CIRCULAR NO. A–11

PREPARATION, SUBMISSION, AND EXECUTION OF THE BUDGET

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
JULY 2013

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

November 5, 2013

MEMORANDUM FOR USERS OF OMB CIRCULAR NO. A–11

FROM: Art Stigile
Cief, Budget Concepts Branch

SUBJECT: Revisions to OMB Circular No. A–11 dated July 26, 2013

We have updated the electronic version of OMB Circular No. A–11 to reflect some technical revisions and clarifications, including the addition of new MAX A-11 lines and revised line descriptions, as needed, to report amounts related to sequestration. These changes affect primarily section 82 and Appendix F. Conforming technical changes were made to sections 86, 120, and 130 but are not separately highlighted. The updated Circular is available at the following internet address:

http://www.whitehouse.gov/omb/circulars_a11_current_year_a11_toc

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THE DIRECTOR

July 26, 2013

CIRCULAR NO. A-11
REVISED
Transmittal Memorandum No. 87

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Preparing, Submitting, and Executing the Budget

OMB Circular No. A-11 provides guidance on preparing the FY 2015 Budget and instructions on budget execution.

Your budget submission to OMB should reduce spending on lower priority programs in order to create room for effective investments in areas critical to economic growth and job creation, including education, innovation, and research and development. While I expect this to be another challenging budget year, OMB looks forward to working closely with the agencies to make the hard decisions that are necessary to reduce the deficit while investing in critical priorities.

Most of the changes in this update are technical revisions and clarifications, and the policy requirements are largely unchanged. The summary of changes to the Circular highlights the changes made since last year. This Circular supersedes all previous versions.

Sylvia M. Burwell
Director

Enclosure

TABLE OF CONTENTS

Title	Sec./Ex. No.	Page
Guide to the Circular		xxi
Summary of Changes		xxv
PART 1—GENERAL INFORMATION		
Section 10—Overview of the budget		
What is the budget?	10.1	10–1
What is the legal requirement to prepare the budget?	10.2	10–1
What kinds of information does the budget provide?	10.3	10–2
Which agencies does the budget cover?	10.4	10–2
What happens during the Federal budget process and when?	10.5	10–2
What is the Mid-Session Review?	10.6	10–5
What are the central financial agencies?	10.7	10–5
What are the responsibilities and functions of OMB?	10.8	10–5
What are the responsibilities and functions of the Treasury?	10.9	10–6
What are the responsibilities and functions of CBO?	10.10	10–6
What are the responsibilities and functions of GAO?	10.11	10–6
How do OMB, CBO, FMS, and GAO responsibilities overlap?	10.12	10–7
Section 15—Basic budget laws		
What laws govern the budget cycle?	15.1	15–1
Why is the Budget and Accounting Act important?	15.2	15–1
How does the Congress enact the budget and how is the budget enforced?	15.3	15–2
What laws govern the budget execution process when funds are actually spent?	15.4	15–3
What does the GPRA Modernization Act of 2010 require?	15.5	15–3
What do I need to know about the Federal Credit Reform Act of 1990?	15.6	15–4
Section 20—Terms and concepts		
What is the purpose of this section?	20.1	20–2
How do I use this section?	20.2	20–2
What special terms must I know?	20.3	20–2
What do I need to know about budget authority?	20.4	20–11
When should I record obligations and in what amounts?	20.5	20–22
What do I need to know about outlays?	20.6	20–26
What do I need to know about governmental receipts, offsetting collections, and offsetting receipts?	20.7	20–27
What do I need to know about cash-equivalent transactions?	20.8	20–33
What do I need to know about discretionary spending, mandatory spending, and PAYGO?	20.9	20–34
What do I need to know about refunds?	20.10	20–37
What do I need to know about advances?	20.11	20–37
What do I need to know about accounts and fund types?	20.12	20–38
What do I need to know about reimbursable work?	20.13	20–43
Transfers of Budgetary Resources among Federal Government Accounts	Ex–20	20–45

Title	Sec./Ex. No.	Page
Section 22—Communications with the Congress and the public and clearance requirements		
Confidentiality of budget deliberations	22.1	22–1
Congressional testimony and communications	22.2	22–1
Clearance of materials for the Congress and the media	22.3	22–2
Clearance of changes to the President's Budget	22.4	22–3
Information available to the public	22.5	22–3
Congressional budget justifications	22.6	22–3
PART 2—PREPARATION AND SUBMISSION OF BUDGET ESTIMATES		
I. GENERAL POLICIES AND REQUIREMENTS		
Section 25—Summary of requirements		
Does Part 2 (Preparation and Submission of Budget Estimates) apply to me?	25.1	25–1
How do I get an exception?	25.2	25–2
For what items do I need advance approval?	25.3	25–2
How do I submit information to OMB?	25.4	25–2
What do I include in the budget request to OMB?	25.5	25–3
How do I build the Max database?	25.6	25–4
Section 31—Policies, laws, and other general requirements for budget estimates		
Basic policies and assumptions	31.1	31–1
Advance appropriations	31.2	31–2
Agency administrative actions	31.3	31–2
Equal opportunity	31.4	31–3
Full funding	31.5	31–3
Government perquisites	31.6	31–3
Multi-year appropriations	31.7	31–3
Management improvement initiatives and policies	31.8	31–3
Construction, leases of capital assets, and acquisition of real property	31.9	31–5
Hospital costs	31.10	31–6
Advisory committees and interagency groups	31.11	31–7
Radio spectrum-dependent communications-electronics systems	31.12	31–7
Spectrum Relocation Fund.	31.13	31–10
Historically Black Colleges and Universities	31.14	31–10
Additional policies and requirements	31.15	31–10
Section 32—Personnel compensation, benefits, and related costs		
How should I estimate personnel compensation in my budget request?	32.1	32–1
How do I treat agency benefit payments under the Federal Employees' Compensation Act?	32.2	32–2
How do I budget for retirement costs?	32.3	32–2
How do I budget for unemployment compensation?	32.4	32–4
How do I budget for Uniformed Services health care?	32.5	32–4
Are there other places in A–11 where I can find related guidance?	32.6	32–4

Title	*Sec./Ex. No.*	*Page*
II. THE BUDGET SUBMISSION		
Section 51—Basic justification materials		
General requirements	51.1	51–1
Requirements for program justification	51.2	51–2
Analysis of resources	51.3	51–3
Relationship of justification to account structure	51.4	51–4
Agency restructuring or work process redesign	51.5	51–4
Information on grant programs and infrastructure investment	51.6	51–4
Performance goals, measures, and indicators	51.7	51–4
Other analytical information	51.8	51–4
Evidence, evaluation, and innovative experimentation	51.9	51–5
Explanations relating to supplemental appropriations requests	51.10	51–5
Taxes and tax expenditures	51.11	51–6
Major changes in receipts estimates	51.12	51–6
User Charges	51.13	51–7
Unobligated balances in liquidating accounts	51.14	51–7
Direct loan and loan guarantee programs	51.15	51–7
Information on funding for Inspectors General	51.16	51–7
Information on agency's tribal consultation process	51.17	51–8
Radio spectrum-dependent communications-electronics systems	51.18	51–8
Budgeting for the acquisition of capital assets	51.19	51–8
Section 52—Information on financial management		
What are the general reporting requirements?	52.1	52–1
What policies are addressed by these reports?	52.2	52–1
Who must report?	52.3	52–1
What is the report on financial management systems?	52.4	52–2
What is the report on resources for financial management activities (exhibit 52)?	52.5	52–2
What are the resource descriptions for exhibit 52?	52.6	52–3
How do I submit exhibit 52 and when is it due?	52.7	52–5
Report on Resources for Financial Management Activities	Ex–52	52–6
Section 54—Rental payments for space and land		
Do I need to report on rental payments?	54.1	54–1
What materials must I provide?	54.2	54–1
What terms do I need to know?	54.3	54–2
How do I prepare the space budget justification?	54.4	54–2
What supporting information must I provide?	54.5	54–4
Space Budget Justification	Ex–54	54–6
Section 55—Information Technology Investments		
Overview…	55.1	55–1
Why must I report on information technology investments?	55.2	55–1
What specific guidance applies to FY 2015 and when is the information required?	55.3	55–2
How should agencies align IT investments with their strategic plans?	55.4	55–2
Do these requirements apply to me?	55.5	55–2
What do I need to know about exhibit 53?	55.6	55–3

Title	Sec./Ex. No.	Page
What do I need to know about exhibit 300A and 300B?	55.7	55-5
III. MAX DATA AND OTHER MATERIALS REQUIRED AFTER PASSBACK		
Section 79—The budget data system		
What is the MAX system and how do I report data in MAX?	79.1	79–1
What should I know about account identification codes?	79.2	79–2
Which transmittal code should I use?	79.3	79–3
How do I request new accounts, changes to existing accounts in MAX?	79.4	79–4
What are the MAX schedules?	79.5	79–6
What MAX changes were made this year?	79.6	79–7
Functional Classification	Ex–79A	79–9
Source Category Codes for Receipt Accounts	Ex–79B	79–10
When do I use Transmit 0, 2, or 4?	Ex–79C	79–12
Examples of Different Account Identification Codes	Ex–79D	79–13
Section 80—Development of baseline estimates		
What are the basic requirements?	80.1	80–1
What general rules do I need to know?	80.2	80–1
What rules apply to discretionary spending and collections?	80.3	80–2
What rules apply to mandatory spending and collections?	80.4	80–3
What rules apply to mandatory supplemental requests?	80.5	80–4
What rules apply to governmental receipts?	80.6	80–4
What materials must I provide in support of baseline estimates?	80.7	80–4
Section 81—Policy and baseline estimates of budget authority, outlays, and receipts (Schedules A, S, R, and K)		
What are the basic requirements?	81.1	81–1
What data classifications do I use to enter data into MAX?	81.2	81–2
What information do I need to report?	81.3	81–6
Section 82—Combined Schedule X		
What is schedule X?	82.1	82–2
What are schedules P, A, and S?	82.2	82–2
How is schedule X organized?	82.3	82–2
How are schedules A and S derived from schedule X?	82.4	82–3
How do I report obligations by program activity?	82.5	82–4
How do I report budgetary resources?	82.6	82–5
How do I report the change in obligated balances?	82.7	82–8
How do I report budget authority and outlays, net?	82.8	82–8
What memorandum information must I report on Schedule X?	82.9	82–9
How do I show unfunded deficiencies?	82.10	82–10
What control totals do I need to tie to?	82.11	82–10
How do I resolve issues with my FACTS II control totals?	82.12	82–12
What amounts in schedule X need to tie to other schedules?	82.13	82–16
How do I present transfers of resources?	82.14	82–17
How do I present transfers in the estimates?	82.15	82–18
How do I present merged accounts?	82.16	82–18
How should I treat allocation accounts?	82.17	82–19

Title	Sec./Ex. No.	Page
What should I know about the individual lines in schedule X?	82.18	82–19
Updating Schedule X	Ex–82A	82–35
Setting Up Outlay Calculations	Ex–82B	82–37
Automatic Generation of Discretionary Outlays	Ex–82C	82–38
Schedule X Line Numbers Including Schedule A, S and P Lines	Ex–82D	82–39
Section 83—Object classification (MAX Schedule O)		
What are object classes?	83.1	83–1
Why must I report object class information?	83.2	83–2
How do object classes compare to functional and character classes and program activity?	83.3	83–2
How does the object class schedule relate to the program and financing schedule	83.4	83–2
How can I determine whether an obligation should be classified as direct or reimbursable?	83.5	83–2
What object class codes and definitions should I use?	83.6	83–4
What object classes do I associate with civilian and military pay and benefits in the baseline?	83.7	83–21
How do I classify relocation expenses related to a permanent change of station (PCS)?	83.8	83–21
How do I classify purchases related to information technology (IT)?	83.9	83–22
How do I classify obligations for education and training?	83.10	83–22
How do I classify obligations for real property (space, land, and structures)?	83.11	83–23
How do I classify obligations for Federal civilian retirement under CSRS?	83.12	83–24
How do I classify obligations for military retirement?	83.13	83–24
How do I classify intragovernmental transactions?	83.14	83–25
How do I classify obligations under the Intergovernmental Personnel Act (IPA)?	83.15	83–26
How do I classify obligations for Tricare benefits for uniformed service members?	83.16	83–27
How is object class information presented in MAX Schedule O and the Appendix?	83.17	83–28
When I report data in MAX schedule O will it generate subtotals or totals?	83.18	83–29
Summary of Object Class Codes and Standard Titles (MAX Schedule O)	Ex–83A	83–30
Object Classification–Without Allocation Accounts	Ex–83B	83–31
Object Classification–With Allocation Accounts	Ex–83C	83–32
Section 84—Character classification (Schedule C)		
What is the purpose of the character classification system?	84.1	84–1
What terms do I need to know?	84.2	84–1
What do I need to know about reporting the data and relationships with other data requirements?	84.3	84–3
How do I report character classification in MAX?	84.4	84–5
Summary of Character Classification Codes (Schedule C)	Ex–84	84–10
Section 85—Estimating employment levels and the employment summary (Schedule Q)		
How should my agency's budget address workforce planning and restructuring?	85.1	85–1
What terms do I need to know?	85.2	85–2

Title	Sec./Ex. No.	Page
What should be the basis for my personnel estimates?	85.3	85–2
What is the requirement for reporting FTE data to OMB?	85.4	85–3
What do I need to know about FTE budgeted levels?	85.5	85–3
What do I need to know about the employment summary (Schedule Q)?	85.6	85–4
Are allocation and reimbursable FTE presented differently in the Budget?	85.7	85–5
How does OMB check prior year civilian FTE totals (actuals) in the Budget?	85.8	85–6
How do I account for active duty military personnel in the Budget?	85.9	85–6
Are there other places in A–11 where I can find related guidance?	85.10	85–7
Section 86—Special schedules		
What do I need to know about balance sheets (Schedule F)	86.1	86–1
What do I need to know about reporting budget year appropriations requests in thousands of dollars (Schedule T)?	86.2	86–8
What do I need to know about the schedule on the status of funds (Schedule J)?	86.3	86–9
What do I need to know about the special and trust fund receipts schedule (Schedule N)?	86.4	86–13
What do I need to know about the summary of budget authority and outlays?	86.5	86–16
Financial Statements Balance Sheet (Schedule F)	Ex–86A	86–18
Budget Year Appropriations Request in Thousands of Dollars (Schedule T)	Ex–86B	86–19
Section 95—Budget Appendix and print materials		
What is the budget *Appendix*?	95.1	95–1
How is the *Appendix* organized?	95.2	95–1
How is the "Detailed Budget Estimates" section organized?	95.3	95–2
What is the process for getting print materials published in the *Appendix*?	95.4	95–4
What do I need to know about revising appropriations language?	95.5	95–4
What are the special appropriations language requirements for credit Programs?	95.6	95–5
What are the special language requirements for programs that disburse over a period longer than five fiscal years?	95.7	95–6
What are the special language requirements for cancellations of unobligated balances?	95.8	95–6
What are the special language requirements for requests for emergencies, Overseas Contingency Operations/Global War on Terrorism, or disaster funding?	95.9	95–7
How do I prepare narrative statements?	95.10	95–8
How should performance information be incorporated into the narrative statements?	95.11	95–9
Are there any special requirements for narrative statements?	95.12	95–9
What do I need to know about footnotes and tables?	94.13	95–11
General Style Guidelines	Ex–95A	95–12
Additional Guidance for Making Technical Edits in Appropriations Language	Ex–95B	95–17
PART 3—SELECTED ACTIONS FOLLOWING TRANSMITTAL OF THE BUDGET		
Section 110—Supplementals and Amendments		
How does the President propose changes in the budget in between his annual transmittals of the budget?	110.1	110–1

