

**GOVERNMENT MANAGEMENT REFORM ACT OF 1994 (excerpt)**

Sec. 403. FRANCHISE FUND PILOT PROGRAMS.

(a) Establishment. – There is authorized to be established on a pilot program basis in each of six executive agencies a franchise fund. The Director of the Office of Management and Budget, after consultation with the chairman and ranking members of the Committees on Appropriations and Governmental Affairs of the Senate, and the Committees on Appropriations and Government Operations of the House of Representatives, shall designate the agencies.

(b) Uses. – Each such fund may provide, consistent with guidelines established by the Director of the Office of Management and Budget, such common administrative support services to the agency and to other agencies as the head of such agency, with the concurrence of the Director, determines can be provided more efficiently through such a fund than by other means. To provide such services, each such fund is authorized to acquire the capital equipment, automated data processing systems, and financial management and management information systems needed. Services shall be provided by such funds on a competitive basis.

(c) Adjustments in Reporting. – The Director may consolidate or adjust the frequency and due dates of any statutorily required reports under subsections (a) and (b) only after –

(1) consultation with the Chairman of the Senate Committee on Governmental Affairs and the Chairman of the House of Representatives Committee on Government Operations; and

(2) written notification to the Congress, no later than February 8 of each fiscal year covered under subsection (b) for those reports required to be submitted during that fiscal year.

Sec. 405. ANNUAL FINANCIAL REPORTS.

(a) Financial Statements. – Section 3515 of title 31, United States Code, is amended to read as follows:

“§ 3515. Financial statements of agencies

“(a) Not later than March 1, 1997 and each year thereafter, the head of each executive agency identified in section 901(b) of this title shall prepare and submit to the Director of the Office of Management and Budget an audited financial statement for the preceding fiscal year, covering all accounts and associated activities of each office, bureau, and activity of the agency.

“(b) Each audited financial statement of an executive agency under this section shall reflect-

“(1) the overall financial position of the offices, bureaus, and activities covered by the statement, including assets and liabilities thereof; and

“(2) results of operations of those offices, bureaus, and activities.

“(c) The Director of the Office of Management and Budget shall identify components of executive agencies that shall be required to have audited financial statements meeting the requirements of subsection (b).

“(d) The Director of the Office of Management and Budget shall prescribe the form and content of the financial statements of executive agencies under this section, consistent with applicable accounting and financial reporting principles, standards, and requirements.

“(e) The Director of the Office of Management and Budget may waive the application of all or part of subsection (a) for financial statements required for fiscal years 1996 and 1997.

“(f) Not later than March 1, 1995 and 1996, the head of each executive agency identified in section 901(b) of this title and designated by the Director of the Office of Management and Budget shall prepare and submit to the Director of the Office of Management and Budget an audited financial statement for the preceding fiscal year, covering all accounts and associated activities of each office, bureau, and activity of the agency.

“(g) Not later than March 31 of 1995 and 1996, for executive agencies not designated by the Director of the Office of Management and Budget under subsection (f), the head of each executive agency identified in section 901(b) of this title shall prepare and submit to the Director of the Office of Management and Budget a financial statement for the preceding fiscal year, covering—

“(1) each revolving fund and trust fund of the agency; and

“(2) the Comptroller General of the United States shall audit the financial statement required by this section.”.

Approved October 13, 1994