect to any revolving fund, trust fund, or account of an executive agency, and described and specified procedures for passage of the resolution.

WAIVER AUTHORITY

Pub. L. 107-289, §2(b), Nov. 7, 2002, 116 Stat. 2050, provided that:

"(1) IN GENERAL.—The Director of the Office of Management and Budget may waive the application of all or part of section 3515(a) of title 31, United States Code, as amended by this section, for financial statements required for the first 2 fiscal years beginning after the date of the enactment of this Act [Nov. 7, 2002] for an agency described in paragraph (2) of this subsection.

"(2) AGENCIES DESCRIBED.—An agency referred to in paragraph (1) is any covered executive agency (as that term is defined by section 3515(f) of title 31, United States Code, as amended by subsection (a) of this section) that is not an executive agency identified in section 901(b) of title 31, United States Code."

REPORT ON SUBSTANTIAL COMMERCIAL FUNCTIONS

Section 303(c) of Pub. L. 101-576 directed Director of Office of Management and Budget, not later than 180

days after Nov. 15, 1990, to determine and report to Congress on which executive agencies or parts thereof perform substantial commercial functions for which financial statements can be prepared practicably under 31 U.S.C. 3515.

PILOT PROJECT FOR PREPARATION AND AUDIT OF FINANCIAL STATEMENTS; REPORT TO CONGRESS

Section 303(d), (e) of Pub. L. 101-576 directed specific departments, administrations, and services by Mar. 31 of 1991, 1992, and 1993 to prepare and submit to Director of Office of Management and Budget financial statements for the preceding fiscal year for the accounts of all of the offices, bureaus, and activities, required each financial statement to be audited in accordance with 31 U.S.C. section 3521(e), (f), (g), and (h), and directed Director of Office of Management and Budget, not later than June 30, 1993, to report to Congress on the financial statements including an analysis of the accuracy of the data, the difficulties encountered in preparing the data, the benefits derived from preparation of the financial statements, and the cost associated with preparing and auditing the financial statements.

§ 3516. Reports consolidation

(a)(1) With the concurrence of the Director of the Office of Management and Budget, the head of an executive agency may adjust the frequency and due dates of, and consolidate into an annual report to the President, the Director of the Office of Management and Budget, and Congress any statutorily required reports described in paragraph (2). Such a consolidated report shall be submitted to the President, the Director of the Office of Management and Budget, and to appropriate committees and subcommittees of Congress not later than 150 days after the end of the agency's fiscal year.

(2) The following reports may be consolidated into the report referred to in paragraph (1):

(A) Any report by an agency to Congress, the Office of Management and Budget, or the President under section 1116, this chapter, and chapters 9, 33, 37, 75, and 91.

(B) The following agency-specific reports:

(i) The biennial financial management improvement plan by the Secretary of Defense under section 2222¹ of title 10.

(ii) The annual report of the Attorney General under section 522 of title 28.

(C) Any other statutorily required report pertaining to an agency's financial or performance management if the head of the agency—

(i) determines that inclusion of that report will enhance the usefulness of the reported information to decision makers; and

(ii) consults in advance of inclusion of that report with the Committee on Governmental Affairs of the Senate, the Committee on Government Reform of the House of Representatives, and any other committee of Congress having jurisdiction with respect to the report proposed for inclusion.

(b) A report under subsection (a) that incorporates the agency's program performance report under section 1116 shall be referred to as a performance and accountability report.

(c) A report under subsection (a) that does not incorporate the agency's program performance report under section 1116 shall contain a sum-

mary of the most significant portions of the agency's program performance report, including the agency's success in achieving key performance goals for the applicable year.

(d) A report under subsection (a) shall include a statement prepared by the agency's inspector general that summarizes what the inspector general considers to be the most serious management and performance challenges facing the agency and briefly assesses the agency's progress in addressing those challenges. The inspector general shall provide such statement to the agency head at least 30 days before the due date of the report under subsection (a). The agency head may comment on the inspector general's statement, but may not modify the statement.

(e) A report under subsection (a) shall include a transmittal letter from the agency head containing, in addition to any other content, an assessment by the agency head of the completeness and reliability of the performance and financial data used in the report. The assessment shall describe any material inadequacies in the completeness and reliability of the data, and the actions the agency can take and is taking to resolve such inadequacies.

(f) The Secretary of Homeland Security—

(1) shall for each fiscal year submit a performance and accountability report under subsection (a) that incorporates the program performance report under section 1116 of this title for the Department of Homeland Security;

(2) shall include in each performance and accountability report an audit opinion of the Department's internal controls over its financial reporting; and

(3) shall design and implement Department-wide management controls that—

(A) reflect the most recent homeland security strategy developed pursuant to section 874(b)(2) of the Homeland Security Act of 2002; and

(B) permit assessment, by the Congress and by managers within the Department, of the Department's performance in executing such strategy.

(Added Pub. L. 106-531, §3(a), Nov. 22, 2000, 114 Stat. 2537; amended Pub. L. 108-330, §4(a), Oct. 16, 2004, 118 Stat. 1277.)

REFERENCES IN TEXT

Section 2222 of title 10, referred to in subsec. (a)(2)(B)(i), was repealed by Pub. L. 107-314, div. A, title X, §1004(h)(1), Dec. 2, 2002, 116 Stat. 2631.

Section 874(b)(2) of the Homeland Security Act of 2002, referred to in subsec. (f)(3)(A), is classified to section 454(b)(2) of Title 6, Domestic Security.

AMENDMENTS

2004—Subsec. (f). Pub. L. 108-330 added subsec. (f).

CHANGE OF NAME

Committee on Governmental Affairs of Senate changed to Committee on Homeland Security and Governmental Affairs of Senate, effective Jan. 4, 2005, by Senate Resolution No. 445, One Hundred Eighth Congress, Oct. 9, 2004.

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¹ See References in Text note below.