

In clause (4)(A) and (B), the word “grant” is substituted for “grant” or “grant-in-aid” for consistency in the revised title and to have only one defined term in the chapter.

In clause (4)(B), the words “a private, nonprofit community organization eligible to receive amounts under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.)” are substituted for “a community action agency under the Economic Opportunity Act of 1964, as amended” because of section 683(c)(2) of the Omnibus Budget Reconciliation Act of 1981 (Pub. L. 97-35, 95 Stat. 519).

In clause (4)(C), the words “whether public or private” are omitted as surplus. The words “law of the United States” are substituted for “Federal laws” for consistency.

In clause (5), the words “head of a Federal agency” are omitted as unnecessary because heads of Federal agencies already have the authority to delegate.

In clause (6), the words “local government” are substituted for “political subdivision” or “local government” for consistency in the revised title and to have only one defined term in the chapter. The words “unit of general local government” are substituted for “local unit of government, including specifically a county, municipality, city, town, township” to incorporate the definition in clause (9).

In clause (7), the words “public-purpose local government” are substituted for “public-purpose corporation or other strictly limited purpose political subdivision” to eliminate unnecessary words.

In clause (8), the words “the Commonwealth of Puerto Rico” are omitted as being included in “territory or possession of the United States” and as necessary because of 48:734.

In clause (9), the word “parish” is omitted as included in county because of 1:2.

1983 ACT

This amends 31:6501(1)(B) to clarify the section as enacted by the Act of Sept. 13, 1982 (Pub. L. 97-258, 96 Stat. 1005).

REFERENCES IN TEXT

The Community Services Block Grant Act, referred to in par. (4)(b), is subtitle B (§§671-683) of title VI of Pub. L. 97-35, Aug. 13, 1981, 95 Stat. 511, as amended, which is classified generally to chapter 106 (§9901 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 9901 of Title 42 and Tables.

AMENDMENTS

1997—Par. (1)(C). Pub. L. 105-33 substituted “District of Columbia Home Rule Act” for “District of Columbia Self-Government and Governmental Reorganization Act”.

1990—Par. (2)(B). Pub. L. 101-453, §3(1), substituted “subparagraph (A)” for “subclause (A) of this clause (2)”.

Par. (2)(E). Pub. L. 101-453, §3(2), substituted “subparagraphs (A), (B), (C), and (D)” for “subclauses (A)–(D) of this clause (2)”.

Par. (4)(A). Pub. L. 101-453, §3(3), substituted “subparagraph (C)” for “subclause (C) of this clause (4)”.

Par. (4)(B). Pub. L. 101-453, §3(4), substituted “subparagraph (C)” for “subclause (C) of this clause (4)”.

Par. (7). Pub. L. 101-453, §5(a)(2), added par. (7). Former par. (7) redesignated (8).

Par. (8). Pub. L. 101-453, §5(a)(1), redesignated par. (7) as (8). Former par. (8) redesignated (9).

Par. (9). Pub. L. 101-453, §5(a)(1), (3), redesignated par. (8) as (9), added new text, and struck out former text which read as follows: “‘State’ means a State of the United States, the District of Columbia, a territory or possession of the United States, and an agency or instrumentality of a State but does not mean a local government of a State.” Former par. (9) redesignated (10).

Par. (10). Pub. L. 101-453, §5(a)(1), redesignated par. (9) as (10).

1983—Par. (1)(B). Pub. L. 97-452 struck out “the law of” after “provided by”.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105-33 effective Oct. 1, 1997, except as otherwise provided in title XI of Pub. L. 105-33, see section 11721 of Pub. L. 105-33, set out as a note under section 4246 of Title 18, Crimes and Criminal Procedure.

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment effective Sept. 13, 1982, see section 2(i) of Pub. L. 97-452, set out as a note under section 3331 of this title.

SHORT TITLE OF 1992 AMENDMENT

Pub. L. 102-589, §1, Nov. 10, 1992, 106 Stat. 5133, provided that: “This Act [amending sections 3718 and 3720A of this title, enacting provisions set out as notes under section 3718 of this title, and amending provisions set out as notes under sections 3335, 3718, and 6503 of this title] may be cited as the ‘Cash Management Improvement Act Amendments of 1992.’”