Title	Sec./Ex. No.	Page
What are supplementals and amendments?	110.2	110–2
What do I need to send to OMB?	110.3	110–2
Supplemental Requests-Appropriations Language Examples	Ex–110A	110–4
Budget Amendments–Appropriations Language Examples	Ex–110B	110–5
Section 112—Deferrals and Presidential proposals to rescind or cancel funds		
What do I need to know about rescission proposals and deferrals (impoundments)?	112.1	112–1
What is the difference between an impoundment and a cancellation proposed by the President?	112.2	112–2
When are funds deferred or proposed by the President for rescission withheld from obligation?	112.3	112–2
What materials are sent to the Congress?	112.4	112–3
When do I need to submit material to OMB?	112.5	112–3
What materials do I submit for inclusion in a special message for a rescission proposal?	112.6	112–3
What materials do I submit for inclusion in a special message for a deferral?	112.7	112–4
What narrative information do I need to include with rescission or deferral reports?	112.8	112–4
What am I required to do when a previously reported deferral or rescission proposal changes?	112.9	112–4
What information is required for the supplementary report?	112.10	112–5
What are the responsibilities of OMB in preparing special messages?	112.11	112–5
What should I do to help OMB prepare cumulative reports?	112.12	112–6
What are my responsibilities after a deferral is reported to the Congress?	112.13	112–6
What apportionment action is required when a rescission is enacted?	112.14	112–6
What apportionment action is required when a rescission is not enacted?	112.15	112–6
What apportionment action is required when a deferral is disapproved?	112.16	112–7
How do I treat proposals to lower limitations on trust or revolving funds?	112.17	112–7
What do I include on the different lines of the rescission, deferral, and supplementary reports?	112.18	112–7
How do I reflect the deferral or the proposed rescission on the apportionment?	112.19	112–9
Rescission Report – Sample Rescission Proposal	Ex–112A	112–11
Apportionment Request for Rescission Proposal Illustrated in Exhibit 112A	Ex–112B	112–12
Deferral Report	Ex–112C	112–13
Apportionment Request for Deferral Proposal Illustrated in Exhibit 112C	Ex–112D	112–14
Section 113—Investment transactions		
How do I record investment in securities, disinvestment, and earnings?	113.1	113–1
How do I treat an investment in a Federal security other than a zero coupon bond on an SF 133?	113.2	113–7
How do I treat the redemption of a Federal security other than a zero coupon bond on an SF 133?	113.3	113–8
How do I treat investments in securities issued by non-Federal entities on an SF 133?	113.4	113–8
How do I treat an investment in a zero coupon bond on an SF 133?	113.5	113–8
How do I treat the redemption of a zero coupon bond on an SF 133?	113.6	113–8
Investment in Federal Securities at a Discount—All Accounts	Ex–113A	113–9
Investment in Federal Securities at a Premium—General Fund Appropriation or Revolving Fund Accounts	Ex–113B	113–10

Title	Sec./Ex. No.	Page
Federal Securities Purchased at a Discount and Sold or Redeemed at Par General Fund Appropriation or Revolving Fund Accounts	Ex–113C	113–11
Federal Security Purchased at a Discount and Sold or Redeemed at Par Special or Trust Fund Accounts (excluding Trust Revolving Funds)	Ex–113D	113–12

PART 4—INSTRUCTIONS ON BUDGET EXECUTION

I. APPORTIONMENT

Section 120—Apportionment process

Title	Sec./Ex. No.	Page
What is an apportionment?	120.1	120–4
What terms and concepts should I understand to work with apportionments?	120.2	120–4
Are apportionments made at the Treasury appropriation fund symbol (TAFS) level?	120.3	120–6
What TAFSs are required to be apportioned?	120.4	120–6
What TAFSs are exempt from apportionment?	120.5	120–6
Can a portion of my TAFS be exempt from apportionment?	120.6	120–7
Do I need to submit an apportionment every fiscal year for TAFS that are multi-year/no-year?	120.7	120–7
Can I incur obligations without an apportionment?	120.8	120–7
Can I use and apportionment to resolve legal issues about the availability of funds?	120.9	120–7
How is the apportionment organized?	120.10	120–7
Why is the Budgetary Resources section needed?	120.11	120–8
After OMB approves an apportionment, can I obligate against all budgetary resources?	120.12	120–8
What is the format of the Applications of Budgetary Resources section and what categories does OMB use to apportion funds?	120.13	120–8
What is the format of the Guaranteed Loan Levels and Applications sections?	120.14	120–9
What other kinds of information may an apportionment include?	120.15	120–9
How can I submit an apportionment request?	120.16	120–10
Is there a standard, set number of lines to show in an apportionment request?	120.17	120–10
What header information at the top of the apportionment must I complete?	120.18	120–11
What do I put in each column of the apportionment request?	120.19	120–11
Do I need to follow special conventions to show that portion of discretionary balances split accounts (TAFS with both mandatory and discretionary funds)?	120.20	120–12
Can I use amounts that include decimal points or cents in an apportionment?	120.21	120–12
Should I use a specific numeric format in the Excel file that holds my request?	120.22	120–13
When are apportionments due at OMB for a new fiscal year?	120.23	120–13
When is the apportionment system open for a new fiscal year?	120.24	120–13
Can I combine TAFSs on the apportionment?	120.25	120–13
Should I assemble apportionment requests for multiple TAFSs in a single package or file?	120.26	120–13
Can I cross-check information in the Budgetary Resources section?	120.27	120–13
Who can approve the apportionment requests for the agency?	120.28	120–13
Who is responsible for preparing the apportionment request for allocation (parent/child) accounts?	120.29	120–14
How do I submit apportionment requests to OMB?	120.30	120–14

Title	Sec./Ex. No.	Page
What functions will I perform using the apportionment system?	120.31	120–15
How do I gain access to the apportionment system?	120.32	120–15
Are there situations when I would not use the apportionment system?	120.33	120–16
What are apportionment footnotes (and footnote indicators?)	120.34	120–16
Do footnotes starting with the letter A correspond to Category A apportioned amounts while those starting with the letter B relate to Category B apportioned amounts?	120.35	120–17
Will footnotes and attachments become part of the apportionment?	120.36	120–17
What footnotes are required for agencies to include in their apportionment requests?	120.37	120–17
What footnotes are recommended for agencies to include in their apportionment requests?	120.38	120–17
How will OMB indicate its approval of an apportionment?	120.39	120–17
When can I expect OMB to approve my first apportionment request for the fiscal year?	120.40	120–18
In the case of newly enacted full-year appropriations, am I under an automatic apportionment until OMB approves my first year apportionment request?	120.41	120–18
How should I execute the apportionment?	120.42	120–19
What if I think that I may have obligated more than the amounts apportioned?	120.43	120–19
Must I control funds below the apportionment level?	120.44	120–19
How should I allot once I receive an apportionment?	120.45	120–19
How do I treat anticipated budgetary resources that are apportioned but not yet realized?	120.46	120–19
What if I need to change my apportionment or request for additional resources?	120.47	120–19
What is the relationship between the apportionment and the Funds Control System?	120.48	120–20
What types of situations could require me to request a new apportionment?	120.49	120–20
What adjustments can I make without submitting a reapportionment request?	120.50	120–21
What other types of adjustments can I request OMB to allow me to make without submitting a new apportionment request?	120.51	120–21
Will OMB apportion funds into future fiscal years?	120.52	120–22
How do I present deferrals or proposed rescissions on my request?	120.53	120–22
Can my request include amounts exempt from apportionment?	120.54	120–22
Can OMB apportion a past period?	120.55	120–22
Do unobligated resources apportioned in earlier time periods of the same fiscal year remain available?	120.56	120–22
Must I request that funds apportioned in one fiscal year be apportioned in the next fiscal year if the funds were not obligated and remain available?	120.57	120–23
What is the status of previously approved apportionments when a new apportionment is approved in the same fiscal year?	120.58	120–23
What is the status of approved apportionments from a previous fiscal year on apportionments in the current fiscal year?	120.59	120–23
How does the last approved apportionment govern the actions a TAFS takes when the TAFS enters the expired phase?	120.60	120–23
During a CR, what happens to TAFS that were apportioned before the start of a fiscal year (e.g., no-year TAFS)?	120.61	120–23
After a CR has been replaced by a full-year enacted appropriation, what do I show in the previous approved column?	120.62	120–24
After a short-term CR has been replaced by a full-year enacted appropriation, what do I show in the agency request column?	120.63	120–24

Title	Sec./Ex. No.	Page
What types of resources are apportioned by OMB?	120.64	120–24
Are all apportionments based on authority to incur obligations?	120.65	120–24
How do I treat extensions of the availability of unobligated balances in an apportionment?	120.66	120.24
When do I submit requests anticipating the need for the Congress to enact supplemental budget authority?	120.67	120–25
What is the purpose of program reporting categories?	120.68	120–26
Do my estimates of program reporting category obligations limit the amount I can obligate?	120.69	120–26
What do OMB and the agency need to do to start using program reporting categories?	120.70	120–26
How do I fill in the program reporting category tab?	120.71	120–26
Why does OMB send the names of program reporting categories and Category B projects to Treasury for use in FACTS II?	120.72	120–27
Can agencies add new program reporting categories or Category B projects when reporting their FACTS II data?	120.73	120–27
Apportionment line Numbers	EX–120A	120–28
Program Reporting Categories Format	EX–120B	120–32
One-Year Appropriation—First Apportionment for the Current Fiscal Year	EX–120C	120–33
No-Year Appropriation—First Apportionment for the Current Fiscal Year	EX–120D	120–34
No-Year Appropriation—Reapportionment	EX–120E	120–35
One-Year Appropriations Under Continuing Resolution	EX–120F	120–36
Appropriations and Unobligated Balances Under a Continuing Resolution	EX–120G	120–37
Apportionment Following a Continuing Resolution	EX–120H	120–38
Public Enterprise (Revolving) or Intragovernmental (Revolving) Fund Reapportionment	EX–120I	120–39
Trust Fund Limitation	EX–120J	120–40
Negative Amount Due to Reduced Unobligated Balance	EX–120K	120–41
Apportionments in Future Fiscal Years for Multi-Year Accounts	EX–120L	120–42
Trust Fund with Contact Authority, Appropriation to Liquidate Contact Authority, and Obligation Limitation	EX–120M	120–43
Trust Fund (or Special Fund) with Collections Precluded from Obligation	EX–120N	120–44
Allocation Transfer for Apportionment Format, Apportioning Programs	EX–120O	120–45
Allocation Transfer Apportionment Format, Apportioning Parent and Child	EX–120P	120–46
Allocation Transfer Apportionment Format, Child Only	EX–120Q	120–47
Allocation Transfer Apportionment, Parent Only	EX–120R	120–48
Allocation Accounts	EX–120S	120–49
Section 123—Apportionments under continuing resolutions		
What is a continuing resolution?	123.1	123–1
How do I determine the amount available for obligation under a continuing resolution?	123.2	123–1
What do I do if my account receives no funding in the House or Senate bill?	123.3	123–2
Do the amounts made available for obligation remain available after a continuing resolution expires?	123.4	123–2
Does the continuing resolution limit the purposes for which funds may be obligated?	123.5	123–3
Am I required to submit an apportionment request while I am funded by a continuing resolution?	123.6	123–3

Title	Sec./Ex. No.	Page
If I am funded by a short-term continuing resolution and have received a written apportionment, will I have to submit written reapportionment requests for each extension of the CR?	123.7	123–3
Are my credit programs funded under a continuing resolution?	123.8	123–3
Do I have to request a warrant from Treasury while operating under a continuing resolution?	123.9	123–3
Do I need to request a reapportionment after my full-year appropriation is enacted?	123.10	123–3
Will my full-year enacted appropriations cover obligations made during the continuing resolution?	123.11	123–4
What if the full-year enacted appropriations subsequently provided less budget authority than obligations incurred under the CR?	123.12	123–4
How to Calculate Amounts Available for Credit Programs under a Continuing Resolution	Ex–123	123–5
Section 124—Agency operations in the absence of appropriations		
What types of actions may my agency conduct during a funding hiatus?	124.1	124–1
What plans should my agency make in anticipation of a funding hiatus?	124.2	124–1
When should my agency's shutdown plans be implemented?	124.3	124–2
II. BUDGET EXECUTION REPORTS		
Section 130—SF 133, Report on budget execution and budgetary resources		
What is the purpose of the SF 133 and how is it organized?	130.1	130–2
What are the general requirements for submitting SF 133s?	130.2	130–2
How do I report budgetary resources?	130.3	130–4
How do I report the status of budgetary resources?	130.4	130–4
How do I report obligations, and how are obligations shown on SF 133 reports?	130.5	130–4
How do I report the change in obligated balances?	130.6	130–5
How do I report budget authority and outlays, net?	130.7	130–6
What do I need to know about accounting adjustments under 31 U.S.C. 1534?	130.8	130–6
How is reimbursable work with Federal agencies under the Economy Act shown on SF 133 reports?	130.9	130–6
What should I report during the expired phase?	130.10	130–8
How do I report adjustments to expired TAFSs?	130.11	130–8
What must I do when I have extended disbursement authority?	130.12	130–9
How do I report expired TAFSs that are being closed?	130.13	130–10
What disbursements can I make during the canceled phase?	130.14	130–10
How do I submit non-standard reports?	130.15	130–11
How do I report lower levels of detail?	130.16	130–11
How do I submit an SF 133 for allocation accounts?	130.17	130–12
How do I submit an SF 133 for credit TAFSs?	130.18	130–12
How do I ensure that my actuals are consistent?	130.19	130–12
What is the hierarchy of spending "mixed" funding?	130.20	130–13
Annual Account—September 30 report	Ex–130A	130–15
Annual Account with Reimbursements—September 30 report	Ex–130B	130–16
No-Year Account—Quarterly Report	Ex–130C	130–17
Multi-year Account Apportioned for Two Fiscal Years	Ex–130D	130–18

Title	Sec./Ex. No.	Page
Public Enterprise (Revolving) or Intragovernmental (Revolving) Fund—Quarterly Report	Ex–130E	130–19
Annual Account—Advance Appropriation	Ex–130F	130–20
Annual Account—Reappropriation	Ex–130G	130–21
SF 133 Net Outlay Formula	Ex–130H	130–22
Crosswalk from the SF 133 to the Treasury Combined Statement	Ex–130I	130–23
Trust fund (or Special Fund) with Collections Precluded from Obligation	Ex–130J	130–24
Appropriation Reduced by Offsetting Collections and Receipts	Ex–130K	130–25
III. OTHER REPORTS		
Section 135—Procedures for monitoring Federal outlays		
What is the purpose for these procedures?	135.1	135–1
Who is required to submit a plan?	135.2	135–1
What are the general reporting requirements?	135.3	135–2
What are the reporting requirements for large transactions?	135.4	135–2
What are the requirements for investment account reporting?	135.5	135–4
What are the requirements for credit financing account reporting?	135.6	135–4
What are the requirements for asset sale reporting?	135.7	135–6
What are the responsibilities of OMB and the Treasury Department?	135.8	135–6
When do I submit reports?	135.9	135–7
Reports on Outlays—Agency and Program Coverage	Ex–135A	135–8
Reports on Outlays—Initial Report	Ex–135B	135–11
Large Transactions Reporting Format	Ex–135C	135–13
Investment Account Reporting Format	Ex–135D	135–14
Financing Account Reporting Format	Ex–135E	135–15
Asset Sales Reporting Format	Ex–135F	135–16
Section 140—Reports on unvouchered expenditures		
What are unvouchered expenditures?	140.1	140–1
Are there any exemptions?	140.2	140–1
What is the basis for coverage?	140.3	140–1
What are the requirements for submission?	140.4	140–1
What are OMB's responsibilities?	140.5	140–2
List of Accounts Containing Unvouchered Expenditures	Ex–140	140–3
Section 145—Requirements for reporting Antideficiency Act violations		
What is the Antideficiency Act?	145.1	145–1
What violations must I report?	145.2	145–2
How do the requirements for reporting violations differ for credit programs?	145.3	145–3
Do the requirements for reporting violations differ for revolving funds?	145.4	145–4
Do the requirements for reporting violations differ for closed and expired accounts?	145.5	145–4
How do I treat anticipated budgetary resources?	145.6	145–4
How do I report a violation?	145.7	145–4
What if the GAO reports a violation?	145.8	145–6
What if OMB suspects a violation?	145.9	145–6
What do I do if I think I may have obligated funds in violation of the Antideficiency Act and have not yet liquidated the obligation?	145.10	145–6
Antideficiency Act Violation Sample Letter to the Director	Ex–145A	145–7

