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UNITED STATES  
STATUTES AT LARGE

CONTAINING THE  
LAWS AND CONCURRENT RESOLUTIONS  
ENACTED DURING THE SECOND SESSION OF THE  
EIGHTY-FIRST CONGRESS  
OF THE UNITED STATES OF AMERICA

1950-1951

AND  
PROCLAMATIONS, TREATIES, INTERNATIONAL  
AGREEMENTS OTHER THAN TREATIES,  
AND REORGANIZATION PLANS

VOLUME 64

IN THREE PARTS

PART 1

PUBLIC LAWS AND REORGANIZATION PLANS



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- (4) the United States Naval Reserve;
- (5) the United States Marine Corps Reserve;
- (6) the United States Air Force Reserve; and
- (7) the Coast Guard Reserve; and

(d) "joint utilization" shall mean the occupancy or use of any facility by units of two or more Reserve components of the Armed Forces of the United States.

Appropriation authorized.

SEC. 8. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act. When any Act whereby any such appropriation is made so provides, such sum shall remain available until expended.

Approved September 11, 1950.

[CHAPTER 946]

AN ACT

September 12, 1950  
[H. R. 9038]  
[Public Law 784]

To authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes.

Budget and Accounting Procedures Act of 1950.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Budget and Accounting Procedures Act of 1950".*

TITLE I—BUDGETING AND ACCOUNTING

PART I—BUDGETING

31 U. S. C. 12.  
"Appropriations."

SEC. 101. Section 2 of the Budget and Accounting Act, 1921 (42 Stat. 20), is amended by adding at the end thereof the following:

"The term 'appropriations' includes, in appropriate context, funds and authorizations to create obligations by contract in advance of appropriations, or any other authority making funds available for obligation or expenditure."

42 Stat. 20.  
31 U. S. C. § 11.  
Transmittal of Budget to Congress.

SEC. 102. (a) Section 201 of such Act is amended to read as follows:  
"SEC. 201. The President shall transmit to Congress during the first fifteen days of each regular session, the Budget, which shall set forth his Budget message, summary data and text, and supporting detail. The Budget shall set forth in such form and detail as the President may determine—

- "(a) functions and activities of the Government;
- "(b) any other desirable classifications of data;
- "(c) a reconciliation of the summary data on expenditures with proposed appropriations;
- "(d) estimated expenditures and proposed appropriations necessary in his judgment for the support of the Government for the ensuing fiscal year, except that estimated expenditures and proposed appropriations for such year for the legislative branch of the Government and the Supreme Court of the United States shall be transmitted to the President on or before October 15 of each year, and shall be included by him in the Budget without revision;
- "(e) estimated receipts of the Government during the ensuing fiscal year, under (1) laws existing at the time the Budget is transmitted and also (2) under the revenue proposals, if any, contained in the Budget;
- "(f) actual appropriations, expenditures, and receipts of the Government during the last completed fiscal year;
- "(g) estimated expenditures and receipts, and actual or proposed appropriations of the Government during the fiscal year in progress;

"(h) at the condition and (the en Budget " (i) edness " (j) are ne ticable (b) Sect "SEC. 20: Congress si in his judg the transm interest. E reasons the Budget.

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(e) The la as follows: " President ma

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"(f) Sectors "SEC. 214.

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"(h) balanced statements of (1) the condition of the Treasury at the end of the last completed fiscal year, (2) the estimated condition of the Treasury at the end of the fiscal year in progress, and (3) the estimated condition of the Treasury at the end of the ensuing fiscal year if the financial proposals contained in the Budget are adopted;

"(i) all essential facts regarding the bonded and other indebtedness of the Government; and

"(j) such other financial statements and data as in his opinion are necessary or desirable in order to make known in all practicable detail the financial condition of the Government."

(b) Section 203 of such Act is amended to read as follows:

"SEC. 203. (a) The President from time to time may transmit to Congress such proposed supplemental or deficiency appropriations as in his judgment (1) are necessary on account of laws enacted after the transmission of the Budget, or (2) are otherwise in the public interest. He shall accompany such proposals with a statement of the reasons therefor, including the reasons for their omission from the Budget.

