

112TH CONGRESS
1ST SESSION

H. R. 3332

To require each agency to prepare and make public quarterly and annual consolidated financial statements using the fair-value accrual accounting method, to require the Congressional Budget Office to use current-year spending as the baseline for estimating future mandatory and discretionary changes, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 3, 2011

Mr. DOLD (for himself and Mr. QUIGLEY) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To require each agency to prepare and make public quarterly and annual consolidated financial statements using the fair-value accrual accounting method, to require the Congressional Budget Office to use current-year spending as the baseline for estimating future mandatory and discretionary changes, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Truth in Government
3 Accounting Act of 2011”.

4 **SEC. 2. FINANCIAL STATEMENTS.**

5 (a) IN GENERAL.—With respect to a fiscal year, the
6 head of each agency shall prepare and submit to the
7 Comptroller General a quarterly consolidated financial
8 statement for each of the first three quarters of such fiscal
9 year and an annual consolidated financial statement for
10 such fiscal year as a whole for such agency based on the
11 fair-value accrual accounting method. Such statement
12 shall include for such agency—

13 (1) all future certain liabilities, including all
14 contingent liabilities that can be reasonably esti-
15 mated;

16 (2) all liabilities that may require future taxes
17 for present liabilities; and

18 (3) other expenditures and liabilities.

19 (b) SUBMISSION DEADLINES.—

20 (1) QUARTERLY FINANCIAL STATEMENTS.—
21 Each quarterly financial statement required by sub-
22 section (a) shall be submitted not later than 90 days
23 after the end of the fiscal quarter.

24 (2) ANNUAL FINANCIAL STATEMENTS.—Each
25 annual financial statement required by subsection

1 (a) shall be submitted not later than 180 days after
2 the end of the fiscal year.

3 (c) GENERALLY ACCEPTED ACCOUNTING PRIN-
4 CIPLES AND FOOTNOTE DISCLOSURES.—Each statement
5 described under subsection (a) shall be prepared in accord-
6 ance with generally accepted accounting principles applied
7 on a consistent basis and include footnote disclosures.

8 (d) WEB SITE.—Not later than 10 days after the
9 submission of any financial statements to the Comptroller
10 General under subsection (a), the Comptroller General
11 shall publish all such statements on a single, searchable,
12 downloadable, up-to-date Web site accessible by the public,
13 that allows a user to search accounts and associated activi-
14 ties by an agency and by each office, bureau, and activity
15 of an agency.

16 (e) AGENCY DEFINED.—In this section, the term
17 “agency” has the meaning given that term in section 101
18 of title 31, United States Code.

19 (f) AUDITING OF FINANCIAL STATEMENTS.—Sub-
20 chapter II of chapter 7 of title 31, United States Code,
21 is amended by adding at the end the following new section:

22 **“§ 721. Audit of agency consolidated financial state-**
23 **ments**

24 “(a) IN GENERAL.—Each year, the Comptroller Gen-
25 eral shall, in accordance with generally accepted auditing

1 standards, audit the consolidated financial statements pre-
2 pared by each agency for each fiscal year under section
3 2(a) of the Truth in Government Accounting Act of 2011.

4 “(b) RECORDS AND PROPERTY.—To carry out this
5 section, the head of each agency shall provide the Comp-
6 troller General with all records and property of or used
7 by each such agency in the preparation of the consolidated
8 financial statements under section 2(a) of the Truth in
9 Government Accounting Act of 2011 that the Comptroller
10 General determines to be statistically meaningful. The
11 Comptroller General shall give the head of each agency
12 a current list of officers and employees to whom, with
13 proper identification, records and property may be made
14 available, and who may make notes or copies necessary
15 to carry out the audit. The head of each agency shall pro-
16 vide the Comptroller General with suitable facilities to
17 carry out the audit.”

18 **SEC. 3. PREPARATION OF THE BUDGET.**

19 (a) THE PRESIDENT.—Section 1105(a) of title 31,
20 United States Code, is amended—

21 (1) by redesignating the second paragraph (37)
22 as paragraph (39); and

23 (2) by adding at the end the following new
24 paragraph:

1 “(40) A summary of how the use of accrual ac-
2 counting procedures would affect the estimated ex-
3 penditures, appropriations, and receipts of the Gov-
4 ernment in the fiscal year for which the budget is
5 submitted.”.

6 (b) OFFICE OF MANAGEMENT AND BUDGET.—The
7 Director of the Office of Management and Budget shall
8 prepare all of the budgets submitted to the President ac-
9 cording to both accrual accounting procedures and the
10 cash basis accounting method.

11 **SEC. 4. ZERO-BASELINE BUDGETING.**

12 (a) CHANGES IN THE BASELINE.—(1) Section 257(c)
13 of the Balanced Budget and Emergency Deficit Control
14 Act of 1985 is amended—

15 (A) in the second sentence of paragraph (1), by
16 striking everything that follows “current year,” and
17 inserting “excluding resources designated as an
18 emergency requirement and any resources provided
19 in supplemental appropriation laws.”;

20 (B) by striking paragraphs (2), (3), (4), and
21 (5);

22 (C) by redesignating paragraph (6) as para-
23 graph (2); and

24 (D) by inserting after paragraph (2) the fol-
25 lowing new paragraph:

1 “(3) NO ADJUSTMENT FOR INFLATION.—No
2 adjustment shall be made for inflation or for any
3 other factor.”.

4 (2) Section 257(b) of the Balanced Budget and
5 Emergency Deficit Control Act of 1985 is amended by
6 adding at the end the following new paragraph:

7 “(4) NO ADJUSTMENT FOR INFLATION.—No
8 adjustment shall be made for inflation or for any
9 other factor for any direct spending program.”.

10 (b) EXTENSION.—The second sentence of section
11 275(b) of the Balanced Budget and Emergency Deficit
12 Control Act of 1985 is amended by inserting “other than
13 subsections (a) through (d) of section 257” after “title”.

14 **SEC. 5. EFFECTIVE DATE.**

15 This Act, and the amendments made by this Act,
16 shall take effect on October 1, 2012.

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