(b) REQUIRED INFORMATION ON PUBLIC DEBT ACTIVITIES.—Each report submitted under subsection (a) shall include the following information:

(1) A table showing the following information with respect to the total public debt:

(A) The past levels of such debt and the projected levels of such debt as of the close of the current fiscal year and as of the close of the next 5 fiscal years under the most recent current services baseline projection of the executive branch.

(B) The past debt to GDP ratios and the projected debt to GDP ratios as of the close of the current fiscal year and as of the close of the next 5 fiscal years under such most recent current services baseline projection.

(2) A table showing the following information with respect to the net public debt:

(A) The past levels of such debt and the projected levels of such debt as of the close of the current fiscal year and as of the close of the next 5 fiscal years under the most recent current services baseline projection of the executive branch.

(B) The past debt to GDP ratios and the projected debt to GDP ratios as of the close of the current fiscal year and as of the close of the next 5 fiscal years under such most recent current services baseline projection.

(C) The interest cost on such debt for prior fiscal years and the projected interest cost on such debt for the current fiscal year and for the next 5 fiscal years under such most recent current services baseline projection.

(D) The interest cost to outlay ratios for prior fiscal years and the projected interest cost to outlay ratios for the current fiscal year and for the next 5 fiscal years under such most recent current services baseline projection.

(3) A table showing the maturity distribution of the net public debt as of the time the report is submitted and for prior years, and an explanation of the overall financing strategy used in determining the distribution of maturities when issuing public debt obligations, including a discussion of the projections and assumptions with respect to the structure of interest rates for the current fiscal year and for the succeeding 5 fiscal years.

(4) A table showing the following information as of the time the report is submitted and for prior years:

(A) A description of the various categories of the holders of public debt obligations.

(B) The portions of the total public debt held by each of such categories.

(5) A table showing the relationship of federally assisted borrowing to total Federal borrowing as of the time the report is submitted and for prior years.

(6) A table showing the annual principal and interest payments which would be required to amortize in equal annual payments the level (as of the time the report is submitted) of the net public debt over the longest remaining term to maturity of any obligation which is a part of such debt.

(c) REQUIRED INFORMATION ON FEDERAL FINANCING BANK.—Each report submitted under subsection (a) shall include (but not be limited to) information on the financial operations of the Federal Financing Bank, including loan payments and prepayments, and on the levels and categories of the lending activities of the Federal Financing Bank, for the current fiscal year and for prior fiscal years.

(d) RECOMMENDATIONS.—The Secretary of the Treasury may include in any report submitted under subsection (a) such recommendations to improve the issuance and sale of public debt obligations (and with respect to other matters) as he may deem advisable.

(e) DEFINITIONS.—For purposes of this section—

(1) CURRENT FISCAL YEAR.—The term ''current fiscal year'' means the fiscal year ending in the calendar year in which the report is submitted.

(2) TOTAL PUBLIC DEBT.—The term ''total public debt'' means the total amount of the obligations subject to the public debt limit established in section 3101 of this title.

(3) NET PUBLIC DEBT.—The term ''net public debt'' means the portion of the total public debt which is held by the public.

(4) DEBT TO GDP RATIO.—The term ''debt to GDP ratio'' means the percentage obtained by dividing the level of the total public debt or net public debt, as the case may be, by the gross domestic product.

(5) INTEREST COST TO OUTLAY RATIO.—The term ''interest cost to outlay ratio'' means, with respect to any fiscal year, the percentage obtained by dividing the interest cost for such fiscal year on the net public debt by the total amount of Federal outlays for such fiscal year.

(Added Pub. L. 103–202, title II, §201(a), Dec. 17, 1993, 107 Stat. 2355.)

CHAPTER 33—DEPOSITING, KEEPING, AND PAYING MONEY

SUBCHAPTER I—DEPOSITS AND DEPOSITARIES

Sec.
3301. General duties of the Secretary of the Treasury.
3302. Custodians of money.
3303. Designation of depositaries.
3304. Transfers of public money from depositaries.
3305. Audits of depositaries.

SUBCHAPTER II—PAYMENTS

3321. Disbursing authority in the executive branch.
3322. Disbursing officials.
3323. Warrants.
3324. Advances.
3325. Vouchers.
3326. Waiver of requirements for warrants and advances.
3327. General authority to issue checks and other drafts.
3328. Paying checks and drafts.
3329. Withholding checks to be sent to foreign countries.
3330. Payment of Department of Veterans Affairs checks for the benefit of individuals in foreign countries.
3331. Substitute checks.
3332. Required direct deposit.
3333. Relief for payments made without negligence.
3334. Cancellation and proceeds distribution of Treasury checks.

3335. Timely disbursement of Federal funds.
3336. Electronic benefit transfer pilot.[1]

SUBCHAPTER III—MISCELLANEOUS

3341. Sale of Government warrants, checks, drafts, and obligations.
3342. Check cashing and exchange transactions.
3343. Check forgery insurance fund.

SUBCHAPTER IV—IMPROPER PAYMENTS

3351. Definitions.
3352. Estimates of improper payments and reports on actions to reduce improper payments.
3353. Compliance.
3354. Do Not Pay Initiative.
3355. Improving recovery of improper payments.
3356. Improving the use of data by executive agencies for curbing improper payments.
3357. Financial and administrative controls relating to fraud and improper payments.
3358. Interagency working group for Government-wide payment integrity improvement.

Editorial Notes

AMENDMENTS

2020—Pub. L. 116–117, § 2(b), Mar. 2, 2020, 134 Stat. 133, added subchapter IV heading and items 3351 to 3358.

1994—Pub. L. 103–356, title IV, § 402(b), Oct. 13, 1994, 108 Stat. 3413, substituted ''Required direct deposit'' for ''Checks payable to financial organizations designated by Government officers and employees'' in item 3332.

Pub. L. 103–272, § 4(f)(1)(G), July 5, 1994, 108 Stat. 1362, added item 3334.

1991—Pub. L. 102–54, § 13(*l*)(4)(B), June 13, 1991, 105 Stat. 277, substituted ''Department of Veterans Affairs'' for ''Veterans' Administration'' in item 3330.

1990—Pub. L. 101–453, § 4(b), Oct. 24, 1990, 104 Stat. 1059, added item 3335.

SUBCHAPTER I—DEPOSITS AND DEPOSITARIES

§ 3301. General duties of the Secretary of the Treasury

(a) The Secretary of the Treasury shall—

(1) receive and keep public money;

(2) take receipts for money paid out by the Secretary;

(3) give receipts for money deposited in the Treasury;

(4) endorse warrants for receipts for money deposited in the Treasury;

(5) submit the accounts of the Secretary to the Comptroller General every 3 months, or more often if required by the Comptroller General; and

(6) submit to inspection at any time by the Comptroller General of money in the possession of the Secretary.

(b) Except as provided in section 3326 of this title, an acknowledgment for money deposited in the Treasury is not valid if the Secretary does not endorse a warrant as required by subsection (a)(4) of this section.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 948.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3301	31:44(1st sentence).	June 10, 1921, ch. 18, § 304(1st par. 1st sentence), 42 Stat. 24.

HISTORICAL AND REVISION NOTES—CONTINUED

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
	31:147(less disbursement).	R.S. § 305(less disbursement).

In subsection (a), the words ''public money'' are substituted for ''the moneys of the United States'' to eliminate unnecessary words and for consistency. The words ''Secretary of the Treasury'' are substituted for ''Treasurer'' because of the source provisions restated in section 321(c) of the revised title. In clauses (3) and (4), the words ''deposited in the Treasury'' are substituted for ''received by him'' for clarity and consistency in the revised title. In clause (4), the words ''signed by the Secretary of the Treasury'' are omitted as surplus. In clauses (5) and (6), the words ''Comptroller General'' are substituted for ''General Accounting Office'' for consistency. In clause (5), the word ''submit'' is substituted for ''render'' for consistency. The words ''and shall transmit a copy thereof, when settled, to the Secretary of the Treasury'' are omitted because of the restatement. In clause (6), the words ''Secretary of the Treasury . . . or either of them'' are omitted because of the restatement. The word ''public'' is added for consistency.

In subsection (b), the words ''Except as provided in section 3326 of this title'' are added for clarity. The words ''endorse . . . as required by subsection (a)(4) of this section'' are substituted for ''so signed'' for clarity and consistency.

Statutory Notes and Related Subsidiaries

SHORT TITLE OF 2020 AMENDMENT

Pub. L. 116–117, § 1, Mar. 2, 2020, 134 Stat. 113, provided that: ''This Act [enacting subchapter IV of this chapter, amending section 3562 of this title, section 612 of Title 6, Domestic Security, and section 1397ee of Title 42, The Public Health and Welfare, amending provisions set out as a note under 5701 of Title 5, Government Organization and Employees, and repealing provisions set out as notes under this section and section 3321 of this title] may be cited as the 'Payment Integrity Information Act of 2019'.''

SHORT TITLE OF 2015 AMENDMENT

Pub. L. 114–109, § 1, Dec. 18, 2015, 129 Stat. 2225, provided that: ''This Act [amending provisions set out as a note under section 3321 of this title] may be cited as the 'Federal Improper Payments Coordination Act of 2015'.''

SHORT TITLE OF 2010 AMENDMENT

Pub. L. 111–204, § 1, July 22, 2010, 124 Stat. 2224, which provided that Pub. L. 111–204 (amending sections 3501 and 3562 of this title and section 612 of Title 6, Domestic Security, repealing sections 3561 and 3563 to 3567 of this title, enacting provisions set out as notes under section 3321 of this title, and amending provisions set out as a note under section 3321 of this title) could be cited as the ''Improper Payments Elimination and Recovery Act of 2010'', was repealed by Pub. L. 116–117, § 3(a)(2), Mar. 2, 2020, 134 Stat. 133.

SHORT TITLE OF 2000 AMENDMENT

Pub. L. 106–433, § 1, Nov. 6, 2000, 114 Stat. 1910, provided that: ''This Act [amending section 3327 of this title and enacting provisions set out as a note under section 3327 of this title] may be cited as the 'Social Security Number Confidentiality Act of 2000'.''

SHORT TITLE OF 1994 AMENDMENT

Pub. L. 103–356, § 1(a), Oct. 13, 1994, 108 Stat. 3410, provided that: ''This Act [see Tables for classification] may be cited as the 'Government Management Reform Act of 1994'.''

Pub. L. 103–356, title IV, § 401, Oct. 13, 1994, 108 Stat. 3412, provided that: ''This title [amending sections 331,

[1] Editorially supplied. Section 3336 added by Pub. L. 104–208 without corresponding amendment of chapter analysis.

3332, 3515, and 3521 of this title and enacting provisions set out as notes under section 501 of this title] may be cited as the 'Federal Financial Management Act of 1994'.''

§ 3302. Custodians of money

(a) Except as provided by another law, an official or agent of the United States Government having custody or possession of public money shall keep the money safe without—

(1) lending the money;

(2) using the money;

(3) depositing the money in a bank; and

(4) exchanging the money for other amounts.

(b) Except as provided in section 3718(b)[1] of this title, an official or agent of the Government receiving money for the Government from any source shall deposit the money in the Treasury as soon as practicable without deduction for any charge or claim.

(c)(1) A person having custody or possession of public money, including a disbursing official having public money not for current expenditure, shall deposit the money without delay in the Treasury or with a depositary designated by the Secretary of the Treasury under law. Except as provided in paragraph (2), money required to be deposited pursuant to this subsection shall be deposited not later than the third day after the custodian receives the money. The Secretary or a depositary receiving a deposit shall issue duplicate receipts for the money deposited. The original receipt is for the Secretary and the duplicate is for the custodian.

(2) The Secretary of the Treasury may by regulation prescribe that a person having custody or possession of money required by this subsection to be deposited shall deposit such money during a period of time that is greater or lesser than the period of time specified by the second sentence of paragraph (1).

(d) An official or agent not complying with subsection (b) of this section may be removed from office. The official or agent may be required to forfeit to the Government any part of the money held by the official or agent and to which the official or agent may be entitled.

(e) An official or agent of the Government having custody or possession of public money shall keep an accurate entry of each amount of public money received, transferred, and paid.

(f) When authorized by the Secretary, an official or agent of the Government having custody or possession of public money, or performing other fiscal agent services, may be allowed necessary expenses to collect, keep, transfer, and pay out public money and to perform those services. However, money appropriated for those expenses may not be used to employ or pay officers and employees of the Government.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 948; Pub. L. 97–452, §1(10), Jan. 12, 1983, 96 Stat. 2468; Pub. L. 98–369, div. B, title VI, §2652(b)(1), July 18, 1984, 98 Stat. 1152; Pub. L. 103–272, §4(f)(1)(H), July 5, 1994, 108 Stat. 1362; Pub. L. 103–429, §7(a)(3)(A), Oct. 31, 1994, 108 Stat. 4388.)

[1] See References in Text note below.

HISTORICAL AND REVISION NOTES
1982 ACT

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3302(a)	31:521.	R.S. §3639; June 6, 1972, Pub. L. 92–310, §231(r), 86 Stat. 210.
3302(b)	31:484.	R.S. §3617.
3302(c)	31:495.	R.S. §3621; restated May 28, 1896, ch. 252, §5, 29 Stat. 179.
3302(d)	31:490.	R.S. §3619.
3302(e)	31:525.	R.S. §3643.
3302(f)	31:545.	R.S. §3653; Aug. 7, 1882, ch. 433, §1(2d complete par. on p. 312), 22 Stat. 312; Jan. 22, 1925, ch. 87(2d par. under heading ''Division of Bookkeeping and Warrants''), 43 Stat. 767.
	31:1023(b).	June 1, 1955, ch. 119, §1(b), 69 Stat. 82.

In subsection (a), before clause (1), the words ''Except as provided by another law'' are substituted for ''than as specially allowed by law'' in 31:521 for clarity and consistency. The words ''an official or agent of the United States Government having custody or possession of public money'' are substituted for ''The Treasurer of the United States, all assistant treasurers [subsequently changed to 'all depositaries designated in accordance with section 476 of this title' because of 31:476], and those performing the duties of assistant treasurer, all collectors of the customs, all surveyors of the customs, acting also as collectors, all receivers of public moneys at the several land offices, all postmasters, and all public officers of whatsoever character . . . all the public money collected by them, or otherwise at any time placed in their possession and custody'' to eliminate unnecessary words and for consistency in the revised title. The words ''till the same is ordered, by the proper department or officer of the Government, to be transferred or paid out'' are omitted as superseded by source provisions restated in the chapter. The text of 31:521(words after semicolon) is omitted as unnecessary because of the restatement.

In subsection (b), the words ''any abatement or'' are omitted as surplus. The words ''for any charge or claim'' are substituted for ''on account of salary, fees, costs, charges, expenses, or claim of any description whatever'', and the words ''shall deposit the money in the Treasury'' are substituted for ''The gross amount of all moneys received from whatever source for the use of the United States, . . . shall be paid . . . into the Treasury'', to eliminate unnecessary words. The words ''except as otherwise provided in section 487 of this title'' are omitted because 31:487 is obsolete. The text of 31:484(last sentence) is omitted as superseded by title 39.

In subsection (c), the word ''Secretary'' is substituted for ''Treasurer'' because of the source provisions restated in section 321(c) of the revised title. The balance of subsection (c) is substituted for 31:495(words before proviso) for clarity and consistency. The text of 31:495(proviso) is omitted as superseded by title 39.

Subsection (d) is substituted for 31:490 for clarity and consistency.

In subsection (e), the words ''official or agent having custody or possession of public money'' are substituted for ''persons charged by law with the safekeeping, transfer, and disbursements of the public moneys'' for consistency and to eliminate unnecessary words. The words ''other than those connected with the United States Postal Service'' are omitted as superseded by title 39.

In subsection (f), the word ''expressly'' is omitted as surplus. The words ''official or agent having custody or possession'' are substituted for 31:545(words before 21st comma) for consistency and to eliminate unnecessary words. The words ''additional . . . fireproof of chests or vaults or other necessary expenses of'' are omitted as surplus. The words ''employ or pay officers and employees of the Government'' are substituted for ''clerical services or payment of employees of any nature or

grade'' for consistency in the revised title and with other titles of the United States Code.

1983 ACT

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3302(b)	31 App.:484.	Oct. 25, 1982, Pub. L. 97–365, § 13(a), 96 Stat. 1757.

The reference to ''952(g)(2)'' in 31 App.:484 is incorrect and should be ''952(f)(2)''.

1984 ACT (PUB. L. 98–216)

Section 3618 (1st sentence related to non-military deposits) of the Revised Statutes inadvertently was omitted as a source credit for 31:3302. Table 2A of H. Rep. 97–651 (p. 298) states that the sentence was omitted as superseded by various sections of title 10. Title 10 supersedes the sentence only as it applies to military deposits. However, the language of section 3618 (1st sentence related to non-military deposits) is subsumed in the broader language of section 3617 of the Revised Statutes, the source credit for 31:3302(b). Therefore, while section 3618 (1st sentence related to non-military deposits) should be a source credit for 31:3302(b), it is not necessary that the language of the sentence be restated.

Editorial Notes

REFERENCES IN TEXT

Section 3718(b) of this title, referred to in subsec. (b), was redesignated section 3718(d) of this title by Pub. L. 99–578, § 1(1), Oct. 28, 1986, 100 Stat. 3305.

AMENDMENTS

1994—Subsec. (c)(1). Pub. L. 103–272, as amended by Pub. L. 103–429, substituted a period for a comma at end of second sentence.

1984—Subsec. (c). Pub. L. 98–369 designated existing provisions as par. (1), struck out '', but not later than the 30th day after the custodian receives the money,'' after ''without delay'' in first sentence, inserted after first sentence ''Except as provided in paragraph (2), money required to be deposited pursuant to this subsection shall be deposited not later than the third day after the custodian receives the money,'', and added par. (2).

1983—Subsec. (b). Pub. L. 97–452 inserted exception relating to section 3718(b) of this title.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1994 AMENDMENT

Pub. L. 103–429, § 7(a), Oct. 31, 1994, 108 Stat. 4388, provided that the amendment made by that section is effective July 5, 1994.

EFFECTIVE DATE OF 1984 AMENDMENT

Pub. L. 98–369, div. B, title VI, § 2652(b)(2), July 18, 1984, 98 Stat. 1153, provided that: ''The amendments made by this subsection [amending this section] shall become effective January 1, 1985.''

§ 3303. Designation of depositaries

(a) The Secretary of the Treasury designates depositaries of money as provided in this section and under other law.

(b) When necessary to carry out the business of the United States Government and under conditions the Secretary decides are necessary, the Secretary may designate depositaries in foreign countries and in territories and possessions of the United States to receive deposits of public money. The Secretary shall give preference to United States financial institutions the Secretary decides are safe and able to give the service required.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 949.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3303(a)	(no source).	
3303(b)	31:473.	June 19, 1922, ch. 228, 42 Stat. 662.

Subsection (a) is added to inform the reader that there are numerous other laws providing for the designation of depositaries. These other laws are scattered throughout the titles of the United States Code.

In subsection (b), the words ''carry out'' are substituted for ''transaction'' for consistency. The words ''terms and . . . as to security and otherwise'' and ''of public moneys'' are omitted as surplus. The words ''territories and possessions of the United States'' are substituted for ''Territories and insular possessions of the United States'' for consistency. The words ''to receive deposits of public money'' are added for clarity.

§ 3304. Transfers of public money from depositaries

The Secretary of the Treasury may transfer public money in the possession of a depositary—

(1) to the Treasury; and

(2) if the Secretary believes the safety of the public money and convenience require it, to another depositary.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 949.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3304	31:522.	R.S. § 3640.

In the section, before clause (1), the words ''except as provided in section 523 of this title'' are omitted as superseded by title 39. The words ''of the United States, to the credit of the Treasurer'' are omitted as unnecessary. In clause (2), the words ''if the Secretary believes the safety of the public money and convenience require it'' are substituted for ''as the safety of the public moneys and the convenience of the public service shall seem to him to require'' for clarity and to eliminate unnecessary words.

§ 3305. Audits of depositaries

The Secretary of the Treasury, or an officer, employee, or agent designated by the Secretary, may audit a depositary of public money. For uniformity and accuracy in accounts and safety of public money, an individual conducting an audit shall audit a depositary's—

(1) books;

(2) accounts;

(3) returns; and

(4) public money on hand and the way the money is kept.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 949.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3305	31:548.	R.S. § 3649.

In the section, before clause (1), the words ''or an officer, employee, or agent designated by the Secretary'' are substituted for ''and for that purpose to appoint

special agents, as occasion may require'' for clarity and consistency. The words ''may audit a depositary of public money'' are substituted for ''is authorized to cause examinations to be made of the books, accounts and money on hand, of the several depositaries'' to eliminate unnecessary words and for consistency. The words ''with such compensation, not exceeding $6 per day and traveling expenses, as he may think reasonable, to be fixed and declared at the time of each appointment'' are omitted as superseded by 5:3109 and ch. 57. The words ''be instructed to'' and ''as well'' are omitted as surplus.

SUBCHAPTER II—PAYMENTS

§ 3321. Disbursing authority in the executive branch

(a) Except as provided in this section or another law, only officers and employees of the Department of the Treasury designated by the Secretary of the Treasury as disbursing officials may disburse public money available for expenditure by an executive agency.

(b) For economy and efficiency, the Secretary may delegate the authority to disburse public money to officers and employees of other executive agencies.

(c) The head of each of the following executive agencies shall designate personnel of the agency as disbursing officials to disburse public money available for expenditure by the agency:

(1) United States Marshal's Office.

(2) The Department of Defense.

(3) The Department of Homeland Security.[1]

(with respect to public money available for expenditure by the Coast Guard when it is not operating as a service in the Navy).

(d) On request of the Secretary and with the approval of the head of an executive agency referred to in subsection (c) of this section, facilities of the agency may be used to assist in disbursing public money available for expenditure by another executive agency.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 949; Pub. L. 103–355, title III, § 3067, Oct. 13, 1994, 108 Stat. 3337; Pub. L. 104–106, div. A, title IX, § 913(a)(1), Feb. 10, 1996, 110 Stat. 410; Pub. L. 104–201, div. A, title X, § 1009(a)(1), Sept. 23, 1996, 110 Stat. 2633; Pub. L. 109–241, title IX, § 902(b)(1), July 11, 2006, 120 Stat. 566.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3321(a), (b).	5:901(note).	Exec. Order No. 6166, June 10, 1933, § 4.
3321(c), (d).	31:492–1.	R.S. § 176; Sept. 6, 1966, Pub. L. 89–554, § 8(a), 80 Stat. 632; June 6, 1972, Pub. L. 92–310, § 231(a), 86 Stat. 209.
	5 App.	Reorg. Plan No. 4 of 1940, eff. June 30, 1940, §§ 3, 4, 54 Stat. 1234.
		Exec. Order No. 6728, May 29, 1934.

The section uses the defined term ''executive agency'' in section 102 of the revised title because the source provisions of this section are from a reorganization plan and executive orders that apply only to departments, agencies, and instrumentalities of the executive branch of the United States Government.

In subsections (a) and (b), the words ''Secretary of the Treasury'' and ''Secretary'' are substituted for references to the Division of Disbursement and a Chief Disbursing Officer because of the source provisions restated in section 321(c) of the revised title. The words ''public money'' are substituted for ''moneys of the United States'' for consistency with the other source provisions restated in the section and for consistency in the chapter.

Subsection (a) is substituted for section 4(1st paragraph) of Executive Order No. 6166 to omit executed words.

