

## 1 PAYMENT AND AUDITING

2 SEC. 38. The Commissioner shall certify annually the  
3 apportionment for each State which has complied with the  
4 provisions of this Act to the Secretary of the Treasury, who  
5 shall, through the Division of Disbursement of the Treasury  
6 Department and prior to audit or settlement by the General  
7 Accounting Office, pay to the treasurer of such State the  
8 amount so certified in four equal installments, as soon after  
9 the first day of each quarter commencing April 1, 1941.  
10 Each such treasurer shall account for moneys received as a  
11 trustee of funds of the United States, and shall pay out such  
12 funds only on the requisition of the State educational author-  
13 ity which has been approved by the Commissioner.

14 SEC. 39. The Commissioner shall cause an audit of the  
15 expenditure of funds apportioned to the States under this Act.  
16 If any portion of such funds shall be expended by any State  
17 in a manner contrary to any provision of this Act, or shall  
18 otherwise be lost or unlawfully used, an equal amount shall,  
19 after reasonable notice, be withheld from the next ensuing  
20 apportionment to any such State unless such amount is re-  
21 placed by such State. All funds expended under the pro-  
22 visions of this Act, shall be expended only through public  
23 agencies and under public control, as determined by the  
24 respective States: *Provided*, That nothing in this Act shall be  
25 construed as to limit State legislatures from making such