Title	*Sec./Ex. No.*	*Page*
Antideficiency Act Violation Sample Letter to the President	Ex–145B	145–8
Section 150—Administrative control of funds		
Why must my agency have a fund control system?		
What is the purpose of my agency's fund control system?	150.1	150–1
What is the relationship between my agency's internal controls and its fund controls?	150.2	150–1
What is the relationship between my agency's financial management system and its fund control system?	150.3	150–1
What is the U.S. Standard General Ledger (USSGL) and how does it relate to my agency's financial management system?	150.4	150–2
What are Federal Financial Management Systems requirements and how are they related to my agency's fund control systems?	150.5	150–2
When and how should I get OMB approval of my agency's fund control regulations (including updates)?	150.6	150–2
	150.7	150–3
PART 5—FEDERAL CREDIT		
Section 185—Federal credit		
Does this section apply to me?	185.1	185–3
What background information must I know?	185.2	185–3
What special terms must I know?	185.3	185–5
Are there special requirements for reporting Antideficiency Act violations?	185.4	185–12
How do I calculate the subsidy estimate?	185.5	185–12
How do I calculate reestimates?	185.6	185–15
How do I calculate and record modifications?	185.7	185–19
What must I know about the sale of loan assets?	185.8	185–23
What are the budget formulation reporting requirements for credit accounts?	185.9	185–25
What do I report for program accounts?	185.10	185–27
What do I report for financing accounts?	185.11	185–31
What do I report for liquidating accounts?	185.12	185–39
What do I report for receipt accounts?	185.13	185–39
Must credit accounts be apportioned?	185.14	185–39
When do I submit an apportionment request (SF 132)?	185.15	185–40
How do I fill out the SF 132?	185.16	185–40
Do amounts for an upward reestimate (and the interest on reestimate) need to be apportioned?	185.17	185–41
Do amounts for a downward reestimate (and the interest on reestimate) need to be apportioned?	185.18	185–41
Do amounts for interest payments to Treasury need to be apportioned?	185.19	185–42
Do amounts for transfers of unobligated balances to the general fund or debt repayments to Treasury need to be apportioned?	185.20	185–42
How do I handle modifications?	185.21	185–42
Am I required to submit budget execution reports (SF 133)?	185.22	185–42
How do I fill out the SF133?	185.23	185–43
How do I calculate the initial subsidy cost estimate for execution?	185.24	185–43
What transactions do I report when the Government incurs direct loan obligations or makes loan guarantee commitments?	185.25	185–43

Title	Sec./Ex. No.	Page
What transactions do I report when the Government disburses a direct loan or a private lender disburses a guaranteed loan?	185.26	185–45
How do I handle non-subsidy cost collections?	185.27	185–45
What transactions do I report when a guaranteed loan defaults?	185.28	185–46
What should I do with unobligated balances in the liquidating account?	185.29	185–47
How do I report modifications of post-1991 direct loans and loan guarantees?	185.30	185–47
How do I report modifications of pre-1992 direct loans and loan guarantees?	185.31	185–48
Why do financing accounts borrow from Treasury?	185.32	185–49
Why do financing accounts earn interest?	185.33	185–49
Who calculates interest expense and income?	185.34	185–50
When do I calculate expense and income?	185.35	185–50
What interest rate do I use to calculate interest expense and income?	185.36	185–50
What are the interest expense requirements for amounts treated as lending to financing accounts by the Federal Financing Bank?	185.37	185–50
Program Account, Program and Financing Schedule (Schedule P)	Ex–185A	185–51
Program Account, Summary of Loan Levels and Subsidy Data (Schedule U)	Ex–185B	185–52
Direct Loan Financing Account, Program and Financing Schedule (Schedule P)	Ex–185C	185–53
Direct Loan Financing Account, Status of Direct Loans (Schedule G)	Ex–185D	185–54
Direct Loan Financing Account, Balance Sheet (Schedule F)	Ex–185E	185–55
Guaranteed Loan Financing Account, Program and Financing Schedule (Schedule P)	Ex–185F	185–56
Guaranteed Loan Financing Account, Status of Guaranteed Loans (Schedule H)	Ex–185G	185–57
Guaranteed Loan Financing Account, Balance Sheet (Schedule F)	Ex–185H	185–58
Liquidating Account Program and Financing Schedule (Schedule P)	Ex–185I	185–59
Liquidating Account, Status of Direct Loans (Schedule G)	Ex–185J	185–60
Liquidating Account, Status of Guaranteed Loans (Schedule H)	Ex–185K	185–61
Liquidating Account, Balance Sheet (Schedule F)	Ex–185L	185–62
Standard Appropriations Language	Ex–185M	185–63
Initial Apportionment Program Account	Ex–185N	185–64
Initial Apportionment Direct Loan Financing Account	Ex–185O	185–65
Initial Apportionment Guaranteed Loan Financing Account	Ex–185P	185–66
Initial Apportionment Side-By-Side-Account Comparison	Ex–185Q	185–67
Reapportionment for Modification, Program Account	Ex–185R	185–70
Reapportionment for Upward Reestimate, Program Account	Ex–185S	185–71
Reapportionment for Downward Resstimate, Direct Loan Financing Account	Ex–185T	185–72
Apportionment for Liquidating Account	Ex–185U	185–73
End of First Quarter-Program Account Report on Budget Execution	Ex–185V	185–74
End of First Quarter-Direct Loan Financing Account Report on Budget Execution	Ex–185W	185–75
End of First Quarter-Guaranteed Loan Financing Account Report on Budget Execution	Ex–185X	185–76
Budget Execution Reporting—End of First Quarter Side-By-Side Account Comparison	Ex–185Y	185–77
End of Fiscal Year-Program Account Report on Budget Execution	Ex–185Z	185–83
End of Fiscal Year-Direct Loan Financing Account Report on Budget		

Title	Sec./Ex. No.	Page
Execution	Ex185AA	185–84
End of Fiscal Year-Guaranteed Loan Financing Account Report on Budget Execution	Ex185BB	185–85
Budget Execution Reporting—End of Fiscal Year Side-By-Side Account Comparison	Ex185CC	185–86

PART 6—STRATEGIC PLANS, ANNUAL PERFORMANCE PLANS, PERFORMANCE REVIEWS, AND ANNUAL PROGRAM PERFORMANCE REPORTS

Section 200—Overview of the Federal Performance Framework

Title	Sec./Ex. No.	Page
To which agencies does A-11 Part 6 apply?	200.1	200–1
What other laws or policies are relevant to Part 6 of OMB Circular A–11?	200.2	200–2
Our agency is subject to special laws or other governing regulations related to our agency's performance planning or reporting, specifically. How does this guidance relate?	200.3	200–2
Overview of the GPRA Modernization Act of 2010	200.4	200–3
What are agencies, their managers and their employees accountable for with regard to their performance goals and measurement?	200.5	200–3
How does the GPRA Modernization Act affect the roles and responsibilities of leadership at the agency?	200.6	200–4
How does the agency designate the COO and PIO and notify OMB of the designations?	200.7	200–4
Does an agency have to name an acting COO or acting PIO if the position is vacant?	200.8	200–5
Are the PIO designations available to the public?	200.9	200–5
What is the role of the Chief Operating Officer (COO)?	200.10	200–5
Why is COO leadership engagement important to performance management?	200.11	200–6
What is the role of the Performance Improvement Officer?	200.12	200–7
Who will support the work of the PIO?	200.13	200–8
What is the role of the Chief Human Capital Officer (CHCO)?	200.14	200–8
What is the role of a goal leader?	200.15	200–9
Do all agencies need to assign a goal leader for every goal?	200.16	200–9
What is a deputy goal leader?	200.17	200–10
What is the role of the Performance Improvement Council?	200.18	200–10
Who makes up the PIC?	200.19	200–10
What is the PIC's relationship with agencies?	200.20	200–11
Definitions	200.21	200–11
Example Illustration of Goal Relationships	200.22	200–17
Performance Timeline	200.23	200-17

Section 210—Performance and Public Reporting

Title	Sec./Ex. No.	Page
To which agencies does this section apply?	210.1	210–1
What is the purpose of this section?	210.2	210–1
What is the purpose of Performance.gov?	210.3	210–2
What information will be included on Performance.gov?	210.4	210–2
Will agencies be able to meet GPRA Modernization Act Strategic Plan, Annual Performance Plan (APP) and Annual Performance Report (APR) requirements solely through the central website in February 2014, concurrent with the FY 2015 Budget?	210.5	210–4

Title	Sec./Ex. No.	Page
This year, how are agency-specific plans and reports made available to the Public on the agency's website?	210.6	210–4
How does the Open government Directive relate to reporting on agency performance?	210.7	210–4
When will Performance.gov updates be published this year?	210.8	210–5
If the agency was not required to set Agency Priority Goals (APGs), what will the agency publish this year on Performance.gov?	210.9	210–5
May agencies publish their performance plans and reports in print?	210.10	210–5
Will agencies be required to update performance information on Performance.gov more frequently than annually?	210.11	210–5
Content for Strategic Plans, Annual Performance Plans, Annual Performance Reports	210.12	210–5
Section 220—Cross-Agency Priority Goals and Federal Performance Plan		
To which agencies does this section apply?	220.1	220–1
What is a Cross-Agency Priority Goal (CAP Goal)?	220.2	220–1
What is the Federal Performance Plan?	220.3	220–1
When are CAP Goals established and what time period do they span?	220.4	220–2
Where can I find information on the existing CAP Goals?	220.5	220–2
How does OMB engage with Congress and other partners in setting CAP Goals?	220.6	220–2
What is the relationship between the CAP Goals and APGs?	220.7	220–2
How should agencies address CAP Goals in the agency Strategic Plan or Annual Performance Plan or Annual Performance Report?	220.8	220–3
How will CAP Goals be managed?	220.9	220–3
What information will be published on the CAP Goals?	220.10	220–3
How will OMB assess progress on CAP Goals?	220.11	220–3
Section 230—Agency Strategic Planning		
What is an agency Strategic Plan?	230.1	230–1
What is the purpose of strategic planning?	230.2	230–2
What content is included in the agency Strategic Plan?	230.3	230–3
What timeframes must be established for achieving strategic goals and objectives?	230.4	230–3
When must agencies next update their Strategic Plan according to the GPRA Modernization Act and what is the timeline for Strategic Plan Development?	230.5	230-3
What is an effective strategic goal?	230.6	230-4
What is an effective strategic objective?	230.7	230-4
Must the agency's strategic objectives be comprehensive, reflecting the major mission activities that the agency undertakes?	230.8	230-7
Are agencies required to set management-focused objectives addressing management functions such as financial management, acquisition, human capital, information technology, etc.?	230.9	230-7
What is an effective management objective?	230.10	230-8
Are agencies required to address the agency specific contributions to Cross-Agency Priority Goals (CAP) within the strategic plan?	230.11	230-8
Who should prepare the agency strategic goals and objectives?	230.12	230-8
How will agencies obtain input from OMB on Strategic Plan?	230.13	230-8
What must be provided to OMB in the strategic plan draft?	230.14	230-9

Title	Sec./Ex. No.	Page
What input should agencies solicit outside the Executive Branch in the development of Strategic Plans and when?	230.15	230-9
How should agencies publish Strategic Plans and deliver them to Congress?	230.16	230-9
Can Strategic Plans be updated in the interim, before the end of the four-year revision cycle?	230.17	230-10
How should interim updates be communicated or published?	230.18	230-10
Section 240—Annual Performance Planning		
What is Annual Performance Plan?	240.1	240-1
What is the purpose of an Annual Performance Plan?	240.2	240–1
How does the Annual Performance Plan relate to the Strategic Plan?	240.3	240–2
What is the relationship between the Annual Performance Plan, Annual Performance Report and Congressional Budget Justification?	240.4	240–2
Does the Agency Annual Performance incorporate the Cross-Agency Priority Goals?	240.5	240–2
How will agencies be expected to link resources to the performance plan this year?	240.6	240–2
What content should be included in the Annual Performance Plan and how will it be published?	240.7	240–3
What are data of "significant value?" What attributes and dimensions of indicators should agencies consider when selecting and gathering data to improve agency progress on goals?	240.8	240–3
What can be used to drive performance in areas where quantifiable performance goals cannot be developed?	240.9	240–4
How should evidence, aside from performance goals and indicators, be incorporated in the Annual Performance Plan?	240.10	240–4
What is required by the GPRA Modernization Act on lower-priority program activities?	240.11	240–4
How should agencies prepare and publish the lower-priority program activities?	240.12	240–4
What criteria should agencies used when selecting their lower-priority program activities?	240.13	240–5
How and when will agencies deliver the Annual Performance Plan to OMB, Congress and the public?	240.14	240–5
How does the Annual Performance Plan relate to the agency's enterprise architecture?	240.15	240–6
Section 250—Agency Priority Goals		
To which agencies does this section apply?	250.1	250–1
What is an Agency Priority Goal?	250.2	250–2
What primary criteria must agencies use in their setting Agency Priority Goals?	250.3	250–2
What additional criteria should agencies consider when developing Agency Priority Goals?	250.4	250–3
Do all Agency Priority Goals have to address outcomes?	250.5	250–3
For what purpose will OMB review selection of the Agency Priority Goals?	250.6	250–3
How many Agency Priority Goals should agencies have?	250.7	250–4
What time period do Agency Priority Goals span?	250.8	250–4
What is the relationship of Agency Priority Goals to the agency Strategic Plan, Annual Performance Plan and Annual Performance Report?	250.9	250–4
What happens to the old Agency Priority Goals after the two-year performance		

Title	Sec./Ex. No.	Page
period has ended and a new set of Agency Priority Goals is established? .	250.10	250–4
What is the relationship between Agency Priority Goals and the FY 2015 President's Budget?	250.11	250–4
What Agency Priority Goal information will be made public?	250.12	250–5
Are agencies required to include specific quantitative targets within the Agency Priority Goal statement?	250.13	250–5
Do all Agency Priority Goals (APGs) have to relate to a Cross-Agency Priority (CAP) Goal?	250.14	250–5
When should agencies begin developing new Agency Priority Goals?	250.15	250–5
How much external stakeholder engagement is expected in Agency Priority Goals development?	250.16	250–6
How should agencies engage Congress in the Agency Priority Goals development process?	250.17	250–6
Can Agency Priority Goals be changed after they have been approved and published? If so, by what criteria and process?	250–18	250–6
What information will be published on the FY 2012-2013 Agency Priority Goals as well as the FY 2014-2015 Agency Priority Goals on Performance.gov?	250.19	250–7
Section 260—Annual Performance Reporting		
What is the Annual Performance Report (APR)?	260.1	260–1
The GPRA Modernization Act requires "more frequent updates of actual performance on indicators that provide data of significant value to the Government, Congress, or program partners at a reasonable level of f administrative burden." How will agencies meet this requirement?	260.2	260–1
The GPRA Modernization Act requires an annual performance update on the web to be provided to Congress "no less than 150 days after the end of the fiscal year." How does this change publication of existing Annual Performance Reports?	260.3	260–2
How are agencies expected to work with OMB or Congress in the preparation of the performance report?	260.4	260–2
How do agencies deliver the report to the President, Congress and the public?	260.5	260–2
Are agencies allowed to consolidate the Annual Performance Report with the Annual Performance Plan?	260.6	260–3
What does the Annual Performance Report contain?	260.7	260–3
Other parts of the Annual Performance Report, as applicable	260.8	260–3
Assessing the completeness, reliability and quality of performance data	260.9	260–3
Section 270—Performance And Strategic Reviews		
To which agencies does this section apply?	270.1	270–1
What is the purpose of this section?	270.2	270–2
What is the purpose of frequent data-driven performance reviews?	270.3	270–2
What frequent data-driven performance reviews are required?	270.4	270–2
How should frequent data-driven performance reviews be conducted?	270.5	270–2
Can frequent, data-driven performance reviews be conducted through written documents?	270.6	270–4
What information from the frequent data-driven performance reviews must be made public?	270.7	270–4
What reviews are required on an annual basis for agency strategic objectives?	270.8	270–4

Title	Sec./Ex. No.	Page
What is the purpose of the strategic review?	270.9	270–5
How should progress on each strategic objective be assessed?	270.10	270–6
What methodology should agencies use to conduct strategic reviews?	270.11	270–7
What period of performance will be assessed?	270.12	270–7
How should agencies identify the progress made on each strategic objective?	270.13	270-7
What will agencies do to improve progress on strategic objectives?	270.14	270–8
What is OMB's role in the strategic review?	270.15	270-9
What information will be submitted to OMB in spring?	270.16	270-9
What information will be published from the strategic reviews?	270.17	270-9
Because of their outcome-oriented nature, strategic objectives may be affected by factors beyond the agency's control. What are agencies held accountable for?	270.18	270-10
What actions will be taken by the agency and OMB if a particular performance goal was not met? What actions will be taken by the agency and OMB if a particular strategic objective faces significant challenges?	270.19	270-11
What if there is not enough information to determine how the agency is progressing on a particular objective, or if the evidence available is inconsistent, making it difficult to draw a conclusion about progress?	270.20	270-11
When must information be provided to OMB?	270.21	270-11
In what kind of circumstances can agencies change a strategic objective in between the strategic plan updates every four years?	270.22	270-12
How will agency and OMB track progress on a strategic objective that was changed in between strategic plan updates every four years?	270.23	270-12
Section 280—Federal Program Inventory		
To which agencies does this section apply?	280.1	280–1
What is the purpose of the Federal Program Inventory (FPI)?	280.2	280–1
For the purposes of the Federal Program Inventory, what is a program?	280.3	280–2
Must all components within an agency use the same approach?	280.4	280–3
How should we cross-walk programs with program activity lines?	280.5	280–3
How will the FPI be compiled and published?	280.6	280–3
What information is required for Phase 2 (steps 2.1–2.3)?	280.7	280–4
How should we account for administrative functions or salaries & expenses?	280.8	280–7
How should we map financing to credit programs?	280.9	280–7
When will the Federal Program Inventory be updated?	280.10	280–7
What are the program types?	280.11	280–7
What if our programs are already captured in the Catalog of Federal Domestic Assistance (CFDA)?	280.12	280–8
Section 290—Elimination of Unnecessary Agency Plans and Reports		
What does the GPRA Modernization Act require with regard to agency reporting on unnecessary reports to Congress?	290.1	290–1
What information must agencies provide to OMB, if the agency has modification proposals for Congress?	290.2	290–1
What kind of agency reports should be proposed?	290.3	290–2
How will agencies provide the information to OMB?	290.4	290–2
What if our agency has few congressional reporting requirements or no new proposals since the last time we submitted information to OMB?	290.5	290–3
Are agencies required to submit legislation?	290.6	290–3

	Title	Sec./Ex. No.	Page
PART 7—APPENDICES			
Scorekeeping Guidelines		Appendix A	Appendix A–1
Budgetary Treatment of Lease-Purchases and Leases of Capital Assets		Appendix B	Appendix B–1
Listing of OMB Agency/Bureau and Treasury Codes		Appendix C	Appendix C–1
Format of SF 132, SF 133, Schedule P, and SBR		Appendix F	Appendix F–1
Crosswalk Between Antideficiency Act and Title 31 of the U.S. Code		Appendix G	Appendix G–1
Checklist for Funds Control Regulations		Appendix H	Appendix H–1
Principles of Budgeting for Capital Asset Acquisitions		Appendix J	Appendix J–1
Selected OMB Guidance and Other References Regarding Capital Assets		Appendix K	Appendix K–1
INDEX			Index–1

GUIDE TO OMB CIRCULAR NO. A–11

What is the purpose of the Circular?