In subsection (b), the words ''may require'' and ''as the interests of'' are omitted as unnecessary. The words ''to establish local offices'' are omitted because of the authority of the Secretary of the Treasury as the head of the Department of the Treasury and the authority of the Secretary under section 321 of the revised title. The text of section 4(last paragraph) is omitted as superseded by section 3325 of the revised title.

In subsection (c), the text of 31:492–1(1st sentence) is applied only to the listed agencies because of subsection (a) and Executive Order 6728. The text of 31:492–1(last sentence) is omitted as superseded by section 2 of Reorganization Plan No. 18 of 1950 (eff. July 1, 1950, 64 Stat. 1270) and by 40:490. In clause (1), the words after ''disbursement by United States marshals'' and before the last proviso in section 3 of Reorganization Plan No. 4 of 1940 (eff. June 30, 1940, 54 Stat. 1234) are omitted as unnecessary because of 28:571 and sections 3512(a)–(c) and 3513(a) of the revised title. In clause (2), the word ''pay'' is substituted for ''salaries'' in Executive Order No. 6728 for consistency in the revised title and with other titles of the United States Code. The words ''including the Marine Corps'' are omitted as being included in ''military departments''. The words ''Panama Canal'' are omitted because of the Panama Canal Treaty of 1977. The first proviso is omitted as unnecessary because of sections 3512 and 3513 of the revised title. Section 4 of Reorganization Plan No. 4 of 1940 is omitted because (1) the Post Office Department was abolished by the 1970 restatement of title 39, with all authority of the former Postmaster General being placed in the new United States Postal Service, (2) under 39:410 and 3604, the Postal Service and the Postal Rate Commission were exempt from all provisions of law related to budget and funds, and (3) the Postal Savings System and its Board of Trustees were abolished under section 5 of the Act of March 28, 1942 (ch. 205, 56 Stat. 189).

Editorial Notes

AMENDMENTS

2006—Subsec. (c)(3). Pub. L. 109–241 substituted ''Department of Homeland Security.'' for ''Department of Transportation''.

1996—Subsec. (c)(2). Pub. L. 104–106 added par. (2) and struck out former par. (2) which read as follows: ''The Department of Defense (except for disbursements for departmental pay and expenses in the District of Columbia).''

Subsec. (c)(3). Pub. L. 104–201 added par. (3).

1994—Subsec. (c)(2). Pub. L. 103–355 substituted ''The Department of Defense'' for ''military departments of the Department of Defense''.

Statutory Notes and Related Subsidiaries

SAVING FEDERAL DOLLARS THROUGH BETTER USE OF GOVERNMENT PURCHASE AND TRAVEL CARDS

Pub. L. 115–91, div. A, title XVIII, Dec. 12, 2017, 131 Stat. 1814, provided that:

''SEC. 1801. SHORT TITLE.

''This title may be cited as the 'Saving Federal Dollars Through Better Use of Government Purchase and Travel Cards Act of 2017'.

''SEC. 1802. DEFINITIONS.

''In this title:

''(1) IMPROPER PAYMENT.—The term 'improper payment' has the meaning given the term in [former]

[1] So in original. The period probably should not appear.

section 2 of the Improper Payments Information Act of 2002 [Pub. L. 107–300] ([former] 31 U.S.C. 3321 note [see 33 U.S.C. 3351]).

''(2) QUESTIONABLE TRANSACTION.—The term 'questionable transaction' means a charge card transaction that from initial card data appears to be high risk and may therefore be improper due to non-compliance with applicable law, regulation or policy.

''(3) STRATEGIC SOURCING.—The term 'strategic sourcing' means analyzing and modifying a Federal agency's spending patterns to better leverage its purchasing power, reduce costs, and improve overall performance.

''SEC. 1803. EXPANDED USE OF DATA ANALYTICS.

''(a) STRATEGY.—Not later than 180 days after the date of the enactment of this Act [Dec. 12, 2017], the Director of the Office of Management and Budget, in consultation with the Administrator for General Services, shall develop a strategy to expand the use of data analytics in managing government purchase and travel charge card programs. These analytics may employ existing General Services Administration capabilities, and may be in conjunction with agencies' capabilities, for the purpose of—

''(1) identifying examples or patterns of questionable transactions and developing enhanced tools and methods for agency use in—

''(A) identifying questionable purchase and travel card transactions; and

''(B) recovering improper payments made with purchase and travel cards;

''(2) identifying potential opportunities for agencies to further leverage administrative process streamlining and cost reduction from purchase and travel card use, including additional agency opportunities for card-based strategic sourcing;

''(3) developing a set of purchase and travel card metrics and benchmarks for high-risk activities, which shall assist agencies in identifying potential emphasis areas for their purchase and travel card management and oversight activities, including those required by the Government Charge Card Abuse Prevention Act of 2012 (Public Law 112–194) [see Short Title of 2012 Amendment note set out under section 101 of Title 41, Public Contracts]; and

''(4) developing a plan, which may be based on existing capabilities, to create a library of analytics tools and data sources for use by Federal agencies (including inspectors general of those agencies).

''SEC. 1804. GUIDANCE ON IMPROVING INFORMATION SHARING TO CURB IMPROPER PAYMENTS.

''(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act [Dec. 12, 2017], the Director of the Office of Management and Budget, in consultation with the Administrator of General Services and the interagency charge card data management group established under section 1805, shall issue guidance on improving information sharing by government agencies for the purposes of section 1803(a)(1).

''(b) ELEMENTS.—The guidance issued under subsection (a) shall—

''(1) require relevant officials at Federal agencies to identify high-risk activities and communicate that information to the appropriate management levels within the agencies;

''(2) require that appropriate officials at Federal agencies review the reports issued by charge card-issuing banks on questionable transaction activity (such as purchase and travel card pre-suspension and suspension reports, delinquency reports, and exception reports), including transactions that occur with high-risk activities, and suspicious timing or amounts of cash withdrawals or advances;

''(3) provide for the appropriate sharing of information related to potential questionable transactions, fraud schemes, and high-risk activities with the General Services Administration and the appropriate officials in Federal agencies;

''(4) consider the recommendations made by Inspectors General or the best practices Inspectors General have identified; and

''(5) include other requirements determined appropriate by the Director for the purposes of carrying out this title.

''SEC. 1805. INTERAGENCY CHARGE CARD DATA MANAGEMENT GROUP.

''(a) ESTABLISHMENT.—The Administrator of General Services and the Director of the Office of Management and Budget shall establish a purchase and travel charge card data management group to develop and share best practices for the purposes described in section 1803(a).

''(b) ELEMENTS.—The best practices developed under subsection (a) shall—

''(1) cover rules, edits, and task order or contract modifications related to charge card-issuing banks;

''(2) include the review of accounts payable information and purchase and travel card transaction data of agencies for the purpose of identifying potential strategic sourcing and other additional opportunities (such as recurring payments, utility payments, and grant payments) for which the charge cards or related payment products could be used as a payment method; and

''(3) include other best practices as determined by the Administrator and Director.

''(c) MEMBERSHIP.—The purchase and travel charge card data management group shall meet regularly as determined by the co-chairs, for a duration of three years, and include those agencies as described in section 2 of the Government Charge Card Abuse Prevention Act of 2012 (Public Law 112–194) [enacting section 1909 of Title 41, Public Contracts and provisions set out as a note under section 1909 of Title 41 and amending section 2784 of Title 10, Armed Forces] and others identified by the Administrator and Director.

''SEC. 1806. REPORTING REQUIREMENTS.

''(a) GENERAL SERVICES ADMINISTRATION REPORT.—Not later than one year after the date of the enactment of this Act [Dec. 12, 2017], the Administrator for General Services shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform [now Committee on Oversight and Accountability] of the House of Representatives a report on the implementation of this title, including the metrics used in determining whether the analytic and benchmarking efforts have reduced, or contributed to the reduction of, questionable transactions or improper payments as well as improved utilization of card-based payment products.

''(b) AGENCY REPORTS AND CONSOLIDATED REPORT TO CONGRESS.—Not later than one year after the date of the enactment of this Act, the head of each Federal agency described in section 2 of the Government Charge Card Abuse Prevention Act of 2012 (Public Law 112–194) shall submit a report to the Director of the Office of Management and Budget on that agency's activities to implement this title.

''(c) OFFICE OF MANAGEMENT AND BUDGET REPORT TO CONGRESS.—The Director of the Office of Management and Budget shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform [now Committee on Oversight and Accountability] of the House of Representatives a consolidated report of agency activities to implement this title, which may be included as part of another report submitted by the Director to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform [now Committee on Oversight and Accountability] of the House of Representatives.

''(d) REPORT ON ADDITIONAL SAVINGS OPPORTUNITIES.—Not later than one year after the date of the enactment of this Act, the Administrator of General Services shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and

the Committee on Oversight and Government Reform [now Committee on Oversight and Accountability] of the House of Representatives a report identifying and exploring further potential savings opportunities for government agencies under the Federal charge card programs. This report may be combined with the report required under subsection (a).''

FRAUD REDUCTION AND DATA ANALYTICS

Pub. L. 114–186, June 30, 2016, 130 Stat. 546, known as the ''Fraud Reduction and Data Analytics Act of 2015'', which established financial and administrative controls relating to fraud and improper payments, including the establishment of a working group, was repealed by Pub. L. 116–117, § 3(a)(4), Mar. 2, 2020, 134 Stat. 133.

IMPROPER PAYMENTS ELIMINATION AND RECOVERY IMPROVEMENT

Pub. L. 112–248, Jan. 10, 2013, 126 Stat. 2390, as amended by Pub. L. 113–67, div. A, title II, § 204(c), Dec. 26, 2013, 127 Stat. 1181; Pub. L. 114–109, §§ 2–4, Dec. 18, 2015, 129 Stat. 2225–2227; Pub. L. 117–286, § 4(b)(53), Dec. 27, 2022, 136 Stat. 4349, known as the ''Improper Payments Elimination and Recovery Improvement Act of 2012'', which set out to improve identification, prevention, and recovery of improper payments, including through the establishment of the Do Not Pay Initiative, was repealed by Pub. L. 116–117, § 3(a)(3), Mar. 2, 2020, 134 Stat. 133.

DETERMINATIONS OF AGENCY READINESS FOR OPINION ON INTERNAL CONTROL

Pub. L. 111–204, § 2(g), July 22, 2010, 124 Stat. 2228, which provided for determinations of agency readiness for opinions on internal control, was repealed by Pub. L. 116–117, § 3(a)(2), Mar. 2, 2020, 134 Stat. 133.

RECOVERY AUDITS

Pub. L. 111–204, § 2(h), July 22, 2010, 124 Stat. 2228, as amended by Pub. L. 112–248, § 3(c)(1), Jan. 10, 2013, 126 Stat. 2392, which provided that certain agencies would conduct recovery audits and set out terms and procedures for the audits, was repealed by Pub. L. 116–117, § 3(a)(2), Mar. 2, 2020, 134 Stat. 133.

COMPLIANCE

Pub. L. 111–204, § 3, July 22, 2010, 124 Stat. 2232, as amended by Pub. L. 112–248, § 3(c)(2), Jan. 10, 2013, 126 Stat. 2392, which provided for compliance procedures and standards related to the recovery of improper payments, was repealed by Pub. L. 116–117, § 3(a)(2), Mar. 2, 2020, 134 Stat. 133.

IMPROPER PAYMENTS

Pub. L. 107–300, Nov. 26, 2002, 116 Stat. 2350, as amended by Pub. L. 111–204, § 2(a)–(f), July 22, 2010, 124 Stat. 2224–2228; Pub. L. 112–248, §§ 3(a), (4), Jan. 10, 2013, 126 Stat. 2390, 2392, known as the ''Improper Payments Information Act of 2002'', which established greater estimation and oversight of improper payment by Federal agencies, was repealed by Pub. L. 116–117, § 3(a)(1), Mar. 2, 2020, 134 Stat. 133. See, generally, subchapter IV of this chapter.

Executive Documents

EX. ORD. NO. 13681. IMPROVING THE SECURITY OF CONSUMER FINANCIAL TRANSACTIONS

Ex. Ord. No. 13681, Oct. 17, 2014, 79 F.R. 63491, provided:

Given that identity crimes, including credit, debit, and other payment card fraud, continue to be a risk to U.S. economic activity, and given the economic consequences of data breaches, the United States must take further action to enhance the security of data in the financial marketplace. While the U.S. Government's credit, debit, and other payment card programs already include protections against fraud, the Government must further strengthen the security of consumer data and encourage the adoption of enhanced safeguards nationwide in a manner that protects privacy and confidentiality while maintaining an efficient and innovative financial system.

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to improve the security of consumer financial transactions in both the private and public sectors, it is hereby ordered as follows:

SECTION 1. *Secure Government Payments*. In order to strengthen data security and thereby better protect citizens doing business with the Government, executive departments and agencies (agencies) shall, as soon as possible, transition payment processing terminals and credit, debit, and other payment cards to employ enhanced security features, including chip-and-PIN technology. In determining enhanced security features to employ, agencies shall consider relevant voluntary consensus standards and specifications, as appropriate, consistent with the National Technology Transfer and Advancement Act of 1995 and Office of Management and Budget Circular A–119.

(a) The Secretary of the Treasury shall take necessary steps to ensure that payment processing terminals acquired by agencies through the Department of the Treasury or through alternative means authorized by the Department of the Treasury have enhanced security features. No later than January 1, 2015, all new payment processing terminals acquired in these ways shall include hardware necessary to support such enhanced security features. By January 1, 2015, the Department of the Treasury shall develop a plan for agencies to install enabling software that supports enhanced security features.

(b) The Administrator of General Services shall take necessary steps to ensure that credit, debit, and other payment cards provided through General Services Administration (GSA) contracts have enhanced security features, and shall begin replacing credit, debit, and other payment cards without enhanced security features no later than January 1, 2015.

(c) The Secretary of the Treasury shall take necessary steps to ensure that Direct Express prepaid debit cards for administering Government benefits have enhanced security features, and by January 1, 2015, the Department of the Treasury shall develop a plan for the replacement of Direct Express prepaid debit cards without enhanced security features.

(d) By January 1, 2015, other agencies with credit, debit, and other payment card programs shall provide to the Office of Management and Budget (OMB) plans for ensuring that their credit, debit, and other payment cards have enhanced security features.

(e) Nothing in this order shall be construed to preclude agencies from adopting additional standards or upgrading to more effective technology and standards to improve the security of consumer financial transactions as technologies and threats evolve.

SEC. 2. *Improved Identity Theft Remediation*. To reduce the burden on consumers who have been victims of identity theft, including by substantially reducing the amount of time necessary for a consumer to remediate typical incidents:

(a) by February 15, 2015, the Attorney General, in coordination with the Secretary of Homeland Security, shall issue guidance to promote regular submissions, as appropriate and permitted by law, by Federal law enforcement agencies of compromised credentials to the National Cyber-Forensics and Training Alliance's Internet Fraud Alert System;

(b) the Department of Justice, the Department of Commerce, and the Social Security Administration shall identify all publicly available agency resources for victims of identity theft, and shall provide to the Federal Trade Commission (FTC) information about such resources no later than March 15, 2015, with updates thereafter as necessary. These agencies shall work in consultation with the FTC to streamline these resources and consolidate them wherever possible at the FTC's public Web site, IdentityTheft.gov; and

(c) OMB and GSA shall assist the FTC in enhancing the functionality of IdentityTheft.gov, including by coordinating with the credit bureaus to streamline the reporting and remediation process with credit bureaus' systems to the extent feasible, and in making the enhanced site available to the public by May 15, 2015.

SEC. 3. *Securing Federal Transactions Online.* To help ensure that sensitive data are shared only with the appropriate person or people, within 90 days of the date of this order, the National Security Council staff, the Office of Science and Technology Policy, and OMB shall present to the President a plan, consistent with the guidance set forth in the 2011 National Strategy for Trusted Identities in Cyberspace, to ensure that all agencies making personal data accessible to citizens through digital applications require the use of multiple factors of authentication and an effective identity proofing process, as appropriate. Within 18 months of the date of this order, relevant agencies shall complete any required implementation steps set forth in the plan prepared pursuant to this section.

SEC. 4. *General Provisions.* (a) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(b) Nothing in this order shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department, agency, or the head thereof; or

(ii) the functions of the Director of OMB relating to budgetary, administrative, or legislative proposals.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

BARACK OBAMA.

§ 3322. Disbursing officials

(a) The Secretary of the Treasury shall transfer public money to a disbursing official only by draft or warrant written on the Treasury. Except as provided in section 3716 and section 3720A of this title and subsection (b) of this section, a disbursing official shall—

(1) deposit public money as required by section 3302 of this title; and

(2) draw public money from the Treasury or a depositary only—

(A) as necessary to make payments; and

(B) payable to persons to whom payment is to be made.

(b) In a place without a depositary, the Secretary, on deciding it is essential to the public interest, may authorize specially in writing that public money be—

(1) deposited in any other public depositary; or

(2) kept in another manner under regulations the Secretary decides are the safest and most effective in making a payment to a public creditor easier.

(c) A disbursing official is not liable for an overpayment provided under a United States Government bill of lading or transportation request when the overpayment is caused by the—

(1) use of improper transportation rates or classifications if the Administrator of General Services has determined that verification by a prepayment audit conducted pursuant to section 3726(a) of this title for a particular mode or modes of transportation, or for an agency or subagency, will not adequately protect the interests of the Government; or

(2) failure to deduct the proper amount under—

(A) a land grant law; or

(B) an equalization or other agreement.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 950; Pub. L. 98–216, § 1(3), Feb. 14, 1984, 98 Stat. 3; Pub. L. 104–134, title III, § 31001(g)(1)(A), Apr. 26, 1996, 110 Stat. 1321–363; Pub. L. 105–264, § 3(a)(1), Oct. 19, 1998, 112 Stat. 2352.)

HISTORICAL AND REVISION NOTES

1982 ACT

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3322(a)	31:492(a).	R.S. § 3620(a); Feb. 27, 1877, ch. 69(7th complete par. on p. 249), 19 Stat. 249; Aug. 28, 1965, Pub. L. 89–145, § 1(1), 79 Stat. 582.
3322(b)	31:82g(related to disbursing officers).	June 1, 1942, ch. 320(related to disbursing officers), 56 Stat. 306.

In the section, the words ''disbursing official'' are substituted for ''disbursing officer'' for consistency in the revised title.

In subsection (a), before clause (1), the words ''Secretary of the Treasury'' are substituted for ''Treasurer of the United States'' because of the source provisions restated in section 321(c) of the revised title. The words ''or an assistant treasurer of the United States'' in section 3620(a) of the Revised Statutes are omitted as obsolete because of the 1st–4th pars. under the heading ''Independent Treasury'' in the Act of May 29, 1920 (ch. 214, 41 Stat. 654). In clause (1), the words ''as required by section 3302 of this title'' are substituted for ''with the Treasurer or some one of the assistant treasurers of the United States (subsequently changed to 'or with one of the depositaries of the United States mentioned in section 476 of this title')'' because of 31:476. In clause (2), the words ''in pursuance of law'' are omitted as surplus. The text of 31:492(a)(last sentence) is omitted because of section 3323(a) of the revised title.

In subsection (b), before clause (1), the words ''On and after June 1, 1942'' are omitted as executed. The words ''of the United States'' are omitted as unnecessary. The words ''for transportation'' are omitted as surplus.

1984 ACT

This is necessary because section 3620(a) (last sentence) of the Revised Statutes inadvertently was omitted from the codification of title 31 by section 1 of the Act of September 13, 1982 (Pub. L. 97–258, 96 Stat. 877).

In subsection (a), before clause (1), the words ''Except as provided in subsection (b) of this section'' are added because of the restatement.

In subsection (b), before clause (1), the word ''however'' is omitted as surplus. The words ''treasurer or'' are omitted as obsolete because of the 1st–4th pars. under the heading ''Independent Treasury'' in the Act of May 29, 1920 (ch. 214, 41 Stat. 654). In clause (2), the words ''rules and'' are omitted as surplus.

Editorial Notes

AMENDMENTS

1998—Subsec. (c)(1). Pub. L. 105–264 inserted ''if the Administrator of General Services has determined that verification by a prepayment audit conducted pursuant to section 3726(a) of this title for a particular mode or modes of transportation, or for an agency or subagency, will not adequately protect the interests of the Government'' after ''classifications''.

1996—Subsec. (a). Pub. L. 104–134 inserted ''section 3716 and section 3720A of this title and'' after ''Except as provided in'' in introductory provisions.

1984—Subsec. (a). Pub. L. 98–216 amended subsec. (a) generally, substituting ''Except as provided in subsection (b) of this section, a'' for ''A'' in second sentence.

Subsecs. (b), (c). Pub. L. 98–216 added subsec. (b) and redesignated former subsec. (b) as (c).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105–264, § 3(b), Oct. 19, 1998, 112 Stat. 2354, provided that: ''The amendments made by this section [amending this section and sections 3528 and 3726 of this title] shall become effective 18 months after the date of the enactment of this Act [Oct. 19, 1998].''

EFFECTIVE DATE OF 1996 AMENDMENT

Pub. L. 104–134, title III, § 31001(a)(2)(A), Apr. 26, 1996, 110 Stat. 1321–358, provided that: ''The provisions of this section [enacting sections 3720B to 3720E of this title, amending this section, sections 3325, 3331, 3332, 3343, 3701, 3711, 3712, 3716 to 3719, 3720A, and 7701 of this title, section 5514 of Title 5, Government Organization and Employees, sections 6050P, 6103, and 6402 of Title 26, Internal Revenue Code, and sections 404 and 664 of Title 42, The Public Health and Welfare, enacting provisions set out as notes under sections 3701, 3711, 3716, and 3719 of this title and section 2461 of Title 28, Judiciary and Judicial Procedure, amending provisions set out as notes under section 7701 of this title and section 2461 of Title 28, and repealing provisions set out as notes under section 3718 of this title] and the amendments made by this section shall take effect on the date of the enactment of this Act [Apr. 26, 1996].''

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98–216 effective Sept. 13, 1982, see section 4(c) of Pub. L. 98–216, set out as a note under section 490 of Title 18, Crimes and Criminal Procedure.

§ 3323. Warrants

(a) Except as provided in section 3326 of this title, the Secretary of the Treasury may pay out money only against a warrant. A warrant shall be—

(1) authorized by law;

(2) signed by the Secretary; and

(3) countersigned by the Comptroller General.

(b)(1) A disbursing official shall send to the Secretary with a warrant a certificate under section 3526 of this title, or a requisition for an advance. The certificate or requisition shall state the appropriation to which the payment is to be charged.

(2) The Secretary shall return the certificate or requisition to the Comptroller General with the date and amount endorsed on the certificate or requisition.

(c) A requisition for the payment of money on an audited account or for depositing money in the Treasury is not required.

(d) The Secretary and the Comptroller General shall charge to the appropriate appropriation in their books any money paid by a warrant.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 950.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3323(a)	31:44(1st sentence).	June 10, 1921, ch. 18, § 304(1st par. 1st sentence), 42 Stat. 24.
	31:76(2d sentence words before 3d comma).	July 31, 1894, ch. 174, § 11(2d, 3d sentences), 28 Stat. 209.
	31:147(related to disbursement).	R.S. § 305(related to disbursement); July 31, 1894, ch. 174, § 11(last sentence related to § 305), 28 Stat. 209.
3323(b)	31:76(2d sentence words after 3d comma).	

HISTORICAL AND REVISION NOTES—CONTINUED

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3323(c)	31:76(3d sentence).	
3323(d)	31:44(1st sentence). 31:77.	R.S. § 3675.

In the section, the words ''Comptroller General'' are substituted for ''General Accounting Office'' for consistency.

