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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

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

SEC. 2. FINANCIAL STATEMENTS.

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

(1) all future certain liabilities, including all contingent liabilities that can be reasonably estimated;

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

(3) other expenditures and liabilities.

(b) SUBMISSION DEADLINES.—

(1) QUARTERLY FINANCIAL STATEMENTS.—

Each quarterly financial statement required by subsection (a) shall be submitted not later than 90 days after the end of the fiscal quarter.

(2) ANNUAL FINANCIAL STATEMENTS.—Each annual financial statement required by subsection
(a) shall be submitted not later than 180 days after
the end of the fiscal year.

(c) Generally Accepted Accounting Principles and Footnote
Disclosures.—Each statement
described under subsection (a) shall be prepared in accord-
ance with generally accepted accounting principles applied
on a consistent basis and include footnote disclosures.

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

(e) Agency Defined.—In this section, the term
“agency” has the meaning given that term in section 101
of title 31, United States Code.

(f) Auditing of Financial Statements.—Sub-
chapter II of chapter 7 of title 31, United States Code,
is amended by adding at the end the following new section:

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

“(a) In General.—Each year, the Comptroller Gen-
eral shall, in accordance with generally accepted auditing
standards, audit the consolidated financial statements prepared by each agency for each fiscal year under section 2(a) of the Truth in Government Accounting Act of 2011.

“(b) RECORDS AND PROPERTY.—To carry out this section, the head of each agency shall provide the Comptroller General with all records and property of or used by each such agency in the preparation of the consolidated financial statements under section 2(a) of the Truth in Government Accounting Act of 2011 that the Comptroller General determines to be statistically meaningful. The Comptroller General shall give the head of each agency a current list of officers and employees to whom, with proper identification, records and property may be made available, and who may make notes or copies necessary to carry out the audit. The head of each agency shall provide the Comptroller General with suitable facilities to carry out the audit.”.

SEC. 3. PREPARATION OF THE BUDGET.

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

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

(2) by adding at the end the following new paragraph:
“(40) A summary of how the use of accrual accounting procedures would affect the estimated expenditures, appropriations, and receipts of the Government in the fiscal year for which the budget is submitted.”.

(b) Office of Management and Budget.—The Director of the Office of Management and Budget shall prepare all of the budgets submitted to the President according to both accrual accounting procedures and the cash basis accounting method.

SEC. 4. ZERO-BASELINE BUDGETING.

(a) Changes in the Baseline.—(1) Section 257(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

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

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

(C) by redesignating paragraph (6) as paragraph (2); and

(D) by inserting after paragraph (2) the following new paragraph:
“(3) No adjustment for inflation.—No adjustment shall be made for inflation or for any other factor.”.

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

“(4) No adjustment for inflation.—No adjustment shall be made for inflation or for any other factor for any direct spending program.”.

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

SEC. 5. EFFECTIVE DATE.

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