

**Editorial Notes**

## AMENDMENTS

1990—Subsecs. (c) to (f). Pub. L. 101-576 added subsec. (c) and redesignated former subsecs. (c) to (e) as (d) to (f), respectively.

**§ 503. Functions of Deputy Director for Management**

(a) Subject to the direction and approval of the Director, the Deputy Director for Management shall establish governmentwide financial management policies for executive agencies and shall perform the following financial management functions:

(1) Perform all functions of the Director, including all functions delegated by the President to the Director, relating to financial management.

(2) Provide overall direction and leadership to the executive branch on financial management matters by establishing financial management policies and requirements, and by monitoring the establishment and operation of Federal Government financial management systems.

(3) Review agency budget requests for financial management systems and operations, and advise the Director on the resources required to develop and effectively operate and maintain Federal Government financial management systems and to correct major deficiencies in such systems.

(4) Review and, where appropriate, recommend to the Director changes to the budget and legislative proposals of agencies to ensure that they are in accordance with financial management plans of the Office of Management and Budget.

(5) Monitor the financial execution of the budget in relation to actual expenditures, including timely performance reports.

(6) Oversee, periodically review, and make recommendations to heads of agencies on the administrative structure of agencies with respect to their financial management activities.

(7) Develop and maintain qualification standards for agency Chief Financial Officers and for agency Deputy Chief Financial Officers appointed under sections 901 and 903, respectively (excluding any officer designated or appointed under section 901(c)).

(8) Provide advice to agency heads with respect to the selection of agency Chief Financial Officers and Deputy Chief Financial Officers (excluding any officer designated or appointed under section 901(c)).

(9) Provide advice to agencies regarding the qualifications, recruitment, performance, and retention of other financial management personnel.

(10) Assess the overall adequacy of the professional qualifications and capabilities of financial management staffs throughout the Government and make recommendations on ways to correct problems which impair the capacity of those staffs.

(11) Settle differences that arise among agencies regarding the implementation of financial management policies.

(12) Chair the Chief Financial Officers Council established by section 302 of the Chief Financial Officers Act of 1990.

(13) Communicate with the financial officers of State and local governments, and foster the exchange with those officers of information concerning financial management standards, techniques, and processes.

(14) Issue such other policies and directives as may be necessary to carry out this section, and perform any other function prescribed by the Director.

(b) Subject to the direction and approval of the Director, the Deputy Director for Management shall establish general management policies for executive agencies and perform the following general management functions:

(1) Coordinate and supervise the general management functions of the Office of Management and Budget.

(2) Perform all functions of the Director, including all functions delegated by the President to the Director, relating to—

(A) managerial systems, including the systematic measurement of performance;

(B) procurement policy;

(C) grant, cooperative agreement, and assistance management;

(D) information and statistical policy;

(E) property management;

(F) human resources management;

(G) regulatory affairs; and

(H) other management functions, including organizational studies, long-range planning, program evaluation, productivity improvement, and experimentation and demonstration programs.

(3) Provide complete, reliable, and timely information to the President, the Congress, and the public regarding the management activities of the executive branch.

(4) Facilitate actions by the Congress and the executive branch to improve the management of Federal Government operations and to remove impediments to effective administration.

(5) Chair the Chief Information Officers Council established under section 3603 of title 44.

(6) Provide leadership in management innovation, through—

(A) experimentation, testing, and demonstration programs; and

(B) the adoption of modern management concepts and technologies.

(7) Work with State and local governments to improve and strengthen intergovernmental relations, and provide assistance to such governments with respect to intergovernmental programs and cooperative arrangements.

(8) Review and, where appropriate, recommend to the Director changes to the budget and legislative proposals of agencies to ensure that they respond to program evaluations by, and are in accordance with general management plans of, the Office of Management and Budget.

(9) Provide advice to agencies on the qualification, recruitment, performance, and retention of managerial personnel.

(10) Perform any other functions prescribed by the Director.

(c) PROGRAM AND PROJECT MANAGEMENT.—

(1) REQUIREMENT.—Subject to the direction and approval of the Director, the Deputy Director for Management or a designee shall—

(A) adopt governmentwide standards, policies, and guidelines for program and project management for executive agencies;

(B) oversee implementation of program and project management for the standards, policies, and guidelines established under subparagraph (A);

(C) chair the Program Management Policy Council established under section 1126(b);

(D) establish standards and policies for executive agencies, consistent with widely accepted standards for program and project management planning and delivery;

(E) engage with the private sector to identify best practices in program and project management that would improve Federal program and project management;

(F) conduct portfolio reviews to address programs identified as high risk by the Government Accountability Office;

(G) not less than annually, conduct portfolio reviews of agency programs in coordination with Project Management Improvement Officers designated under section 1126(a)(1) to assess the quality and effectiveness of program management; and

(H) establish a 5-year strategic plan for program and project management.