Subsection (a) is substituted for 31:76(2d sentence words before 3d comma) and 147(related to disbursement) to eliminate unnecessary words and for clarity and consistency.

In subsection (b), the word ''Secretary'' is substituted for ''Treasurer'' because of the source provisions restated in section 321 of the revised title.

In subsection (b)(1), the words ''instead of being specified on the warrant'' are omitted as surplus. The reference to ''section 3526 of this title'' is used because section 72, referred to in 31:76, has been omitted from the restatement superseded by 31:82i and 31:82i is restated in section 3526.

In subsection (c), the word ''depositing'' is substituted for ''covering'' for clarity and consistency.

§ 3324. Advances

(a) Except as provided in this section, a payment under a contract to provide a service or deliver an article for the United States Government may not be more than the value of the service already provided or the article already delivered.

(b) An advance of public money may be made only if it is authorized by—

(1) a specific appropriation or other law; or

(2) the President to be made to—

(A) a disbursing official if the President decides the advance is necessary to carry out—

(i) the duties of the official promptly and faithfully; and

(ii) an obligation of the Government; or

(B) an individual serving in the armed forces at a distant station if the President decides the advance is necessary to disburse regularly pay and allowances.

(c) Before the Secretary of the Treasury acts on a requisition for an advance, the Comptroller General shall act on the requisition under section 3522 of this title. The Comptroller General does not countersign a requisition for an advance.

(d) The head of an agency may pay in advance from appropriations available for the purpose—

(1) to the Secretary of the Army, charges for messages sent by the Secretary of the Army for the head of the agency, including charges for—

(A) payment of tolls of commercial carriers;

(B) leasing facilities for sending messages; and

(C) installing and maintaining facilities for sending messages; and

(2) charges for a publication printed or recorded in any way for the auditory or visual use of the agency.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 950.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3324(a)	31:529(2d sentence).	R.S. §3648; Aug. 2, 1946, ch. 744, §11, 60 Stat. 809.
3324(b)	31:529(1st, 3d, last sentences).	
3324(c)	31:44(1st sentence).	June 10, 1921, ch. 18, §304(1st par. 1st sentence), 42 Stat. 24.
	31:76(1st, last sentences).	July 31, 1894, ch. 174, §11(1st, 4th sentences), 28 Stat. 209.
3324(d)	31:530a.	June 12, 1930, ch. 470, §1, 46 Stat. 580; July 20, 1961, Pub. L. 87–91, §1, 75 Stat. 211.
	31:530b.	June 12, 1930, ch. 470, 46 Stat. 580, §2; added Dec. 22, 1974, Pub. L. 93–534, 88 Stat. 1731.
	31:686–2.	Apr. 15, 1926, ch. 146, §101(proviso on p. 267), 44 Stat. 267.

In subsection (a), the words ''Except as provided in this section'' are added for clarity. The words ''already provided'' and ''already delivered'' are substituted for ''rendered . . . delivered previously to such payment'' for clarity and consistency.

In subsection (b), before clause (1), the words ''in any case'' and ''It shall, however, be lawful under the special direction of'' are omitted as surplus. In clause (2)(A)(i), the word ''official'' is substituted for ''officer'' for consistency in the revised title. The words ''of the Government'' are omitted as surplus. Clause (2)(A)(ii) is substituted for ''the public engagements'' for clarity. In clause (2)(B), the word ''individual'' is substituted for ''persons'' for consistency. The words ''armed forces'' are substituted for ''military and naval service'' for consistency with title 10. The words ''and proper'' are omitted as unnecessary. The words ''disburse regularly pay and allowances'' are substituted for ''discharge of the pay and emoluments to which they may be entitled cannot be regularly effected'' to eliminate unnecessary words, for clarity, and for consistency with title 37.

In subsection (c), the words ''Comptroller General'' are substituted for ''General Accounting Office'' for consistency.

In subsection (d), before clause (1), the words ''On and after April 15, 1926'' in 31:686–2 are omitted as executed. The word ''agency'' is substituted for ''department or establishment'' because of section 101 of the revised title and for consistency. The words ''may pay in advance from appropriations available for the purpose'' are substituted for ''may transfer in advance . . . such amounts as may be necessary to defray the expense of'' for clarity and consistency. In clause (1), the words ''Secretary of the Army'' are substituted for ''Signal Corps of the Army'' because of 10:3012. The title of Secretary of War was changed to Secretary of the Army, and the Department of War was designated the Department of the Army by section 205(a) of the Act of July 26, 1947 (ch. 343, 61 Stat. 501), and by sections 1 and 53 of the Act of August 10, 1956 (ch. 1041, 70A Stat. 157, 676). Clause (2) is substituted for 31:530a and 530b to eliminate unnecessary words. The words ''or the municipal government of the District of Columbia'' are omitted because of sections 441–445 and 736 of the Act of December 24, 1973 (Pub. L. 93–198, 87 Stat. 798, 823).

Statutory Notes and Related Subsidiaries

INTERNATIONAL REFUGEE ORGANIZATION

Funds available for expenditure without regard to this section, see section 289c of Title 22, Foreign Relations and Intercourse.

Executive Documents

EXEMPTION OF FUNCTIONS

Functions authorized by Foreign Assistance Act of 1961, as amended, as exempt, see Ex. Ord. No. 11223, May 12, 1965, 30 F.R. 6635, set out as a note under section 2393 of Title 22, Foreign Relations and Intercourse.

§ 3325. Vouchers

(a) A disbursing official in the executive branch of the United States Government shall—

(1) disburse money only as provided by a voucher certified by—

(A) the head of the executive agency concerned; or

(B) an officer or employee of the executive agency having written authorization from the head of the agency to certify vouchers;

(2) examine a voucher if necessary to decide if it is—

(A) in proper form;

(B) certified and approved; and

(C) computed correctly on the facts certified; and

(3) except for the correctness of computations on a voucher or pursuant to payment intercepts or offsets pursuant to section 3716 or 3720A of this title,,[1] be held accountable for carrying out clauses (1) and (2) of this subsection.

(b) In addition to officers and employees referred to in subsection (a)(1)(B) of this section as having authorization to certify vouchers, members of the armed forces may certify vouchers when authorized, in writing, by the Secretary of Defense or, in the case of the Coast Guard when it is not operating as a service in the Navy, by the Secretary of Homeland Security.

(c) On request, the Secretary of the Treasury may provide to the appropriate officer or employee of the United States Government a list of persons receiving periodic payments from the Government. When certified and in proper form, the list may be used as a voucher on which the Secretary may disburse money.

(d) The head of an executive agency or an officer or employee of an executive agency referred to in subsection (a)(1)(B), as applicable, shall include with each certified voucher submitted to a disbursing official pursuant to this section the taxpayer identifying number of each person to whom payment may be made under the voucher.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 951; Pub. L. 104–106, div. A, title IX, §913(b), Feb. 10, 1996, 110 Stat. 411; Pub. L. 104–134, title III, §31001(g)(1)(B), (y), Apr. 26, 1996, 110 Stat. 1321–363, 1321–378; Pub. L. 104–201, div. A, title X, §1009(b), Sept. 23, 1996, 110 Stat. 2634; Pub. L. 109–241, title IX, §902(b)(2), July 11, 2006, 120 Stat. 566.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3325(a)	31:82b.	Dec. 29, 1941, ch. 641, §§1, 4(related to §1), 55 Stat. 875, 876.
	31:82f(related to disbursing officers).	Apr. 28, 1942, ch. 247, §301(1st par. proviso under heading ''Bureau of Accounts'' related to disbursing officers), 56 Stat. 244.
3325(b)	31:82e(related to 31:82b).	
3325(c)	31:82a.	May 14, 1937, ch. 180, §1(2d par. last proviso on p. 140), 50 Stat. 140.

In subsection (a), before clause (1), the words ''Notwithstanding the provisions of section 82 of this title,

[1] So in original.

and section 4 of Executive Order Numbered 6166, dated June 10, 1933'' in 31:82b are omitted as unnecessary. In clause (1), the word ''duly'' is omitted as surplus. In clause (1)(A) and (B), the words ''executive agency'' are substituted for ''department, establishment or agency concerned'' because of section 102 of the revised title and for consistency. In clause (2)(C), the words ''basis of the'' are omitted as surplus. In clause (3), the words ''for carrying out clauses (1) and (2) of this subsection'' are substituted for ''accordingly'' for clarity.

In subsection (b), the words ''under the jurisdiction'' are omitted as surplus. The words ''a military department of the Department of Defense'' are substituted for ''the Department of the Army, the Navy Department (including the Marine Corps)'' for consistency with title 10. The words ''and the Panama Canal'' (subsequently changed to ''the Canal Zone Government'' by section 2(a)(1) of the Act of September 26, 1950 (ch. 1049, 64 Stat. 1038)) are omitted because of 22:ch. 51. The word ''pay'' is substituted for ''salaries'' for consistency in the revised title and with other titles of the United States Code.

In subsection (c), the words ''On and after May 14, 1937'' are omitted as executed. The words ''Secretary of the Treasury'' are substituted for ''Division of Disbursement, Treasury Department'' in section 1(last proviso of 2d par. on p. 140) of the Act of May 14, 1937, because of section 1(a) of Reorganization Plan No. III of 1940 (eff. June 30, 1940, 54 Stat. 1231) and section 321(c) of the revised title. The word ''appropriate'' is added for clarity. The words ''officer or employee of the United States Government'' are substituted for ''administrative officers'' for consistency in the revised title and with other titles of the United States Code. The words ''addressographed or stenciled'' and ''administratively revised and'' are omitted as surplus. The words ''disburse public money'' are substituted for ''make payment'' for consistency.

Editorial Notes

AMENDMENTS

2006—Subsec. (b). Pub. L. 109–241 substituted ''Secretary of Homeland Security'' for ''Secretary of Transportation''.

1996—Subsec. (a)(3). Pub. L. 104–134, § 31001(g)(1)(B), inserted ''or pursuant to payment intercepts or offsets pursuant to section 3716 or 3720A of this title,'' after ''voucher''.

Subsec. (b). Pub. L. 104–201 substituted ''members of the armed forces may certify vouchers when authorized, in writing, by the Secretary of Defense or, in the case of the Coast Guard when it is not operating as a service in the Navy, by the Secretary of Transportation'' for ''members of the armed forces under the jurisdiction of the Secretary of Defense may certify vouchers when authorized, in writing, by the Secretary to do so''.

Pub. L. 104–106 amended subsec. (b) generally. Prior to amendment, subsec. (b) read as follows: ''Subsection (a) of this section does not apply to disbursements of a military department of the Department of Defense, except for disbursements for departmental pay and expenses in the District of Columbia.''

Subsec. (d). Pub. L. 104–134, § 31001(y), added subsec. (d).

§ 3326. Waiver of requirements for warrants and advances

(a) When the Secretary of the Treasury and the Comptroller General decide that, with sufficient safeguards, existing procedures may be changed to simplify, improve, and economize the control and accounting of public money, they may prescribe joint regulations for waiving any part of the requirements in effect on September 12, 1950, that—

(1) warrants be issued and countersigned for the receipt, retention, and disbursement of public money and trust funds; and

(2) amounts be requisitioned and advanced to accountable officials.

(b) Regulations of the Secretary and the Comptroller General may provide for the payment of vouchers by authorized disbursing officials by checks drawn on the general fund of the Treasury. However, the regulations shall provide for appropriate action (including suspension or withdrawal of authority to make payments) against a delinquent disbursing official for any reason related to the official's accounts.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 951.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3326(a)	31:66c(a).	Sept. 12, 1950, ch. 946, § 115, 64 Stat. 837.
3326(b)	31:66c(b).	

In subsection (a), before clause (1), the words ''in effect on September 12, 1950'' are substituted for ''existing'' for clarity. In clause (2), the words ''under each separate appropriation head or otherwise'' are omitted as surplus.

In subsection (b), the word ''official'' is substituted for ''officers'' for consistency. The word ''Treasury'' is substituted for ''Treasurer of the United States'' because of the source provisions restated in section 321 of the revised title and Department of the Treasury Order 229 of January 14, 1974 (39 F.R. 2280). The words ''in the rendition of their accounts or for other'' and ''under necessary circumstances'' are omitted as surplus.

§ 3327. General authority to issue checks and other drafts

(a) The Secretary of the Treasury may issue a check or other draft on public money in the Treasury to pay an obligation of the United States Government. When the Secretary decides it is convenient to a public creditor and in the public interest, the Secretary may designate a depositary to issue a check or other draft on public money held by the depositary to pay an obligation of the Government. As directed by the Secretary, each depositary shall report to the Secretary on public money paid and received by the depositary.

(b) The Secretary of the Treasury shall take such actions as are necessary to ensure that Social Security account numbers (including derivatives of such numbers) are not visible on or through unopened mailings of checks or other drafts described in subsection (a) of this section.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 952; Pub. L. 106–433, § 2, Nov. 6, 2000, 114 Stat. 1910.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3327	31:526.	R.S. § 3644.

The words ''Secretary of the Treasury'' are substituted for ''Treasurer'' because of the source provisions restated in section 321(c) of the revised title. The words ''may issue a check or other draft'' are substituted for ''shall be subject to the draft of'' for consistency in the revised title. The words ''public money'' are substituted for ''moneys'' because section 10 of the

Act of August 6, 1846 (ch. 90, 9 Stat. 61), from which section 3644 of the Revised Statutes is derived, used the term ''public money''. The words ''obligation of the United States Government'' are substituted for ''on the public account'', and the words ''may designate a depositary to issue a check or draft on public money held by the depositary to pay an obligation of the Government'' are substituted for ''is authorized to draw upon any of the depositaries'' for clarity and consistency. The words ''at such times and in such forms . . . shall be'' are omitted as surplus. The words ''United States Postal Service'' and ''Postmaster General'' are omitted because of 39:410. The words ''report to the Secretary on public money paid and received by the depositary'' are substituted for ''so drawn upon shall make returns to the Treasury Department'' for clarity and consistency.

Editorial Notes

AMENDMENTS

2000—Pub. L. 106–433 designated existing provisions as subsec. (a) and added subsec. (b).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2000 AMENDMENT AND TRANSITIONAL RULE

Pub. L. 106–433, §3, Nov. 6, 2000, 114 Stat. 1910, provided that:

''(a) IN GENERAL.—The amendments made by this Act [amending this section] shall apply with respect to all mailings of checks or other drafts issued on or after the date which is 3 years after the date of the enactment of this Act [Nov. 6, 2000].

''(b) PHASE-IN OF AMENDMENTS.—Effective on the date of the enactment of this Act, the Secretary of the Treasury shall commence procedures to gradually implement the amendments made by this Act in advance of the effective date described in subsection (a). Not later than 1 year after the date of the enactment of this Act, and annually thereafter for each of the next 2 years, the Secretary shall transmit to each House of the Congress a report describing the manner and extent to which the requirements of the preceding sentence have been carried out.''

§ 3328. Paying checks and drafts

(a) TIME LIMIT ON TREASURY CHECKS.—

(1) IN GENERAL.—Except as provided in sections 3329 and 3330 of this title—

(A) the Secretary shall not be required to pay a Treasury check issued on or after the effective date of this section unless it is negotiated to a financial institution within 12 months after the date on which the check was issued; and

(B) the Secretary shall not be required to pay a Treasury check issued before the effective date of this section unless it is negotiated to a financial institution within 12 months after such effective date.

(2) DEFERRAL PENDING SETTLEMENT.—Notwithstanding the time limitations imposed by paragraph (1), if the Secretary is on notice of a question of law or fact about whether a Treasury check is properly payable when the check is presented for payment, the Secretary may defer payment on such check until the question is settled.

(3) Nothing in this subsection shall be construed to affect the underlying obligation of the United States, or any agency thereof, for which a Treasury check was issued.

(b)(1) If a check issued by a disbursing official and drawn on a designated depositary is not paid by the last day of the fiscal year after the fiscal year in which the check was issued, the amount of the check is—

(A) withdrawn from the account with the depositary; and

(B) deposited in the Treasury for credit to a consolidated account of the Treasury.

(2) A claim for the proceeds of an unpaid check under this subsection may be paid from a consolidated account by a check drawn on the Treasury.

(c) A limitation imposed on a claim against the United States Government under section 3702 of this title does not apply to an unpaid check drawn on the Treasury or a designated depositary.

(d) The Secretary may prescribe regulations the Secretary decides are necessary to carry out subsections (a)–(c) of this section.

(e)(1) The Secretary shall prescribe regulations on—

(A) enforcing the speedy presentation of Government drafts;

(B) paying drafts, including the place of payment; and

(C) paying drafts if presentment is not made as required.

(2) Regulations prescribed under paragraph (1) of this subsection shall prevent, as far as may be practicable, Government drafts from being used or placed in circulation as paper currency or a medium of exchange.

(f) AUTHORITY TO DECLINE PAYMENT.—Nothing in this section limits the authority of the Secretary to decline payment of a Treasury check after first examination thereof at the Treasury.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 952; Pub. L. 100–86, title X, §1002, Aug. 10, 1987, 101 Stat. 658; Pub. L. 104–316, title I, §115(d), Oct. 19, 1996, 110 Stat. 3834.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3328(a)(1)	31:132(a).	July 11, 1947, ch. 222, §1, 61 Stat. 308; restated Aug. 28, 1957, Pub. L. 85–183, §1, 71 Stat. 464.
3328(a)(2)	31:134(less last 30 words before 1st proviso).	July 11, 1947, ch. 222, §3, 61 Stat. 309; restated Aug. 28, 1957, Pub. L. 85–183, §2, 71 Stat. 464.
3328(b)	31:132(b).	
3328(c)	31:132(c).	
3328(d)	31:134(last 30 words before 1st proviso).	
3328(e)	31:527	R.S. §3645.

In the section, the word ''Treasury'' is substituted for ''Treasurer of the United States'' because of the source provisions restated in section 321 of the revised title and Department of the Treasury Order 229 of January 14, 1974 (39 F.R. 2280).

In subsections (a)(1) and (b), the words ''Comptroller General'' are substituted for ''General Accounting Office'' for consistency.

In subsections (a)(1) and (c), the words ''heretofore or hereafter'' are omitted as surplus.

In subsection (a)(1), the words ''Except as provided in sections 3330 and 3331 of this title'' are added for clarity. The words ''including those drawn by wholly owned and mixed-ownership Government corporations'' are omitted as surplus. The words ''Secretary of the Treasury'' are substituted for ''Treasurer of the United States'' after ''for payment the'' because of the source

provisions restated in section 321(c) of the revised title. The words ''doubtful'', ''for payment'', and ''of such check'' are omitted as surplus.

In subsection (a)(2), before clause (A), the words ''When the Secretary decides it is appropriate'' are substituted for ''at appropriate intervals'' for clarity. In clauses (A) and (B), the words ''on the books'' are omitted as surplus. In clause (A), the words ''drawn on the Treasury'' are added for clarity and consistency. In clause (B), the words ''from the accounts . . . for the payment of unpaid checks . . . of the Treasury'' are omitted as surplus. The words ''and to transfer to such consolidated account or accounts the balance of the special deposit account established pursuant to section 132 of this title'', and the words ''any unpaid checks heretofore payable from the special deposit account'', are omitted as executed because the account was established under 31:132 as originally enacted in 1947 and then abolished by the 1957 amendment to that section. The text of 31:134(1st proviso) is omitted as superseded by section 448 of the Act of December 24, 1973 (Pub. L. 93–198, 87 Stat. 801). The text of 31:134(last proviso) is omitted as executed.

In subsection (b)(1), before clause (A), the words ''issued by a disbursing official'' are substituted for ''drawn by authorized officers of the United States'' for consistency. In clause (B), the words ''or accounts on the books'' are omitted as surplus.

Subsection (c) is substituted for 31:132(c) for consistency and to eliminate unnecessary words.

In subsection (d), the words ''rules and'' and ''or proper'' are omitted as surplus.

In subsection (e)(1), before clause (A), the word ''prescribe'' is substituted for ''issue and publish'' for consistency in the revised title and with other titles of the United States Code. In clause (B), the words ''and to prescribe the time, according to the different distances of the depositaries from the seat of Government, within which all drafts upon them, respectively, shall be presented for payment'' are omitted as superseded by subsection (a) of the revised section. Clause (C) is substituted for 31:527(words between semicolons) to eliminate unnecessary words.

In subsection (e)(2), the words ''and directions'' are omitted as surplus.

Editorial Notes

REFERENCES IN TEXT

The effective date of this section, referred to in subsec. (a)(1), probably means the effective date of subsec. (a) of this section as amended by section 1002 of Pub. L. 100–86, which is effective 6 months after Aug. 10, 1987, or on such later date as the Secretary of the Treasury may prescribe in regulations. See section 1006 of Pub. L. 100–86, set out as a note below.

AMENDMENTS

1996—Subsec. (a)(2). Pub. L. 104–316, §115(d)(1), substituted ''until the question is settled'' for ''until the Comptroller General settles the question''.

Subsec. (b)(2). Pub. L. 104–316, §115(d)(2), struck out ''on settlement by the Comptroller General'' after ''the Treasury''.

Subsec. (d). Pub. L. 104–316, §115(d)(3), substituted ''The'' for ''With the approval of the Comptroller General, the''.

1987—Subsec. (a). Pub. L. 100–86, §1002(1), amended subsec. (a) generally. Prior to amendment, subsec. (a) read as follows:

''(1) Except as provided in sections 3329 and 3330 of this title, a check drawn on the Treasury may be paid at any time. However, if the Secretary of the Treasury is on notice of a question of law or fact about the check when the check is presented, the Secretary shall defer payment until the Comptroller General settles the question.

''(2) When the Secretary decides it is appropriate, the Secretary may transfer—

''(A) the amount of an unpaid check drawn on the Treasury from the account on which it was drawn to a consolidated account of the Treasury available for paying checks; and

''(B) an amount available, but not required, for paying checks drawn on the Treasury to the appropriate receipt account.''

Subsec. (f). Pub. L. 100–86, §1002(2), added subsec. (f).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1987 AMENDMENT

Pub. L. 100–86, title X, §1006, Aug. 10, 1987, 101 Stat. 659, provided that: ''The amendments made by sections 1002, 1003, and 1004 [enacting section 3334 of this title and amending this section and sections 3702 and 3712 of this title] shall become effective 6 months after the date of enactment of this Act [Aug. 10, 1987] or on such later date as the Secretary of the Treasury may prescribe in regulations.''

REGULATIONS

Pub. L. 100–86, title X, §1005, Aug. 10, 1987, 101 Stat. 659, provided that: ''The Secretary of the Treasury may prescribe such rules, regulations, and procedures as the Secretary deems necessary to implement the amendments made by sections 1002, 1003, and 1004 [enacting section 3334 of this title and amending this section and sections 3702 and 3712 of this title], including the recertification of Treasury checks which have been canceled or for which a claim has been asserted or barred.''

§ 3329. Withholding checks to be sent to foreign countries

(a) The Secretary of the Treasury shall prohibit a check or warrant drawn on public money from being sent to a foreign country from the United States or from a territory or possession of the United States when the Secretary decides that postal, transportation, or banking facilities generally, or local conditions in the foreign country, do not reasonably ensure that the payee—

(1) will receive the check or warrant; and

(2) will be able to negotiate it for full value.

(b)(1) If a check or warrant is prohibited from being sent to a foreign country under subsection (a) of this section, the drawer shall hold the check or warrant until the end of the calendar quarter after the date of the check or warrant.

(2) The Secretary may release the check or warrant for delivery during the calendar quarter after the date of the check or warrant if the Secretary decides that conditions have changed to ensure reasonably that the payee—

(A) will receive the check or warrant; and

(B) will be able to negotiate it for full value.

