

SECTION 52 -- REPORTS ON UNVOUCHERED EXPENDITURES

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52.1 Background.

Executive Branch agencies are required to submit information to OMB on unvouchered expenditures annually. The information is used by OMB to prepare the annual report required by law (31 U.S.C. 3524) on accounts containing unvouchered expenditures that are potentially subject to audit by the Comptroller General.

52.2 Definition.

An "unvouchered expenditure" is any expenditure accounted for solely on the approval, authorization, or certificate of the President or an official of an executive agency.

52.3 Basis for exemptions.

The law provides for exemptions for individual financial transactions or for a class or category of financial transaction if they relate to:

- Sensitive foreign intelligence or counterintelligence activities.
- Sensitive law enforcement investigations in which an audit proceeding would expose the identifying details of an active investigation or endanger the safety of investigative or domestic intelligence sources involved in such law enforcement investigations.

The law gives the President the authority to exempt these financial transactions from audit. Agencies will make any requests for exemptions through the White House Counsel's office.

52.4 Coverage.

Subject to 31 U.S.C. 3524(c) and (d), these instructions apply to the accounts of all executive agencies authorized to contain unvouchered expenditure. Funds used under Section 8(b) of the CIA Act of 1949 are exempt from this GAO audit and are not covered in the annual report to Congress on unvouchered expenditures.

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52.5 Requirements.

The head of each executive department and establishment will submit to OMB a list of all of the agency's accounts that contain unvouchered expenditures. An explanation of any additions to or deletions from the accounts listed in the previous year's report will also be provided.

The list (including explanations, as appropriate) will be submitted to OMB no later than November 1 of each year in the format of Exhibit 52. It will be transmitted to OMB in a sealed envelope marked: "**TO BE OPENED ONLY BY THE SECURITY OFFICER, EXECUTIVE OFFICE OF THE PRESIDENT, NEW EXECUTIVE OFFICE BUILDING.**" The envelope will be placed inside an envelope that is sealed and addressed to the Director of OMB.

Each agency head will ensure the timeliness, accuracy, and completeness of the required information on unvouchered expenditures. In addition, all executive departments and establishments required to submit information on unvouchered expenditures will maintain records of these transactions in a manner similar to those maintained for regular financial transactions and accounts in order to insure proper accountability.

52.6 OMB responsibilities

The Director of OMB will prepare and submit the report to certain congressional committees and to the GAO before December 1 of each year, as required by law.

List of Accounts Containing Unvouchered Expenditures

List of 19CY Accounts Containing Unvouchered Expenditures That are Potentially Subject to Audit by GAO

Enter the date of submission, name of the department or agency, and name and phone number of a contact.

Date: _____

Agency: Department of Government

Information Contact: John Brown

Telephone: 958-4237

Account Title:

Department of Government

Operation and Maintenance
Salaries and Expenses
Contingencies

Enter the titles of accounts in which unvouchered expenditures are permitted in the current fiscal year.

When the current year regular appropriations have not been enacted, provide information based on the enacted past year appropriations.

Explanation of changes: The Salaries and expenses account is authorized to contain unvouchered expenditures for the first time in 19CY pursuant to P.L. 99-XX. Also as a result of this law, the Research and related activities account is no longer authorized to contain unvouchered expenditures and therefore is not included in this year's report.

An explanation of any additions or deletions to the previous year's report will also be provided.