"(b) Whenever such proposed supplemental or deficiency appropriations reach an aggregate which, if they had been contained in the Budget, would have required the President to make a recommendation under subsection (a) of section 202, he shall thereupon make such recommendation."

(c) Section 204 of such Act is amended to read as follows:

"SEC. 204. (a) Except as otherwise provided in this Act, the contents, order, and arrangement of the proposed appropriations and the statements of expenditures and estimated expenditures contained in the Budget or transmitted under section 203, and the notes and other data submitted therewith, shall conform to requirements prescribed by the President.

"(b) The Budget, and statements furnished with any proposed supplemental or deficiency appropriations, shall be accompanied by information as to personal services and other objects of expenditure in the same manner and form as in the Budget for the fiscal year 1950: *Provided*, That this requirement may be waived or modified, either generally or in specific cases, by joint action of the committees of Congress having jurisdiction over appropriation: *And provided further*, That nothing in this Act shall be construed to limit the authority of committees of Congress to request and receive such information in such form as they may desire in consideration of and action upon budget estimates."

(d) Section 205 of such Act is amended to read as follows:

"SEC. 205. Whenever any basic change is made in the form of the Budget, the President, in addition to the Budget, shall transmit to Congress such explanatory notes and tables as may be necessary to show where the various items embraced in the Budget of the prior year are contained in the new Budget."

(e) The last sentence of section 207 of such Act is amended to read as follows: "The Bureau, under such rules and regulations as the President may prescribe, shall prepare the Budget, and any proposed supplemental or deficiency appropriations, and to this end shall have authority to assemble, correlate, revise, reduce, or increase the requests for appropriations of the several departments or establishments."

(f) Section 214 of such Act is amended to read as follows:

"SEC. 214. The head of each department and establishment shall prepare or cause to be prepared in each year his requests for regular, supplemental, or deficiency appropriations."

42 Stat. 21.  
31 U. S. C. §§ 114, 589.  
Transmittal to Congress of supplemental or deficiency appropriations.

42 Stat. 21.  
31 U. S. C. § 113.

42 Stat. 21.  
31 U. S. C. §§ 581, 582, 586, 587, 600, 609, 612, 614, 617, 618, 622-624, 683; Sup. III, § 1600 note et seq.  
Supra; post, pp. 838-843.

42 Stat. 21.  
Basic change in Budget.  
Notes, etc., to Congress.

42 Stat. 22.  
31 U. S. C. §§ 16, 622, 624; Sup. III, § 16.  
Post, p. 843.

42 Stat. 22.  
31 U. S. C. § 22.  
Departmental requests for appropriations.

42 Stat. 23.  
31 U. S. C. §§ 23, 585,  
587, 588, 594, 601, 604.  
Amz, p. 832; post,  
pp. 840, 841, 986.

(g) Section 215 of such Act is amended to read as follows:  
"SEC. 215. The head of each department and establishment shall submit his requests for appropriations to the Bureau on or before a date which the President shall determine. In case of his failure to do so, the President shall cause such requests to be prepared as are necessary to enable him to include such requests with the Budget in respect to the work of such department or establishment."

42 Stat. 23,  
31 U. S. C. § 24.

(h) Section 216 of such Act is amended to read as follows:  
"SEC. 216. Requests for regular, supplemental, or deficiency appropriations which are submitted to the Bureau by the head of any department or establishment shall be prepared and submitted as the President may determine in accordance with the provisions of section 201."

Amz, p. 832.

GOVERNMENT STATISTICAL ACTIVITIES

Sec. 103. The President, through the Director of the Bureau of the Budget, is authorized and directed to develop programs and to issue regulations and orders for the improved gathering, compiling, analyzing, publishing, and disseminating of statistical information for any purpose by the various agencies in the executive branch of the Government. Such regulations and orders shall be adhered to by such agencies.