Part 1: Provides an overview of the budget process. It discusses the basic laws that regulate the budget process and the terms and concepts you need to know to understand the budget process and this Circular. (Sections numbered 10 through 22)

Part 2: Covers development of the President's Budget and tells you how to prepare and submit materials required for OMB and Presidential review of agency requests and for formulation of the FY 2015 Budget, including development and submission of performance budgets for FY 2015. A significant portion of this part focuses on the preparation of the budget *Appendix* and the related database. Detailed instructions for a number of requirements not directly related to the preparation and production of the budget are accessible through electronic links that are provided in section 25. (Sections numbered 25 through 95)

Part 3: Discusses supplementals and amendments, deferrals and Presidential proposals to rescind or cancel funds, and investments. (Sections numbered 110 through 113)

Part 4: Provides instructions on budget execution, including guidance on the apportionment and reapportionment process, a report on budget execution and budgetary resources (SF 133), and a checklist for fund control regulations. (Sections numbered 120 through 150)

Part 5: Covers Federal credit programs, including requirements related to the preparation of budget estimates and to budget execution. (Section number 185)

Part 6: Describes requirements under GPRA Modernization Act and the Administration's approach to performance management including a) requirements for agency strategic plans, annual performance plans and reports on a central website; b) Agency Priority Goals and Cross-Agency Priority Goals; c) reviews of agency performance; d) Federal Program Inventory; and e) elimination of unnecessary agency plans and reports. (Sections numbered 200 through 290)

Part 7: Contains supplementary materials. (Appendices numbered A through K and the Capital Programming guide)

How do I find information in the Circular?

The Circular groups related requirements together and presents requirements chronologically, where appropriate (e.g., instructions related to budget formulation are included in Part 2, and instructions related to budget execution are included in Part 4).

The information in each part is divided into chapters and, in some cases, subchapters. The chapters are organized into a series of sections that consist of consecutively numbered subsections. Section numbers are not repeated between parts. We reserved certain section numbers for future use, so there are gaps in the numbering scheme. Page numbers identify the section number and page within that section.

At the beginning of the Circular, there is a table of contents that identifies all the parts, chapters, sections and associated page numbers.

There is also a table of contents at the beginning of each section that identifies the subsections and exhibits contained in that section. We summarize major changes in policies and requirements at the beginning of the Circular. In addition, we describe the changes that affect each section at the beginning of that section and use vertical revision bars in the margins to highlight new requirements and significant changes. At the end of the Circular, there is an index.

OMB circulars, memoranda, and bulletins, including Circular No. A–11, are available for viewing or downloading at the following internet address:

http://www.whitehouse.gov/omb/agency/default/

Presidential Executive Orders are available for viewing or downloading at the following Internet address:

http://www.archives.gov/federal-register/codification/numeric-executive-orders.html

The internet version of the Circular contains a number of hyperlinks that link the various parts of A–11 with each other and other websites.

Normally, A–11 is fully revised annually. In addition, the guidance is usually updated in the fall to reflect changes and clarifications since the full revision. If you are working with a paper copy of A–11, please check the internet to make sure you have the latest version and updates.

What agencies are covered by the Circular?

This Circular applies to all Executive departments and establishments. In addition, some of the requirements apply to the Legislative and Judicial Branches, to the District of Columbia, and to Government-sponsored enterprises.

If you want an exception to the requirements in this Circular, you must get OMB approval in advance (see section 25.2).

What common conventions does this Circular use?

When the Circular refers to a specific year, assume it is a calendar year unless otherwise noted. The following phrases and abbreviations are used to identify specific fiscal years:

Fiscal Year	Description
Past year – 1 (PY–1)	The fiscal year immediately preceding the past year.
Past year (PY)	The fiscal year immediately preceding the current year; the last completed fiscal year.
Current year (CY)	The fiscal year immediately preceding the budget year.
Budget year (BY)	The next fiscal year for which estimates are submitted.
Budget year + 1 (BY+1) *through* budget year + 9 (BY+9)	The fiscal year following the budget year *through* the ninth fiscal year following the budget year.

Special budget terms, such as budget authority, obligations, and outlays, are defined in section 20.

In Part 2, the term ***schedule*** refers to a set of data within the MAX budget database that is complete in itself and describes a view or slice of the President's Budget. Schedules are described in section 79.

Who can answer questions about the Circular?

The following table lists OMB organizational units with primary responsibility for certain sections of the Circular. You should direct general questions on the instructions and underlying concepts to these units.

Direct agency-specific questions on the application of these instructions, as well as on sections not listed below, to your OMB program examiner or Resource Management Office.

OMB CONTACTS

Section No.	Description	OMB Contact	Telephone No.*
PART 2			
51.13	Justification of unobligated balances in credit liquidating accounts	Budget Analysis Branch, Budget Analysis and Systems Division	395–5156
51.19, 55	Information technology investments	Office of E-Government and Information Technology	395-4927
51.19	Non-information technology investments	Office of Federal Procurement Policy	395-2181
51.19	Aircraft procurement	Office of Federal Procurement Policy	395-2181
52	Financial management information	Accountability, Performance, and Reporting Branch, Office of Federal Financial Management	395–3993
54	Rental payments for space and land	Transportation/GSA Branch, Transportation, Homeland, Justice, and Services Division	395–5704
PART 6	Performance management information such as agency goals, strategic plans, performance plans, and performance reports	Performance and Personnel Management Division	395–6591
—	MAX A–11 User's Guide	Budget Systems Branch, Budget Analysis and Systems Division	395–6860

*Area code is 202

SUMMARY OF CHANGES

Note: Vertical revision bars " | " are used in the margin of the Circular to highlight new requirements and significant changes.

Section No.	Change
20.3, 20.4	Explains that the term "unobligated balance" does not include expired balances that are available for adjustment only; rescissions and cancellations of such amounts would not count as discretionary offsets for appropriations.
20.4	Reminds agencies that advance appropriations must be accommodated within the statutory spending caps for the fiscal year in which the funds become available for obligation.
20.9	Updates the descriptions of discretionary and mandatory spending and PAYGO.
31.8	Notes new guidance in OMB Memorandum M-13-13 and that the agency Information Resources Management strategic plan should reflect how the agency will comply with the open data policy.
32	Updates the cost factors used in estimating budget year pay raise costs and Federal employee retirement costs.
55	Provides general guidance related to reporting on IT investments and the templates used to collect that information.
79	Instructs agencies to use the new web-based version of the MAX A-11 data entry application for submitting the data to populate budget schedules; the existing windows-based MAX A-11 application will no longer be available for budget schedule data. The existing windows-based application will continue to be available for updating Appendix text (appropriations language and narrative), and a new web-based version of the Appendix text editor will be available on a pilot basis.
80.7	Advises agencies to consult their OMB representative to determine which materials they are required to provide; information is not required for each baseline assumption.
81.2, 82.18, Appendix F	Clarifies the general rules for classifying offsetting collections from Federal and non-Federal sources. These rules should be applied prospectively; agencies are not expected to review or reclassify existing offsetting collections.
82.18	Adds lines to report sequestration where concept was not previously captured.
83	Specifies that payments to whistleblowers should be reported in object class 11.8.
84.3	Drops the definitions for the memorandum research and development classifications; detailed instructions and definitions will be distributed by OMB prior to the reporting period.
85.4, 85.8	Requires agencies to report prior year FTE data directly to OMB instead of OPM.
86.3	Adds memo lines to schedule J to compare against MAX calculated line 0100 (Balance, start of year).
120.16	Provides an email address for any apportionment system issues.
123	Modifies the rule regarding the historical rate of obligations under a continuing resolution; drops old section 123.9 and old exhibit 123A.
130.1	Indicates that the FACTS II system satisfies the requirement of 31 USC 1554 for a report on unliquidated obligations, unobligated balances, canceled balances, and adjustments made to appropriation accounts during the completed fiscal year.

Section No.	Change
145.2	Provides guidance regarding what to do if an agency's Antideficiency Act report involves a violation of a funding restriction in a non-appropriations statute.
145.7	Provides guidance regarding naming a responsible official in Antideficiency Act reports.
185.6	Clarifies that, even in cases where OMB has agreed to a non-standard reestimate schedule, a technical reestimate must be performed the year a cohort reaches 90 percent disbursement in order to calculate the final cohort interest rate.
185.10	Clarifies that loan levels reported on schedule U must be the lower of the amount that can be obligated with available subsidy budget authority or under enacted and anticipated loan limitations.
210	Updates implementation of the GPRA Modernization Act of 2010 requirement for agencies to transition performance information to a central website Performance.gov in machine-readable format.
230	Describes Strategic Plan content and timeframes for development with the FY 2015 Budget as required by the GPRA Modernization Act of 2010.
270.8 – 270.23	Updates agency implementation of strategic reviews which address GPRA Modernization Act of 2010 requirement 1116(f).
Appendix F	Clarifies that the MAX lines used to report transfers of unobligated balances (X1010 and X1011) can include balances of appropriations and spending authority from offsetting collections, without separate identification. Adds lines for expired balances available for adjustment only.

CIRCULAR NO. A–11

PART 1

GENERAL INFORMATION

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
JULY 2013

SECTION 10—OVERVIEW OF THE BUDGET

Table of Contents

The Budget Process

10.1 What is the budget?
10.2 What is the legal requirement to prepare the budget?
10.3 What kinds of information does the budget provide?
10.4 Which agencies does the budget cover?
10.5 What happens during the Federal budget process and when?
10.6 What is the Mid-Session Review?

The Central Financial Agencies

10.7 What are the central financial agencies?
10.8 What are the responsibilities and functions of OMB?
10.9 What are the responsibilities and functions of the Treasury?
10.10 What are the responsibilities and functions of CBO?
10.11 What are the responsibilities and functions of GAO?
10.12 How do OMB, CBO, FMS, and GAO responsibilities overlap?

10.1 What is the budget?

In this Circular, the term *budget* means the President's Budget—*The Budget of the United States Government*. The budget consists of several volumes that set forth the President's financial proposal with recommended priorities for allocating resources. The main *Budget* volume contains the President's Budget message and other broad statements of policy. The *Appendix* contains detailed information by agency, bureau or program group, budget accounts, programs, and activities. Other volumes, such as *Analytical Perspectives* and *Historical Tables*, provide complementary views of the budget. Most of the information contained in the budget is, or is based on, information you submit for your agency and programs in response to this Circular.

The term "budget" can mean other things in other contexts. It often refers to the full receipt and outlay proposals rather than the volumes in which these amounts are published. Some people refer collectively to the budget resolution and revenue and spending bills that the Congress passes, which we describe below, as the "congressional budget." Ultimately, the Congress and the President enact many laws that control the Government's receipts and spending, which we sometimes refer to collectively as the budget, as in "enacting the budget."

This section provides a broad overview of the budget process. You can read more about the budget process in a chapter of the *Analytical Perspectives* volume of the most recent budget, "The Budget System and Concepts." You can view or download budget documents at the following Internet address:

http://www.budget.gov/budget

10.2 What is the legal requirement to prepare the budget?

The Budget and Accounting Act requires the President to submit a budget (see section 15.2). The President formally transmits his proposals for allocating resources to the Congress through the budget. The Congress considers the recommendations and uses the information included in the budget as it drafts and passes laws that affect spending and receipts. Through this process the Government decides how much money to spend, what to spend it on, and how to raise the money it has decided to spend.

10.3 What kinds of information does the budget provide?

The budget focuses primarily on the budget year—the upcoming fiscal year for which the Congress needs to make appropriations. However, it includes data for the most recently completed year, the current year, and at least the four years following the budget year (outyears) in order to reflect the effect of budget decisions over the longer term. In addition to proposed appropriations for the budget year, the budget may include proposed changes to appropriations for the current year (supplementals and rescissions), and legislative proposals that would affect the current year, the budget year, or the outyears.

The budget provides actual or estimated data (stated in millions or billions of dollars, depending on the context) for the following:

- The amount by account that each agency may obligate the Government to pay (budget authority) and estimates of payments (outlays) by agency and account;
- The amount of receipts each agency collects from various sources;
- Budget authority, outlays, and receipts by major function of the Government, such as national defense; (This is why we assign each budget account a functional classification code(s).)
- Total budget authority, outlays, and receipts for the Government; and
- The actual or estimated surplus (when receipts exceed outlays) or deficit (when outlays exceed receipts).

The budget divides the Government totals for budget authority, outlays, and receipts into "on-budget" amounts and "off-budget" amounts. The off-budget amounts include the transactions of the Social Security trust funds and the Postal Service, which are excluded by law from the on-budget totals.

The budget arrays data in many different ways. For example, one section of the budget focuses solely on Federal investment spending. Also, while the budget focuses primarily on dollars, it also includes data on other resources, such as Federal employment levels.

10.4 Which agencies does the budget cover?

The budget covers the agencies of all three branches of Government—Executive, Legislative, and Judicial—and provides information on Government-sponsored enterprises. In accordance with law or established practice, OMB includes information on agencies of the Legislative Branch, the Judicial Branch, and certain Executive Branch agencies as submitted by those agencies without change. By longstanding practice, the budget presents information about the Board of Governors of the Federal Reserve System but does not include amounts for the Board in the budget totals, even though it is a Government agency, because of the independent status of the System. The budget includes information about the Government-sponsored enterprises, such as the Federal National Mortgage Association (Fannie Mae), but does not include them in the budget totals because they are privately owned. (Section 25 discusses the applicability of Part 2 of this Circular to various agencies.)

10.5 What happens during the Federal budget process and when?

The budget process occurs in three main phases:

- *Formulation*. During this phase, the Executive Branch prepares the President's Budget. OMB and the Federal agencies begin preparing the next budget almost as soon as the President has sent the last one to the Congress. OMB officially starts the process by sending planning guidance to Executive Branch agencies in the spring. The President completes this phase by sending the budget to the Congress on the first Monday in February, as specified in law, although occasionally Presidents have sent it later for various reasons. For example, in a year with a transition between outgoing and incoming Administrations, the timing of the President's Budget transmittal changes.