(3) Unless the Secretary otherwise directs, the drawer shall send at the end of the calendar quarter after the date of the check or warrant the—

(A) withheld check or warrant to the drawee; and

(B) report to the Secretary on—

(i) the name and address of the payee;

(ii) the date, number, and amount of the check or warrant; and

(iii) the account on which the check or warrant was drawn.

(4) The drawee shall transfer the amount of a withheld check or warrant from the account of the drawer to the special deposit account ''Sec-

retary of the Treasury, Proceeds of Withheld Foreign Checks''. The check or warrant shall be marked ''Paid into Withheld Foreign Check Account''. The Secretary shall credit the accounts of the drawer and drawee.

(c) The Secretary may pay an amount deposited in the special account under subsection (b)(4) of this section with a check drawn on the account when—

(1) a person claiming payment satisfies the Secretary of the right to the amount of the check or warrant (or satisfies the Secretary of Veterans Affairs if the claim represents a payment under laws administered by the Secretary of Veterans Affairs); and

(2) the Secretary is reasonably ensured that the person—

(A) will receive the check or warrant; and

(B) will be able to negotiate it for full value.

(d) This section and section 3330 of this title—

(1) apply to a check or warrant whose delivery may be withheld under Executive Order 8389;

(2) do not affect a requirement for a license for delivering and paying a check in payment of a claim under subsection (c) of this section when a license is required by law to authorize delivery and payment; and

(3) do not affect a check or warrant issued for the payment of pay or goods bought by the United States Government in a foreign country.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 953; Pub. L. 102–54, § 13(*l*)(2), June 13, 1991, 105 Stat. 277; Pub. L. 104–316, title I, § 115(e), Oct. 19, 1996, 110 Stat. 3834.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3329(a)	31:123(words before 1st proviso).	Oct. 9, 1940, ch. 796, § 1(words before 1st proviso), 54 Stat. 1086; Dec. 2, 1942, ch. 659, 56 Stat. 1028.
3329(b)	31:124(1st par.).	Oct. 9, 1940, ch. 796, §§ 2(1st par.), 3(1st par.), 4, 6, 54 Stat. 1086, 1087.
3329(c)	31:125(1st par.).	
3329(d)	31:126. 31:128.	

In the section, the words ''drawn on'' are substituted for ''drawn against'' for consistency in the revised chapter. The word ''actually'' is omitted as surplus.

In subsection (a), before clause (1), the words ''On and after October 9, 1940'' are omitted as executed. The words ''drawn on public money'' are substituted for ''drawn against funds of the United States, or any agency or instrumentality thereof'' to eliminate unnecessary words and for consistency in the chapter. The words ''and the Commonwealth of the Philippine Islands'' in section 1 of the Act of October 9, 1940, are omitted because of Proclamation No. 2695 of July 4, 1946 (60 Stat. 1352). The words ''to which such check or warrant is to be delivered'' are omitted as surplus.

In subsection (b)(3)(A), the words ''in accordance with the provisions of sections 123 to 128 of this title'' and ''thereof'' are omitted as surplus.

In subsection (b)(3)(B), before subclause (i), the word ''Secretary'' is substituted for ''Bureau of Accounts of the Treasury Department'' because of the source provisions restated in section 321 of the revised title. The word ''fully'' is omitted as surplus.

In subsection (b)(4), the word ''withheld'' is substituted for ''undelivered'' for clarity. The words ''with the Treasurer of the United States'' and the words ''of the United States'' after ''Comptroller General'' are omitted as unnecessary.

In subsection (d)(1), the words ''is now being, or . . . hereafter'' and ''as well as to all checks or warrants the delivery of which is now being withheld pursuant to administrative action, which administrative action is ratified and confirmed'' in 31:126 are omitted as executed.

In subsection (d)(2), the words ''do not affect a requirement for'' are substituted for ''nothing in sections 123 to 128 of this title shall be construed to dispense with the necessity of'' in 31:126 to eliminate unnecessary words and because of the restatement. The words ''obtaining . . . authorize'' and ''is now or hereafter'' are omitted as surplus.

In subsection (d)(3), the words ''does not affect'' are substituted for ''Nothing contained in sections 123 to 128 of this title shall be construed as affecting or applying to'' in 31:128 to eliminate unnecessary words and because of the restatement. The word ''pay'' is substituted for ''salaries or wages'' for consistency in the revised title and with other titles of the United States Code.

Editorial Notes

AMENDMENTS

1996—Subsec. (b)(4). Pub. L. 104–316 substituted ''The Secretary shall credit the accounts of the drawer and drawee.'' for ''After that time, the drawee shall send all withheld checks and warrants to the Comptroller General. The Comptroller General shall credit the accounts of the drawer and drawee.''

1991—Subsec. (c)(1). Pub. L. 102–54 substituted ''Secretary of Veterans Affairs'' for ''Administrator of Veterans' Affairs'' and ''laws administered by the Secretary of Veterans Affairs'' for ''laws carried out by the Administrator''.

§ 3330. Payment of Department of Veterans Affairs checks for the benefit of individuals in foreign countries

(a)(1) A check is deemed to be issued for sending to a foreign country and subject to this section and section 3329 of this title if the check is—

(A) drawn on public money;

(B) for benefits under laws carried out by the Secretary of Veterans Affairs; and

(C) to be sent to a person in the United States or a territory or possession of the United States, and the person is legally responsible for the care of an individual in a foreign country.

(2) The Secretary of Veterans Affairs shall notify the Secretary of the Treasury of each check described under paragraph (1) of this subsection.

(3) The Secretary of Veterans Affairs may exempt a check from paragraph (1) of this subsection if the application of paragraph (1) would reduce, discontinue, or deny benefits for the care of a dependent of an individual in a foreign country.

(b) When the amount of checks (representing payments to an individual under laws administered by the Secretary of Veterans Affairs) transferred under section 3329(b)(4) of this title equals $1,000, the amounts of additional checks (except checks under contracts of insurance) payable to the individual under those laws shall be deposited in the Treasury as miscellaneous receipts. An amount transferred under section 3329(b)(4) or deposited as miscellaneous receipts

is deemed to be payment for all purposes to the individual entitled to payment.

(c) If the payee of a check for pension, compensation, or emergency officers' retirement pay under laws administered by the Secretary of Veterans Affairs dies while the amount of the check is in the special deposit account, the amount is payable (subject to section 3329 of this title and this section) as follows:

(1) after the death of the veteran, to the surviving spouse, or, if there is no surviving spouse, to children of the veteran under 18 years of age at the time of the veteran's death.

(2) after the death of the surviving spouse, to children of the spouse under 18 years of age at the time of the spouse's death.

(3) after the death of an apportionee of a part of the veteran's pension, compensation, or emergency officers' retirement pay but before all of the apportioned amount is paid to the veteran, the apportioned amount not paid.

(4) in any other case, only to the extent necessary to reimburse a person for burial expenses.

(d)(1) A payment may be made under subsection (c) of this section only if a claim for payment is—

(A) filed with the Secretary of Veterans Affairs by the end of the first year after the date of the death of the individual entitled to payment; and

(B) completed by submitting the necessary evidence by the 6th month after the date the Secretary of Veterans Affairs requests the evidence.

(2) Payment shall include only amounts due at the time of death under ratings or decisions existing at the time of the death.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 954; Pub. L. 102–54, §13(*l*)(3), (4)(A), June 13, 1991, 105 Stat. 277; Pub. L. 103–272, §4(f)(1)(I), July 5, 1994, 108 Stat. 1362.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3330(a)	31:123(provisos).	Oct. 9, 1940, ch. 796, 54 Stat. 1086, §1(provisos); added Dec. 2, 1942, ch. 659, 56 Stat. 1028.
3330(b)	31:124(last par.).	Oct. 9, 1940, ch. 796, §§2(last par.), 3(last par.), 54 Stat. 1086, 1087.
3330(c), (d).	31:125(last par.).	

In the section, the words ''laws carried out'' are substituted for ''laws administered'', and the words ''Administrator of Veterans' Affairs'' and ''Administrator'' are substituted for ''Veterans' Administration'', for consistency.

In subsection (a)(1), before clause (A), the word ''issued'' is substituted for ''drawn'' for clarity and consistency. Clause (A) is substituted for ''drawn against funds of the United States'' for consistency in the chapter. In clause (C), the words ''guardian, curator, conservator, or other'' are omitted as surplus. The words ''legally responsible for'' are substituted for ''vested with'' for clarity.

In subsection (b), the words ''under section 3329(b)(4) of this title'' are substituted for ''to the special deposit account'' for clarity and because of the restatement. The words ''deposited in'' are substituted for ''covered into'' for clarity and consistency in the revised title.

In subsection (c), before clause (1), the word ''accruing'' is omitted as surplus. In clauses (1) and (2), the words ''surviving spouse'' and ''spouse'' are substituted for ''widow'', and the word ''spouse's'' is substituted for ''widow's'', to conform to amendments made generally to title 38 by the Veterans Disability Compensation and Survivor Benefits Act of 1976 (Pub. L. 94–433, 90 Stat. 1374). In clause (1), the words ''first to'' are omitted as surplus. In clause (4), the word ''only'' is substituted for ''no disbursement whatsoever of such pension, compensation, or emergency officers' retirement pay shall be made or allowed except so much'' to eliminate unnecessary words.

In subsection (d)(1)(B), the word ''completed'' is substituted for ''perfected'' for clarity.

In subsection (d)(2), the words ''and unpaid'' are omitted as surplus.

Editorial Notes

AMENDMENTS

1994—Subsec. (d)(1)(B). Pub. L. 103–272 substituted ''Secretary of Veterans Affairs'' for ''Administrator''.

1991—Pub. L. 102–54, §13(*l*)(4)(A), substituted ''Department of Veterans Affairs'' for ''Veterans' Administration'' in section catchline.

Subsec. (a)(1)(B). Pub. L. 102–54, §13(*l*)(3)(A), substituted ''Secretary of Veterans Affairs'' for ''Administrator of Veterans' Affairs''.

Subsec. (a)(2), (3). Pub. L. 102–54, §13(*l*)(3)(B), substituted ''Secretary of Veterans Affairs'' for ''Administrator''.

Subsecs. (b), (c). Pub. L. 102–54, §13(*l*)(3)(C), substituted ''laws administered by the Secretary of Veterans Affairs'' for ''laws carried out by the Administrator''.

Subsec. (d)(1)(A). Pub. L. 102–54, §13(*l*)(3)(B), substituted ''Secretary of Veterans Affairs'' for ''Administrator''.

§ 3331. Substitute checks

(a) In this section, ''original check''—

(1) means an order for the payment of money—

(A) payable on demand;

(B) that does not bear interest;

(C) drawn by an authorized disbursing official or agent of the United States Government; and

(D) the amount of which is deposited with the Treasury or another account available for payment; and

(2) does not include coins and currency of the Government.

(b) When the Secretary of the Treasury is satisfied that an original check is lost, stolen, destroyed in any part, or is so defaced that the value to the owner or holder is impaired, the Secretary may issue a substitute check to the owner or holder of the original check. Except as provided in subsection (c) or (f) of this section, the substitute check is payable from the amount available to pay the original check.

(c) When the Secretary is satisfied that an original check drawn on a depositary in a foreign country or a territory or possession of the United States is lost, stolen, destroyed in part, or is so defaced that its value to the owner or holder is impaired, the drawer of the original check (or another official designated by the Secretary with the approval of the head of the agency on whose behalf the original check was issued) may issue to the owner or holder of the check a substitute check. The drawer or official

shall issue the substitute check by the last day of the fiscal year after the fiscal year in which the original check was issued—

(1) using the current date; and

(2) drawn on the account of the drawer of the original check or another account available for payment of the substitute.

(d) A substitute check issued under this section—

(1) may be paid only if the original check has not been paid;

(2) shall include information necessary to identify the original check;

(3) that is drawn on the Treasury—

(A) is deemed to be an original check; and

(B) is paid under the same conditions as the original check; and

(4) does not relieve a disbursing or certifying official from liability to the Government for payment resulting from erroneously issuing the original check.

(e) Before issuing a substitute check under this section, the Secretary may require the owner or holder of the original check to agree to indemnify the Government with security in the form and amount the Secretary decides is necessary.

(f) The Secretary may waive any provision of this section as may be necessary to ensure that claimants receive timely payments.

(g) Under conditions the Secretary may prescribe, the Secretary may delegate duties and powers of the Secretary under this section to the head of an agency. Consistent with a delegation from the Secretary under this subsection, the head of an agency may delegate those duties and powers to an officer or employee of the agency.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 955; Pub. L. 97–452, §1(11), Jan. 12, 1983, 96 Stat. 2468; Pub. L. 104–134, title III, §31001(x)(2), Apr. 26, 1996, 110 Stat. 1321–377.)

HISTORICAL AND REVISION NOTES
1982 ACT

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3331(a)	31:528(g).	R.S. §3646(a)–(c), (f), (g); Feb. 16, 1885, ch. 123, 23 Stat. 306; Mar. 23, 1906, ch. 1129, 34 Stat. 84; June 19, 1906, ch. 3434, 34 Stat. 301; May 27, 1908, ch. 206(par. beginning on p. 415 amending §§3646, 3647), 35 Stat. 415; Feb. 23, 1909, ch. 174, 35 Stat. 643; Mar. 21, 1916, ch. 52, 39 Stat. 37; July 8, 1937, ch. 444, §9, 50 Stat. 482; Aug. 10, 1939, ch. 665, §§5–7, 53 Stat. 1359; restated Dec. 3, 1945, ch. 515, §1, 59 Stat. 592; July 11, 1947, ch. 222, §4(c), (d)(related to §3646(c)), (e), (f), 61 Stat. 309; Aug. 28, 1957, Pub. L. 85–183, §§4, 5(a), (c), 71 Stat. 465; June 6, 1972, Pub. L. 92–310, §231(s), 86 Stat. 211; Sept. 22, 1978, Pub. L. 95–380, 92 Stat. 725.
3331(b)	31:528(a)(less last 28 words before proviso, proviso).	
3331(c)	31:528(c)(1st sentence 1st–158th words, 171st–195th words).	

HISTORICAL AND REVISION NOTES—CONTINUED
1982 ACT

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3331(d)	31:528(a)(last 28 words before proviso, proviso), (c)(1st sentence 159th–170th words, 237th–last words, last sentence), (f).	
3331(e)	31:528(b), (c)(1st sentence 196th–236th words).	

In subsection (a), before clause (1), the words ''The term . . . wherever used'' are omitted as unnecessary. In clause (1), before subclause (A), the words ''check, warrant, or other'' are omitted as surplus. In subclause (C), the word ''duly'' is omitted as surplus. The words ''disbursing official or agent'' are substituted for ''officer or agent'' for consistency in the revised title. The words ''any wholly owned or mixed-ownership Government corporation'' are omitted as already being included in the restated source provisions and because of section 101 of the revised title. Therefore, the text is not meant to exclude employees of wholly owned Government corporations and mixed-ownership Government corporations. The words ''the District of Columbia, or the District Unemployment Compensation Board'' are omitted because of section 448 of the Act of December 24, 1973 (Pub. L. 93–198, 87 Stat. 801). The words ''or by any entity owned or controlled by the United States'' are omitted as unnecessary. In subclause (D), the words ''and covered . . . or deposited with the Treasurer of the United States'' are omitted as surplus. The words ''or another account available for payment'' are added for clarity and consistency in the revised section. In clause (2), the word ''money'' is omitted as being covered by ''coins and currency''.

In subsections (b) and (c), the words ''When the Secretary is satisfied'' are substituted for ''whenever it is clearly proved to the satisfaction of the Secretary'' to eliminate unnecessary words. The words ''mutilated or'' are omitted as being covered by ''defaced''.

In subsection (c), before clause (1), the words ''Notwithstanding the provisions of subsections (a) and (b) of this section'' are omitted as unnecessary. The words ''including the Panama Canal Zone'' are omitted because of the Panama Canal Treaty of 1977. The words ''official designated'' are substituted for ''officer or employee of the United States as may be authorized'' for consistency in the revised title and with other titles of the United States Code. The word ''agency'' is substituted for ''department or agency'' because of section 101 of the revised title and for consistency. In clause (2), the words ''drawn on'' are substituted for ''drawn against'' for consistency in the revised chapter.

In subsection (d)(3), before subclause (A), the word ''Treasury'' is substituted for ''Treasurer of the United States'' because of the source provisions restated in section 321 of the revised title and Department of the Treasury Order 229 of January 14, 1974 (39 F.R. 2280).

In subsection (d)(4), the word ''official'' is substituted for ''officer'' for consistency in the revised title and with other titles of the United States Code.

In subsection (e), the words ''surety or'' are omitted as surplus. The words ''the receipt and approval by the Secretary of the Treasury of'' are omitted because of the restatement.

1983 ACT

This restates, as 31:3331(f), section 3646(h) of the Revised Statutes that was inadvertently omitted from the codification of title 31 by the Act of Sept. 13, 1982 (Pub. L. 97–258, 96 Stat. 1084). It provides authority for the Secretary of the Treasury to delegate duties and powers related to issuing substitute checks to heads of other agencies.

The words ''terms and'' are omitted as surplus. The words ''duties and powers'' are substituted for ''power,

authority, or discretion'' for consistency in the revised title and with other titles of the United States Code. The words ''in whole or in part'' are omitted as surplus. The words ''to such individuals as he may designate within the Treasury Department'' are omitted because of 31:321(b)(2). The word ''agency'' is coextensive with and substituted for ''other department or agency of the Government or of any Federal Reserve bank'' because of 31:101. The words ''terms and conditions'' are omitted as surplus.

Editorial Notes

AMENDMENTS

1996—Subsec. (b). Pub. L. 104–134, § 31001(x)(2)(A), substituted ''subsection (c) or (f)'' for ''subsection (c)''.

Subsecs. (f), (g). Pub. L. 104–134, § 31001(x)(2)(B), (C), added subsec. (f) and redesignated former subsec. (f) as (g).

1983—Subsec. (f). Pub. L. 97–452 added subsec. (f).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1983 AMENDMENT

Pub. L. 97–452, § 2(i), Jan. 12, 1983, 96 Stat. 2479, provided that: ''The amendments made by section 1(11), (14), (19), (22), (24), (26), and (27) [amending this section and sections 3702, 5103, 5154, 6501, 9101, 9107, and 9108 of this title] are effective as of September 13, 1982.''

§ 3332. Required direct deposit

(a)(1) Notwithstanding any other provision of law, all Federal wage, salary, and retirement payments shall be paid to recipients of such payments by electronic funds transfer, unless another method has been determined by the Secretary of the Treasury to be appropriate.

(2) Each recipient of Federal wage, salary, or retirement payments shall designate one or more financial institutions or other authorized payment agents and provide the payment certifying or authorizing agency information necessary for the recipient to receive electronic funds transfer payments through each institution so designated.

(b)(1) The head of each agency shall waive the requirements of subsection (a) of this section for a recipient of Federal wage, salary, or retirement payments authorized or certified by the agency upon written request by such recipient.

(2) Federal wage, salary, or retirement payments shall be paid to any recipient granted a waiver under paragraph (1) of this subsection by any method determined appropriate by the Secretary of the Treasury.

(c)(1) The Secretary of the Treasury may waive the requirements of subsection (a) of this section for any group of recipients upon request by the head of an agency under standards prescribed by the Secretary of the Treasury.

(2) Federal wage, salary, or retirement payments shall be paid to any member of a group granted a waiver under paragraph (1) of this subsection by any method determined appropriate by the Secretary of the Treasury.

(d) This section shall apply only to recipients of Federal wage or salary payments who begin to receive such payments on or after January 1, 1995, and recipients of Federal retirement payments who begin to receive such payments on or after January 1, 1995.

(e)(1) Notwithstanding subsections (a) through (d) of this section, sections 5120(a) and (d) of title 38, and any other provision of law, all Federal payments to a recipient who becomes eligible for that type of payment after 90 days after the date of the enactment of the Debt Collection Improvement Act of 1996 shall be made by electronic funds transfer.

(2) The head of a Federal agency shall, with respect to Federal payments made or authorized by the agency, waive the application of paragraph (1) to a recipient of those payments upon receipt of written certification from the recipient that the recipient does not have an account with a financial institution or an authorized payment agent.

(f)(1) Notwithstanding any other provision of law (including subsections (a) through (e) of this section and sections 5120(a) and (d) of title 38), except as provided in paragraph (2) all Federal payments made after January 1, 1999, shall be made by electronic funds transfer.

(2)(A) The Secretary of the Treasury may waive application of this subsection to payments—

(i) for individuals or classes of individuals for whom compliance imposes a hardship;

(ii) for classifications or types of checks; or

(iii) in other circumstances as may be necessary.

(B) The Secretary of the Treasury shall make determinations under subparagraph (A) based on standards developed by the Secretary.

(g) Each recipient of Federal payments required to be made by electronic funds transfer shall—

(1) designate 1 or more financial institutions or other authorized agents to which such payments shall be made; and

(2) provide to the Federal agency that makes or authorizes the payments information necessary for the recipient to receive electronic funds transfer payments through each institution or agent designated under paragraph (1).

(h) The crediting of the amount of a payment to the appropriate account on the books of a financial institution or other authorized payment agent designated by a payment recipient under this section shall constitute a full acquittance to the United States for the amount of the payment.

(i)(1) The Secretary of the Treasury may prescribe regulations that the Secretary considers necessary to carry out this section.

(2) Regulations under this subsection shall ensure that individuals required under subsection (g) to have an account at a financial institution because of the application of subsection (f)(1)—

(A) will have access to such an account at a reasonable cost; and

(B) are given the same consumer protections with respect to the account as other account holders at the same financial institution.

(j) For purposes of this section—

(1) The term ''electronic funds transfer'' means any transfer of funds, other than a transaction originated by cash, check, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape, for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The term

includes Automated Clearing House transfers, Fed Wire transfers, transfers made at automatic teller machines, and point-of-sale terminals.

(2) The term ''Federal agency'' means—

(A) an agency (as defined in section 101 of this title); and

(B) a Government corporation (as defined in section 103 of title 5).

(3) The term ''Federal payments'' includes—

(A) Federal wage, salary, and retirement payments;

(B) vendor and expense reimbursement payments; and

(C) benefit payments.

Such term shall not include any payment under the Internal Revenue Code of 1986.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 955; Pub. L. 98–369, div. B, title VIII, § 2814, July 18, 1984, 98 Stat. 1207; Pub. L. 103–356, title IV, § 402(a), Oct. 13, 1994, 108 Stat. 3412; Pub. L. 104–134, title III, § 31001(x)(1), Apr. 26, 1996, 110 Stat. 1321–376.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3332(a)	31:492(b)(3).	R.S. § 3620(b), (c); added Aug. 28, 1965, Pub. L. 89–145, § 1(2), 79 Stat. 582; restated June 29, 1968, Pub. L. 90–365, 82 Stat. 274; July 19, 1975, Pub. L. 94–57, § 1(a), 89 Stat. 265.
	31:492(note).	July 19, 1975, Pub. L. 94–57, § 1(b)(1st sentence), (c)(1st sentence), 89 Stat. 265.
3332(b)	31:492(b)(1)(1st sentence words before 1st comma, words between 2d comma and proviso).	
3332(c)	31:492(b)(1)(proviso, last sentence).	
	31:492(note).	July 19, 1975, Pub. L. 94–57, 89 Stat. 265, § 1(b)(2d, last sentences), (c)(2d, last sentences); added Dec. 18, 1975, Pub. L. 94–157, § 109, 89 Stat. 831.
3332(d)	31:492(b)(2)(less 32d–43d words).	
3332(e)	31:492(c).	
3332(f)	31:492(d)(1st–50th words).	R.S. § 3620(d); added Aug. 7, 1972, Pub. L. 92–366, 86 Stat. 506.
3332(g)	31:492(b)(1)(1st sentence words between 1st and 2d commas), (2)(32d–43d words), (d)(51st–last words).	
	31:492(note).	