IMPROVED ADMINISTRATION OF EXECUTIVE AGENCIES

Sec. 104. The President, through the Director of the Bureau of the Budget, is authorized and directed to evaluate and develop improved plans for the organization, coordination, and management of the executive branch of the Government with a view to efficient and economical service.

BUSINESS-TYPE BUDGETS

31 U. S. C. § 847.

Sec. 105. The first two sentences of section 102 of the Government Corporation Control Act of 1945 (59 Stat. 597), are amended to read as follows: "Each wholly owned Government corporation shall cause to be prepared annually a business-type budget which shall be submitted to the Bureau of the Budget, under such rules and regulations as the President may establish as to the date of submission, the form and content, the classifications of data, and the manner in which such budget program shall be prepared and presented."

PART II—ACCOUNTING AND AUDITING

SHORT TITLE

Accounting and Auditing Act of 1950.

SEC. 110. This part may be cited as the "Accounting and Auditing Act of 1950".

DECLARATION OF POLICY

SEC. 111. It is the policy of the Congress in enacting this part that—

(a) The accounting of the Government provide full disclosure of the results of financial operations, adequate financial information needed in the management of operations and the formulation and execution of the Budget, and effective control over income, expenditures, funds, property, and other assets.

(b) Full consideration be given to the needs and responsibilities of both the legislative and executive branches in the establishment of accounting and reporting systems and requirements.

(c) The maintenance of accounting systems and the producing of financial reports with respect to the operations of executive agencies, including central facilities for bringing together and

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disclosing information on the results of the financial operations of the Government as a whole, be the responsibility of the executive branch.

(d) The auditing for the Government, conducted by the Comptroller General of the United States as an agent of the Congress be directed at determining the extent to which accounting and related financial reporting fulfill the purposes specified, financial transactions have been consummated in accordance with laws, regulations or other legal requirements, and adequate internal financial control over operations is exercised, and afford an effective basis for the settlement of accounts of accountable officers.

(e) Emphasis be placed on effecting orderly improvements resulting in simplified and more effective accounting, financial reporting, budgeting, and auditing requirements and procedures and on the elimination of those which involve duplication or which do not serve a purpose commensurate with the costs involved.

(f) The Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget conduct a continuous program for the improvement of accounting and financial reporting in the Government.

#### ACCOUNTING AND REPORTING PROVISIONS

SEC. 112. (a) The Comptroller General of the United States, after consulting the Secretary of the Treasury and the Director of the Bureau of the Budget concerning their accounting, financial reporting, and budgetary needs, and considering the needs of the other executive agencies, shall prescribe the principles, standards, and related requirements for accounting to be observed by each executive agency, including requirements for suitable integration between the accounting processes of each executive agency and the accounting of the Treasury Department. Requirements prescribed by the Comptroller General shall be designed to permit the executive agencies to carry out their responsibilities under section 113 of this part, while providing a basis for integrated accounting for the Government, full disclosure of the results of the financial operations of each executive agency and the Government as a whole, and financial information and control necessary to enable the Congress and the President to discharge their respective responsibilities. The Comptroller General shall continue to exercise the authority vested in him by section 205 (b) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 389) and, to the extent he deems necessary, the authority vested in him by section 309 of the Budget and Accounting Act, 1921 (42 Stat. 25). Any such exercise of authority shall be consistent with the provisions of this section.

(b) The General Accounting Office shall cooperate with the executive agencies in the development of their accounting systems, including the Treasury Department, in the development and establishment of the system of central accounting and reporting required by section 114 of this part. Such accounting systems shall be approved by the Comptroller General when deemed by him to be adequate and in conformity with the principles, standards, and related requirements prescribed by him.

(c) The General Accounting Office shall from time to time review the accounting systems of the executive agencies. The results of such reviews shall be available to the heads of the executive agencies concerned, to the Secretary of the Treasury, and to the Director of the Bureau of the Budget, and the Comptroller General shall make such reports thereon to the Congress as he deems proper.

Requirements for accounting.

41 U. S. C., Sup. III, § 236 (b).

31 U. S. C. §§ 40, 50, 80, 182, Sup. III, § 80 note.

Development of accounting systems, etc.