- *Congressional*. This phase starts in late January or February, when the Congress receives the President's Budget. The Congress does not vote on the President's Budget itself, and it does not enact a budget of its own, as such. It considers the President's Budget proposals, passes overall revenue and spending plan called a "budget resolution," and enacts the regular appropriations acts and other laws that control spending and receipts.

- *Execution.* This phase lasts for at least five fiscal years and includes two parts.

  - The *apportionment* part pertains to funds appropriated for that fiscal year and to balances of appropriations made in prior years that remain available for obligation. At the beginning of the fiscal year, and at such other times as necessary, OMB apportions funds—that is, specifies the amount of funds that an agency may use by time period, program, project, or activity—to Executive Branch agencies. Throughout the year, agencies hire people, enter into contracts, and enter into grant agreements, etc., in order to carry out their programs, projects, and activities. These actions use up the available funds by obligating the Federal Government to make outlays, immediately or in the future.

  - The *reporting and outlay* part lasts until funds are canceled (one-year and multiple-year funds are canceled at the end of the fifth year after the funds expire for new obligations) or until funds are totally disbursed (for no-year funds). Note: the canceled phase of annual and multi-year authority (see section 20.4(c)) or cancellations of budgetary resources in no-year accounts pursuant to 31 U.S.C. 1555 should not be confused with cancellations as a type of reduction (see section 20.4(i)).

The following tables highlight the major events in each of the phases of the budget process. These tables show the planned timing or, when applicable, the timing specified in law. The actual timing may vary from the plan. For example, the Congress frequently does not enact all appropriations acts by the start of the fiscal year, and on several occasions the President has submitted the budget later than specified for various reasons, including late enactment of appropriations for the previous fiscal year or a change in Administrations. Since budget cycles overlap, we must begin the next cycle before completing the last one.

MAJOR STEPS IN THE FORMULATION PHASE

What happens?	When?
OMB issues Spring planning guidance to Executive Branch agencies for the upcoming budget. The OMB Director issues a letter to the head of each agency providing policy guidance for the agency's budget request. Absent more specific guidance, the outyear estimates included in the previous budget serve as a starting point for the next budget. This begins the process of formulating the budget the President will submit the following February.	Spring
OMB and the Executive Branch agencies discuss budget issues and options. OMB works with the agencies to: • Identify major issues for the upcoming budget; • Develop and analyze options for the upcoming Fall review; and • Plan for the analysis of issues that will need decisions in the future.	Spring and Summer

What happens?	When?
OMB issues Circular No. A–11 to all Federal agencies. This Circular provides detailed instructions for submitting budget data and materials.	July
Executive Branch agencies (except those not subject to Executive Branch review) make budget submissions. See section 25.	September*
Fiscal year begins. The just completed budget cycle focused on this fiscal year. It was the "budget year" in that cycle and is the "current year" in this cycle.	October 1
OMB conducts its Fall review. OMB staff analyzes agency budget proposals in light of Presidential priorities, program performance, and budget constraints. They raise issues and present options to the Director and other OMB policy officials for their decisions.	October–November
OMB briefs the President and senior advisors on proposed budget policies. The OMB Director recommends a complete set of budget proposals to the President after OMB has reviewed all agency requests and considered overall budget policies.	Late November
Passback. OMB usually informs all Executive Branch agencies at the same time about the decisions on their budget requests.	Late November
All agencies, including Legislative and Judicial Branch agencies, enter MAX computer data and submit print materials and additional data. This process begins immediately after passback and continues until OMB must "lock" agencies out of the database in order to meet the printing deadline.	Late November to early January *
Executive Branch agencies may appeal to OMB and the President. An agency head may ask OMB to reverse or modify certain decisions. In most cases, OMB and the agency head resolve such issues and, if not, work together to present them to the President for a decision.	December *
Agencies prepare and OMB reviews congressional budget justification materials. Agencies prepare the budget justification materials they need to explain their budget requests to the responsible congressional subcommittees.	January
President transmits the budget to the Congress.	First Monday in February

*OMB provides specific deadlines for this activity.

MAJOR STEPS IN THE CONGRESSIONAL PHASE

What happens?	When?
Congressional Budget Office (CBO) reports to Budget Committees on the economic and budget outlook.	January
CBO reestimates the President's Budget based on their economic and technical assumptions.	February
Other committees submit "views and estimates" to House and Senate Budget Committees. Committees indicate their preferences regarding budgetary matters for which they are responsible.	Within 6 weeks of budget transmittal
The Congress completes action on the concurrent resolution on the budget. The Congress commits itself to broad spending and revenue levels by passing a budget resolution.	April 15
The Congress needs to complete action on appropriations bills for the upcoming fiscal year or provides a "continuing resolution" (a stop-gap appropriation law).	September 30

MAJOR STEPS IN THE EXECUTION PHASE

What happens?	**When?**
Fiscal year begins.	October 1
OMB apportions funds made available in the annual appropriations process and other available funds. Agencies submit apportionment requests to OMB for each budget account by *August 21* or within *10 calendar days* after the approval of the appropriation, whichever is later. OMB approves or modifies the apportionment specifying the amount of funds agencies may use by time period, program, project, or activity.	September 10 (or within 30 days after approval of a spending bill)
Agencies incur obligations and make outlays to carry out the funded programs, projects, and activities. Agencies hire people, enter into contracts, and enter into grant agreements, etc., in order to carry out their programs, projects, and activities. Agencies record obligations and outlays pursuant to administrative control of funds procedures (see Appendix H), report to Treasury (see the Treasury Fiscal Requirements Manual and section 130), and prepare financial statements.	Throughout the fiscal year
Fiscal year ends.	September 30
Expired phase (no-year funds do not have an expired phase). Agencies disburse against obligated balances and adjust obligated balances to reflect actual obligations during the period of availability. Agencies continue to record obligations and outlays pursuant to administrative control of funds procedures, report to Treasury, and prepare financial statements.	Until September 30, fifth year after funds expire.

10.6 What is the Mid-Session Review?

The law requires the President to send a report to the Congress updating budget estimates on or before July 15th. This report contains revised budget estimates resulting from changes in economic assumptions, technical reestimates, Presidential initiatives, and completed congressional actions that have occurred since transmittal of the budget. Your OMB representative will provide guidance on the development of these estimates at the appropriate time.

10.7 What are the central financial agencies?

The central financial agencies are:

- The Office of Management and Budget (OMB), in the Executive Office of the President;
- The Department of the Treasury, Financial Management Service (FMS);
- The Congressional Budget Office (CBO), in the Legislative Branch; and
- The Government Accountability Office (GAO), in the Legislative Branch.

10.8 What are the responsibilities and functions of OMB?

OMB's predominant mission is to assist the President in overseeing the preparation of the President's Budget and to supervise its administration by the Executive Branch agencies. OMB evaluates the effectiveness of agency programs, policies, and procedures, assesses competing funding demands among agencies, and sets funding priorities. OMB ensures that agency reports, rules, testimony, and proposed legislation are consistent with the President's Budget and with Administration policies.

In addition, OMB oversees and coordinates the Administration's procurement, financial management, and information and regulatory policies. In each of these areas, OMB's primary role is to improve administrative management, develop better performance measures and coordinating mechanisms, and reduce any unnecessary burdens on the public.

For further information, refer to the OMB web site.

10.9 What are the responsibilities and functions of the Treasury?

Treasury, acting through FMS:

- Disburses a billion Federal payments like Social Security, veterans' benefits, and income tax refunds to more than 100 million people; (The Defense Department does not use FMS to disburse its funds.)
- Collects more than $2 trillion in Federal revenues;
- Oversees a daily cash flow of $10 billion;
- Provides centralized debt collection services to most Federal agencies; and
- Provides Government-wide accounting and reporting.

FMS gathers and publishes Government-wide financial information that is used by the public and private sectors to monitor the Government's financial status and establish fiscal and monetary policies. These publications include: the Daily Treasury Statement; the Monthly Treasury Statement; the Treasury Bulletin; the Combined Statement; and the Financial Report of the U.S. Government, which is the Federal Government's set of audited financial statements, a requirement of the Government Management and Reform Act of 1994.

For further information, refer to the FMS web site.

10.10 What are the responsibilities and functions of CBO?

CBO was created by the Congressional Budget and Impoundment Control Act of 1974. CBO's mission is to provide the Congress with the objective, timely, non-partisan analyses needed for economic and budget decisions and with the information and estimates required for the congressional budget process. CBO prepares analyses and estimates relating to the budget and the economy and presents options and alternatives for the Congress to consider but does not make recommendations on policy. CBO’s services can be grouped into four categories: helping the Congress formulate a budget plan; helping it stay within that plan; helping it assess the impact of Federal mandates; and helping it consider issues related to the budget and economic policy.

For further information, refer to the CBO web site.

10.11 What are the responsibilities and functions of GAO?

GAO is the investigative arm of the Congress. GAO helps the Congress meet its Constitutional responsibilities and helps improve the performance and accountability of the Federal Government for the American people. GAO examines the use of public funds, evaluates Federal programs and activities, and provides analyses, options, recommendations, and other assistance to help the Congress make effective oversight, policy, and funding decisions. In this context, GAO works to continuously improve the economy, efficiency, and effectiveness of the Federal Government through financial audits, program reviews and evaluations, analyses, legal opinions, investigations, and other services. GAO's activities are designed to ensure the Executive Branch's accountability to the Congress under the Constitution and the

Government's accountability to the American people. GAO is dedicated to good government through its commitment to the core values of accountability, integrity, and reliability.

For further information, refer to the GAO web site.

10.12 How do OMB, CBO, FMS, and GAO responsibilities overlap?

Here are a few examples:

- After OMB submits the President's Budget, CBO is responsible for re-estimating the budget.
- Both OMB and CBO score the costs of legislation (both appropriations and direct spending included in authorization bills). While Budget Committees have the ultimate responsibility for determining the scoring effects of legislation for Congressional enforcement, they typically rely on CBO estimates during congressional consideration of individual bills to ensure that they are consistent with the budget resolution totals. The President uses OMB estimates to determine the costs of budget-related legislation. OMB reconciles or explains differences between the two sets of discretionary estimates.
- OMB and FMS work together to establish any new Treasury accounts, both during the preparation of the Budget and after bills become laws.
- OMB provides its scoring to FMS to assist in FMS' responsibility to prepare warrants.
- OMB and FMS work together to estimate actual outlays during the course of a year.
- FMS gathers financial information through FACTS II (Federal Agencies' Centralized Trial-Balance System) that allows agencies to submit one set of accounting data (mostly budgetary, some proprietary) that fulfills the needs of the SF 133 Report on Budget Execution and Budgetary Resources, the FMS 2108 Year-End Closing Statement, and the prior-year column of the Program and Financing schedule in the President's Budget.
- OMB and FMS worked together to develop the FACTS II systems. FMS develops U.S. Standard General Ledger guidance to comply with OMB definitions.
- Both FMS and GAO provide guidelines used by financial managers as they account for Federal finances.
- OMB uses GAO audits and evaluations as part of its review of agency programs.

SECTION 15—BASIC BUDGET LAWS

Table of Contents

15.1 What laws govern the budget cycle?
15.2 Why is the Budget and Accounting Act important?
15.3 How does the Congress enact the budget and how is the budget enforced?
15.4 What laws govern the budget execution process when funds are actually spent?
15.5 What does the GPRA Modernization Act of 2010 require?
15.6 What do I need to know about the Federal Credit Reform Act of 1990?

15.1 What laws govern the budget cycle?

The Federal budget cycle can be divided into three distinct phases that are generally sequential and yet intertwined. The first phase, which culminates in the transmittal of the President's budget proposals to the Congress, is called the budget formulation phase. In the next phase, the Congress acts upon laws that together constitute the enacted budget. Once the laws have been enacted, executive agencies carry out the laws in the budget execution phase. The Federal budget cycle is governed mainly by the following laws, which we describe below:

- Budget and Accounting Act.
- Congressional Budget Act.
- Balanced Budget and Emergency Deficit Control Act (BBEDCA), as amended by the Budget Control Act.
- Statutory Pay-As-You-Go Act.
- Antideficiency Act.
- Impoundment Control Act.
- GPRA Modernization Act (formerly Government Performance and Results Act).
- Federal Credit Reform Act.

15.2 Why is the Budget and Accounting Act important?

Before enactment of this law in 1921, there was no annual centralized budgeting in the Executive Branch. Federal Government agencies usually sent budget requests independently to congressional committees with no coordination of the various requests in formulating the Federal Government's budget. The Budget and Accounting Act required the President to coordinate the budget requests for all Government agencies and to send a comprehensive budget to the Congress. It created the Bureau of the Budget, now the Office of Management and Budget (OMB), to help the President implement these requirements. It also required the President to include certain information in the budget. The Congress has amended the requirements many times and has codified them as Chapter 11, Title 31, U.S. Code. These are some of the requirements:

- "On or after the first Monday in January but not later than the first Monday in February of each year, the President shall submit a budget of the United States Government for the following fiscal year."

- "Each budget shall include a budget message and summary and supporting information. The President shall include in each budget the following...." The provision goes on to list about thirty items, such as expenditures and receipts for the past year through the fourth year following the budget year, information on debt, financial information, and information on employment levels.

- "Under regulations prescribed by the President, each agency shall provide information required by the President in carrying out this chapter. The President has access to, and may inspect, records of an agency to obtain information."

- "Estimated expenditures and proposed appropriations for the legislative branch and the judicial branch...shall be submitted to the President before October 16 of each year and included in the budget by the President without change."

15.3 How does the Congress enact the budget and how is the budget enforced?

The Congress does not enact a budget, as such. The Congress reviews the President's budget and develops its budget by approving three distinct kinds of measures:

- The Congress adopts a concurrent resolution in the spring that specifies total receipts and outlays and major categories of spending.

- Next, legislation authorizing changes in direct spending programs and in taxes are enacted consistent with the budget resolution.

- Finally, the Congress enacts discretionary appropriations in the regular appropriations bills for the upcoming fiscal year.

The current congressional budget process was established by the enactment of the Congressional Budget Act (CBA). Before the CBA, which was enacted in 1974, there was no annual centralized budgeting in the legislative branch. Each of the regular annual appropriations bills was acted on separately by the Congress and changes in taxes were authorized in another process. In addition, there was no established process to add up the total receipts and total spending in all the bills to reach the Federal Government's bottom line, whether it was a surplus or a deficit.

The CBA established the concurrent resolution on the budget, also known as the budget resolution, the House and Senate Budget Committees, the Congressional Budget Office, and procedures for relating individual appropriation actions to the budget totals. Also, the CBA defines some key budget terms, such as budget authority, that are used in all phases of the President's budget formulation process and the congressional budget process.

The CBA was amended extensively by a series of laws. The Balanced Budget and Emergency Deficit Control Act (BBEDCA), one of these amendments, had as its central feature a series of declining deficit targets. BBEDCA was amended by the Budget Enforcement Act, which applied a statutory pay-as-you-go (PAYGO) process to direct spending and revenue legislation and discretionary spending limits to annual appropriations acts. The statutory PAYGO process and discretionary spending limits expired in 2002. Recently enacted laws, however, have reinstated the statutory budget enforcement mechanisms for mandatory spending and revenues and discretionary spending.

The Statutory Pay-As-You-Go Act established a statutory procedure to enforce a rule of deficit neutrality on new revenue and mandatory spending legislation. The law requires that new legislation changing revenues or mandatory expenditures, taken cumulatively, must not increase projected deficits. If such legislation does increase projected deficits, the law requires automatic across-the-board cuts in non-exempt mandatory programs. The Budget Control Act, which amended the BBEDCA, established limits ("caps") on the amount of discretionary budget authority that can be provided through the annual appropriations process for 2012 through 2021. If the amount of appropriations provided in appropriations acts for a given year exceeds the caps, the law requires the President to cancel discretionary budgetary resources in non-exempt accounts by the excess amount.

Section 20.9 provides more information on the Statutory Pay-As-You-Go Act and the BBEDCA and their enforcement mechanisms.

15.4 What laws govern the budget execution process when funds are actually spent?

Chapters 13, 15, and 33 of Title 31, United States Code, govern the process of budget execution. Among these, the major laws are the Antideficiency Act, the Impoundment Control Act, the provisions known as the Economy Act which are found in section 1535, the provisions that govern the closing of accounts which are found in sections 1551 through 1555, and provisions of the "Miscellaneous Receipts Act," which is found in section 3302.

The Antideficiency Act requires OMB to apportion the accounts and to monitor spending; prohibits agencies from spending more than the amounts appropriated or apportioned, whichever is lower; requires that agencies control their spending; and provides penalties for overspending.

