

agency, or instrumentality subject to chapter 91 of this title.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 959; Pub. L. 107-107, div. A, title VIII, § 831(c), Dec. 28, 2001, 115 Stat. 1189; Pub. L. 111-204, § 2(h)(6)(B)(ii), July 22, 2010, 124 Stat. 2231.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3501	31:65a.	Sept. 12, 1950, ch. 946, §118, 64 Stat. 837; Aug. 1, 1956, ch. 814, § 2(c), 70 Stat. 783.

The words “As used . . . the term” are omitted as surplus. The words “means any executive department or independent establishment in the executive branch of the Government” are omitted because of section 102 of the revised title. The reference to 31:66d is unnecessary because the defined term is not used in the re-statement of 31:66d in section 3514 of the revised title. The text of 31:65a(words after 4th comma) is omitted as unnecessary because of 39:410.

AMENDMENTS

2010—Pub. L. 111-204 struck out “and subchapter VI of this title” after “section 3513”.

2001—Pub. L. 107-107 inserted “and subchapter VI” after “section 3513”.

SHORT TITLE OF 2002 AMENDMENT

Pub. L. 107-289, §1, Nov. 7, 2002, 116 Stat. 2049, provided that: “This Act [amending section 3515 of this title and enacting provisions set out as a note under section 3515 of this title] may be cited as the ‘Accountability of Tax Dollars Act of 2002.’”

SHORT TITLE OF 2000 AMENDMENT

Pub. L. 106-531, §1, Nov. 22, 2000, 114 Stat. 2537, provided that: “This Act [enacting section 3516 of this title, amending sections 1116, 3515, and 3521 of this title, and enacting provisions set out as notes under sections 1116 and 3516 of this title] may be cited as the ‘Reports Consolidation Act of 2000.’”

SUBCHAPTER II—ACCOUNTING REQUIREMENTS, SYSTEMS, AND INFORMATION

§ 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 121(b) of title 40; 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.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 959; Pub. L. 107-217, § 3(h)(5), Aug. 21, 2002, 116 Stat. 1299.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3511(a)	31:66(a)(1st sentence words before last comma).	Sept. 12, 1950, ch. 946, §§ 111(f), 112(a), 64 Stat. 835; Reorg. Plan No. 2 of 1970, eff. July 1, 1970, § 102(a), 84 Stat. 2085.
3511(b)	31:66(a)(1st sentence words after last comma, 2d sentence).	
3511(c)	31:49	June 10, 1921, ch. 18, § 309, 42 Stat. 25.
3511(d)	31:66(a)(3d, last sentences). 31:65(f).	

In the section, the words “the head of” are added for consistency in the revised title and with other titles of the United States Code.

In subsection (a), the words “of the United States” are omitted as surplus. 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.

In subsection (b)(3), the words “as a whole” and “respective” are omitted as surplus.

Subsection (c)(2) is substituted for 31:49 and the words “and, to the extent he deems necessary, the authority vested in him by section 49 of this title” in 31:66(a) for clarity and consistency. H. Rept. 2556, 81st Cong. (1950), states that the Comptroller General will be able to prescribe appropriation and fund accounting systems under 31:49 “in terms of principles, standards and related requirements rather than in terms of detailed forms and procedures”. The reference to the judicial branch covers authority that the Comptroller General was given under 31:49 that applies to departments and establishments except the Supreme Court that was not superseded by the source provisions restated in subsection (a) of this section.

AMENDMENTS

2002—Subsec. (c)(1). Pub. L. 107-217 substituted “section 121(b) of title 40” for “section 205(b) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486(b))”.

ADOPTION OF CAPITAL ACCOUNTING STANDARDS

Pub. L. 101-576, title III, § 307, Nov. 15, 1990, 104 Stat. 2855, provided that: “No capital accounting standard or principle, including any human capital standard or principle, shall be adopted for use in an executive department or agency until such standard has been reported to the Congress and a period of 45 days of continuous session of the Congress has expired.”

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

(a)(1) The Director of the Office of Management and Budget shall prepare and submit to the appropriate committees of the Congress and make available on the website described under section 1122 a financial management status report and a governmentwide 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 the Congress under the amendments made by the Federal Managers' Financial Integrity Act of 1982 (Public Law 97-255);

(E) a listing of agencies whose financial management systems do not comply substantially with the requirements of Section¹ 3(a)² the Federal Financial Management Improvement Act of 1996, and a summary statement of the efforts underway to remedy the non-compliance; and

(F) any other information the Director considers appropriate to fully inform the Congress regarding the financial management of the Federal Government.

(3)(A) A governmentwide 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 governmentwide 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, in-

cluding encouraging agencies to share systems which have sufficient capacity to perform the functions 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 governmentwide 5-year plan.

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

(B)(i) Not later than January 31 of each year thereafter, the Director of the Office of Management and Budget shall submit to the appropriate committees of the Congress a financial management status report and a revised governmentwide 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 governmentwide 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 Government 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

¹ So in original. Probably should not be capitalized.

² So in original. Probably should be followed by "of". See References in Text note below.