Review by General Accounting Office.

Establishment of accounting systems, etc.,

SEC. 113. (a) The head of each executive agency shall establish and maintain systems of accounting and internal control designed to provide—

- (1) full disclosure of the financial results of the agency's activities;
- (2) adequate financial information needed for the agency's management purposes;
- (3) effective control over and accountability for all funds, property, and other assets for which the agency is responsible, including appropriate internal audit;
- (4) reliable accounting results to serve as the basis for preparation and support of the agency's budget requests, for controlling the execution of its budget, and for providing financial information required by the Bureau of the Budget under section 213 of the Budget and Accounting Act, 1921 (42 Stat. 23);
- (5) suitable integration of the accounting of the agency with the accounting of the Treasury Department in connection with the central accounting and reporting responsibilities imposed on the Secretary of the Treasury by section 114 of this part.

31 U. S. C. § 21.

(b) The accounting systems of executive agencies shall conform to the principles, standards, and related requirements prescribed by the Comptroller General pursuant to section 112 (a) of this part.

Reports by Secretary of Treasury.

SEC. 114. (a) The Secretary of the Treasury shall prepare such reports for the information of the President, the Congress, and the public as will present the results of the financial operations of the Government: *Provided*, That there shall be included such financial data as the Director of the Bureau of the Budget may require in connection with the preparation of the Budget or for other purposes of the Bureau. Each executive agency shall furnish the Secretary of the Treasury such reports and information relating to its financial condition and operations as the Secretary, by rules and regulations, may require for the effective performance of his responsibilities under this section.

(b) The Secretary of the Treasury is authorized to establish the facilities necessary to produce the financial reports required by subsection (a) of this section. The Secretary is further authorized to reorganize the accounting functions and install, revise, or eliminate accounting procedures and financial reports of the Treasury Department in order to develop effective and coordinated systems of accounting and financial reporting in the several bureaus and offices of the Department with such concentration of accounting and reporting as is necessary to accomplish integration of accounting results for the activities of the Department and provide the operating center for the consolidation of accounting results of other executive agencies with those of the Department. The authority vested in and the duties imposed upon the Department by sections 10, 15, and 22 of the Act entitled "An Act making appropriations for the legislative, executive, and judicial branches of the Government for the fiscal year ending June thirtieth, eighteen hundred ninety-five, and for other purposes", approved July 31, 1894 (28 Stat. 162, 208-210), may be exercised and performed by the Secretary of the Treasury as a part of his broader authority and duties under this section and in such a manner as to provide a unified system of central accounting and reporting on the most efficient and useful basis.

5 U. S. C. § 265, 264.

(c) The system of central accounting and reporting provided for herein shall be consistent with the principles, standards, and related requirements prescribed by the Comptroller General pursuant to section 112 of this part.

SEC. 115. (a) When the Secretary of the Treasury and the Comptroller General determine that existing procedures can be modified in the interest of simplification, improvement, or economy, with sufficient safeguards over the control and accounting for the public funds, they may issue joint regulations providing for the waiving, in whole or in part, of the requirements of existing law that—

Joint regulations.

(1) warrants be issued and countersigned in connection with the receipt, retention, and disbursement of public moneys and trust funds; and

(2) funds be requisitioned, and advanced to accountable officers under each separate appropriation head or otherwise.

(b) Such regulations may further provide for the payment of vouchers by authorized disbursing officers by means of checks issued against the general account of the Treasurer of the United States: *Provided*, That in such case the regulations shall provide for appropriate action in the event of delinquency by disbursing officers in the rendition of their accounts or for other reasons arising out of the condition of the officers' accounts, including under necessary circumstances, the suspension or withdrawal of authority to disburse.

Discontinuance of accounts in General Accounting Office.

SEC. 116. The Comptroller General is authorized to discontinue the maintenance in the General Accounting Office of appropriation, expenditure, limitation, receipt, and personal ledger accounts when in his opinion the accounting systems and internal control of the executive, legislative, and judicial agencies are sufficient to enable him to perform properly the functions to which such accounts relate.