Specifically, agencies may not:

- Purchase services and merchandise *before* appropriations are enacted and accounts are apportioned;

- Enter into contracts that *exceed* the appropriation for the year or the amount apportioned by OMB, whichever is lower; or

- Pay bills when there is *no cash* in the appropriation or fund account.

The head of each agency is required to establish, by regulation, a system of administrative control of funds that:

- Restricts *obligation* and expenditure (outlays or disbursements) from each account to the *lower of* the amount apportioned by OMB or the amount available for obligation and/or expenditure.

- Enables the head of the agency to identify the person(s) responsible for violating the Act.

There are administrative and criminal *penalties* for violating the Antideficiency Act. Also, the agency head is required to report any violations to the President, through the OMB Director; to the Congress; and to the Comptroller General. See section 145 for instructions on reporting violations.

The Impoundment Control Act, which was enacted in 1974, requires that the President notify Congress whenever an official of the Executive Branch impounds (i.e. withholds) budget authority. There are two types of impoundments: the temporary *deferral* of funds and *rescission proposals* to permanently reduce spending. The Act also prescribes the rules that must be followed whenever the executive branch impounds funds. See section 112 for instructions on reporting deferrals and rescission proposals and the rules that must be followed.

15.5 What does the GPRA Modernization Act of 2010 require?

The GPRA Modernization Act of 2010 updates the Federal Government's performance management framework, retaining and amplifying some aspects of the Government Performance and Results Act of 1993 (GPRA) while also addressing some of its weaknesses. The GPRA in 1993 had established strategic planning, performance planning, and reporting as a framework for agencies to communicate progress in achieving their missions. The GPRA Modernization Act establishes some important changes to existing requirements that move toward a more useful approach to performance planning and reporting on a central website. The GPRA Modernization Act serves as a foundation for helping agencies to focus on their highest priorities and creating a culture where data and empirical evidence play a greater role in policy, budget, and management decisions. A central program inventory, also required by the Act, has the potential to facilitate coordination across programs by making it easier to find programs that can contribute to a shared goal, as well as improve public understanding about what Federal programs do and how programs link to budget, performance, and other information.

15.6 What do I need to know about the Federal Credit Reform Act of 1990?

This law governs Federal credit programs—ones that make direct loans and loan guarantees. The Act prescribes a special budget treatment for direct loans and loan guarantees that measures their subsidy cost, rather than their cash flows. For most credit programs, Congress must provide budget authority equal to the subsidy cost in annual appropriations acts before the program can make direct loans or loan guarantees. Section 185 of this Circular addresses the requirements of this law, which was enacted as an amendment of Title V of the Congressional Budget Act of 1974.

SECTION 20—TERMS AND CONCEPTS

Table of Contents

20.1 What is the purpose of this section?
20.2 How do I use this section?
20.3 What special terms must I know?
20.4 What do I need to know about budget authority?
  (a) Definition of budget authority
  (b) Forms of budget authority
  (c) Period of availability of budget authority
  (d) Determining the amount of budget authority
  (e) Discretionary or mandatory and permanent or current budget authority
  (f) Unobligated balance
  (g) Obligated balance
  (h) Reappropriation
  (i) Rescissions and cancellations
  (j) Transfer
  (k) Transfer in the estimates
  (l) Allocation
20.5 When should I record obligations and in what amounts?
20.6 What do I need to know about outlays?
20.7 What do I need to know about governmental receipts, offsetting collections, and offsetting receipts?
  (a) Overview
  (b) Governmental receipts
  (c) General information about offsets to budget authority and outlays
  (d) Offsetting collections
  (e) Offsetting receipts
  (f) Receipt accounts and expenditure accounts
  (g) User charges
  (h) Means of financing
20.8 What do I need to know about cash-equivalent transactions?
20.9 What do I need to know about discretionary spending, mandatory spending, and PAYGO?
20.10 What do I need to know about refunds?
20.11 What do I need to know about advances?
20.12 What do I need to know about accounts and fund types?
20.13 What do I need to know about reimbursable work?

Ex–20 Transfers of Budgetary Resources among Federal Government Accounts

Summary of Changes

Explains that the term "unobligated balance" does not include expired balances that are available for adjustment only. Explains that rescissions and cancellations of such amounts would not count as discretionary offsets for appropriations (sections 20.3 and 20.4(f)).

Reminds agencies that advance appropriations must be accommodated within the statutory spending caps for the fiscal year in which the funds become available for obligation (section 20.4(c)).

Updates the descriptions of discretionary and mandatory spending and PAYGO (section 20.9).

20.1 What is the purpose of this section?

In this section, we define budget terms—such as budget authority, obligation, and outlay—that you need to know in order to understand the budget process and this Circular. We also explain certain of the terms in depth.

20.2 How do I use this section?

- If you just need a brief definition of a term commonly used in the budget process, go to the next section (section 20.3). That section lists the terms in alphabetical order.
- If you need a more detailed explanation of the terms and concepts listed in the section titles of the Table of Contents above, go to sections 20.4–20.13.
- If you need to know more about the credit terms defined in section 20.3, go to section 185, Federal credit.
- If you need definitions of performance terms, go to section 200, Overview of strategic plans, annual performance plans, and annual program performance reports.

20.3 What special terms must I know?

Advance appropriation means appropriations of new budget authority that become available one or more fiscal years beyond the fiscal year for which the appropriation act was passed. (See section 20.4(c).)

Advance funding means appropriations of budget authority provided in an appropriations act to be used, if necessary, to cover obligations incurred late in the fiscal year for benefit payments in excess of the amount specifically appropriated in the act for that year, where the budget authority is charged to the appropriation for the program for the fiscal year following the fiscal year for which the appropriations act is passed. (See section 20.4(c).)

Agency means a department or establishment of the Government for the purposes of this Circular. (Compare to bureau.)

Allowance means a lump-sum included in the budget to represent certain transactions that are expected to increase or decrease budget authority, outlays, or receipts but that are not, for various reasons, reflected in the program details. For example, the budget might include an allowance to show the effect on the budget totals of a proposal that would affect many accounts by relatively small amounts, in order to avoid unnecessary detail in the presentations for the individual accounts. The President doesn't propose that Congress enact an allowance as such, but rather that it modify specific legislative measures as necessary to produce the increases or decreases represented by the allowance.

Amendment means a proposed action that revises the President's budget request and is transmitted prior to completion of action on the budget request by the Appropriations Committees of both Houses of Congress. (See section 110.2.)

Apportionment is a plan, approved by OMB, to spend resources provided by one of the annual appropriations acts, a supplemental appropriations act, a continuing resolution, or a permanent law (mandatory appropriations). Resources are apportioned by Treasury Account Fund Symbol (TAFS). The apportionment identifies amounts available for obligation and expenditure. It specifies and limits the obligations that may be incurred and expenditures made (or makes other limitations, as appropriate) for specified time periods, programs, activities, projects, objects, or any combination thereof. An apportioned amount may be further subdivided by an agency into allotments, suballotments, and allocations. (See Appendix H.)

Appropriated entitlement—See entitlement.

Appropriation means a provision of law (not necessarily in an appropriations act) authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority (see section 20.4).

Balanced Budget and Emergency Deficit Control Act of 1985, as amended, (BBEDCA) refers to legislation that shaped the budget process, first by setting fixed targets for annual deficits and then by replacing those with a Pay-As-You-Go requirement for new tax or mandatory spending legislation and with caps on annual discretionary funding. Most of these requirements expired in 2002. The Statutory Pay-As-You-Go Act of 2010, which did not amend BBEDCA, reinstated a statutory pay-as-you-go rule for revenues and mandatory spending legislation. The Budget Control Act of 2011 (BCA), which amended BBEDCA, reinstated discretionary caps on budget authority. (See section 20.9.)

Balances of budget authority means the amounts of budget authority provided in previous years that have not been outlayed.

Baseline means a projection of the estimated receipts, outlays, and deficit or surplus that would result from continuing current law or current policies through the period covered by the budget. (See section 80.)

Borrowing authority is a type of budget authority that permits obligations and outlays to be financed by borrowing. (See section 20.4(b).)

Budget means the Budget of the United States Government, which sets forth the President's comprehensive financial plan and indicates the President's priorities for the Federal Government. (See section 10.1.)

Budget authority (BA) means the authority provided by law to incur financial obligations that will result in outlays. Specific forms of budget authority include appropriations, borrowing authority, contract authority, and spending authority from offsetting collections. (See section 20.4.)

Budget Control Act of 2011 refers to legislation that, among other things, amended BBEDCA to reinstate discretionary spending limits on budget authority through 2021 and restored the process for enforcing those spending limits; increased the statutory debt ceiling; and established a Joint Select Committee on Deficit Reduction that was instructed to develop a bill to reduce the Federal deficit by at least $1.5 trillion over a 10-year period. It also provided a process to implement alternative spending reductions in the event that legislation achieving at least $1.2 trillion of deficit reduction was not enacted by January 15, 2012. (See section 20.9.)

Budget totals means the totals included in the budget for budget authority, outlays, receipts, and the surplus or the deficit. Some presentations in the budget distinguish on-budget totals from off-budget totals. On-budget totals reflect the transactions of all Federal Government entities, except those excluded from the budget totals by law. Off-budget totals reflect the transactions of Government entities that are excluded from the on-budget totals by law. Under current law, the off-budget totals include the Social Security trust funds and the Postal Service. The budget combines the on- and off-budget totals to derive unified (i.e. consolidated) totals for Federal activity.

Budgetary resources mean amounts available to incur obligations in a given year. Budgetary resources consist of new budget authority and unobligated balances of budget authority provided in previous years.

Bureau means the principal subordinate organizational units of an agency.

Cancellation means a proposal by the President to reduce budget resources (new budget authority or unobligated balances of budget authority) that is not subject to the requirements of Title X of the Congressional Budget and Impoundment Control Act of 1974. Resources that are proposed by the President for cancellation cannot be withheld from obligation pending Congressional action on the proposal. The term is sometimes used more broadly to refer to any legislative action taken by the Congress to reduce budgetary resources, including rescissions proposed by the President. Cancellations can either be temporary or permanent. (See section 20.4(i).)

Cancellations as a type of reduction should not be confused with the canceled phase of annual and multi-year authority (see section 20.4(c)) or cancellations of budgetary resources in no-year accounts pursuant to 31 U.S.C. 1555 (See Appendix F, line 6A).

Cap means the legal limits for each fiscal year under BBEDCA on the budget authority and outlays (only if applicable) provided by discretionary appropriations.

Cap Adjustment means either an increase or a decrease that is permitted to the statutory cap limits for each fiscal year under BBEDCA on the budget authority and outlays (only if applicable) provided by discretionary appropriations only if certain conditions are met. These conditions may include providing for a base level of funding, a designation of funds by the Congress (and in some circumstances, the President), or a change in concepts and definitions of funding under the cap. Changes in concepts and definitions require consultation with the Congressional Appropriations and Budget Committees.

Cash equivalent transaction means a transaction in which the Government makes outlays or receives collections in a form other than cash or in which the outlays or receipts recorded in the budget differ from the cash because the cash does not accurately measure the value of the transaction. (See section 20.8.)

CHIMP is an acronym for a "CHange (either a cost or a savings) In a Mandatory Program" that is proposed or enacted in an appropriations bill. Substantive changes to or restrictions on entitlement law or other mandatory spending law specified in appropriations laws that affect current-year or budget-year budget authority and the resulting outlays are treated as changes in discretionary spending for the purposes of scoring those appropriations laws. Once enacted, these changes are reclassified or "rebased" in the subsequent budget as mandatory spending. Under the Statutory Pay-As-You-Go Act of 2010, the outlay effects of CHIMPs that alter mandatory budget authority in an outyear or tax law in any year are classified as PAYGO (mandatory or revenue) impacts except when their net outlay effect is zero over a six-year period beginning with the current year. CHIMPs are separately identified with a specific budget enforcement subcategory classification known as a "discretionary change in a mandatory program" (see section 81.2). This classification only applies to policy estimates—not baseline estimates.

Collections mean money collected by the Government that the budget records as a governmental receipt, an offsetting collection, or an offsetting receipt (see section 20.7).

Contract authority is a type of budget authority that permits you to incur obligations in advance of an appropriation, offsetting collections, or receipts to make outlays to liquidate the obligations. Typically, Congress provides contract authority in an authorizing statute to allow you to incur obligations in anticipation of the collection of receipts or offsetting collections that will be used to liquidate the obligations. (See section 20.4(b).)

Cost means the price or cash value of the resources used to produce a program, project, or activity. This term is used in many different contexts. When used in connection with Federal credit programs, the term means the estimated long-term cost to the Government of a direct loan or loan guarantee, calculated on a net present value basis, excluding administrative costs and any incidental effects on governmental receipts or outlays (see section 185). For specific instructions on estimating costs, refer to the pertinent OMB instructions: for cost principles for educational institutions, see Circular No. A–21; for estimating costs for user charges, see Circular No. A–25; for rental and construction costs of Government quarters, see Circular No. A–45; for allowable costs for audits, see Circular No. A–50; for cost estimates in performing commercial activities, see Circular No. A–76; and for cost principles for State, local and Indian Tribal Governments, see Circular No. A–97. The term also refers to legislation or administrative actions that increase outlays or decrease savings.

Credit program account means a budget account that receives and obligates appropriations to cover the subsidy cost of a direct loan or loan guarantee and disburses the subsidy amount to a financing account. (See section 185.)

Current services estimates—See baseline.

Deferral means any executive branch action or inaction that temporarily withholds, delays, or effectively precludes the obligation or expenditure of budgetary resources. The President reports deferrals to Congress by special message. They are not identified separately in the budget. (See section 112.)

Deficit means the amount by which outlays exceed receipts in a fiscal year. It may refer to the on-budget, off-budget, or unified budget deficit. (See budget totals.)

Deposit fund means an account established to record amounts held temporarily by the Government until ownership is determined (for example, earnest money paid by bidders for mineral leases) or held by the Government as an agent for others (for example, State and local income taxes withheld from Federal employees' salaries and not yet paid to the State or local government). (See section 20.12.)

Direct loan means a disbursement of funds by the Government to a non-Federal borrower under a contract that requires the repayment of such funds with or without interest. The term also includes certain equivalent transactions that extend credit. (See section 185.) (Compare to loan guarantee.)

Direct spending—See mandatory spending.

Disaster funding means a discretionary appropriation that is enacted that the Congress designates as being for disaster relief. Such an appropriation results in a cap adjustment to the limits on discretionary spending under BBEDCA. The total adjustment for this purpose cannot exceed a ceiling for a particular year that is defined as the total of the average funding provided for disaster relief over the previous 10 years (excluding the highest and lowest years) and the unused amount of the prior year's ceiling (excluding the portion of the prior year's ceiling that was itself due to any unused amount from the year before). Disaster relief is defined as activities carried out pursuant to a determination under section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

Discretionary spending means budgetary resources (except those provided to fund mandatory spending programs) provided in appropriations acts. (See section 20.9.) (Compare to mandatory spending.)

Emergency requirement means an amount that Congress has designated as an emergency requirement in statute and, for discretionary appropriations, designated on an account by account basis. Such amounts are not included in the estimated budgetary effects of PAYGO legislation under the requirements of the Statutory Pay-As-You-Go Act of 2010, if they are mandatory or receipts. Such a discretionary appropriation that is subsequently designated by the President as an emergency requirement results in a cap adjustment to the limits on discretionary spending under BBEDCA.

Entitlement refers to a program in which the Federal Government is legally obligated to make payments or provide aid to any person who, or State or local government that, meets the legal criteria for eligibility. Entitlements are generally provided by an authorizing statute, and can include loan and grant programs. Examples include benefit payments for Social Security, Medicare, Medicaid, and unemployment insurance, as well as grants to States for CHIP and TANF. Some programs, such as veteran's compensation, Medicaid, SSI, and Child Nutrition, are entitlements even though they are funded by appropriations acts because the authorizing statutes for the programs unconditionally obligate the United

States to make payments. These are referred to as mandatory appropriations or appropriated entitlements. (See mandatory spending, section 20.9.)

Expenditure transfer—See transfers.

FACTS II means the Treasury Federal Agencies' Centralized Trial-balance System II. Agency staff uses this system to electronically submit the accounting data that (a) support the SF 133 Report on Budget Execution and Budgetary Resources and (b) are used for much of the initial set of past year data in MAX schedule P. (See sections 82.15 and 130.2)

Federal funds group refers to the moneys collected and spent by the Government through accounts other than those designated as trust funds. Federal funds include general, special, public enterprise, and intragovernmental funds. (See section 20.12.) (Compare to trust funds group.)