SHORT TITLE OF 1990 AMENDMENT

Pub. L. 101-453, §1, Oct. 24, 1990, 104 Stat. 1058, provided that: “This Act [enacting section 3335 of this title, amending this section and section 6503 of this title, and enacting provisions set out as notes under this section and sections 3335 and 6503 of this title] may be cited as the ‘Cash Management Improvement Act of 1990.’”

PURPOSE OF 1990 ACT

Pub. L. 101-453, §2, Oct. 24, 1990, 104 Stat. 1058, provided that: “The purpose of this Act [see Short Title of 1990 Amendment note above] is to ensure greater efficiency, effectiveness, and equity in the exchange of funds between the Federal Government and the States.”

§ 6502. Information on grants received

On request of a chief executive officer of a State, a State legislature, or an official designated by either of them, an executive agency carrying out a grant program to States and local governments shall provide the requesting officer or legislature with written information on the purpose and amounts of grants provided to the State or local government.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1007.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
6502	42:4211.	Oct. 16, 1968, Pub. L. 90-577, §201, 82 Stat. 1101.

The words “chief executive officer” are substituted for “Governor” because the definition of State includes the District of Columbia. The words “executive agency” are substituted for “department or agency of the United States Government” because of the definition in sections 102 and 6501(3) of the revised title. The words “shall provide the requesting officer or legislature” are substituted for the last sentence of 42:4211 to eliminate unnecessary words. The word “information” is substituted for “such data” because it is more accurate. The words “in writing” and “actual” are omitted as unnecessary.

§ 6503. Intergovernmental financing

(a) Consistent with program purposes and with regulations of the Secretary, and in accordance

with an agreement under subsection (b) entered into by the Secretary and a State—

(1) the head of an executive agency (other than the Tennessee Valley Authority) carrying out a program shall schedule transfers of funds to the State under the program so as to minimize the time elapsing between transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payments by other means by a State; and

(2) the State shall minimize the time elapsing between transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payments by other means for program purposes.

(b)(1) The Secretary shall enter into an agreement with each State to which transfers of funds are made, which establishes procedures and requirements for implementing this section.

(2) An agreement under this subsection shall—

(A) specify procedures chosen by the State for carrying out transfers of funds under the agreement;

(B) describe the process by which the Federal Government shall review and approve the implementation of the procedures specified under subparagraph (A);

(C) establish the methods to be used for calculating and documenting payments of interest pursuant to this section; and

(D) specify those types of costs directly incurred by the State for interest calculations required under this section, and require the Secretary to consider those costs in computing payments under this section.

(3) The Secretary shall issue regulations establishing procedures and requirements for implementing this section with respect to a State with which no agreement is entered into by the Secretary under paragraph (1). Such regulations shall apply to a State until such time as the Secretary enters into an agreement with the State under paragraph (1).

(c)(1) The Secretary shall issue regulations that shall require a State, when not inconsistent with program purposes, to pay interest to the United States on funds from the time funds are deposited by the United States to the State's account until the time that funds are paid out by the State in order to redeem checks or warrants or make payments by other means for program purposes. Except as provided under paragraph (3)(B) (relating to the Unemployment Trust Fund), the interest payable under this subsection shall be calculated at a rate equal to the average of the bond equivalent rates of 13-week Treasury bills auctioned during the period for which interest is calculated, as determined by the Secretary.

(2) Except as provided in paragraph (3), amounts received by the United States as payment of interest under this subsection shall be deposited in the Treasury and credited as miscellaneous receipts.

(3)(A) Amounts paid by a State under paragraph (1) as interest on funds paid to a State from a trust fund for which the Secretary is the trustee shall be credited to such trust fund.

(B) Notwithstanding any other provision of this section, amounts of interest paid by a

State, on funds drawn from its account in the Unemployment Trust Fund, shall be deposited into that account and shall consist of actual interest earnings by the State, less related banking costs incurred by the State, for the period for which interest is calculated.

