

move such employees of the Institute as the president determines necessary to carry out the purposes of the Institute. In determining employee rates of compensation, the president shall be governed by the provisions of title 5 relating to classification and General Schedule pay rates.

(d) Assignment of Federal officers or employees to the Institute

(1) The president may request the assignment of any Federal officer or employee to the Institute by an appropriate department, agency, or congressional official or Member of Congress and may enter into an agreement for such assignment, if the affected officer or employee agrees to such assignment and such assignment causes no prejudice to the salary, benefits, status, or advancement within the department, agency, or congressional staff of such officer or employee.

(2) The Secretary of State, the Secretary of Defense, and the Director of Central Intelligence each may assign officers and employees of his respective department or agency, on a rotating basis to be determined by the Board, to the Institute if the affected officer or employee agrees to such assignment and such assignment causes no prejudice to the salary, benefits, status, or advancement within the respective department or agency of such officer or employee.

(e) Dual compensation restriction

No officer or full-time employee of the Institute may receive any salary or other compensation for services from any source other than the Institute during the officer's or employee's period of employment by the Institute, except as authorized by the Board.

(f) Federal employment status only for stated purposes

(1) Officers and employees of the Institute shall not be considered officers and employees of the Federal Government except for purposes of the provisions of title 28, which relate to Federal tort claims liability, and the provisions of title 5, which relate to compensation and benefits, including the following provisions: chapter 51 (relating to classification); subchapters I and III of chapter 53 (relating to pay rates); subchapter I of chapter 81 (relating to compensation for work injuries); chapter 83 (relating to civil service retirement); chapter 87 (relating to life insurance); and chapter 89 (relating to health insurance). The Institute shall make contributions at the same rates applicable to agencies of the Federal Government under the provisions of title 5 referred to in this section.

(2) The Institute shall not make long-term commitments to employees that are inconsistent with rules and regulations applicable to Federal employees.

(g) Distributions prohibited during life or upon dissolution or liquidation of Institute or legal entity; compensation for services or expenses

No part of the financial resources, income, or assets of the Institute or of any legal entity created by the Institute shall inure to any agent, employee, officer, or director or be distributable to any such person during the life of the cor-

poration or upon dissolution or final liquidation. Nothing in this section may be construed to prevent the payment of reasonable compensation for services or expenses to the directors, officers, employees, and agents of the Institute in amounts approved in accordance with the provisions of this chapter.

(h) Loans prohibition; joint and several liability

The Institute shall not make loans to its directors, officers, employees, or agents, or to any legal entity created by the Institute. A director, officer, employee, or agent who votes for or assents to the making of a loan or who participates in the making of a loan shall be jointly and severally liable to the Institute for the amount of the loan until repayment thereof.

(Pub. L. 98-525, title XVII, §1707, Oct. 19, 1984, 98 Stat. 2656; Pub. L. 100-569, title III, §301(b), Oct. 31, 1988, 102 Stat. 2864; Pub. L. 101-520, title III, §319(c), Nov. 5, 1990, 104 Stat. 2285; Pub. L. 105-277, div. G, subdiv. A, title XII, §1225(c)(2), Oct. 21, 1998, 112 Stat. 2681-773.)

REFERENCES IN TEXT

Level I of the Executive Schedule, referred to in subsec. (a), is set out in section 5312 of Title 5, Government Organization and Employees.

The provisions of title 5 relating to classification and General Schedule pay rates, referred to in subsec. (c), are set out in chapter 51 (§5101 et seq.) and subchapter III (§5331 et seq.) of chapter 53 of Title 5.

The provisions of title 28 which relate to Federal tort claims liability, referred to in subsec. (f)(1), are the provisions of the Federal Tort Claims Act, which is classified generally to section 1346(b) and to chapter 171 (§2671 et seq.) of Title 28, Judiciary and Judicial Procedure.

AMENDMENTS

1998—Subsec. (d)(2). Pub. L. 105-277, which directed the amendment of par. (2) by striking out “, Director of the Arms Control and Disarmament Agency”, was executed by striking out “, the Director of the Arms Control and Disarmament Agency” after “Secretary of Defense”, to reflect the probable intent of Congress.

1990—Subsec. (b). Pub. L. 101-520 substituted “4604(h)(3)” for “4604(g)(3)”.

1988—Subsec. (f)(2). Pub. L. 100-569 struck out first sentence which read as follows: “No Federal funds shall be used to pay for private fringe benefit programs.”