Financing account means a non-budgetary account (an account whose transactions are excluded from the budget totals) that records all of the cash flows resulting from post-1991direct loan obligations or loan guarantee commitments. At least one financing account is associated with each credit program account. For programs that make both direct loans and loan guarantees, separate financing accounts are required for direct loan cash flows and for loan guarantee cash flows. (See section 185.) (Compare to liquidating account.)

Fiscal year means the Government's accounting period. It begins on October 1 and ends on September 30, and is designated by the calendar year in which it ends.

Forward funding means appropriations of budget authority that become available for obligation in the last quarter of the fiscal year for the financing of ongoing grant programs during the next fiscal year. (See section 20.4(c).)

Full-time equivalent (FTE) employment is the basic measure of the levels of employment used in the budget. It is the total number of hours worked (or to be worked) divided by the number of compensable hours applicable to each fiscal year. (See section 85.)

Functional classification means the array of budget authority, outlays, and other budget data according to the major purpose served—for example, agriculture, national defense, and transportation. (See section 79.3.)

General fund means the accounts for collections not earmarked by law for a specific purpose, the proceeds of general borrowing, and the expenditure of these moneys. It is part of the Federal funds group.

Government sponsored enterprises (GSEs) means private enterprises that were established and chartered by the Federal Government for public policy purposes. They are classified as non-budgetary and not included in the Federal budget because they are private companies, and their securities are not backed by the full faith and credit of the Federal Government. However, the budget presents statements of financial condition for certain Government sponsored enterprises such as the Federal National Mortgage Association. (Compare to off-budget.)

Impoundment means any executive action or inaction that temporarily or permanently withholds, delays, or precludes the obligation or expenditure of budgetary resources.

Intragovernmental fund—See revolving fund.

Liquidating account means a budget account that records all cash flows to and from the Government resulting from pre-1992 direct loan obligations and loan guarantee commitments. Unlike financing accounts, these accounts are included in the budget totals. (See section 185.) (Compare to financing account.)

Loan guarantee means any guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender. The term does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions. (See section 185.) (Compare to direct loan.)

Mandatory appropriation—See entitlement authority.

Mandatory spending means spending controlled by laws other than appropriations acts (including spending for entitlement programs) and spending for the food stamp program. Although the Statutory Pay-As-You-Go Act of 2010 uses the term direct spending to mean this, mandatory spending is commonly used instead. (See section 20.9.) (Compare to discretionary spending.)

Means of financing refers to borrowing, the change in cash balances, and certain other transactions that are involved in financing a deficit. The term is also used to refer to the debt repayment, the change in cash balances, and certain other transactions involved in using a surplus. By definition, the means of financing are not treated as receipts or outlays and so are non-budgetary. (See section 20.7(h).)

Nonbudgetary transactions means transactions of the Government that do not belong in the budget because they do not represent net budget authority or outlays, but rather are a means of financing (such as deposit funds, direct loan and loan guarantee financing accounts, and seigniorage). (Compare to off-budget and means of financing.)

Non-expenditure transfer—See transfer.

Obligated balance means the cumulative amount of budget authority that has been obligated but not yet outlayed. As prescribed by 31 U.S.C. 1551, it is the amount of unliquidated obligations in an account less the amounts collectible as repayments to the account. In other words, it is unpaid obligations net of uncollected customer payments from Federal sources. (See section 20.4(g).)

Obligation means a binding agreement that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally. (See section 20.5.)

Obligation limitation means a type of budgetary resource appropriated to accounts in a manner similar to budget authority that limits the amount of budget authority already made available for obligation by another law. The obligation limitation is effectively the amount of new budget authority available for obligation for that period. Obligation limitations are common in Transportation and General Service Administration accounts.

Off-budget refers to transactions of the Federal Government that would be treated as budgetary had Congress not designated them by statute as "off-budget." Currently, transactions of the Social Security trust funds and the Postal Service are the only sets of transactions that are so designated. The term is sometimes used more broadly to refer to the transactions of private enterprises that were established and sponsored by the Government, most especially "Government sponsored enterprises" such as the Federal Home Loan Banks. (Compare to on-budget.)

Offsetting collections mean payments to the Government that, by law, are credited directly to expenditure accounts and deducted from gross budget authority and outlays of the expenditure account, rather than added to receipts. Usually, they are authorized to be spent for the purposes of the account without further action by Congress. They usually result from business-like transactions with the public, including payments from the public in exchange for goods and services, reimbursements for damages, and gifts or donations of money to the Government and from intragovernmental transactions with other

Government accounts. The authority to spend offsetting collections is a form of budget authority. (See sections 20.4(b) and 20.7.) (Compare to receipts and offsetting receipts.)

Offsetting receipts mean payments to the Government that are credited to offsetting receipt accounts and deducted from gross budget authority and outlays, rather than added to receipts. Usually they are deducted at the level of the agency and subfunction, but in some cases they are deducted at the level of the government as a whole. They are not authorized to be credited to expenditure accounts. The legislation that authorizes the offsetting receipts may earmark them for a specific purpose and either appropriate them for expenditure for that purpose or require them to be appropriated in annual appropriations acts before they can be spent. Like offsetting collections, they usually result from business-like transactions with the public, including payments from the public in exchange for goods and services, reimbursements for damages, and gifts or donations of money to the Government, and from intragovernmental transactions with other Government accounts. (See section 20.7.) (Compare to receipts and offsetting collections.)

On-budget refers to all budgetary transactions other than those designated as off-budget. (Compare to off-budget.)

Outlay means a payment to liquidate an obligation (other than the repayment of debt principal or other disbursements that are "means of financing" transactions). Outlays generally are equal to cash disbursements but also are recorded for cash-equivalent transactions, such as the issuance of debentures to pay insurance claims, and in a few cases are recorded on an accrual basis such as interest on public issues of the public debt. Outlays are the measure of Government spending. (See section 20.6.)

Outyear estimates mean estimates presented in the budget for the years beyond the budget year of budget authority, outlays, receipts, and other items (such as debt).

Overseas Contingency Operations/Global War on Terrorism (OCO/GWOT) means a discretionary appropriation that is enacted that the Congress and, subsequently, the President have so designated on an account by account basis. Such a discretionary appropriation that is designated as OCO/GWOT results in a cap adjustment to the limits on discretionary spending under BBEDCA. Funding for these purposes has most recently been associated with the wars in Iraq and Afghanistan.

Pay-as-you-go (PAYGO) refers to the requirements of the Statutory Pay-As-You-Go Act of 2010 that result in a sequestration if the estimated combined result of new legislation affecting direct spending or revenue increases the on-budget deficit relative to the baseline, as of the end of a congressional session. (See section 20.9.)

Public enterprise fund—See revolving fund.

Reappropriation means an extension of the availability of unobligated balances of budget authority that have expired or would otherwise expire as a result of legislation enacted subsequent to the law that provided the budget authority. (See section 20.4(h), section 120.66.)

Receipts mean collections that result from the Government's exercise of its sovereign power to tax or otherwise compel payment. They are compared to outlays in calculating a surplus or deficit. (See section 20.7.) (Compare to offsetting collections and offsetting receipts.)

Reduction in budgetary resources means a rescission (see section 20.4(i)); cancellation (see section 20.4(i)); across-the-board reduction; or sequestration (see section 20.9).

Refund means the return of excess payments to or by the Government. (See section 20.10.)

Reimbursable obligation means an obligation financed by offsetting collections credited to an expenditure account in payment for goods and services provided by that account. (See section 83.5.)

Rescission means a proposal by the President to reduce budgetary resources (new budget authority or unobligated balances of budget authority) pursuant to the requirements of Title X of the Congressional Budget and Impoundment Control Act of 1974. Resources that are proposed by the President for rescission may be withheld from obligation for 45 calendar days of continuous session of the Congress (excluding an adjournment of more than three days on which either House is not in session) pending congressional action on the proposal. The term is often used more broadly to refer to any legislative action taken by the Congress to reduce budgetary resources, including reductions that were not proposed pursuant to the Impoundment Control Act. Rescissions can either be temporary or permanent. (See section 20.4(i).)

Revolving fund means a fund that conducts continuing cycles of business-like activity, in which the fund charges for the sale of products or services and uses the proceeds to finance its spending, usually without requirement for annual appropriations. There are three types of revolving funds: Public enterprise funds, which conduct business-like operations mainly with the public, intragovernmental revolving funds, which conduct business-like operations mainly within and between Government agencies, and trust revolving funds, which conduct business-like operations mainly with the public and are designated by law as a trust fund. (See section 20.12.)

Scorekeeping means measuring the budget effects of legislation, generally in terms of budget authority, receipts, and outlays, for purposes of measuring adherence to the Budget or to budget targets established by Congress, as through agreement to a Budget Resolution. (See section 20.9.)

Sequestration means the cancellation of budgetary resources. The Statutory Pay-As-You-Go Act of 2010 requires such cancellations if revenue or direct spending legislation is enacted that, in total, increases projected deficits or reduces projected surpluses relative to the baseline. Under the law, selected mandatory programs would be subject to across-the-board cancellations. BBEDCA, as amended, requires such cancellations if discretionary appropriations exceed the statutory limits on discretionary spending. (See section 20.9.)

Special fund means a Federal fund account for receipts earmarked for specific purposes and the expenditure of these receipts. (See section 20.12.)

Spending authority from offsetting collections is a type of budget authority that permits obligations and outlays to be financed by offsetting collections (see section 20.4(b)). (Compare to offsetting collections.)

Statutory Pay-As-You-Go Act of 2010 refers to legislation that reinstated a statutory pay-as-you-go requirement for new tax or mandatory spending legislation. The law is a stand-alone piece of legislation that cross-references BBEDCA but does not directly amend that legislation.

Subsidy means the estimated long-term cost to the Government of a direct loan or loan guarantee, calculated on a net present value basis, excluding administrative costs and any incidental effects on governmental receipts or outlays. (See section 185.)

Supplemental appropriation means an appropriation enacted subsequent to a regular annual appropriations act, when the need for funds is too urgent to be postponed until the next regular annual appropriations act. (See section 110.2.)

Surplus means the amount by which receipts exceed outlays in a fiscal year. It may refer to the on-budget, off-budget, or unified budget surplus. (See budget totals.)

Third scorecard is sometimes used to refer to the effects of a mandatory or revenue proposal that are not subject to PAYGO (see sections 79.2 and 81.2 for more information on reporting these effects in MAX.) These non-PAYGO effects may include:

- The PAYGO-exempt portions of mandatory or revenue proposals that require authorizing legislation, such as off-budget or emergency legislation;

- The indirect effect of mandatory or revenue proposals, including proposals that require authorizing legislation, which are not subject to PAYGO. Indirect effects include the effects on interest;

- The mandatory or revenue savings or costs that result from discretionary policies, such as the savings associated with an increased level of anti-fraud or enhanced compliance effort achieved by additional administrative or program management funding.

Transfer means to move budgetary resources from one budget account to another. Depending on the circumstances, the budget may record a transfer as an expenditure transfer, which means a transfer that involves an outlay, or as a nonexpenditure transfer, which means a transfer that doesn't involve an outlay. (See section 20.4(j).)

Transfer in the estimates means a proposal to stop funding an activity through one budget account and begin funding it through another account. A transfer in the estimates doesn't involve a transfer of budgetary resources between the accounts. (See section 20.4(k).)

Treasury Account Symbol (TAS) refers to the account identification codes assigned by the Department of the Treasury to individual appropriation, receipt, or other fund accounts. The term "Treasury Appropriation Fund Symbol," which is defined below, refers to a particular type of TAS. All financial transactions of the Federal Government are classified by TAS for reporting to the Department of Treasury and the Office of Management and Budget.

Treasury Appropriation Fund Symbol (TAFS) refers to the separate Treasury accounts for each appropriation title based on the availability of the resources in the account. The TAFS is a combination of Federal account symbol and availability code (e.g., annual, multi-year, or no-year). (See section 20.4(c)).

Trust fund refers to a type of account, designated by law as a trust fund, for receipts or offsetting receipts dedicated to specific purposes and the expenditure of these receipts. Some revolving funds are designated as trust funds, and these are called trust revolving funds. Trust revolving funds have no receipt account and the collections are credited directly to the expenditure account. (See section 20.12.) (Compare to special funds and revolving funds.)

Trust funds group refers to the moneys collected and spent by the Government through trust fund accounts. (See section 20.12.) (Compare to Federal funds group.)

Unexpended balance means the sum of the unobligated and obligated balances.

Unobligated balance means the cumulative amount of budget authority that remains available for obligation under law in unexpired accounts. The term "expired balances available for adjustment only" refers to unobligated amounts in expired accounts. (See section 20.4(f).)

User charges are charges assessed for the provision of Government services and for the sale or use of Government goods or resources. The payers of the user charge must be limited in the authorizing legislation to those receiving special benefits from, or subject to regulation by, the program or activity beyond the benefits received by the general public or broad segments of the public (such as those who pay income taxes or customs duties). User charges are defined and the policy regarding user charges is established in OMB Circular A–25, "User Charges" (July 8, 1993). The term encompasses proceeds from the sale or use of government goods and services, including the sale of natural resources (such as timber, oil, and minerals) and proceeds from asset sales (such as property, plant, and equipment). (See section 20.7(g).)

Warrant means an official document issued by the Secretary of the Treasury, pursuant to law, that establishes the amount of appropriations approved by Congress that can be obligated and disbursed.

20.4 What do I need to know about budget authority?

(a) *Definition of budget authority*

Budget authority (BA) means the authority provided by law to incur financial obligations that will result in outlays. This definition is the same as the one contained in section 3(2) of the Congressional Budget and Impoundment Control Act of 1974, which Congress uses in the congressional budget process. You violate the law if you enter into contracts, issue purchase orders, hire employees, or otherwise obligate the Government to make a payment before a law has provided budget authority for that purpose (see section 145.1).

(b) *Forms of budget authority*

Most laws provide budget authority in the form of appropriations, but some laws provide budget authority in the form of contract authority, borrowing authority, or spending authority from offsetting collections. The following table summarizes the characteristics of each form of budget authority, and the text following the table discusses them in more depth.

FORMS OF BUDGET AUTHORITY

Form of budget authority	Summary of Characteristics
Appropriation	• Authorizes obligations and outlays using general funds, special funds, or trust funds. • Provided in appropriations acts and other laws. • May authorize the use of cash-equivalent payments. • Not all appropriations provide budget authority.
Contract authority	• Authorizes obligations but not outlays. • Typically provided in authorizing laws with variations in the way obligations are liquidated.
Borrowing authority	• Authorizes obligations with outlays to be financed by borrowing, usually from Treasury. • Typically provided in laws that authorize business-like operations and require the borrowing to be repaid, with interest, out of the business proceeds.
Spending authority from offsetting collections	• Authorizes obligations and outlays using offsetting collections. • Typically provided in authorizing laws. • Appropriations acts limit obligations in some cases. • Budget authority may be recorded and obligations incurred against orders from other

Form of budget authority	Summary of Characteristics
	Federal accounts only if an obligation is recorded by the paying account; obligations normally cannot be incurred against orders from the public without an advance.

(1) **Appropriations**, as a type of budget authority, permit you to incur obligations and make outlays (payments). (Not all appropriations provide budget authority, as explained below.) Congress enacts appropriations in annual appropriations acts and other laws. An appropriation may make funds available from the general fund, special funds, or trust funds. An appropriations act may also authorize the spending of offsetting collections, which are credited to expenditure accounts (including revolving funds) (see spending authority from offsetting collections below).

A law that authorizes you to incur obligations and liquidate them through cash-equivalent payments (see section 20.8) constitutes an appropriation of budget authority.

Some appropriations are not recorded as new budget authority because they relate to obligations that have already been legally incurred and do not provide the authority to incur new obligations. Amounts appropriated to liquidate contract authority provide the cash needed to liquidate obligations incurred against contract authority in advance of collections or an appropriation to liquidate; amounts appropriated to liquidate debt provide the cash needed to repay money borrowed from Treasury to liquidate obligations incurred against borrowing authority.