In subsection (a), the definition of ''agency'' is omitted because of section 101 of the revised title. The words ''and the municipal government of the District of Columbia'' are omitted because of section 448 of the Act of December 24, 1973 (Pub. L. 93–198, 87 Stat. 801). The text of section 1(b)(1st sentence) and (c)(1st sentence) of the Act of July 19, 1975, is omitted as executed. In clause (2), the words ''savings bank'' are omitted as surplus.

In subsections (b)–(f), the words ''officer or employee'' are substituted for ''employee'' for consistency in the revised title and with other titles of the United States Code.

In subsections (b) and (d), the word ''official'' is substituted for ''officer'' for consistency in the revised title and with other titles of the Code. The words ''issue a check payable to'' are substituted for ''make the payment . . . by sending to . . . a check that is drawn in favor of the organization'' for clarity and consistency and to eliminate unnecessary words.

In subsection (b), before clause (1), the words ''Notwithstanding subsection (a) of this section or any other provision of law'' are omitted as unnecessary. The words ''may designate in writing not more than 3 financial organizations to which a payment of pay of the officer or employee shall be sent and the amount to be sent to each organization'' are substituted for ''upon the written request of an employee of the agency to whom a payment for wages or salary is to be made . . . in the form of one, two, or three checks (the number of checks . . . if more than one . . . designated by such employee'' for clarity, consistency in the revised title and with other titles of the Code, and to eliminate unnecessary words.

In subsection (c), the words ''(except for a financial organization designated by an officer or employee of either House of Congress)'' are substituted for section 1(b)(last sentence) and (c)(last sentence) of the Act of July 19, 1975 (Pub. L. 94–57, 89 Stat. 265), because of the restatement. The words ''to which such check is sent'' are omitted because of the restatement.

In subsection (d), the words ''to whom a payment is to be made'' are omitted as surplus. The words ''upon the written request of such employee'' are omitted as unnecessary. The words ''accompanied by a schedule'' are added for clarity.

In subsection (e), the word ''payment'' is substituted for ''acquittance'' for clarity and consistency.

Subsection (f) is substituted for 31:492(d)(1st–50th words) to eliminate unnecessary words.

In subsection (g), the words ''rules and'' in section 1(b) and (c) of the Act of July 19, 1975 (Pub. L. 94–57, 89 Stat. 265), are omitted as surplus.

Editorial Notes

REFERENCES IN TEXT

The date of the enactment of the Debt Collection Improvement Act of 1996, referred to in subsec. (e)(1), is the date of enactment of section 31001 of Pub. L. 104–134, which was approved Apr. 26, 1996.

The Internal Revenue Code of 1986, referred to in subsec. (j)(3), is classified generally to Title 26, Internal Revenue Code.

AMENDMENTS

1996—Subsecs. (e) to (j). Pub. L. 104–134 added subsecs. (e) to (g), redesignated former subsec. (e) as (h), and added subsecs. (i) and (j).

1994—Pub. L. 103–356 substituted ''Required direct deposit'' for ''Checks payable to financial organizations designated by Government officers and employees'' as section catchline and amended text generally. Prior to amendment, section authorized agency officers and employees to designate not more than 3 financial organizations to which a payment of pay or other recurring payments was to be sent without charge and required the agency head to authorize issuance of checks payable to those financial organizations in the designated amounts.

1984—Subsec. (b). Pub. L. 98–369, § 2814(a), inserted ''without charge'' after ''shall be sent''.

Subsecs. (c) to (g). Pub. L. 98–369, § 2814(b), struck out subsec. (c) which related to reimbursement of an agency for issuing additional checks, and redesignated subsecs. (d) to (g) as (c) to (f), respectively.

Statutory Notes and Related Subsidiaries

SAVINGS PROVISION

Any waiver in effect on Oct. 5, 1999, under subsec. (f)(2)(A)(i) of this section to remain in effect until otherwise provided by the Secretary of Defense under section 2786 of Title 10, Armed Forces, see section 1008(a)(3) of Pub. L. 106–65, set out as a note under section 2786 of Title 10.

ELECTRONIC PAY STUBS

Pub. L. 110–423, § 1, Oct. 15, 2008, 122 Stat. 4818, provided that:

''(a) IN GENERAL.—The Office of Personnel Management shall take such measures as may be appropriate to ensure that all employees who receive their pay by electronic funds transfer shall be given the option of receiving their pay stubs electronically.

''(b) DEFINITIONS.—For purposes of this section—

''(1) the term 'electronic funds transfer' has the meaning given such term by section 3332 of title 31, United States Code;

''(2) the term 'employee' means an individual employed in or under an Executive agency; and

''(3) the term 'Executive agency' has the meaning given such term by section 105 of title 5, United States Code.''

§ 3333. Relief for payments made without negligence

(a)(1) The Secretary of the Treasury is not liable for a payment made by the Secretary or depositary in due course and without negligence, of—

(A) a check, draft, or warrant drawn on the Treasury or the depositary;

(B) an electronic payment issued by the Treasury or the depositary; and

(C) a debt obligation guaranteed or assumed by the United States Government.

(2) The Comptroller General shall credit the accounts of the Treasury or the depositary for the payment.

(3) The amount of the relief and the amount of any relief granted to an official or agent of the Department of the Treasury under 31 U.S.C. 3527, shall be charged to the Check Forgery Insurance Fund (31 U.S.C. 3343). A recovery or repayment of a loss for which replacement is made out of the fund shall be credited to the fund and is available for the purposes for which the fund was established.

(b) This section does not relieve another individual from civil or criminal liability for a check, draft, warrant, or debt obligation of the Government.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 956; Pub. L. 108–447, div. H, title II, § 220(a), Dec. 8, 2004, 118 Stat. 3242; Pub. L. 110–161, div. D, title I, § 119, Dec. 26, 2007, 121 Stat. 1979.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3333(a)	31:156(less proviso).	Aug. 4, 1947, ch. 455, § 3, 61 Stat. 730.
3333(b)	31:156(proviso).	

In subsection (a)(1), before clause (A), the words ''Secretary of the Treasury'' are substituted for ''Treasurer'' before ''is not liable'' because of the source provisions restated in section 321(c) of the revised title. The word ''depositary'' is substituted for ''upon the Treasurer of the United States through any Federal Reserve Bank'' for consistency in the revised title. The words ''Whenever . . . heretofore has been or hereafter'' and ''or on behalf of'' are omitted as surplus. In clause (A), the word ''Treasury'' is substituted for ''Treasurer of the United States'' after ''drawn upon the'' because of the source provisions restated in section 321 of the revised title and Department of the Treasury Order 229 of January 14, 1974 (39 F.R. 2280). In clause (B), the words ''public . . . of the United States, including any obligation of any type whatever, the payment of which is'' are omitted as surplus.

In subsection (a)(2), the words ''of the United States'' are omitted as unnecessary. The words ''of the Treasury or the depositary'' are substituted for ''Treasurer's'' because of the restatement.

In subsection (b), the words ''another individual'' are substituted for ''any person, other than the Treasurer of the United States'' to eliminate unnecessary words. The words ''now existing or which may hereafter exist'' are omitted as unnecessary.

Editorial Notes

AMENDMENTS

2007—Subsec. (a)(3). Pub. L. 110–161 added par. (3) and struck out former par. (3) which read as follows: ''The amount of the relief shall be charged to the Check Forgery Insurance Fund (31 U.S.C. 3343). A recovery or repayment of a loss for which replacement is made out of the fund shall be credited to the fund and is available for the purposes for which the fund was established.''

2004—Subsec. (a)(1). Pub. L. 108–447, § 220(a)(1), amended par. (1) generally. Prior to amendment, par. (1) read as follow: ''The Secretary of the Treasury is not liable for a payment made by the Secretary or depositary in due course and without negligence, of a—

''(A) check, draft, or warrant drawn on the Treasury or the depositary; and

''(B) debt obligation guaranteed or assumed by the United States Government.''

Subsec. (a)(3). Pub. L. 108–447, § 220(a)(2), added par. (3).

§ 3334. Cancellation and proceeds distribution of Treasury checks

(a) IN GENERAL.—(1) The Secretary shall provide monthly to each agency that authorizes the issuance of Treasury checks a list of those checks issued for such agency on or after such effective date that have not been paid and have become more than 12 months old during the preceding month, beginning with the fourteenth month following the effective date of this section.

(2) Such checks shall be canceled by the Secretary and the proceeds thereof shall be returned to the agency concerned and credited to the appropriation or fund account initially charged for the payment.

(b) CHECKS ISSUED BEFORE EFFECTIVE DATE.—(1) Not later than 18 months after the effective date of this section, the Secretary shall identify and cancel all Treasury checks issued before such effective date that have not been paid in accordance with section 3328 of this title.

(2) The proceeds from checks canceled pursuant to paragraph (1) shall be applied to eliminate the balances in accounts that represent uncollectible accounts receivable and other costs associated with the payment of checks and check claims by the Department of the Treasury on behalf of all payment certifying agencies. Any remaining proceeds shall be deposited to the miscellaneous receipts of the Treasury.

(c) NO EFFECT ON UNDERLYING OBLIGATION.—Nothing in this section shall be construed to affect the underlying obligation of the United States, or any agency thereof, for which a Treasury check was issued.

(Added Pub. L. 100–86, title X, § 1003, Aug. 10, 1987, 101 Stat. 658.)

Editorial Notes

REFERENCES IN TEXT

Such effective date, and the effective date of this section, referred to in subsecs. (a)(1) and (b)(1), is 6 months

after Aug. 10, 1987, or on such later date as the Secretary of the Treasury may prescribe in regulations. See Effective Date note below.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective 6 months after Aug. 10, 1987, or on such later date as the Secretary of the Treasury may prescribe in regulations, see section 1006 of Pub. L. 100–86, set out as an Effective Date of 1987 Amendment note under section 3328 of this title.

REGULATIONS

For provision permitting Secretary of the Treasury to prescribe rules, regulations, and procedures as necessary to implement this section, including recertification of Treasury checks which have been canceled or for which a claim has been asserted or barred, see section 1005 of Pub. L. 100–86, set out as a note under section 3328 of this title.

§ 3335. Timely disbursement of Federal funds

(a) Each head of an executive agency (other than the Tennessee Valley Authority) shall, under such regulations as the Secretary of the Treasury shall prescribe, provide for the timely disbursement of Federal funds through cash, checks, electronic funds transfer, or any other means identified by the Secretary.

(b) The Secretary may collect from any executive agency which does not comply with subsection (a) a charge in an amount the Secretary determines to be the cost to the general fund of the Treasury caused by such noncompliance.

(c) The amounts of charges collected from an executive agency under this section shall be deposited in the Treasury and credited as miscellaneous receipts.

(d) Any charge assessed by the Secretary under this section, to the maximum extent practicable—

(1) shall be paid out of appropriations available for executive agency operations; and

(2) shall not be paid from amounts available for funding programs of an executive agency.

(Added Pub. L. 101–453, § 4(a), Oct. 24, 1990, 104 Stat. 1058.)

Statutory Notes and Related Subsidiaries

REGULATIONS

Pub. L. 101–453, § 4(c), Oct. 24, 1990, 104 Stat. 1059, as amended by Pub. L. 102–589, § 2(1), Nov. 10, 1992, 106 Stat. 5133, provided that: ''The Secretary of the Treasury shall prescribe regulations under section 3335 of title 31, United States Code, as added by subsection (a), to ensure the full implementation of that section.''

§ 3336. Electronic benefit transfer pilot

(a) The Congress finds that:

(1) Electronic benefit transfer (EBT) is a safe, reliable, and economical way to provide benefit payments to individuals who do not have an account at a financial institution.

(2) The designation of financial institutions as financial agents of the Federal Government for EBT is an appropriate and reasonable use of the Secretary's authority to designate financial agents.

(3) A joint federal-state[1] EBT system offers convenience and economies of scale for those states[1] (and their citizens) that wish to deliver [1]state-administered benefits on a single card by entering into a partnership with the federal[1] government.[1]

(4) The Secretary's designation of a financial agent to deliver EBT is a specialized service not available through ordinary business channels and may be offered to the states[1] pursuant to section 6501 *et seq.* of this title.

(b) The Secretary shall continue to carry out the existing EBT pilot to disburse benefit payments electronically to recipients who do not have an account at a financial institution, which shall include the designation of one or more financial institution[2] as a financial agent of the Government, and the offering to the participating states[1] of the opportunity to contract with the financial agent selected by the Secretary, as described in the Invitation for Expressions of Interest to Acquire EBT Services for the Southern Alliance of States dated March 9, 1995, as amended as of June 30, 1995, July 7, 1995, and August 1, 1995.

(c) The selection and designation of financial agents, the design of the pilot program, and any other matter associated with or related to the EBT pilot described in subsection (b) shall not be subject to judicial review.

(Added Pub. L. 104–208, div. A, title I, § 101(f) [title VI, § 664], Sept. 30, 1996, 110 Stat. 3009–314, 3009–385.)

SUBCHAPTER III—MISCELLANEOUS

§ 3341. Sale of Government warrants, checks, drafts, and obligations

(a) A disbursing official of the United States Government may sell a Government warrant, check, draft, or obligation not the property of the official at a premium, or dispose of the proceeds of the warrant, check, draft, or obligation, only if the official deposits the premium and the proceeds in the Treasury or with a depositary for the credit of the Government.

(b) A disbursing official violating subsection (a) of this section shall be dismissed immediately.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 956.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3341(a)	31:544(words before last semicolon).	R.S. § 3652.
3341(b)	31:544(words after last semicolon).	

In subsection (a), the words ''disbursing official'' are substituted for ''officer'' for clarity and consistency in the revised title. The words ''either directly or indirectly'' and ''or dispose of to any person'' are omitted as surplus. The words ''Government warrant, check, draft, or obligation'' are substituted for ''Treasury note, draft, warrant, or other public security'' for consistency in the revised title. The words ''or sell . . . avails or . . . in his hands for disbursement'' are omitted as surplus. The words ''only if the official deposits the premium and the proceeds in the Treasury or with a depositary'' are substituted for ''without making return of such premium, and accounting therefor by

[1] So in original. Probably should be capitalized.

[2] So in original. Probably should be ''institutions''.

charging the same in his account'' for clarity and consistency in the chapter.

In subsection (b), the words ''from office'' are omitted as unnecessary.

§ 3342. Check cashing and exchange transactions

(a) A disbursing official of the United States Government may—

(1) cash and negotiate negotiable instruments payable in United States currency or currency of a foreign country;

(2) exchange United States currency, coins, and negotiable instruments and currency, coins, and negotiable instruments of foreign countries; and

(3) cash checks drawn on the Treasury to accommodate United States citizens in a foreign country, but only if—

(A) satisfactory banking facilities are not available in the foreign country; and

(B) a check is presented by the payee who is a United States citizen.

(b) A disbursing official may act under subsection (a)(1) and (2) of this section only for the following:

(1) An official purpose.

(2) Personnel of the Government.

(3) A dependent of personnel of the Government, but only—

(A) at a United States installation at which adequate banking facilities are not available; and

(B) in the case of negotiation of negotiable instruments, if the dependent's sponsor authorizes, in writing, the presentation of negotiable instruments to the disbursing official for negotiation.

(4) A veteran hospitalized or living in an institution operated by an agency.

(5) A contractor, or personnel of a contractor, carrying out a Government project.

(6) Personnel of an authorized agency not part of the Government that operates with an agency of the Government.

(7) A Federal credit union (as defined in section 101(1) of the Federal Credit Union Act (12 U.S.C. 1752(1))) that at the request of the Secretary of Defense is operating on a United States military installation in a foreign country, but only if that country does not permit contractor-operated military banking facilities to operate on such installations.

(8) A member of the military forces of an allied or coalition nation who is participating in a combined operation, combined exercise, or combined humanitarian or peacekeeping mission with the Armed Forces of the United States, but—

(A) only if—

(i) such disbursing official action for members of the military forces of that nation is approved by the senior United States military commander assigned to that operation, exercise, or mission; and

(ii) that nation has guaranteed payment for any deficiency resulting from such disbursing official action; and

(B) in the case of negotiable instruments, only for a negotiable instrument drawn on a financial institution located in the United States or on a foreign branch of such an institution.

(c)(1) An amount held by the disbursing official that is available for expenditure may be used to carry out subsection (a) of this section with the approval of the head of the agency having jurisdiction over the amount.

(2) The head of an agency having jurisdiction over a disbursing official may offset, within the same fiscal year, a deficiency resulting from a transaction under subsection (a) of this section with a gain from a transaction under subsection (a). A gain in the account of a disbursing official not used to offset deficiencies under subsection (a) shall be deposited in the Treasury as miscellaneous receipts.

(3) The amount of any deficiency resulting from cashing a check for a dependent under subsection (b)(3), including any charges assessed against the disbursing official by a financial institution for insufficient funds to pay the check, may be offset from the pay of the dependent's sponsor.

(4) Amounts necessary to adjust for deficiencies in the account of a disbursing official because of transactions under subsection (a) of this section are authorized to be appropriated.

(d) The Secretary of the Treasury and, with the approval of the Secretary, the head of an agency having jurisdiction over a disbursing official, may issue regulations to carry out this section. However, under conditions the Secretary decides are necessary, the Secretary may delegate to the head of an agency the authority to issue regulations applying to a disbursing official that is an officer or employee of the agency.

(e) Regulations prescribed under subsection (d) shall include regulations that define the terms ''dependent'' and ''sponsor'' for the purposes of this section. In the regulations, the term ''dependent'', with respect to a member of a uniformed service, shall have the meaning given that term in section 401 of title 37.

(f) With respect to automated teller machines on naval vessels, the authority of a disbursing official of the United States Government under subsection (a) also includes the following:

(1) The authority to provide operating funds to the automated teller machines.

(2) The authority to accept, for safekeeping, deposits and transfers of funds made through the automated teller machines.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 957; Pub. L. 104–106, div. A, title X, § 1090, Feb. 10, 1996, 110 Stat. 459; Pub. L. 104–201, div. A, title X, § 1011, Sept. 23, 1996, 110 Stat. 2635; Pub. L. 106–65, div. A, title III, § 372, Oct. 5, 1999, 113 Stat. 580; Pub. L. 108–136, div. A, title XII, § 1224, Nov. 24, 2003, 117 Stat. 1653.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3342(a)	31:492a(less 1st sentence words between 2d–7th commas, last sentence).	Dec. 23, 1944, ch. 716, §§ 1–3, 58 Stat. 921; restated June 16, 1953, ch. 115, 67 Stat. 61.
3342(b)	31:492a(1st sentence words between 2d–7th commas).	

HISTORICAL AND REVISION NOTES—CONTINUED

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3342(c)(1)	31:492a(last sentence).	
3342(c)(2), (3).	31:492b.	
3342(d)	31:492c.	

In the section, the words ''disbursing official'' are substituted for ''disbursing officers'' for clarity and consistency in the revised title.

In subsection (a), the words ''negotiable instruments'' are substituted for ''checks, drafts, bills of exchange, and other instruments'' for clarity and consistency. Before clause (1), the words ''Subject to regulations promulgated pursuant to sections 492a–492c of this title'' are omitted as unnecessary. In clause (3), before subclause (A), the words ''disbursing officers in foreign countries are also authorized . . . to'' are omitted because of the restatement. The word ''Treasury'' is substituted for ''Treasurer of the United States'' because of the source provisions restated in section 321 of the revised title and Department of the Treasury Order 229 of January 14, 1974 (39 F.R. 2280). The words ''person who is'' are omitted as surplus. In subclause (B), the word ''payee'' is substituted for ''person to whose order they are drawn'' to eliminate unnecessary words. The words ''who is a United States citizen'' are added for clarity.

Subsection (b), before clause (1), is added because of the restatement. In clause (2), the words ''the accommodation of'' are omitted as surplus. The word ''personnel'' is substituted for ''members of the Armed Forces and civilian personnel'' to eliminate unnecessary words and for consistency in the revised title and with other titles of the United States Code. In clause (3), the words ''of the Armed Forces of the United States . . . institutions operated by the Veterans' Administration and other'' are omitted as surplus.

In subsection (c)(2), the words ''For the purposes of this section'' are omitted because of the restatement. The words ''in the accounts of such disbursing officers'' are omitted as unnecessary. The words ''resulting from a transaction under subsection (a) of this section'' are added for clarity. The words ''not used to offset deficiencies from transactions under subsection (a)'' are substituted for ''resulting from operations permitted by sections 492a to 492c of this title'' for clarity and consistency.

Subsection (c)(3) is substituted for 31:492b(2d sentence) to eliminate unnecessary words and for consistency in the revised title and with other titles of the Code.

In subsection (d), the words ''rules and . . . governing the disbursing officers under their respective jurisdictions, as may be deemed necessary or proper . . . the purposes of'' are omitted as surplus. The words ''under conditions the Secretary decides are necessary'' are substituted for ''subject to such terms and conditions as he may prescribe'' for clarity and consistency. The words ''and exercise the function of disbursement pursuant to a delegation by the Secretary of the Treasury'' are omitted as unnecessary.

Editorial Notes

AMENDMENTS

2003—Subsec. (b). Pub. L. 108–136, §1224(b)(1), substituted ''only for the following:'' for ''only for—'' in introductory provisions.

Subsec. (b)(1). Pub. L. 108–136, §1224(b)(2), (5), substituted ''An'' for ''an'' and period for semicolon at end.

Subsec. (b)(2). Pub. L. 108–136, §1224(b)(3), (5), substituted ''Personnel'' for ''personnel'' and period for semicolon at end.

Subsec. (b)(3) to (5). Pub. L. 108–136, §1224(b)(4), (5), substituted ''A'' for ''a'' and period for semicolon at end.

Subsec. (b)(6). Pub. L. 108–136, §1224(b)(3), (6), substituted ''Personnel'' for ''personnel'' and period for ''; or''.

Subsec. (b)(7). Pub. L. 108–136, §1224(b)(4), (7), substituted ''A'' for ''a'' and ''1752(1)))'' for ''1752(1))''.

Subsec. (b)(8). Pub. L. 108–136, §1224(a), added par. (8).

1999—Subsec. (f). Pub. L. 106–65 added subsec. (f).

1996—Subsec. (b)(3). Pub. L. 104–201, §1011(1), substituted a semicolon for the period at end.

Pub. L. 104–106, §1090(a)(2), added par. (3). Former par. (3) redesignated (4).

Subsec. (b)(4) to (6). Pub. L. 104–106, §1090(a)(1), redesignated pars. (3) to (5) as (4) to (6), respectively.

Subsec. (b)(7). Pub. L. 104–201, §1011(2)–(4), added par. (7).

Subsec. (c)(3), (4). Pub. L. 104–106, §1090(b), added par. (3) and redesignated former par. (3) as (4).

Subsec. (e). Pub. L. 104–106, §1090(c), added subsec. (e).

§ 3343. Check forgery insurance fund

(a) The Department of the Treasury has a special deposit revolving fund, the ''Check Forgery Insurance Fund''. Necessary amounts are hereafter appropriated to the Fund out of any moneys in the Treasury not otherwise appropriated, and shall remain available until expended to make the payments required or authorized under this section. The Fund consists of amounts—

(1) appropriated to the Fund; and

(2) received under subsection (d) of this section.