(2) APPLICATION TO DEPARTMENT OF DEFENSE.—Paragraph (1) shall not apply to the Department of Defense to the extent that the provisions of that paragraph are substantially similar to or duplicative of—

(A) the provisions of chapter 87 of title 10; or

(B) policy, guidance, or instruction of the Department related to program management.

(Added Pub. L. 101-576, title II, §202(b), Nov. 15, 1990, 104 Stat. 2839; amended Pub. L. 103-272, §4(f)(1)(B), July 5, 1994, 108 Stat. 1361; Pub. L. 106-58, title VI, §638(g), Sept. 29, 1999, 113 Stat. 476; Pub. L. 107-347, title I, §102(b), Dec. 17, 2002, 116 Stat. 2910; Pub. L. 114-264, §2(a)(1), Dec. 14, 2016, 130 Stat. 1371; Pub. L. 114-328, div. A, title VIII, §861(a)(1), Dec. 23, 2016, 130 Stat. 2298; Pub. L. 115-91, div. A, title VIII, §810(a), Dec. 12, 2017, 131 Stat. 1458.)

#### Editorial Notes

##### REFERENCES IN TEXT

Section 302 of the Chief Financial Officers Act of 1990 [Pub. L. 101-576], referred to in subsec. (a)(12), is set out as a note under section 901 of this title.

##### PRIOR PROVISIONS

A prior section 503 was renumbered section 505 of this title.

##### AMENDMENTS

2017—Subsec. (c). Pub. L. 115-91 repealed second subsec. (c) as added by Pub. L. 114-328. See 2016 Amendment notes below.

2016—Subsec. (c). Pub. L. 114-328 added second identical subsec. (c).

Pub. L. 114-264 added subsec. (c).

2002—Subsec. (b)(5) to (10). Pub. L. 107-347 added par. (5) and redesignated former pars. (5) to (9) as (6) to (10), respectively.

1999—Subsec. (a)(7). Pub. L. 106-58, §638(g)(1), substituted “respectively (excluding any officer designated or appointed under section 901(c)).” for “respectively.”

Subsec. (a)(8). Pub. L. 106-58, §638(g)(2), substituted “Officers (excluding any officer designated or appointed under section 901(c)).” for “Officers.”

1994—Subsec. (b)(9). Pub. L. 103-272 substituted “Perform” for “perform”.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 2002 AMENDMENT

Amendment by Pub. L. 107-347 effective 120 days after Dec. 17, 2002, see section 402(a)(1) of Pub. L. 107-347, set out as an Effective Date note under section 3601 of Title 44, Public Printing and Documents.

##### EFFECTIVE DATE OF 1999 AMENDMENT

Pub. L. 106-58, title VI, §638(h), Sept. 29, 1999, 113 Stat. 476, provided that: “This section [amending this section and sections 901 and 1105 of this title and enacting provisions set out as a note under section 901 of this title] shall take effect at noon on January 20, 2001.”

##### ISSUANCE OF STANDARDS, POLICIES, AND GUIDELINES FOR PROGRAM AND PROJECT MANAGEMENT; REGULATIONS

Pub. L. 114-264, §2(a)(2), (3), Dec. 14, 2016, 130 Stat. 1372, provided that:

“(2) DEADLINE FOR STANDARDS, POLICIES, AND GUIDELINES.—Not later than 1 year after the date of enactment of this Act [Dec. 14, 2016], the Deputy Director for Management of the Office of Management and Budget shall issue the standards, policies, and guidelines required under section 503(c) of title 31, United States Code, as added by paragraph (1).

“(3) REGULATIONS.—Not later than 90 days after the date on which the standards, policies, and guidelines are issued under paragraph (2), the Deputy Director for Management of the Office of Management and Budget, in consultation with the Program Management Policy Council established under section 1126(b) of title 31, United States Code, as added by subsection (b)(1), and the Director of the Office of Management and Budget, shall issue any regulations as are necessary to implement the requirements of section 503(c) of title 31, United States Code, as added by paragraph (1).”

Similar provisions were contained in Pub. L. 114-328, div. A, title VIII, §861(a)(2), (3), Dec. 23, 2016, 130 Stat. 2299, prior to repeal by Pub. L. 115-91, div. A, title VIII, §810(c), Dec. 12, 2017, 131 Stat. 1458.

#### § 504. Office of Federal Financial Management

(a) There is established in the Office of Management and Budget an office to be known as the “Office of Federal Financial Management”. The Office of Federal Financial Management, under the direction and control of the Deputy Director for Management of the Office of Management and Budget, shall carry out the financial management functions listed in section 503(a) of this title.

(b) There shall be at the head of the Office of Federal Financial Management a Controller, who shall be appointed by the President, by and with the advice and consent of the Senate. The Controller shall be appointed from among individuals who possess—

(1) demonstrated ability and practical experience in accounting, financial management, and financial systems; and

(2) extensive practical experience in financial management in large governmental or business entities.