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-277 effective Apr. 1, 1999, see section 1201 of Pub. L. 105-277, set out as an Effective Date note under section 6511 of this title.

§ 4607. Procedures and records

(a) Monitoring and evaluation of programs

The Institute shall monitor and evaluate and provide for independent evaluation if necessary of programs supported in whole or in part under this chapter to ensure that the provisions of this chapter and the bylaws, rules, regulations, and guidelines promulgated pursuant to this chapter are adhered to.

(b) Suspension procedures

The Institute shall prescribe procedures to ensure that grants, contracts, and financial support under this chapter are not suspended unless the grantee, contractor, or person or entity receiving financial support has been given reasonable notice and opportunity to show cause why the action should not be taken.

(c) Selection considerations

In selecting persons to participate in Institute activities, the Institute may consider a person's practical experience or equivalency in peace study and activity as well as other formal requirements.

(d) Accounts of receipts and disbursements; financial reports

The Institute shall keep correct and complete books and records of account, including separate and distinct accounts of receipts and disbursements of Federal funds. The Institute's annual financial report shall identify the use of such funding and shall present a clear description of the full financial situation of the Institute.

(e) Minutes of proceedings

The Institute shall keep minutes of the proceedings of its Board and of any committees having authority under the Board.

(f) Record and inspection of required items

The Institute shall keep a record of the names and addresses of its Board members; copies of this chapter, of any other Acts relating to the Institute, and of all Institute bylaws, rules, regulations, and guidelines; required minutes of proceedings; a record of all applications and proposals and issued or received contracts and grants; and financial records of the Institute. All items required by this subsection may be inspected by any Board member or the member's agent or attorney for any proper purpose at any reasonable time.

(g) Audits

The accounts of the Institute shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States on or before December 31, 1970. The audit shall be conducted at the place or places where the accounts of the Institute are normally kept. All books, accounts, financial records, files, and other papers, things, and property belonging to or in use by the Institute and necessary to facilitate the audit shall be made available to the person or persons conducting the audit, and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(h) Report of audit to Congress; copies for public

The Institute shall provide a report of the audit to the President and to each House of Congress no later than six months following the close of the fiscal year for which the audit is made. The report shall set forth the scope of the audit and include such statements, together with the independent auditor's opinion of those statements, as are necessary to present fairly the Institute's assets and liabilities, surplus or deficit, with reasonable detail, including a statement of the Institute's income and expenses during the year, including a schedule of all contracts and grants requiring payments in excess of \$5,000 and any payments of compensation, sal-

aries, or fees at a rate in excess of \$5,000 per year. The report shall be produced in sufficient copies for the public.

(i) Freedom of information provisions applicable

The Institute and its directors, officers, employees, and agents shall be subject to the provisions of section 552 of title 5 (relating to freedom of information).

(Pub. L. 98-525, title XVII, §1708, Oct. 19, 1984, 98 Stat. 2657.)

TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of provisions in subsec. (h) of this section relating to providing a report of the audit to each House of Congress, see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance, and page 207 of House Document No. 103-7.

§ 4608. Independence and limitations

(a) Nothing in this chapter may be construed as limiting the authority of the Office of Management and Budget to review and submit comments on the Institute's budget request at the time it is transmitted to the Congress.

(b) No political test or political qualification may be used in selecting, appointing, promoting, or taking any other personnel action with respect to any officer, employee, agent, or recipient of Institute funds or services or in selecting or monitoring any grantee, contractor, person, or entity receiving financial assistance under this chapter.

(Pub. L. 98-525, title XVII, §1709, Oct. 19, 1984, 98 Stat. 2659.)

§ 4609. Funding**(a) Authorization of appropriations****(1) In general**

For the purpose of carrying out this chapter, there are authorized to be appropriated \$15,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.

(2) Availability

Funds appropriated pursuant to the authority of paragraph (1) shall remain available until expended.

(b) Transfer of unobligated funds; reports of use of funds to Congress and President

The Board of Directors may transfer to the legal entity authorized to be established under section 4603(c) of this title any funds not obligated or expended from appropriations to the Institute for a fiscal year, and such funds shall remain available for obligation or expenditure for the purposes of such legal entity without regard to fiscal year limitations. Any use by such legal entity of appropriated funds shall be reported to each House of the Congress and to the President of the United States.

(c) Contractual authority

Any authority provided by this chapter to enter into contracts shall be effective for a fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

(Pub. L. 98-525, title XVII, §1710, Oct. 19, 1984, 98 Stat. 2659; Pub. L. 99-498, title XVI, §1601(a)(1),