(b) The Secretary of the Treasury shall pay from the Fund to a payee or special endorsee of a check drawn on the Treasury or a depositary designated by the Secretary the amount of the check without interest if in the determination of the Secretary the payee or special endorse[1] establishes that—

(1) the check was lost or stolen without the fault of the payee or a holder that is a special endorsee and whose endorsement is necessary for further negotiation;

(2) the check was negotiated later and paid by the Secretary or a depositary on a forged endorsement of the payee's or special endorsee's name; and

(3) the payee or special endorsee has not participated in any part of the proceeds of the negotiation or payment.

(c) Notwithstanding section 1306 of this title, a check drawn on a designated depositary may be paid in the currency of a foreign country when the appropriate accountable official authorizes payment in that currency.

(d) The Secretary shall deposit immediately to the credit of the Fund an amount recovered from a forger or a transferee or party on the check. The Secretary may use amounts in the Fund to reimburse payment certifying or authorizing agencies for any payment that the Secretary determines would otherwise have been payable from the Fund, and may reimburse certifying or authorizing agencies with amounts recovered because of payee nonentitlement. However, currency of a foreign country recovered because of a forged check drawn on a designated depositary shall be credited to the Fund or to the foreign currency fund that was charged when payment was made under subsection (b) of this section to the payee or special endorsee.

[1] So in original. Probably should be ''endorsee''.

(e) The Secretary may waive any provision of this section as may be necessary to ensure that claimants receive timely payments.

(f) Under such conditions as the Secretary may prescribe, the Secretary may delegate duties and powers of the Secretary under this section to the head of an agency. Consistent with a delegation from the Secretary under this subsection, the head of an agency may redelegate those duties and powers to officers or employees of the agency.

(g) This section does not relieve—

(1) a forger from civil or criminal liability; or

(2) a transferee or party on a check after the forgery from liability—

(A) on the express or implied warranty of prior endorsements of the transferee or party; or

(B) to refund amounts to the Secretary.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 957; Pub. L. 104–134, title III, §31001(x)(3), Apr. 26, 1996, 110 Stat. 1321–377.)

HISTORICAL AND REVISION NOTES

Revised Section	*Source (U.S. Code)*	*Source (Statutes at Large)*
3343(a)	31:561.	Nov. 21, 1941, ch. 489, §§1–3, 55 Stat. 777.
3343(b)	31:562.	
	31:563a(1st sentence).	Nov. 21, 1941, ch. 489, 55 Stat. 777, §4; added Dec. 22, 1974, Pub. L. 93–539, §1(b), 88 Stat. 1738.
3343(c)	31:563a(2d sentence).	
3343(d)	31:563(words after 3d comma).	
	31:563a(last sentence).	
3343(e)	31:563(words before 3d comma).	

Subsection (a) is substituted for 31:561 for clarity and consistency in the revised title and with other titles of the United States Code and to eliminate unnecessary words.

In subsection (b), the text of 31:563a(1st sentence) is omitted because of section 321 of the revised title. Before clause (1), the word ''Secretary'' is substituted for ''Treasurer of the United States'' before ''is authorized and directed'' in 31:562 because of the source provisions restated in section 321(c) of the revised title. The words ''prior to reclamation'' and ''heretofore or hereafter'' are omitted as unnecessary. The words ''Treasury or a depositary designated by the Secretary'' are substituted for ''Treasurer of the United States'' before ''has been lost or stolen'' because of the source provisions restated in section 321 of the revised title and Department of the Treasury Order 229 of January 14, 1974 (39 F.R. 2280) and for consistency in the revised title. The words ''it is established'' are omitted as unnecessary. In clause (2), the words ''Secretary or a depositary'' are substituted for ''Treasurer'' for consistency. In clause (3), the words ''either directly or indirectly'' are omitted as surplus.

In subsection (c), the words ''drawn on a designated depositary'' are added because of the restatement.

In subsection (d), the words ''The Secretary shall deposit immediately to the credit of the Fund amounts recovered from a forger'' are substituted for 31:563(words after 3d comma) to eliminate unnecessary words. The words ''The liability and restoration provisions of section 563 of this title shall apply with respect to checks drawn on designated depositaries'' in 31:563a(last sentence) are omitted as unnecessary because of the restatement. The words ''because of a forged check drawn on a designated depositary'' are added for clarity. The words ''credited to'' are substituted for ''used, as required, to reimburse'' for clarity and to eliminate unnecessary words. The word ''payment'' is substituted for ''settlement'' for consistency. The words ''under subsection (b) of this section'' are added for clarity.

In subsection (e), the word ''Secretary'' is substituted for ''Treasurer of the United States'' because of the source provisions restated in section 321(c) of the revised title.

Editorial Notes

AMENDMENTS

1996—Subsec. (a). Pub. L. 104–134, §31001(x)(3)(A), amended second sentence generally. Prior to amendment, second sentence read as follows: ''Amounts may be appropriated to the Fund.''

Subsec. (b). Pub. L. 104–134, §31001(x)(3)(B)(i), inserted ''in the determination of the Secretary the payee or special endorse establishes that'' after ''without interest if'' in introductory provisions.

Subsec. (b)(2) to (4). Pub. L. 104–134, §31001(x)(3)(B)(ii)–(iv), inserted ''and'' at end of par. (2), substituted period for ''; and'' at end of par. (3), and struck out par. (4) which read as follows: ''recovery from the forger, a transferee, or a party on the check after the forgery has been or may be delayed or unsuccessful.''

Subsec. (d). Pub. L. 104–134, §31001(x)(3)(C), inserted after first sentence ''The Secretary may use amounts in the Fund to reimburse payment certifying or authorizing agencies for any payment that the Secretary determines would otherwise have been payable from the Fund, and may reimburse certifying or authorizing agencies with amounts recovered because of payee nonentitlement.''

Subsecs. (e) to (g). Pub. L. 104–134, §31001(x)(3)(D), (E), added subsecs. (e) and (f) and redesignated former subsec. (e) as (g).

Statutory Notes and Related Subsidiaries

AVAILABILITY OF FUND

Pub. L. 108–447, div. H, title II, §220(b), Dec. 8, 2004, 118 Stat. 3242, provided that: ''The Check Forgery Insurance Fund (31 U.S.C. 3343) shall be available to fund amounts relating to the payment of items listed in 31 U.S.C. 3333(a)(1), as amended above [Pub. L. 108–447, §220(a)(1)], prior to the enactment of this Act [Dec. 8, 2004].''

SUBCHAPTER IV—IMPROPER PAYMENTS

§ 3351. Definitions

In this subchapter:

(1) ANNUAL FINANCIAL STATEMENT.—The term ''annual financial statement'' means the annual financial statement required under section 3515 of this title or similar provision of law.

(2) COMPLIANCE.—The term ''compliance'' means that an executive agency—

(A) has—

(i) published improper payments information with the annual financial statement of the executive agency for the most recent fiscal year; and

(ii) posted on the website of the executive agency that statement and any accompanying materials required under guidance of the Office of Management and Budget;

(B) if required, has conducted a program specific risk assessment for each program or activity that conforms with the requirements under section 3352(a);

(C) if required, publishes improper payments estimates for all programs and activities identified under section 3352(a) in the accompanying materials to the annual financial statement;

(D) publishes programmatic corrective action plans prepared under section 3352(d) that the executive agency may have in the accompanying materials to the annual financial statement;

(E) publishes improper payments reduction targets established under section 3352(d) that the executive agency may have in the accompanying materials to the annual financial statement for each program or activity assessed to be at risk, and has demonstrated improvements and developed a plan to meet the reduction targets; and

(F) has reported an improper payment rate of less than 10 percent for each program and activity for which an estimate was published under section 3352(c).

(3) DO NOT PAY INITIATIVE.—The term ''Do Not Pay Initiative'' means the initiative described in section 3354(b).

(4) IMPROPER PAYMENT.—The term ''improper payment''—

(A) means any payment that should not have been made or that was made in an incorrect amount, including an overpayment or underpayment, under a statutory, contractual, administrative, or other legally applicable requirement; and

(B) includes—

(i) any payment to an ineligible recipient;

(ii) any payment for an ineligible good or service;

(iii) any duplicate payment;

(iv) any payment for a good or service not received, except for those payments where authorized by law; and

(v) any payment that does not account for credit for applicable discounts.

(5) PAYMENT.—The term ''payment'' means any transfer or commitment for future transfer of Federal funds such as cash, securities, loans, loan guarantees, and insurance subsidies to any non-Federal person or entity or a Federal employee, that is made by a Federal agency, a Federal contractor, a Federal grantee, or a governmental or other organization administering a Federal program or activity.

(6) PAYMENT FOR AN INELIGIBLE GOOD OR SERVICE.—The term ''payment for an ineligible good or service'' includes a payment for any good or service that is rejected under any provision of any contract, grant, lease, cooperative agreement, or other funding mechanism.

(7) RECOVERY AUDIT.—The term ''recovery audit'' means a recovery audit described in section 3352(i).

(8) STATE.—The term ''State'' means each State of the United States, the District of Columbia, each territory or possession of the United States, and each Federally recognized Indian tribe.

(Added Pub. L. 116–117, § 2(a), Mar. 2, 2020, 134 Stat. 113.)

Executive Documents

EX. ORD. NO. 13520. REDUCING IMPROPER PAYMENTS

Ex. Ord. No. 13520, Nov. 20, 2009, 74 F.R. 62201, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in the interest of reducing payment errors and eliminating waste, fraud, and abuse in Federal programs, it is hereby ordered as follows:

SECTION 1. *Purpose*. When the Federal Government makes payments to individuals and businesses as program beneficiaries, grantees, or contractors, or on behalf of program beneficiaries, it must make every effort to confirm that the right recipient is receiving the right payment for the right reason at the right time. The purpose of this order is to reduce improper payments by intensifying efforts to eliminate payment error, waste, fraud, and abuse in the major programs administered by the Federal Government, while continuing to ensure that Federal programs serve and provide access to their intended beneficiaries. No single step will fully achieve these goals. Therefore, this order adopts a comprehensive set of policies, including transparency and public scrutiny of significant payment errors throughout the Federal Government; a focus on identifying and eliminating the highest improper payments; accountability for reducing improper payments among executive branch agencies and officials; and coordinated Federal, State, and local government action in identifying and eliminating improper payments. Because this order targets error, waste, fraud, and abuse—not legitimate use of Government services—efforts to reduce improper payments under this order must protect access to Federal programs by their intended beneficiaries.

SEC. 2. *Transparency and Public Participation*.

(a) Within 90 days of the date of this order, the Director of the Office of Management and Budget (OMB) shall:

(i) identify Federal programs in which the highest dollar value or majority of Government-wide improper payments occur (high-priority programs);

(ii) establish, in coordination with the executive department or agency (agency) responsible for administering the high-priority program annual or semi-annual targets (or where such targets already exist, supplemental targets), as appropriate, for reducing improper payments associated with each high-priority program;

(iii) issue Government-wide guidance on the implementation of this order, including procedures for identifying and publicizing the list of entities described in subsection (b)(v) of this section and for administrative appeal of the decision to publish the identity of those entities, prior to publication; and

(iv) establish a working group consisting of Federal, State, and local officials to make recommendations to the Director of OMB designed to improve the Federal Government's measurement of access to Federal programs by the programs' intended beneficiaries. The working group's recommendations shall be prepared in consultation with the Council of Inspectors General on Integrity and Efficiency (CIGIE) and submitted within 180 days of the date of this order, and the recommended measurements may be incorporated by the Secretary of the Treasury in the information published pursuant to subsection (b) of this section.

(b) Within 180 days of the date of this order, the Secretary of the Treasury in coordination with the Attorney General and the Director of OMB, shall publish on the Internet information about improper payments under high-priority programs. The information shall include, subject to Federal privacy policies and to the extent permitted by law:

(i) the names of the accountable officials designated under section 3 of this order;

(ii) current and historical rates and amounts of improper payments, including, where known and appropriate, causes of the improper payments;

(iii) current and historical rates and amounts of recovery of improper payments, where appropriate (or, where improper payments are identified solely on the basis of a sample, recovery rates and amounts estimated on the basis of the applicable sample);

(iv) targets for reducing as well as recovering improper payments, where appropriate; and

(v) the entities that have received the greatest amount of outstanding improper payments (or, where improper payments are identified solely on the basis of a sample, the entities that have received the greatest amount of outstanding improper payments in the applicable sample).

Information on entities that have received the greatest amount of outstanding improper payments shall not include any referrals the agency made or anticipates making to the Department of Justice, or any information provided in connection with such referrals.

(c) Within 180 days of the date of this order, the Secretary of the Treasury in coordination with the Attorney General and the Director of OMB and in consultation with the CIGIE, shall establish a central Internet-based method to collect from the public information concerning suspected incidents of waste, fraud, and abuse by an entity receiving Federal funds that have led or may lead to improper payments by the Federal Government.

(d) Agencies shall place a prominently displayed link to Internet-based resources for addressing improper payments, including the resources established under subsections (b) and (c) of this section, on their Internet home pages.

SEC. 3. *Agency Accountability and Coordination.*

(a) Within 120 days of the date of this order, the head of each agency responsible for operating a high-priority program shall designate an official who holds an existing Senate-confirmed position to be accountable for meeting the targets established under section 2 of this order without unduly burdening program access and participation by eligible beneficiaries. In those agencies where the majority of payments are isolated to a single component, the head of the agency shall name a second accountable official for that component whose sole responsibility would be for program integrity activities and, as appropriate, shall consolidate and coordinate all program integrity activities within the component.

(b) Within 180 days of the date of this order, each agency official designated under subsection (a) of this section, or otherwise designated by the Director of OMB, shall provide the agency's Inspector General a report containing:

(i) the agency's methodology for identifying and measuring improper payments by the agency's high-priority programs;

(ii) the agency's plans, together with supporting analysis, for meeting the reduction targets for improper payments in the agency's high-priority programs; and

(iii) the agency's plan, together with supporting analysis, for ensuring that initiatives undertaken pursuant to this order do not unduly burden program access and participation by eligible beneficiaries.

Following the receipt and review of this information, the agency Inspector General shall assess the level of risk associated with the applicable programs, determine the extent of oversight warranted, and provide the agency head with recommendations, if any, for modifying the agency's methodology, improper payment reduction plans, or program access and participation plans.

(c) If an agency fails to meet the targets established under section 2 of this order or implement the plan described in subsection (b)(iii) of this section for 2 consecutive years, that agency's accountable official designated under subsection (a) of this section shall submit to the agency head, Inspector General, and Chief Financial Officer a report describing the likely causes of the agency's failure and proposing a remedial plan. The agency head shall review this plan and, in consultation with the Inspector General and Chief Financial Officer, forward the plan with any additional comments and analysis to the Director of OMB.

(d) Within 180 days of the date of this order, the Chief Financial Officers Council (CFOC) in consultation with the CIGIE, the Department of Justice, and program experts, shall make recommendations to the Director of OMB and the Secretary of the Treasury on actions (including actions related to forensic accounting and audits) agencies should take to more effectively tailor their methodologies for identifying and measuring improper payments to those programs, or components of programs, where improper payments are most likely to occur. Recommendations shall address the manner in which the recommended actions would affect program access and participation by eligible beneficiaries.

(e) Within 180 days of the date of this order, the Secretary of the Treasury and the Director of OMB in consultation with the CIGIE, the Department of Justice, and program experts, shall recommend to the President actions designed to reduce improper payments by improving information sharing among agencies and programs, and where applicable, State and local governments and other stakeholders. The recommendations shall address the ways in which information sharing may improve eligibility verification and pre-payment scrutiny, shall identify legal or regulatory impediments to effective information sharing, and shall address the manner in which the recommended actions would affect program access and participation by eligible beneficiaries.

(f) Within 180 days of the date of this order, and at least once every quarter thereafter, the head of each agency shall submit to the agency's Inspector General and the CIGIE, and make available to the public, a report on any high-dollar improper payments identified by the agency, subject to Federal privacy policies and to the extent permitted by law. The report shall describe any actions the agency has taken or plans to take to recover improper payments, as well as any actions the agency intends to take to prevent improper payments from occurring in the future. The report shall not include any referrals the agency made or anticipates making to the Department of Justice, or any information provided in connection with such referrals. Following the review of each report, the agency Inspector General and the CIGIE shall assess the level of risk associated with the applicable program, determine the extent of oversight warranted, and provide the agency head with recommendations, if any, for modifying the agency's plans.

SEC. 4. *Enhanced Focus on Contractors and Working with State and Local Stakeholders.*

(a) Within 180 days of the date of this order, the Federal Acquisition Regulatory Council, in coordination with the Director of OMB, and in consultation with the National Procurement Fraud Task Force (or its successor group), the CIGIE, and appropriate agency officials, shall recommend to the President actions designed to enhance contractor accountability for improper payments. The recommendations may include, but are not limited to, subjecting contractors to debarment, suspension, financial penalties, and identification through a public Internet website, subject to Federal privacy policies and to the extent permitted by law and where the identification would not interfere with or compromise an ongoing criminal or civil investigation, for knowingly failing timely to disclose credible evidence of significant overpayments received on Government contracts.

(b) Within 30 days of the date of this order, the Director of OMB shall establish a working group consisting of Federal and elected State and local officials to make recommendations to the Director of OMB designed to improve the effectiveness of single audits of State and local governments and non-profit organizations that are expending Federal funds. The Director of OMB may designate an appropriate official to serve as Chair of the working group to convene its meetings and direct its work. The working group's recommendations shall

be prepared in consultation with the CIGIE and submitted within 180 days of the date of this order. The recommendations shall address, among other things, the effectiveness of single audits in identifying improper payments and opportunities to streamline or eliminate single audit requirements where their value is minimal.

(c) Within 30 days of the date of this order, the Director of OMB shall establish a working group (which may be separate from the group established under subsection (b) of this section) consisting of Federal and elected State and local officials to make recommendations to the Director of OMB for administrative actions designed to improve the incentives and accountability of State and local governments, as well as other entities receiving Federal funds, for reducing improper payments. The Director of OMB may designate an appropriate official to serve as Chair of the working group to convene its meetings and direct its work. The working group's recommendations shall be prepared in consultation with the CIGIE and submitted within 180 days of the date of this order.

SEC. 5. *Policy Proposals.* The Director of OMB, in consultation with the appropriate agencies and the CIGIE, shall develop policy recommendations, including potential legislative proposals, designed to reduce improper payments, including those caused by error, waste, fraud, and abuse, across Federal programs without compromising program access, to be included, as appropriate, in the Budget of the United States Government for Fiscal Year 2011 and future years, or other Administration proposals.

SEC. 6. *General Provisions.*

(a) Nothing in this order shall be construed to impair or otherwise affect:

(i) authority granted by law to a department, agency, the head thereof, or any agency Inspector General; or

(ii) functions of the Director of OMB relating to budgetary, administrative, or legislative proposals.

(b) Nothing in this order shall be construed to require the disclosure of classified information, law enforcement sensitive information, or other information that must be protected in the interests of national security.

(c) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(d) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity, by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

BARACK OBAMA.

FINDING AND RECAPTURING IMPROPER PAYMENTS

Memorandum of President of the United States, Mar. 10, 2010, 75 F.R. 12119, provided:

Memorandum for the Heads of Executive Departments and Agencies

My Administration is committed to reducing payment errors and eliminating waste, fraud, and abuse in Federal programs—a commitment reflected in Executive Order 13520 of November 20, 2009, Reducing Improper Payments. Executive departments and agencies should use every tool available to identify and subsequently reclaim the funds associated with improper payments. Thorough identification of improper payments promotes accountability at executive departments and agencies; it also makes the integrity of Federal spending transparent to taxpayers. Reclaiming the funds associated with improper payments is a critical component of the proper stewardship and protection of taxpayer dollars, and it underscores that waste, fraud, and abuse by entities receiving Federal payments will not be tolerated.

Today, to further intensify efforts to reclaim improper payments, my Administration is expanding the use of ''Payment Recapture Audits,'' which have proven to be effective mechanisms for detecting and recapturing payment errors. A Payment Recapture Audit is a process of identifying improper payments paid to contractors or other entities whereby highly skilled accounting specialists and fraud examiners use state-of-the-art tools and technology to examine payment records and uncover such problems as duplicate payments, payments for services not rendered, overpayments, and fictitious vendors. (A Payment Recapture Audit as used in this memorandum shall have the same meaning as the term ''recovery audit'' as defined in Appendix C to Office of Management and Budget Circular A-123.) One approach that has worked effectively is using professional and specialized auditors on a contingency basis, with their compensation tied to the identification of misspent funds.

Therefore, I hereby direct executive departments and agencies to expand their use of Payment Recapture Audits, to the extent permitted by law and where cost-effective. The Director of the Office of Management and Budget (OMB) shall develop guidance within 90 days of the date of this memorandum on actions executive departments and agencies must take to carry out the requirements of this memorandum. The guidance may require additional actions and strategies designed to improve the recapture of improper payments, including, as appropriate, agency-specific targets for increasing recoveries. The Director of the OMB shall further coordinate with the Council for Inspectors General on Integrity and Efficiency to identify an appropriate process for obtaining review by Inspectors General of the effectiveness of agency efforts under this memorandum. The agencies' expanded use of Payment Recapture Audits does not preclude Offices of Inspectors General from performing any activities to identify and prevent improper payments.

Nothing in this memorandum shall be construed to require the disclosure of classified information, law enforcement sensitive information, or other information that must be protected in the interests of national security.

This memorandum is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

The Director of the OMB is hereby authorized and directed to publish this memorandum in the Federal Register.

BARACK OBAMA.

ENHANCING PAYMENT ACCURACY THROUGH A ''DO NOT PAY LIST''

Memorandum of President of the United States, June 18, 2010, 75 F.R. 35953, provided:

Memorandum for the Heads of Executive Departments and Agencies

My Administration is committed to eliminating waste, fraud, and abuse in Federal programs, including reducing and recapturing erroneous payments—a commitment I reinforced in Executive Order 13520 of November 20, 2009, and in a memorandum to the heads of executive departments and agencies (agencies) of March 10, 2010. While identifying and recapturing improper payments is important, prevention of payment errors before they occur should be the first priority in protecting taxpayer resources from waste, fraud, and abuse. In those cases where data available to agencies clearly shows that a potential recipient of a Federal payment is ineligible for it, subsequent payment to that recipient is unacceptable. We must ensure that such payments are not made.

Agencies maintain many databases containing information on a recipient's eligibility to receive Federal benefits payments or Federal awards, such as grants and contracts. By checking these databases before making payments or awards, agencies can identify ineligible recipients and prevent certain improper payments from being made in the first place.

Therefore, I hereby direct agencies to review current pre-payment and pre-award procedures and ensure that a thorough review of available databases with relevant information on eligibility occurs before the release of any Federal funds, to the extent permitted by law. At a minimum, agencies shall, before payment and award, check the following existing databases (where applicable and permitted by law) to verify eligibility: the Social Security Administration's Death Master File, the General Services Administration's Excluded Parties List System, the Department of the Treasury's Debt Check Database, the Department of Housing and Urban Development's Credit Alert System or Credit Alert Interactive Voice Response System, and the Department of Health and Human Services' Office of Inspector General's List of Excluded Individuals/Entities. This network of databases, and additional databases so designated by the Director of the Office of Management and Budget (OMB) in consultation with agencies, shall be collectively known as the ''Do Not Pay List.'' This memorandum requires agencies to review these databases with the recognition that there may be circumstances when the law nevertheless requires a payment or award to be made to a recipient listed in them. My Administration began coordination of the databases discussed in this memorandum in April 2010 by launching the Federal Awardee Performance and Integrity Information System (FAPIIS), which integrates various sources of information on the eligibility of Government contractors for award. No later than 120 days of the date of this memorandum, the Director of the OMB shall provide to the President a plan for completing integration for the remaining databases, to the extent permitted by law, so that agencies can access them through a single entry point.