(d)(1) If a State disburses its own funds for program purposes in accordance with Federal law, Federal regulation, or Federal-State agreement, the State shall be entitled to interest from the time the State's funds are paid out to redeem checks or warrants, or make payments by other means, until the Federal funds are deposited to the State's bank account. The Secretary shall pay, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary for interest owed to a State under this subsection. Such interest shall be calculated, at a rate equal to the average of the bond equivalent rates of 13-week Treasury bills auctioned during the period for which interest is calculated, as determined by the Secretary.

(2) If interest is paid under this subsection as a result of a State disbursing its own funds before receiving payment from a trust fund for which the Secretary of the Treasury is the trustee, such interest shall be charged against such trust fund.

(e) The budget submitted by the President under section 1105 of this title for a fiscal year shall include a statement specifying, for the most recently completed fiscal year, amounts of interest accrued to the Federal Government under subsection (c) and amounts of interest paid to States under subsection (d).

(f) If a State receives refunds of funds disbursed by the State under a Federal program, the State shall return those refunds to the Federal executive agency administering the program or apply those refunds to reduce the amount of funds owed by the Federal Government to the State under such program. Interest earned on such refunds shall be considered when setting overall interest obligations between the State and the Federal Government as required by this section.

(g) If the Federal Government makes a payment to a recipient under a Federal program, and a portion of the payment is an amount which the Federal Government is paying to such recipient on behalf of a State, such amount shall be considered to be a transfer of funds between the Federal Government and the State for purposes of this section.

(h) A State may not be required by a law or regulation of the United States to deposit funds received by it in a separate bank account. However, a State shall account for funds made available to the State as United States Government funds in the accounts of the State. The head of the State agency concerned shall make periodic authenticated reports to the head of the appropriate Federal executive agency on the status and the application of the funds, the liabilities and obligations on hand, and other information required by the head of the executive agency. Records related to the funds received by the State shall be made available to the head of the executive agency, the Inspector General of the executive agency, and the Comptroller General for necessary audits.

(i) The Secretary shall prescribe methods for the payment of interest under this section between the Federal Government and the States, including provisions for offsetting amounts owed by the respective parties. Such methods of payment shall require payment of interest on an annual basis and shall provide for comparable treatment in manner, technique, and timing for both the States and the Federal Government.

(j) Consistent with Federal program purposes and regulations of the Director of the Office of Management and Budget, the head of a Federal executive agency carrying out a program shall execute grant awards to States on a timely basis to assure the availability of funds to accomplish transfers in compliance with subsection (a) of this section.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1007; Pub. L. 101-453, § 5(b), Oct. 24, 1990, 104 Stat. 1059.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
6503(a)	42:4213.	Oct. 16, 1968, Pub. L. 90-577, §§ 202, 203, 82 Stat. 1101.
6503(b)	42:4212.	

In the section, the words “executive agency” are substituted for “Federal departments and agencies” because of the definition in sections 102 and 6501(3) of the revised title.

In subsection (a), the word “money” is substituted for “funds” for consistency in the section. The words “so as” and “United States” are omitted as surplus. The words “before or after” are substituted for “prior to or subsequent to” for consistency. The words “subsequent to such transfer of funds” are omitted as unnecessary the second time they are used.

In subsection (b), the words “apart from other funds administered by the state”, “properly”, “In each case”, and “examination” are omitted as unnecessary. The word “money” is substituted for “all federal grant-in-aid funds” for consistency in the section. The words “United States Government grant money” are substituted for “Federal funds” for consistency in the revised title. The word “make” is substituted for “render”, the word “periodic” is substituted for “regular”, and the word “information” is substituted for “facts”, for clarity. The words “or any of their duly authorized representatives” are omitted as unnecessary. The words “Records shall be made available to . . . for auditing” are substituted for “shall have access for the purpose of audit and examination to any books, documents, papers, and records” for consistency in the revised title and with other titles of the United States Code.

AMENDMENTS

1990—Pub. L. 101-453 amended section generally, substituting provisions relating to intergovernmental financing for provisions relating to transfer and deposit requirements.