#### AUDITING PROVISIONS

SEC. 117. (a) Except as otherwise specifically provided by law, the financial transactions of each executive, legislative, and judicial agency, including but not limited to the accounts of accountable officers, shall be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. In the determination of auditing procedures to be followed and the extent of examination of vouchers and other documents, the Comptroller General shall give due regard to generally accepted principles of auditing, including consideration of the effectiveness of accounting organizations and systems, internal audit and control, and related administrative practices of the respective agencies.

Audits by General Accounting Office.

(b) Whenever the Comptroller General determines that the audit shall be conducted at the place or places where the accounts and other records of an executive agency are normally kept, he may require any executive agency to retain in whole or in part accounts of accountable officers, contracts, vouchers, and other documents, which are required under existing law to be submitted to the General Accounting Office, under such conditions and for such period not exceeding ten years as he may specify, unless a longer period is agreed upon with the executive agency: *Provided*, That under agreements between the Comptroller General and legislative and judicial agencies the provisions of this sentence may be extended to the accounts and records of such agencies.

Retention of accounts, etc.

#### GENERAL PROVISIONS

SEC. 118. As used in this part, the term "executive agency" means any executive department or independent establishment in the executive branch of the Government but (a) except for the purposes of sections 114, 116, and 119 shall not include any Government corporation or agency subject to the Government Corporation Control Act

"Executive agency."

21 U. S. C. §§841-869, Supp. III, § 846 et seq. *Adm. L.*, p. 834. Administrative examination of accounts.

(59 Stat. 597), and (b) except for the purposes of sections 111, 114, and 116 shall not include the Post Office Department.

SEC. 119. The head of each executive agency is authorized to designate the place or places, at the seat of government or elsewhere, at which the administrative examination of fiscal officers' accounts will be performed, and with the concurrence of the Comptroller General to waive the administrative examination in whole or in part: *Provided*, That the same authority is hereby conferred upon the officers responsible for the administrative examination of accounts for legislative and judicial agencies.

TITLE II—APPROPRIATIONS

AUTHORIZATIONS FOR APPROPRIATIONS

SEC. 201. No requests for legislation, which, if enacted, would authorize subsequent appropriations for a department or establishment in the executive branch of the Government, shall be transmitted to the Bureau of the Budget, to the President, or to the Congress by such department or establishment, or by any organization unit thereof, without the prior approval of the head of such department or establishment.

ADJUSTMENT OF APPROPRIATIONS FOR REORGANIZATION

SEC. 202. (a) When under authority of law a function or an activity is transferred or assigned from one agency within any department or establishment to another agency in the same department or establishment, the balance of appropriations which are determined by the head of such department or establishment to be available and necessary to finance or discharge the function or activity so transferred or assigned may, with the approval of the President, be transferred to, and be available for use by, the agency to which said function or activity is transferred or assigned for any purpose for which said funds were originally available. Balances so transferred shall be credited to any applicable existing appropriation account or accounts, or to any new appropriation account or accounts, which are hereby authorized to be established, and shall be merged with funds in the applicable existing or newly established appropriation account or accounts and thereafter accounted for as one fund.

(b) When under authority of law a function or activity is transferred or assigned from one department or establishment to another department or establishment, the balance of appropriations which are determined by the President to be available and necessary to finance or discharge the function or activity so transferred or assigned, shall be transferred to and be available for use by the department or establishment to which said function or activity is transferred or assigned for any purpose for which said funds were originally available. Balances so transferred shall be credited to any applicable existing appropriation account or accounts, or to any new appropriation account or accounts, which are hereby authorized to be established, and shall be merged with funds in the applicable existing or newly established appropriation account or accounts and thereafter accounted for as one fund.

TITLE III—REPEALS AND SAVING PROVISIONS

REPEALS

SEC. 301. The following Acts and parts of Acts are hereby repealed: (1) Section 10 of the Act of August 1, 1914 (38 Stat. 680; U. S. C., title 31, sec. 582).

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