Each agency shall, within 90 days of the date of this memorandum, submit to the OMB a plan that includes information on its current pre-payment and pre-award procedures and a list of databases that the agency checks pursuant to those procedures. Within 180 days of the date of this memorandum, the Director of the OMB shall issue guidance, to be developed in consultation with affected agencies and taking into account current agency pre-payment and pre-award practices, on actions agencies must take to carry out this memorandum's requirements. This guidance shall clarify that the head of each agency is responsible for ensuring an efficient and accurate process for determining whether the information provided on the ''Do Not Pay List'' is sufficient to stop a payment, consistent with applicable laws and regulations, and, if so, whether a payment should be stopped under the circumstances. In addition, this guidance shall identify best practices and databases that agencies should utilize to conduct pre-payment checks to ensure that only eligible recipients receive Government benefits or payments.

This memorandum is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

The Director of the OMB is hereby authorized and directed to publish this memorandum in the Federal Register.

BARACK OBAMA.

§ 3352. Estimates of improper payments and reports on actions to reduce improper payments

(a) IDENTIFICATION OF SUSCEPTIBLE PROGRAMS AND ACTIVITIES.—

(1) IN GENERAL.—The head of each executive agency shall, in accordance with guidance prescribed by the Director of the Office of Management and Budget—

(A) periodically review all programs and activities that the head of the executive agency administers; and

(B) identify all programs and activities with outlays exceeding the statutory threshold dollar amount described in paragraph (3)(A)(i) that may be susceptible to significant improper payments.

(2) FREQUENCY.—A review under paragraph (1) shall be performed for each program and activity that the head of an executive agency administers not less frequently than once every 3 fiscal years.

(3) RISK ASSESSMENTS.—

(A) DEFINITION OF SIGNIFICANT.—In this paragraph, the term ''significant'' means that, in the preceding fiscal year, the sum of a program or activity's improper payments and payments whose propriety cannot be determined by the executive agency due to lacking or insufficient documentation may have exceeded—

(i) $10,000,000 of all reported program or activity payments of the executive agency made during that fiscal year and 1.5 percent of program outlays; or

(ii) $100,000,000.

(B) SCOPE.—In conducting a review under paragraph (1), the head of each executive agency shall take into account those risk factors that are likely to contribute to a susceptibility to significant improper payments, such as—

(i) whether the program or activity reviewed is new to the executive agency;

(ii) the complexity of the program or activity reviewed;

(iii) the volume of payments made through the program or activity reviewed;

(iv) whether payments or payment eligibility decisions are made outside of the executive agency, such as by a State or local government;

(v) recent major changes in program funding, authorities, practices, or procedures;

(vi) the level, experience, and quality of training for personnel responsible for making program eligibility determinations or certifying that payments are accurate;

(vii) significant deficiencies in the audit report of the executive agency or other relevant management findings that might hinder accurate payment certification;

(viii) similarities to other programs or activities that have reported improper payment estimates or been deemed susceptible to significant improper payments;

(ix) the accuracy and reliability of improper payment estimates previously reported for the program or activity, or other indicator of potential susceptibility to improper payments identified by the Inspector General of the executive agency, the Government Accountability Office, other audits performed by or on behalf of the Federal, State, or local government, disclosures by the executive agency, or any other means;

(x) whether the program or activity lacks information or data systems to confirm eligibility or provide for other payment integrity needs; and

(xi) the risk of fraud as assessed by the executive agency under the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the ''Green Book'').

(C) ANNUAL REPORT.—Each executive agency shall publish an annual report that includes—

(i) a listing of each program or activity identified under paragraph (1), including the date on which the program or activity was most recently assessed for risk under paragraph (1); and

(ii) a listing of any program or activity for which the executive agency makes any substantial changes to the methodologies of the reviews conducted under paragraph (1).

(b) IMPROVING THE DETERMINATION OF IMPROPER PAYMENTS.—

(1) IN GENERAL.—The Director of the Office of Management and Budget shall on an annual basis—

(A) identify a list of high-priority Federal programs for greater levels of oversight and review—

(i) in which the highest dollar value or highest rate of improper payments occur; or

(ii) for which there is a higher risk of improper payments; and

(B) in coordination with the executive agency responsible for administering a high-priority program identified under subparagraph (A), establish annual targets and semi-annual or quarterly actions for reducing improper payments associated with the high-priority program.

(2) REPORT ON HIGH-PRIORITY IMPROPER PAYMENTS.—

(A) IN GENERAL.—Subject to Federal privacy policies and to the extent permitted by law, each executive agency with a program identified under paragraph (1)(A) shall on an annual basis submit to the Inspector General of the executive agency and the Office of Management and Budget, and make available to the public, including through a website, a report on that program.

(B) CONTENTS.—Each report submitted under subparagraph (A)—

(i) shall describe any action the executive agency—

(I) has taken or plans to take to recover improper payments; and

(II) intends to take to prevent future improper payments; and

(ii) shall not include—

(I) any referrals the executive agency made or anticipates making to the Department of Justice; or

(II) any information provided in connection with a referral described in subclause (I).

(C) PUBLIC AVAILABILITY ON CENTRAL WEBSITE.—The Office of Management and Budget shall make each report submitted under subparagraph (A) available on a central website.

(D) AVAILABILITY OF INFORMATION TO INSPECTOR GENERAL.—Subparagraph (B)(ii) shall not prohibit any referral or information being made available to an Inspector General as otherwise provided by law.

(E) ASSESSMENT AND RECOMMENDATIONS.—The Inspector General of each executive agency that submits a report under subparagraph (A) shall, for each program of the executive agency that is identified under paragraph (1)(A)—

(i) review—

(I) the assessment of the level of risk associated with the program and the quality of the improper payment estimates and methodology of the executive agency relating to the program; and

(II) the oversight or financial controls to identify and prevent improper payments under the program; and

(ii) submit to the appropriate authorizing and appropriations committees of Congress recommendations, which may be included in another report submitted by the Inspector General to Congress, for modifying any plans of the executive agency relating to the program, including improvements for improper payments determination and estimation methodology.

(F) ANNUAL MEETING.—Not less frequently than once every year, the head of each executive agency with a program identified under paragraph (1)(A), or a designee of the head of the executive agency, shall meet with the Director of the Office of Management and Budget, or a designee of the Director, to report on actions taken during the preceding year and planned actions to prevent improper payments.

(c) ESTIMATION OF IMPROPER PAYMENTS.—

(1) ESTIMATION.—With respect to each program and activity identified under subsection (a)(1), the head of the relevant executive agency shall—

(A) produce a statistically valid estimate, or an estimate that is otherwise appropriate using a methodology approved by the Director of the Office of Management and Budget, of the improper payments made under the program or activity; and

(B) include the estimates described in subparagraph (A) in the accompanying materials to the annual financial statement of the executive agency and as required in applicable guidance of the Office of Management and Budget.

(2) LACKING OR INSUFFICIENT DOCUMENTATION.—

(A) IN GENERAL.—For the purpose of producing an estimate under paragraph (1), when the executive agency cannot determine, due to lacking or insufficient documentation, whether a payment is proper or not, the payment shall be treated as an improper payment.

(B) SEPARATE REPORT.—The head of an executive agency may report separately on

what portion of the improper payments estimate for a program or activity of the executive agency under paragraph (1) is attributable to lacking or insufficient documentation.

(d) REPORTS ON ACTIONS TO REDUCE IMPROPER PAYMENTS.—With respect to any program or activity of an executive agency with estimated improper payments under subsection (c), the head of the executive agency shall provide with the estimate required under subsection (c) a report on what actions the executive agency is taking to reduce improper payments, including—

(1) a description of the causes of the improper payments, actions planned or taken to correct those causes, and the planned or actual completion date of the actions taken to address those causes;

(2) in order to reduce improper payments to a level below which further expenditures to reduce improper payments would cost more than the amount those expenditures would save in prevented or recovered improper payments, a statement of whether the executive agency has what is needed with respect to—

(A) internal controls;

(B) human capital; and

(C) information systems and other infrastructure;

(3) if the executive agency does not have sufficient resources to establish and maintain effective internal controls as described in paragraph (2)(A), a description of the resources the executive agency has requested in the budget submission of the executive agency to establish and maintain those internal controls;

(4) program-specific and activity-specific improper payments reduction targets that have been approved by the Director of the Office of Management and Budget;

(5) a description of the steps the executive agency has taken to ensure that executive agency managers, programs, and, where appropriate, States and local governments are held accountable through annual performance appraisal criteria for—

(A) meeting applicable improper payments reduction targets; and

(B) establishing and maintaining sufficient internal controls, including an appropriate control environment, that effectively—

(i) prevent improper payments from being made; and

(ii) promptly detect and recover improper payments that are made; and

(6) a description of how the level of planned or completed actions by the executive agency to address the causes of the improper payments matches the level of improper payments, including a breakdown by category of improper payment and specific timelines for completion of those actions.

(e) REPORTS ON ACTIONS TO RECOVER IMPROPER PAYMENTS.—With respect to improper payments identified in a recovery audit, the head of the executive agency shall provide with the estimate required under subsection (c) a report on all actions the executive agency is taking to recover the improper payments, including—

(1) a discussion of the methods used by the executive agency to recover improper payments;

(2) the amounts recovered, outstanding, and determined to not be collectable, including the percent those amounts represent of the total improper payments of the executive agency;

(3) if a determination has been made that certain improper payments are not collectable, a justification of that determination;

(4) an aging schedule of the amounts outstanding;

(5) a summary of how recovered amounts have been disposed of;

(6) a discussion of any conditions giving rise to improper payments and how those conditions are being resolved; and

(7) if the executive agency has determined under subsection (i) that performing recovery audits for any applicable program or activity is not cost-effective, a justification for that determination.

(f) GOVERNMENTWIDE REPORTING OF IMPROPER PAYMENTS AND ACTIONS TO RECOVER IMPROPER PAYMENTS.—

(1) REPORT.—Each fiscal year, the Director of the Office of Management and Budget shall submit a report with respect to the preceding fiscal year on actions that executive agencies have taken to report information regarding improper payments and actions to recover improper payments to—

(A) the Committee on Homeland Security and Governmental Affairs of the Senate;

(B) the Committee on Oversight and Reform of the House of Representatives; and

(C) the Comptroller General of the United States.

(2) CONTENTS.—Each report required under paragraph (1) shall include—

(A) a summary of the reports of each executive agency on improper payments and recovery actions submitted under this section;

(B) an identification of the compliance status of each executive agency, as determined by the Inspector General of the executive agency under section 3353, to which this section applies;

(C) Governmentwide improper payment reduction targets;

(D) a Governmentwide estimate of improper payments; and

(E) a discussion of progress made towards meeting Governmentwide improper payment reduction targets.

(g) GUIDANCE BY THE OFFICE OF MANAGEMENT AND BUDGET.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Director of the Office of Management and Budget shall prescribe guidance for executive agencies to implement the requirements of this section, which shall not include any exemptions to those requirements that are not specifically authorized by this section.

(2) CONTENTS.—The guidance under paragraph (1) shall prescribe—

(A) the form of the reports on actions to reduce improper payments, recovery actions, and Governmentwide reporting; and

(B) strategies for addressing risks and establishing appropriate prepayment and postpayment internal controls.

(h) DETERMINATIONS OF AGENCY READINESS FOR OPINION ON INTERNAL CONTROL.—The criteria required to be developed under section 2(g) of the Improper Payments Elimination and Recovery Act of 2010, as in effect on the day before the date of enactment of this section—

(1) shall continue to be in effect on and after the date of enactment of this section; and

(2) may be modified as determined appropriate by the Director of the Office of Management and Budget.

(i) RECOVERY AUDITS.—

(1) IN GENERAL.—

(A) CONDUCT OF AUDITS.—Except as provided under paragraph (3) and if not prohibited under any other provision of law, the head of each executive agency shall conduct recovery audits with respect to each program and activity of the executive agency that expends $1,000,000 or more annually if conducting the audits would be cost effective.

(B) PROCEDURES.—In conducting a recovery audit under this subsection, the head of an executive agency—

(i) shall give priority to the most recent payments and to payments made in any program identified as susceptible to significant improper payments under subsection (a);

(ii) shall implement this subsection in a manner designed to ensure the greatest financial benefit to the Federal Government; and

(iii) may conduct the recovery audit directly, by using other departments and agencies of the United States, or by procuring performance of recovery audits by private sector sources by contract, subject to the availability of appropriations, or by any combination thereof.

(C) RECOVERY AUDIT CONTRACTS.—With respect to a recovery audit procured by an executive agency by contract—

(i) subject to subparagraph (B)(iii), and except to the extent such actions are outside the authority of the executive agency under section 7103 of title 41, the head of the executive agency may authorize the contractor to—

(I) notify entities, including individuals, of potential overpayments made to those entities;

(II) respond to questions concerning potential overpayments; and

(III) take other administrative actions with respect to an overpayment claim made or to be made by the executive agency; and

(ii) the contractor shall not have the authority to make a final determination relating to whether any overpayment occurred or whether to compromise, settle, or terminate an overpayment claim.

(D) CONTRACT TERMS AND CONDITIONS.—

(i) IN GENERAL.—The executive agency shall include in each contract for procurement of performance of a recovery audit a requirement that the contractor shall—

(I) provide to the executive agency periodic reports on conditions giving rise to overpayments identified by the contractor and any recommendations on how to mitigate those conditions;

(II) notify the executive agency of any overpayments identified by the contractor pertaining to the executive agency or to any other executive agency that are beyond the scope of the contract; and

(III) report to the executive agency credible evidence of fraud or vulnerabilities to fraud and conduct appropriate training of personnel of the contractor on identification of fraud.

(ii) REPORTS ON ACTIONS TAKEN.—Each executive agency shall, on an annual basis, include in annual financial statement of the executive agency a report on actions taken by the executive agency during the preceding fiscal year to address the recommendations described in clause (i)(I).

(E) AGENCY ACTION FOLLOWING NOTIFICATION.—Each executive agency shall—

(i) take prompt and appropriate action in response to a report or notification by a contractor under subclause (I) or (II) of subparagraph (D)(i) to collect an overpayment; and

(ii) forward to other executive agencies any information that applies to that executive agency.

(2) DISPOSITION OF AMOUNTS RECOVERED.—

(A) IN GENERAL.—Amounts collected by executive agencies each fiscal year through recovery audits shall be treated in accordance with this paragraph.

(B) DISTRIBUTION.—The head of an executive agency shall determine the distribution of collected amounts described in subparagraph (A), less amounts needed to fulfill the purposes of section 3562(a) of this title, in accordance with subparagraphs (C), (D), and (E).

(C) USE FOR FINANCIAL MANAGEMENT IMPROVEMENT PROGRAM.—Not more than 25 percent of the amounts collected by an executive agency through recovery audits—

(i) shall be available to the head of the executive agency to carry out the financial management improvement program of the executive agency under paragraph (3);

(ii) may be credited, if applicable, for the purpose described in clause (i) by the head of an executive agency to any executive agency appropriations and funds that are available for obligation at the time of collection; and

(iii) shall be used to supplement and not supplant any other amounts available for the purpose described in clause (i) and shall remain available until expended.

(D) USE FOR ORIGINAL PURPOSE.—Not more than 25 percent of the amounts collected by an executive agency through recovery audits—

(i) shall be credited to the appropriation or fund, if any, available for obligation at

the time of collection for the same general purposes as the appropriation or fund from which the overpayment was made;

(ii) shall remain available for the same period and purposes as the appropriation or fund to which credited; and

(iii) if the appropriation from which an overpayment was made has expired—

(I) in the case of recoveries of overpayments that are made from a trust or special fund account, shall revert to that account; and

(II) in the case of other recoveries of overpayments—

(aa) for amounts that are recovered more than 5 fiscal years from the last fiscal year in which the funds were available for obligation, shall be deposited in the Treasury as miscellaneous receipts; and

(bb) for other amounts, shall be newly available for the same time period as the funds were originally available for obligation.

(E) USE FOR INSPECTOR GENERAL ACTIVITIES.—Not more than 5 percent of the amounts collected by an executive agency through recovery audits—

(i) shall be available to the Inspector General of that executive agency for—

(I) the Inspector General to carry out this Act; or

(II) any other activities of the Inspector General relating to investigating improper payments or auditing internal controls associated with payments; and

(ii) shall remain available for the same period and purposes as the appropriation or fund to which credited.

(F) REMAINDER.—Amounts collected that are not applied in accordance with subparagraph (B), (C), (D), or (E) shall be deposited in the Treasury as miscellaneous receipts, except that in the case of recoveries of overpayments that are made from trust or special fund accounts, those amounts shall revert to those accounts.

(G) DISCRETIONARY AMOUNTS.—This paragraph shall apply only to recoveries of overpayments that are made from discretionary appropriations, as defined in section 250(c)(7) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(7)), and shall not apply to recoveries of overpayments that are made from discretionary amounts that were appropriated before the date of enactment of the Improper Payments Elimination and Recovery Act of 2010, as in effect on the day before the date of enactment of this section.

(H) APPLICATION.—This paragraph shall not apply to the recovery of an overpayment if the appropriation from which the overpayment was made has not expired.

(3) FINANCIAL MANAGEMENT IMPROVEMENT PROGRAM.—

(A) REQUIREMENT.—The head of each executive agency shall conduct a financial management improvement program consistent with rules prescribed by the Director of the Office of Management and Budget.

(B) PROGRAM FEATURES.—In conducting a program described in subparagraph (A), the head of an executive agency—

(i) shall, as the first priority of the program, address problems that contribute directly to executive agency improper payments; and

(ii) may seek to reduce errors and waste in other executive agency programs and operations.

(4) PRIVACY PROTECTIONS.—Any nongovernmental entity that, in the course of recovery auditing or recovery activity under this subsection, obtains information that identifies an individual or with respect to which there is a reasonable basis to believe that the information can be used to identify an individual, may not disclose the information for any purpose other than the recovery auditing or recovery activity and governmental oversight of the activity, unless disclosure for that other purpose is authorized by the individual to the executive agency that contracted for the performance of the recovery auditing or recovery activity.

(5) RULE OF CONSTRUCTION.—Except as provided under paragraph (4), nothing in this subsection shall be construed as terminating or in any way limiting authorities that are otherwise available to executive agencies under existing provisions of law to recover improper payments and use recovered amounts.

(Added Pub. L. 116–117, §2(a), Mar. 2, 2020, 134 Stat. 114.)

Editorial Notes

REFERENCES IN TEXT

The date of enactment of this section, referred to in subsecs. (g)(1), (h), and (i)(2)(G), is the date of enactment of Pub. L. 116–117, which was approved Mar. 2, 2020.

Section 2(g) of the Improper Payments Elimination and Recovery Act of 2010, referred to in subsec. (h), is section 2(g) of Pub. L. 111–204, July 22, 2010, 124 Stat. 2228, which was formerly set out as a note under section 3321 of this title, prior to repeal by Pub. L. 116–117, §3(a)(2), Mar. 2, 2020, 134 Stat. 133.

This Act, referred to in subsec. (i)(2)(E)(i)(I), probably means Pub. L. 116–117, which enacted this subchapter, amended section 3562 of this title, section 612 of Title 6, Domestic Security, and section 1397ee of Title 42, The Public Health and Welfare, amended provisions set out as a note under 5701 of Title 5, Government Organization and Employees, and repealed provisions set out as notes under sections 3301 and 3321 of this title. For complete classification of this Act to the Code, see Short Title of 2020 Amendment note set out under section 3301 of this title and Tables.

The date of enactment of the Improper Payments Elimination and Recovery Act of 2010, referred to subsec. (i)(2)(G), is the date of enactment of Pub. L. 111–204, which was approved July 22, 2010.

Statutory Notes and Related Subsidiaries

CHANGE OF NAME

Committee on Oversight and Reform of House of Representatives changed to Committee on Oversight and Accountability of House of Representatives by House Resolution No. 5, One Hundred Eighteenth Congress, Jan. 9, 2023.

§ 3353. Compliance

(a) ANNUAL COMPLIANCE REPORT BY INSPECTORS GENERAL OF EXECUTIVE AGENCIES.—

(1) IN GENERAL.—Each fiscal year, the Inspector General of each executive agency shall—

(A) determine whether the executive agency is in compliance; and

(B) submit a report on the determination made under subparagraph (A) to—

(i) the head of the executive agency;

(ii) the Committee on Homeland Security and Governmental Affairs of the Senate;

(iii) the Committee on Oversight and Reform of the House of Representatives; and

(iv) the Comptroller General of the United States.

(2) DEVELOPMENT OR USE OF A CENTRAL WEBSITE.—The Council of the Inspectors General on Integrity and Efficiency (in this subsection referred to as the ''Council'') shall develop a public central website, or make use of a public central website in existence on the date of enactment of this section, to contain individual compliance determination reports issued by Inspectors General under paragraph (1)(B) and such additional information as determined by the Council.

(3) OMB GUIDANCE.—Not later than 180 days after the date of enactment of this section, the Director of the Office of Management and Budget, in consultation with the Council and with consideration given to the available resources and independence of individual Offices of Inspectors General, shall develop and promulgate guidance for the compliance determination reports issued by the Inspectors General under paragraph (1)(B), which shall require that—

(A) the reporting format used by the Inspectors General is consistent;

(B) Inspectors General evaluate and take into account the adequacy of executive agency risk assessments, improper payment estimates methodology, and executive agency action plans to address the causes of improper payments;

(C) Inspectors General take into account whether the executive agency has correctly identified the causes of improper payments and whether the actions of the executive agency to address those causes are adequate and effective;

(D) Inspectors General evaluate the adequacy of executive agency action plans on how the executive agency addresses the causes of improper payments; and

(E) as part of the report, Inspectors General include an evaluation of executive agency efforts to prevent and reduce improper payments and any recommendations for actions to further improve that prevention and reduction.

(4) CIGIE GUIDANCE.—Not later than 180 days after the date of enactment of this section, the Council shall, with consideration given to the available resources and independence of individual Offices of Inspectors General, develop and promulgate guidance that specifies procedures for compliance determinations made by the Inspectors General under paragraph (1)(A), which shall describe procedures for Inspectors General—

(A) to make the determinations consistent regarding compliance; and

(B) to evaluate—

(i) for compliance with the requirement described in section 3351(2)(B), the risk assessment methodology of the executive agency, including whether the audits, examinations, and legal actions of the Inspector General indicate a higher risk of improper payments or actual improper payments that were not included in the risk assessments of the executive agency conducted under section 3352(a);

(ii) for compliance with the requirement described in section 3351(2)(C), the accuracy of the rate estimates and whether the sampling and estimation plan used is appropriate given program characteristics;

(iii) for compliance with the requirement described in section 3351(2)(D), the corrective action plans and whether the plans are adequate and focused on the true causes of improper payments, including whether the corrective action plans are—

(I) reducing improper payments;

(II) effectively implemented; and

(III) prioritized within the executive agency;

(iv) the adequacy of executive agency action plans to address the causes of improper payments;

(v) executive agency efforts to prevent and reduce improper payments, and any recommendations for actions to further improve; and

(vi) whether an executive agency has published an annual financial statement in accordance with the requirement described in section 3351(2)(A).

(b) REMEDIATION.—

(1) NONCOMPLIANCE.—

(A) IN GENERAL.—If an executive agency is determined by the Inspector General of that executive agency not to be in compliance under subsection (a) in a fiscal year with respect to a program or activity, the head of the executive agency shall submit to the appropriate authorizing and appropriations committees of Congress a plan describing the actions that the executive agency will take to come into compliance.