EFFECTIVE DATE OF 1990 AMENDMENT

Pub. L. 101-453, § 5(e), Oct. 24, 1990, 104 Stat. 1061, as amended by Pub. L. 102-589, § 2(2)(C), Nov. 10, 1992, 106 Stat. 5133, provided that: “The amendments made by this section [amending this section and section 6501 of this title] shall take effect on the date of enactment of this Act [Oct. 24, 1990], except that subsections (c) and (d) of section 6503 of title 31, United States Code, as added by subsection (b) of this section (relating to payments of interest between the Federal Government and State governments), shall take effect on July 1, 1993 or the first day of a State’s fiscal year beginning in 1993, whichever is later.”

TREATMENT OF COMPENSATION OR REIMBURSEMENT PAID PURSUANT TO OTHER LAWS

Pub. L. 107-273, div. A, title II, § 204(f), Nov. 2, 2002, 116 Stat. 1776, as amended by Pub. L. 109-162, title XI, § 1151(a), (b), Jan. 5, 2006, 119 Stat. 3112, provided that: “No compensation or reimbursement paid pursuant to the Southwest Border Prosecutor Initiative (as carried out pursuant to paragraph (3) (17 Stat. 64) under the heading relating to Community Oriented Policing Services of the Department of Justice Appropriations Act, 2003 (title I of division B of Public Law 108-7), or as carried out pursuant to any subsequent authority) or section 501(a) of Public Law 99-603 [8 U.S.C. 1365(a)] (100 Stat. 3443) or section 241(i) of the Act of June 27, 1952 [8 U.S.C. 1231(i)] (ch. 477) shall be subject to sections [sic] 3335(b) or 6503(d) of title 31, United States Code, and no funds available to the Attorney General may be used to pay any assessment made pursuant to such sections [sic] 3335(b) or 6503 with respect to any such compensation or reimbursement.”

AGREEMENTS WITH STATES

Pub. L. 101-453, § 5(d), Oct. 24, 1990, 104 Stat. 1061, as amended by Pub. L. 102-589, § 2(2)(A), (B), Nov. 10, 1992, 106 Stat. 5133, provided that:

“(1) SECRETARY’S EFFORTS TO ENTER AGREEMENTS.—The Secretary of the Treasury shall make all reasonable efforts to enter into an agreement with each State under section 6503(b) of title 31, United States Code, as added by this section (relating to procedures and requirements for transfers of funds between executive agencies and States), by July 1, 1993 or the first day of a State’s fiscal year beginning in 1993, whichever is later.

“(2) EFFECTIVE DATE OF REGULATIONS.—Regulations issued by the Secretary of the Treasury under subsection (b)(3) of section 6503 of title 31, United States Code, as added by the [this] section (relating to procedures and requirements for transfers of funds involving States not entering agreements), shall take effect on July 1, 1993 or the first day of a State’s fiscal year beginning in 1993, whichever is later.”

GAO REPORT

Pub. L. 101-453, § 6, Oct. 24, 1990, 104 Stat. 1062, as amended by Pub. L. 102-589, § 2(3), Nov. 10, 1992, 106 Stat. 5133, which directed Comptroller General, five years after Oct. 24, 1990, to submit an audit of the implementation of amendments made by section 5 of Pub. L. 101-453 (which amended this section and section 6501 of this title) and to submit a report to Congress describing results of that audit, was repealed by Pub. L. 104-316, title I, § 115(i), Oct. 19, 1996, 110 Stat. 3835.

§ 6504. Use of existing State or multimember agency to administer grant programs

Notwithstanding a law of the United States providing that one State agency or multimember agency must be established or designated to carry out or supervise the administration of a grant program, the head of the executive agency carrying out the program may, when requested by the executive or legislative authority of the State responsible for the organizational structure of a State government—

(1) waive the one State agency or multimember agency provision on an adequate showing that the provision prevents the establishment of the most effective and efficient organizational arrangement within the State government; and

(2) approve another State administrative structure or arrangement after deciding that the objectives of the law authorizing the grant program will not be endangered by using another State structure or arrangement.