

hereafter, the Department of Defense may enter into contracts to recover indebtedness to the United States pursuant to section 3718 of title 31, United States Code.”

**§ 2781. Availability of appropriations: exchange fees; losses in accounts**

Amounts appropriated to the Department of Defense may be used for—

- (1) exchange fees; and
- (2) losses in the accounts of disbursing officials and agents in accordance with law.

(Added Pub. L. 100-370, § 1(m)(1), July 19, 1988, 102 Stat. 849.)

HISTORICAL AND REVISION NOTES

Section is based on Pub. L. 99-190, § 101(b) [title VIII, § 8006(c)], Dec. 19, 1985, 99 Stat. 1185, 1203.

**§ 2782. Damage to real property: disposition of amounts recovered**

Except as provided in section 2775 of this title, amounts recovered for damage caused to real property under the jurisdiction of the Secretary of a military department or, with respect to the Defense Agencies, under the jurisdiction of the Secretary of Defense shall be credited to the account available for the repair or replacement of the real property at the time of recovery. In such amounts as are provided in advance in appropriation Acts, amounts so credited shall be available for use for the same purposes and under the same circumstances as other funds in the account.

(Added Pub. L. 104-106, div. B, title XXVIII, § 2821(a), Feb. 10, 1996, 110 Stat. 556.)

PRIOR PROVISIONS

A prior section 2782, added Pub. L. 101-189, div. A, title XVI, § 1603(a)(1), Nov. 29, 1989, 103 Stat. 1597, related to limits on restoration of unobligated balances withdrawn from availability for obligation, prior to repeal by Pub. L. 101-510, div. A, title XIV, § 1405(c)(1), Nov. 5, 1990, 104 Stat. 1680.

**§ 2783. Nonappropriated fund instrumentalities: financial management and use of nonappropriated funds**

(a) REGULATION OF MANAGEMENT AND USE OF NONAPPROPRIATED FUNDS.—The Secretary of Defense shall prescribe regulations governing—

- (1) the purposes for which nonappropriated funds of a nonappropriated fund instrumentality of the United States within the Department of Defense may be expended; and
- (2) the financial management of such funds to prevent waste, loss, or unauthorized use.

(b) PENALTIES FOR VIOLATIONS.—(1) A civilian employee of the Department of Defense who is paid from nonappropriated funds and who commits a substantial violation of the regulations prescribed under subsection (a) shall be subject to the same penalties as are provided by law for misuse of appropriations by a civilian employee of the Department of Defense paid from appropriated funds. The Secretary of Defense shall prescribe regulations to carry out this paragraph.

(2) The Secretary shall provide in regulations that a violation of the regulations prescribed

under subsection (a) by a person subject to chapter 47 of this title (the Uniform Code of Military Justice) is punishable as a violation of section 892 of this title (article 92 of the Uniform Code of Military Justice).

(c) NOTIFICATION OF VIOLATIONS.—(1) A civilian employee of the Department of Defense (whether paid from nonappropriated funds or from appropriated funds), and a member of the armed forces, whose duties include the obligation of nonappropriated funds, shall notify the Secretary of Defense of information which the person reasonably believes evidences—

- (A) a violation by another person of any law, rule, or regulation regarding the management of such funds; or
- (B) other mismanagement or gross waste of such funds.

(2) The Secretary of Defense shall designate civilian employees of the Department of Defense or members of the armed forces to receive a notification described in paragraph (1) and ensure the prompt investigation of the validity of information provided in the notification.

(3) The Secretary shall prescribe regulations to protect the confidentiality of a person making a notification under paragraph (1).

(Added Pub. L. 102-484, div. A, title III, § 362(a), Oct. 23, 1992, 106 Stat. 2379, § 2490a; renumbered § 2783 and amended Pub. L. 103-160, div. A, title XI, § 1182(a)(8)(A), Nov. 30, 1993, 107 Stat. 1771.)

AMENDMENTS

1993—Pub. L. 103-160 renumbered section 2490a of this title as this section.

Subsec. (b)(2). Pub. L. 103-160, § 1182(a)(8)(A)(i), substituted “chapter 47 of this title” for “chapter 47 of title 10, United States Code”, “Justice is” for “Justice), is”, and “section 892 of this title” for “section 892 of such title”.

Subsec. (c)(1). Pub. L. 103-160, § 1182(a)(8)(A)(ii), substituted “armed forces” for “Armed Forces”.

STANDARDIZATION OF CERTAIN PROGRAMS AND ACTIVITIES OF MILITARY EXCHANGES

Pub. L. 102-484, div. A, title III, § 361, Oct. 23, 1992, 106 Stat. 2379, directed the Secretary of Defense to standardize among the military departments the accounting, financial reporting formats, and automatic data processing and telecommunications data transfer of information by no later than Mar. 31, 1994, and report to Congress, no later than Mar. 31, 1993, on other programs and activities that could be standardized or consolidated.

**§ 2784. Management of purchase cards**

(a) MANAGEMENT OF PURCHASE CARDS.—The Secretary of Defense shall prescribe regulations governing the use and control of all purchase cards and convenience checks that are issued to Department of Defense personnel for official use. Those regulations shall be consistent with regulations that apply Government-wide regarding use of purchase cards by Government personnel for official purposes.

(b) REQUIRED SAFEGUARDS AND INTERNAL CONTROLS.—Regulations under subsection (a) shall include safeguards and internal controls to ensure the following:

- (1) That there is a record in the Department of Defense of each holder of a purchase card issued by the Department of Defense for official