(B) PLAN.—The plan described in subparagraph (A) shall include—

(i) measurable milestones to be accomplished in order to achieve compliance for each program or activity;

(ii) the designation of a senior executive agency official who shall be accountable for the progress of the executive agency in coming into compliance for each program or activity; and

(iii) the establishment of an accountability mechanism, such as a performance agreement, with appropriate incentives and consequences tied to the success of the official designated under clause (ii) in

leading the efforts of the executive agency to come into compliance for each program or activity.

(2) NONCOMPLIANCE FOR 2 FISCAL YEARS.—

(A) IN GENERAL.—If an executive agency is determined by the Inspector General of that executive agency not to be in compliance under subsection (a) for 2 consecutive fiscal years for the same program or activity, the executive agency shall propose to the Director of the Office of Management and Budget additional program integrity proposals that would help the executive agency come into compliance.

(B) ADDITIONAL FUNDING.—

(i) IN GENERAL.—If the Director of the Office of Management and Budget determines that additional funding would help an executive agency described in subparagraph (A) come into compliance, the head of the executive agency shall obligate additional funding, in an amount determined by the Director, to intensified compliance efforts.

(ii) REPROGRAMMING OR TRANSFER AUTHORITY.—In providing additional funding under clause (i)—

(I) the head of an executive agency shall use any reprogramming or transfer authority available to the executive agency; and

(II) if after exercising the reprogramming or transfer authority described in subclause (I), additional funding is necessary to obligate the full level of funding determined by the Director of the Office of Management and Budget under clause (i), the executive agency shall submit a request to Congress for additional reprogramming or transfer authority.

(3) REAUTHORIZATION AND STATUTORY PROPOSALS.—If an executive agency is determined by the Inspector General of that executive agency not to be in compliance under subsection (a) for 3 consecutive fiscal years for the same program or activity, the head of the executive agency shall, not later than 30 days after the date of that determination, submit to the appropriate authorizing and appropriations committees of Congress and the Comptroller General of the United States—

(A)(i) reauthorization proposals for each program or activity that has not been in compliance for 3 or more consecutive fiscal years; and

(ii) proposed statutory changes necessary to bring the program or activity into compliance; or

(B) if the head of the executive agency determines that clauses (i) and (ii) of subparagraph (A) will not bring the program or activity into compliance, a description of the actions that the executive agency is undertaking to bring the program or activity into compliance and a timeline of when the compliance will be achieved.

(4) PLAN AND TIMELINE FOR COMPLIANCE.—If an executive agency is determined by the Inspector General of that executive agency not to be in compliance under subsection (a) for 4 or more consecutive fiscal years for the same program or activity, the head of the executive agency shall, not later than 30 days after such determination, submit to the appropriate authorizing and appropriations committees of Congress a report that includes—

(A) the activities taken to comply with the requirements for 1, 2, 3, 4, or more years of noncompliance;

(B) a description of any requirements that were fulfilled for 1, 2, or 3 consecutive years of noncompliance that are still relevant and being pursued as a means to bring the program or activity into compliance and prevent and reduce improper payments;

(C) a description of any new corrective actions; and

(D) a timeline for when the program or activity will achieve compliance based on the actions described within the report.

(5) ANNUAL REPORT.—Each executive agency shall submit to the appropriate authorizing and appropriations committees of Congress and the Comptroller General of the United States—

(A) a list of each program or activity that was determined to not be in compliance under paragraph (1), (2), (3), or (4); and

(B) actions that are planned to bring the program or activity into compliance.

(c) COMPLIANCE ENFORCEMENT PILOT PROGRAMS.—The Director of the Office of Management and Budget may establish 1 or more pilot programs that shall test potential accountability mechanisms with appropriate incentives and consequences tied to success in ensuring compliance with this section and eliminating improper payments.

(d) IMPROVED ESTIMATES GUIDANCE.—The guidance required to be provided under section 3(b) of the Improper Payments Elimination and Recovery Improvement Act of 2012, as in effect on the day before the date of enactment of this section—

(1) shall continue to be in effect on and after the date of enactment of this section; and

(2) may be modified as determined appropriate by the Director of the Office of Management and Budget.

(Added Pub. L. 116–117, §2(a), Mar. 2, 2020, 134 Stat. 123.)

Editorial Notes

REFERENCES IN TEXT

The date of enactment of this section, referred to in subsecs. (a)(2) to (4) and (d), is the date of enactment of Pub. L. 116–117, which was approved Mar. 2, 2020.

Section 3(b) of the Improper Payments Elimination and Recovery Improvement Act of 2012, referred to in subsec. (d), is section 3 of Pub. L. 112–248, Jan. 10, 2013, 126 Stat. 2390, which was formerly set out in a note under section 3321 of this title, prior to repeal by Pub. L. 116–117, §3(a)(3), Mar. 2, 2020, 134 Stat. 133.

Statutory Notes and Related Subsidiaries

CHANGE OF NAME

Committee on Oversight and Reform of House of Representatives changed to Committee on Oversight and

Accountability of House of Representatives by House Resolution No. 5, One Hundred Eighteenth Congress, Jan. 9, 2023.

§ 3354. Do Not Pay Initiative

(a) PREPAYMENT AND PREAWARD PROCEDURES.—

(1) IN GENERAL.—Each executive agency shall review prepayment and preaward procedures and ensure that a thorough review of available databases with relevant information on eligibility occurs to determine program or award eligibility and prevent improper payments before the release of any Federal funds.

(2) DATABASES.—At a minimum and before issuing any payment or award, each executive agency shall review as appropriate the following databases to verify eligibility of the payment and award:

(A) The death records maintained by the Commissioner of Social Security.

(B) The System for Award Management Exclusion Records, formerly known as the Excluded Parties List System, of the General Services Administration.

(C) The Debt Check Database of the Department of the Treasury.

(D) The Credit Alert System or Credit Alert Interactive Voice Response System of the Department of Housing and Urban Development.

(E) The List of Excluded Individuals/Entities of the Office of Inspector General of the Department of Health and Human Services.

(F) Information regarding incarcerated individuals maintained by the Commissioner of Social Security under sections 202(x) and 1611(e) of the Social Security Act (42 U.S.C. 402(x), 1382(e)).

(b) DO NOT PAY INITIATIVE.—

(1) IN GENERAL.—There is the Do Not Pay Initiative, which shall include—

(A) use of the databases described in subsection (a)(2); and

(B) use of other databases designated by the Director of the Office of Management and Budget, or the designee of the Director, in consultation with executive agencies and in accordance with paragraph (2).

(2) OTHER DATABASES.—In making designations of other databases under paragraph (1)(B), the Director of the Office of Management and Budget, or the head of any executive agency designated by the Director, shall—

(A) consider any database that substantially assists in preventing improper payments; and

(B) provide public notice and an opportunity for comment before designating a database under paragraph (1)(B).

(3) ACCESS AND REVIEW.—

(A) IN GENERAL.—For purposes of identifying and preventing improper payments, each executive agency shall have access to, and use of, the Do Not Pay Initiative to verify payment or award eligibility in accordance with subsection (a).

(B) MATCHING PROGRAMS.—

(i) IN GENERAL.—The head of the agency operating the Working System may, in consultation with the Office of Management and Budget, waive the requirements of section 552a(*o*) of title 5 in any case or class of cases for computer matching activities conducted under this section.

(ii) GUIDANCE.—The Director of the Office of Management and Budget may issue guidance that establishes requirements governing waivers under clause (i).

(C) OTHER ENTITIES.—Each State and any contractor, subcontractor, or agent of a State, including a State auditor or State program responsible for reducing improper payments of a federally funded State-administered program, and the judicial and legislative branches of the United States, as defined in paragraphs (2) and (3), respectively, of section 202(e) of title 18, shall have access to, and use of, the Do Not Pay Initiative for the purpose of verifying payment or award eligibility for payments.

(D) CONSISTENCY WITH PRIVACY ACT OF 1974.—To ensure consistency with the principles of section 552a of title 5 (commonly known as the ''Privacy Act of 1974''), the Director of the Office of Management and Budget may issue guidance that establishes privacy and other requirements that shall be incorporated into Do Not Pay Initiative access agreements with States, including any contractor, subcontractor, or agent of a State, and the judicial and legislative branches of the United States, as defined in paragraphs (2) and (3), respectively, of section 202(e) of title 18.

(4) PAYMENT OTHERWISE REQUIRED.—When using the Do Not Pay Initiative, an executive agency shall recognize that there may be circumstances under which the law requires a payment or award to be made to a recipient, regardless of whether that recipient is identified as potentially ineligible under the Do Not Pay Initiative.

(5) ANNUAL REPORT.—The Director of the Office of Management and Budget shall submit to Congress an annual report, which may be included as part of another report submitted to Congress by the Director, regarding the operation of the Do Not Pay Initiative, which shall—

(A) include an evaluation of whether the Do Not Pay Initiative has reduced improper payments or improper awards; and

(B) provide the frequency of corrections or identification of incorrect information.

(c) INITIAL WORKING SYSTEM.—The working system required to be established under section 5(d) of the Improper Payments Elimination and Recovery Improvement Act of 2012, as in effect on the day before the date of enactment of this section—

(1) shall continue to be in effect on and after the date of enactment of this section; and

(2) shall require each executive agency to review all payments and awards for all programs and activities of that executive agency through the working system.

(d) FACILITATING DATA ACCESS BY FEDERAL AGENCIES AND OFFICES OF INSPECTORS GENERAL FOR PURPOSES OF PROGRAM INTEGRITY.—

(1) COMPUTER MATCHING BY EXECUTIVE AGENCIES FOR PURPOSES OF INVESTIGATION AND PREVENTION OF IMPROPER PAYMENTS AND FRAUD.—

(A) IN GENERAL.—Except as provided in this paragraph, in accordance with section 552a of title 5 (commonly known as the ''Privacy Act of 1974''), the head of each executive agency may enter into computer matching agreements with other heads of executive agencies that allow ongoing data matching, which shall include automated data matching, in order to assist in the detection and prevention of improper payments.

(B) REVIEW.—Not later than 60 days after the date on which a proposal for an agreement under subparagraph (A) has been presented to a Data Integrity Board established under section 552a(u) of title 5 for consideration, the Data Integrity Board shall respond to the proposal.

(C) TERMINATION DATE.—An agreement described in subparagraph (A)—

(i) shall have a termination date of less than 3 years; and

(ii) during the 3-month period ending on the date on which the agreement is scheduled to terminate, may be renewed by the executive agencies entering the agreement for not more than 3 years.

(D) MULTIPLE AGENCIES.—For purposes of this paragraph, section 552a(*o*)(1) of title 5 shall be applied by substituting ''between the source agency and the recipient agency or non-Federal agency or an agreement governing multiple agencies'' for ''between the source agency and the recipient agency or non-Federal agency'' in the matter preceding subparagraph (A).

(E) COST-BENEFIT ANALYSIS.—A justification under section 552a(*o*)(1)(B) of title 5 relating to an agreement under subparagraph (A) is not required to contain a specific estimate of any savings under the computer matching agreement.

(2) GUIDANCE AND PROCEDURES BY THE OFFICE OF MANAGEMENT AND BUDGET.—The guidance, rules, and procedures required to be issued, clarified, and established under paragraphs (3) and (4) of section 5(e) of the Improper Payments Elimination and Recovery Improvement Act of 2012, as in effect on the day before the date of enactment of this section—

(A) shall continue to be in effect on and after the date of enactment of this section; and

(B) may be modified as determined appropriate by the Director of the Office of Management and Budget.

(3) COMPLIANCE.—The head of each executive agency, in consultation with the Inspector General of the executive agency, shall ensure that any information provided to an individual or entity under this subsection is provided in accordance with protocols established under this subsection.

(4) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed—

(A) to affect the rights of an individual under section 552a(p) of title 5; or

(B) to impede the exercise of an exemption provided to Inspectors General or by an executive agency in coordination with an Inspector General under section 6(j) of the Inspector General Act of 1978 (5 U.S.C. App.).[1]

(e) PLAN TO CURB FEDERAL IMPROPER PAYMENTS TO DECEASED INDIVIDUALS BY IMPROVING THE QUALITY AND USE BY FEDERAL AGENCIES OF THE SOCIAL SECURITY ADMINISTRATION DEATH MASTER FILE AND OTHER DEATH DATA.—

(1) ESTABLISHMENT.—In conjunction with the Commissioner of Social Security and in consultation with relevant stakeholders that have an interest in or responsibility for providing the data, and each State, the Director of the Office of Management and Budget shall conduct a study and update the plan required to be established under section 5(g) of the Improper Payments Elimination and Recovery Improvement Act of 2012, as in effect on the day before the date of enactment of this section, for improving the quality, accuracy, and timeliness of death data maintained by the Social Security Administration, including death information reported to the Commissioner under section 205(r) of the Social Security Act (42 U.S.C. 405(r)).

(2) ADDITIONAL ACTIONS UNDER PLAN.—The plan described in this subsection shall include recommended actions by executive agencies to—

(A) increase the quality and frequency of access to the Death Master File and other death data;

(B) achieve a goal of at least daily access as appropriate;

(C) provide for all States and other data providers to use improved and electronic means for providing data;

(D) identify improved methods by executive agencies for determining ineligible payments due to the death of a recipient through proactive verification means; and

(E) address improper payments made by executive agencies to deceased individuals as part of Federal retirement programs.

(3) REPORT.—Not later than 120 days after the date of enactment of this section, the Director of the Office of Management and Budget shall submit a report to Congress on the plan described in this subsection, including recommended legislation.

(Added Pub. L. 116–117, §2(a), Mar. 2, 2020, 134 Stat. 126.)

Editorial Notes

REFERENCES IN TEXT

Section 5 of the Improper Payments Elimination and Recovery Improvement Act of 2012, referred to in subsecs. (c), (d)(2), and (e)(1), is section 5 of Pub. L. 112–248, which was formerly set out in a note under section 3321 of this title, prior to repeal by Pub. L. 116–117, §3(a)(3), Mar. 2, 2020, 134 Stat. 133.

The date of enactment of this section, referred to in subsecs. (c), (d)(2), and (e)(1), (3), is the date of enactment of Pub. L. 116–117, which was approved Mar. 2, 2020.

Section 6(j) of the Inspector General Act of 1978, referred to in subsec. (d)(4)(B), is section 6(j) of Pub. L.

[1] See References in Text note below.

95–452, which was set out in the Appendix to Title 5, Government Organization and Employees, and was repealed and restated as section 406(j) of Title 5 by Pub. L. 117–286, §§ 3(b), 7, Dec. 27, 2022, 136 Stat. 4224, 4361.

§ 3355. Improving recovery of improper payments

The Director of the Office of Management and Budget shall determine—

(1) current and historical rates and amounts of recovery of improper payments, or, in cases in which improper payments are identified solely on the basis of a sample, recovery rates and amounts estimated on the basis of the applicable sample, including a list of executive agency recovery audit contract programs and specific information of amounts and payments recovered by recovery audit contractors; and

(2) targets for recovering improper payments, including specific information on amounts and payments recovered by recovery audit contractors.

(Added Pub. L. 116–117, § 2(a), Mar. 2, 2020, 134 Stat. 130.)

§ 3356. Improving the use of data by executive agencies for curbing improper payments

(a) PROMPT REPORTING OF DEATH INFORMATION BY THE DEPARTMENT OF STATE AND THE DEPARTMENT OF DEFENSE.—The procedure required to be established under section 7(a) of the Improper Payments Elimination and Recovery Improvement Act of 2012, as in effect on the day before the date of enactment of this section—

(1) shall continue to be in effect on and after the date of enactment of this section; and

(2) may be modified as determined appropriate by the Director of the Office of Management and Budget.

(b) PROMPT REPORTING OF DEATH INFORMATION BY THE DEPARTMENT OF VETERANS AFFAIRS AND THE OFFICE OF PERSONNEL MANAGEMENT.—Not later than 1 year after the date of enactment of this section, the Secretary of Veterans Affairs and the Director of the Office of Personnel Management shall establish a procedure under which the Secretary and the Director—

(1) shall promptly and on a regular basis submit information relating to the deaths of individuals, including stopped payments data as applicable, to each executive agency for which the Director of the Office of Management and Budget determines receiving and using such information would be relevant and necessary; and

(2) to facilitate the centralized access of death data for the use of reducing improper payments, may identify additional Federal sources of death data and direct the data owner to provide that data to 1 or more executive agencies for that purpose.

(c) GUIDANCE TO EXECUTIVE AGENCIES REGARDING DATA ACCESS AND USE FOR IMPROPER PAYMENTS PURPOSES.—The guidance required to be issued under section 7(b) of the Improper Payments Elimination and Recovery Improvement Act of 2012, as in effect on the day before the date of enactment of this section—

(1) shall continue to be in effect on and after the date of enactment of this section; and

(2) may be modified as determined appropriate by the Director of the Office of Management and Budget.

(Added Pub. L. 116–117, § 2(a), Mar. 2, 2020, 134 Stat. 130.)

Editorial Notes

REFERENCES IN TEXT

The date of enactment of this section, referred to in text, is the date of enactment of Pub. L. 116–117, which was approved Mar. 2, 2020.

Section 7 of the Improper Payments Elimination and Recovery Improvement Act of 2012, referred to in subsecs. (a) and (c), is section 7 of Pub. L. 112–248, which was formerly set out in a note under section 3321 of this title, prior to repeal by Pub. L. 116–117, § 3(a)(3), Mar. 2, 2020, 134 Stat. 133.

§ 3357. Financial and administrative controls relating to fraud and improper payments

(a) DEFINITION.—In this section, the term ''agency'' has the meaning given the term in section 551 of title 5.

(b) GUIDELINES.—The guidelines required to be established under section 3(a) of the Fraud Reduction and Data Analytics Act of 2015, as in effect on the day before the date of enactment of this section—

(1) shall continue to be in effect on and after the date of enactment of this section; and

(2) may be periodically modified by the Director of the Office of Management and Budget, in consultation with the Comptroller General of the United States, as the Director and Comptroller General may determine necessary.

(c) REQUIREMENTS FOR CONTROLS.—The guidelines described in subsection (b) shall include—

(1) conducting an evaluation of fraud risks and using a risk-based approach to design and implement financial and administrative control activities to mitigate identified fraud risks;

(2) collecting and analyzing data from reporting mechanisms on detected fraud to monitor fraud trends and using that data and information to continuously improve fraud prevention controls; and

(3) using the results of monitoring, evaluation, audits, and investigations to improve fraud prevention, detection, and response.

(d) REPORT.—For each of fiscal years 2019 and 2020, each agency shall submit to Congress, as part of the annual financial report of the agency, a report of the agency on—

(1) implementing—

(A) the financial and administrative controls described in subsection (b);

(B) the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the ''Green Book''); and

(C) Office of Management and Budget Circular A–123, or any successor thereto, with respect to the leading practices for managing fraud risk;

(2) identifying risks and vulnerabilities to fraud, including with respect to payroll, bene-

ficiary payments, grants, large contracts, and purchase and travel cards; and

(3) establishing strategies, procedures, and other steps to curb fraud.

(Added Pub. L. 116–117, §2(a), Mar. 2, 2020, 134 Stat. 131.)

Editorial Notes

REFERENCES IN TEXT

Section 3(a) of the Fraud Reduction and Data Analytics Act of 2015, referred to in subsec. (b), is section 3(a) of Pub. L. 114–186, June 30, 2016, 130 Stat. 546, which was formerly set out in a note under section 3321 of this title, prior to repeal by Pub. L. 116–117, §3(a)(4), Mar. 2, 2020, 134 Stat. 133.

The date of enactment of this section, referred to in subsec. (b), is the date of enactment of Pub. L. 116–117, which was approved Mar. 2, 2020.

§ 3358. Interagency working group for Governmentwide payment integrity improvement

(a) WORKING GROUP.—

(1) ESTABLISHMENT.—Not later than 90 days after the date of enactment of this section, there is established an interagency working group on payment integrity—

(A) to improve—

(i) State-administered Federal programs to determine eligibility processes and data sharing practices;

(ii) the guidelines described in section 3357(b) and other best practices and techniques for detecting, preventing, and responding to improper payments, including improper payments that are the result of fraud; and

(iii) the sharing and development of data analytics techniques to help prevent and identify potential improper payments, including those that are the result of fraud; and

(B) to identify any additional activities that will improve payment integrity of Federal programs.

(2) COMPOSITION.—The interagency working group established under paragraph (1) shall be composed of—

(A) the Director of the Office of Management and Budget;

(B) 1 representative from each of the agencies described in paragraphs (1) and (2) of section 901(b) of this title; and

(C) any other representatives of other executive agencies determined appropriate by the Director of the Office of Management and Budget, which may include the Chief Information Officer, the Chief Procurement Officer, the Chief Risk Officer, or the Chief Operating Officer of an executive agency.

(b) CONSULTATION.—The working group established under subsection (a)(1) may consult with Offices of Inspectors General and Federal and non-Federal experts on fraud risk assessments, administrative controls over payment integrity, financial controls, and other relevant matters.

(c) MEETINGS.—The working group established under subsection (a)(1) shall hold not fewer than 4 meetings per year.

(d) REPORT.—Not later than 240 days after the date of enactment of this section, the working group established under subsection (a)(1) shall submit to Congress a report that includes—

(1) a plan containing tangible solutions to prevent and reduce improper payments; and

(2) a plan for State agencies to work with Federal agencies to regularly review lists of beneficiaries of State-managed Federal programs for duplicate enrollment between States, including how the Do Not Pay Business Center and the data analytics initiative of the Department of the Treasury could aid in the detection of duplicate enrollment.

(Added Pub. L. 116–117, §2(a), Mar. 2, 2020, 134 Stat. 132.)

Editorial Notes

REFERENCES IN TEXT

The date of enactment of this section, referred to in subsecs. (a)(1) and (d), is the date of enactment of Pub. L. 116–117, which was approved Mar. 2, 2020.

CHAPTER 35—ACCOUNTING AND COLLECTION

SUBCHAPTER I—GENERAL

Sec.
3501. Definition.

SUBCHAPTER II—ACCOUNTING REQUIREMENTS, SYSTEMS, AND INFORMATION

3511. Prescribing accounting requirements and developing accounting systems.
3512. Executive agency accounting and other financial management reports and plans.
3513. Financial reporting and accounting system.
3514. Discontinuing certain accounts maintained by the Comptroller General.
3515. Financial statements of agencies.
3516. Reports consolidation.

SUBCHAPTER III—AUDITING AND SETTLING ACCOUNTS

3521. Audits by agencies.
3522. Making and submitting accounts.
3523. General audit authority of the Comptroller General.
3524. Auditing expenditures approved without vouchers.
3525. Auditing nonappropriated fund activities.
3526. Settlement of accounts.
3527. General authority to relieve accountable officials and agents from liability.
3528. Responsibilities and relief from liability of certifying officials.
3529. Requests for decisions of the Comptroller General.
3530. Adjusting accounts.
[3531. Repealed.]
3532. Notification of account deficiencies.

SUBCHAPTER IV—COLLECTION

3541. Distress warrants.
3542. Carrying out distress warrants.
3543. Postponing a distress warrant proceeding.
3544. Rights and remedies of the United States Government reserved.
3545. Civil action to recover money.

SUBCHAPTER V—PROCUREMENT PROTEST SYSTEM

3551. Definitions.
3552. Protests by interested parties concerning procurement actions.
3553. Review of protests; effect on contracts pending decision.
3554. Decisions on protests.