In contrast, deficiency appropriations, which allow agencies to liquidate obligations that were incurred in a prior fiscal year without sufficient budget authority to legally cover such obligations, are recorded as new budget authority but deducted from the total budgetary resources available for obligation. Deficiency appropriations reduce or eliminate the negative balance that results from obligating amounts in excess of an account's budgetary resources (see section 82.18 and Appendix F). This treatment helps ensure that any obligations that were incurred without sufficient budget authority, particularly in cases where the obligation has yet to be liquidated, are still recognized in the budget authority totals as a current cost. If these costs are not recognized as new budget authority, then the total budget authority available to enter into new obligations in a given fiscal year will have effectively been allowed to increase without scoring the impact of that increase. See section 145.10 for guidance on requesting a deficiency appropriation.

For purposes of the Antideficiency Act, the definition of the term "appropriations" is broader. As defined by the Act, it means all new budget authority and balances of budget authority as described here.

(2) **Contract authority** permits you to incur obligations in advance of an appropriation, offsetting collections, or receipts that enable you to make outlays to liquidate the obligations. Typically, Congress provides contract authority in an authorizing statute to allow you to incur obligations in anticipation of the collection of receipts or offsetting collections that will be used to liquidate the obligations. When you receive the appropriated receipts or the collections, you replace the contract authority with the appropriation or the spending authority from the offsetting collections to cover the obligations and subsequently liquidate the obligations.

For some programs, the law authorizes you to use offsetting collections to liquidate the obligations incurred against the contract authority without further appropriation action. In a few cases, such as the foreign military sales program, the law that provides the contract authority also appropriates the receipts without further appropriation action. For other programs, such as certain highway and airport and airway programs, Congress as a matter of custom requires you to seek an appropriation of receipts to liquidate the obligations.

In some instances, if the program does not have sufficient collections to liquidate the obligations incurred against contract authority, Congress may enact a general fund appropriation.

(3) **Borrowing authority** permits you to incur obligations and authorizes you to borrow funds to liquidate the obligations. Usually, the law authorizing the borrowing specifies that you must borrow from the Treasury, but in a few cases it authorizes borrowing directly from the public. Laws usually authorize borrowing for business-like operations, such as the Tennessee Valley Authority, which generates and sells electrical power. Such laws require the program to repay the borrowing, with interest, out of business proceeds.

(4) **Spending authority from offsetting collections**, usually provided in permanent law, permits you to credit offsetting collections to an expenditure account (see section 20.7(d)), to incur obligations, and to make payments using the offsetting collections.

You record spending authority from offsetting collections and the offsetting collections in the program and financing schedule of an account (see section 82.18). In the simplest case, you record gross budget authority equal to the cash collections for the year (lines 1700 and 1800) and record the cash collections as an offset to the budget authority (lines 4030-4034 and 4120-4124). Net budget authority equals zero in such cases. In other cases, you must adjust spending authority from cash collections to yield the amount available as budget authority. We describe these adjustments in section 82.18 (lines 1701-1728 and 1801-1827). We discuss some of these adjustments (offsetting collections credited to expired accounts, changes in uncollected customer payments from Federal sources, and amounts precluded from obligation—in more detail below.

Offsetting collections credited to expired accounts. For **annual** and **multi-year** accounts that perform reimbursable work, the spending authority from the offsetting collections belongs to the Treasury account that filled the order. (See section 20.12 for the distinction between Treasury accounts (TAFS) and budget accounts.) The availability of the spending authority is generally the same as the Treasury account to which it belongs. If the annual or multi-year Treasury account has expired, then you should NOT record the collection as new spending authority (schedule P lines 1700 and 1800) because it is not available to incur new obligations. It is not new budget authority. However, collections that belong to expired Treasury accounts are available to pay old bills, until the authority is canceled. You record collections in expired accounts as offsetting collections along with the collections in unexpired accounts (schedule P lines 4030-4034 and 4120-4124). You report the portion credited to expired accounts only on schedule P lines 4052 or 4142. For more information on determining the period of availability of budget authority, see section 20.4(c). As discussed in section 20.12), each budget account covers all the Treasury accounts with the same appropriation title. The program and financing schedule covers:

- Unexpired accounts (annual, multi-year and no-year); and
- Expired accounts.

You subtract all offsetting collections (unexpired and expired) from gross outlays to yield net outlays so that the contribution of the budget account to the Federal Government's bottom line (the surplus or deficit) can be determined.

For **no-year** accounts, you record gross new budget authority (spending authority from offsetting collections) equal to the collections for the year and record the collections as an offset to the budget authority.

Because offsetting collections and offsetting receipts are deducted from gross budget authority, they are referred to as negative budget authority for some purposes, such as Congressional Budget Act provisions that pertain to budget authority.

Amounts precluded from obligation. A law may preclude you from using some of the offsetting collections to incur obligations. In these cases, the precluded amounts are not counted as budget authority. However, you always deduct the full amount of offsetting collections (cash) from gross budget authority and gross outlays in the year you collect them, even where a law precludes you from obligating all or a portion of the collections in that year. For this reason, an account can have negative net budget authority or outlays. As a general rule, you record obligations first against new offsetting collections. To the extent that the new offsetting collections are not adequate to cover obligations, you record new budget authority from previously unavailable balances of offsetting collections, but you may not exceed the new obligation limitation, if any.

Changes in uncollected customer payments from Federal sources. You need to adjust the spending authority from cash collections if the account is authorized to perform reimbursable work for another Federal account and you incur obligations against receivables from Federal sources and unfilled customer orders from Federal sources without an advance—that is, before receiving the cash. The law allows you to incur such obligations as long as the paying account is a Federal account and an obligation is recorded against resources available to the paying account. For example, a financing account can obligate against a subsidy accounts receivable from the program account before the cash is received from the program account if the program account has recorded an obligation in the form of a subsidy accounts payable to the financing account. (You cannot incur obligations against customer orders received from non-Federal sources without an advance, unless a law specifically allows it.)

In these cases, you must add any net increase in such amounts for the year to the spending authority from cash collections, or subtract any net decrease in such amounts for the year from the spending authority from cash collections, to yield the gross budget authority available to the account from offsetting collections. You also add (or subtract) the same amount to offsetting collections (cash) to yield the amount of the offset applied to gross budget authority when calculating net budget authority (see section 82.18).

When program levels remain relatively stable, the amount of reimbursements from other Federal Government accounts that is earned but not collected should remain relatively stable and any changes in uncollected customer payments from Federal sources should net to zero. Therefore, unless an account is projecting significant increases or decreases in program level, there should be no outyear estimates of changes in uncollected customer payments.

(c) *Period of availability of budget authority*

When a law appropriates budget authority, it sets the period during which you can use it to incur new obligations. We call this the period of availability for new obligations of the budget authority, and the period normally is specified in the law providing the budget authority. The period of availability for incurring new obligations is shorter than the period of availability for making disbursements, which is covered by a general law. Each is described below.

Period of availability for incurring new obligations:

- **Annual budget authority**. This term refers to budget authority that is available for obligation during only one fiscal year or less. One year is the default period of availability for annual appropriations acts (including an appropriation that provides indefinite authority such as “such sums as may be necessary…”), because a general provision in each of the acts specifies that the amounts provided in the act are available for one year, unless the act expressly provides otherwise. Even if there were not such a provision, the preamble of an appropriations act says that it is for a specific fiscal year. For example, the following language in an appropriation act would provide one-year budget authority: "For expenses of the Office of the Secretary, $1,500,000."

- **Multi-year budget authority**. The language for a specific appropriation of budget authority in an appropriations act or the authorization of the appropriation may make all or some portion of the amount available for obligation for a specified period of time in excess of one fiscal year. Usually, the period covers two or more whole fiscal years, but it may cover a period that includes part of the second fiscal year. We refer to such budget authority as multi-year budget authority or, specifically, as two-year budget authority, three-year budget authority, etc. For example, if the following language appeared in an appropriations act for 2011, it would provide two-year budget authority: "For research and development, $1,500,000, to remain available until September 30, 2012."

- **No-year budget authority**. The language for a specific appropriation of budget authority or the authorization of the appropriation may make all or some portion of the amount available until expended. That means you can incur obligations against it indefinitely. We refer to this as no-year budget authority. For example, the following language provides no-year budget authority: "For construction, improvements, repair or replacement of physical facilities, $1,500,000, to remain available until expended." Authorizing laws that make appropriations seldom limit the period of availability, so most budget authority provided in authorizing laws is no-year budget authority.

Usually an appropriations act makes budget authority available beginning on October 1 of the fiscal year for which the appropriation act is passed. However, there are three types of appropriations where that is not the case.

- **Advance appropriation** means appropriations of new budget authority that become available one or more fiscal years beyond the fiscal year for which the appropriation act was passed. For example, if the following language appeared in an appropriations act for fiscal year 2012, it would provide an advance appropriation for fiscal year 2013: "For operating expenses, $1,500,000, to become available on October 1, 2013." Under current scoring guidelines, new budget authority for advance appropriations is scored in the fiscal year in which the funds become available for obligation and must be accommodated within the statutory spending caps for that year (see section 20.9 (b)). In this example, you would record the budget authority in fiscal year 2014.

- **Advance funding** means appropriations of budget authority provided in an appropriations act to be used, if necessary, to cover obligations incurred late in the fiscal year for benefit payments in excess of the amount specifically appropriated in the act for that year, where the budget authority is charged to the appropriation for the program for the fiscal year following the fiscal year for which the appropriations act is passed. When such budget authority is used, the budget records an increase in the budget authority for the fiscal year in which it is used and a reduction in the budget authority for the following fiscal year. The following language, when added to regular appropriation language, provides advance funding: "...together with such sums as may be necessary to be charged to the subsequent year appropriation for the payment of compensation and other benefits for any period subsequent to August 15 of the current year."

- **Forward funding** means appropriations of budget authority that are made available for obligation in the last quarter of the fiscal year for the financing of ongoing grant program during the next fiscal year. The budget records the budget authority in the fiscal year in which it is appropriated. The following language, if it appeared in an appropriation act for 2012, would provide forward funding, which would be recorded in fiscal year 2012: "... of which $2,000,000,000 shall become available on July 1, 2012 and shall remain available through September 30, 2013 for academic year 2012–2013."

Period of availability for making disbursements:

Under a general law, annual budget authority and multi-year budget authority may disburse during the first two phases of the following three phases that make up the life cycle of the budget authority.

- **Unexpired phase**. During this time period the budget authority is available for incurring "new" obligations. You may make "new" grants or sign "new" contracts during this phase and you may make disbursements to liquidate the obligations. This phase lasts for a set number of years.

Annual budget authority lasts for up to one fiscal year. Multi-year authority lasts for longer periods, currently from over one fiscal year up to 15 fiscal years, and no-year authority lasts indefinitely.

- **Expired phase**. During this time period, the budget authority is no longer available for new obligations but is still available for disbursement. This phase lasts five years after the last unexpired year unless the expiration period has been lengthened by legislation. Specifically, you may not incur new obligations against expired budget authority, but you may liquidate existing obligations by making disbursements.

  However, you may use the expired budget authority to make certain adjustments to obligations that were incurred before the budget authority expired. For example, you could make an upward adjustment in previously recorded obligations for transportation charges, under an agreement to pay actual transportation charges, if they turned out to be greater than originally estimated. Unless there is an exception in law, you may use expired authority to make adjustments to obligations or disbursements only during a period of five years after the last unexpired year. The expired period can be lengthened by legislation. If you have a program with a legitimate need to disburse funds for more than five years after the authority expires for obligation—for example, to make disbursements over many years under direct loan contracts, to pay termination costs under a contract, or to make payments under a lease—and your OMB representative approves, you may propose special language to disburse over a period longer than five years (see section 95.7). You may disburse during the longer period only if the special language is enacted in law.

- **Canceled phase**. After the last expired year, the account is closed, and the balances are canceled. The authority to disburse is canceled and is no longer available for any purpose. Any offsetting collections credited to the account at the time the account is canceled or subsequently must be transferred to miscellaneous receipts in the Treasury. Any old bills with valid obligations that show up after the account is closed must be obligated against and disbursed from budget authority that is available for the same general purpose but still in the unexpired phase. For example, an old bill from obligations incurred against an FY 2006 annual salaries and expense (S&E) account that arrives after the authority is canceled must be obligated and disbursed against the corresponding FY 2012 annual S&E account.

No-year authority usually stays in the unexpired phase until fully obligated and disbursed. When the purposes for which the authority was made available have been achieved, the account may be closed and the authority canceled.

(d) *Determining the amount of budget authority*

If a law provides budget authority in a specific amount, we refer to it as definite budget authority. We consider the budget authority definite even if the language reads "not to exceed" a specified amount. You record the specified amount as budget authority. For example, this language would provide definite budget authority of $100 million: "For salaries and expenses, not to exceed $100,000,000."

If a law doesn't specify an amount of budget authority, but, instead, specifies a variable factor that determines the amount, we refer to the budget authority as indefinite. If the law provides "such sums as may be necessary" to cover the obligations resulting from an entitlement (such as unemployment insurance), record budget authority in the past year equal to the amount obligated and in other years equal to your estimate of obligations. If a law authorizes you to obligate all of the receipts from a specified source, record budget authority equal to the amount of receipts you collected in the past year and equal to amounts you estimate you will collect in other years.

If a law appropriates a specific amount to be derived from receipts, it limits the amount of budget authority actually provided to the lower of the actual receipts or the amount specified. For example, if the language read, "... and, in addition, $75,000,000 of the amounts collected under section 101 of the

Authorization Act of 2005," you could obligate only the amount actually collected, up to $75,000,000. Similarly, if a law appropriates an amount to be derived from a special or trust fund, it limits the amount of budget authority actually provided to the lower of the amount of the balances in the fund or the specified amount. For example, language that reads, "For necessary expenses, $1,500,000, to be derived from the Land Restoration Trust Fund," allows you to obligate only the amount actually in the fund and no more than $1,500,000. If a law authorizes you to obligate all of the receipts credited to a fund, record budget authority equal to the amount of receipts collected by the fund in the past year and equal to the amounts you estimate you will collect in other years.

Some laws that provide borrowing authority limit the amount of debt that may be outstanding at any one time. This may limit your ability to incur obligations indirectly, because you must consider your ability to borrow the cash needed to liquidate the obligations that will become due, but it doesn't determine the level of obligations directly. In such cases, treat the budget authority as indefinite and record the amount that you obligated in the past year or estimate you will obligate in other years. Balances of indefinite borrowing authority may not be carried forward in excess of amounts needed to cover obligations. Under the scorekeeping guidelines used by OMB and congressional scorekeepers, OMB will score legislation that imposes or changes a limit of this type only to the extent that we estimate that it will alter the amount of obligations that will be incurred (see Appendix A, scorekeeping guideline no. 16).

Most budget authority provided in appropriations acts is definite, and most budget authority provided in other laws is indefinite.

Congress may enact laws that preclude agencies from using all of their potential budget authority. For example, in some cases Congress enacts limitations on obligations or program levels in appropriations acts that limit the authority to use offsetting collections or receipts provided in authorizing legislation. In other cases, the authorizing law may itself limit the amount of obligations you may incur, such as through a benefit formula that determines the amount of benefits that may be obligated.

For special and trust funds with indefinite budget authority whose obligations are constrained by an obligation limitation or benefit formula, the collections in excess of such limitations or benefit formulas are not counted as budget authority. Similarly, offsetting collections that are precluded from obligation are not counted as budget authority. In these cases, you reduce the spending authority by the precluded amount. The precluded amounts are considered to be unavailable and are not included in the account's unobligated balances. You record new budget authority in the year the amounts become available for obligation under the law.

(e) *Discretionary or mandatory and current or permanent budget authority*

BBEDCA requires us to classify budget authority (and outlays) as either discretionary spending or mandatory spending, and applies a different set of rules to each type of spending. We explain this further in section 20.9.

Sometimes, budget authority is characterized as current or permanent. Current authority requires congressional appropriations action on the request for new budget authority for the year involved. Permanent authority becomes available pursuant to standing provisions of law without further appropriations action by Congress after transmittal of the budget for the year involved. Generally, budget authority is current if an annual appropriations act provided it and permanent if authorizing legislation provides it. By and large, the current/permanent distinction has been replaced by the discretionary/mandatory distinction, which is similar but not identical.

(f) *Unobligated balance*

An unobligated balance consists of the cumulative amount of budget authority that remains available for obligation under law in unexpired accounts. This means that, unless the law expressly provides otherwise, rescissions and cancellations of unobligated balances apply only to unexpired amounts. In cases where rescissions or cancellations are determined to apply to expired amounts, such amounts would not count as discretionary offsets for appropriations.

In budget execution, both the unexpired, unobligated balances of budget authority at the start of the year, (which is available for new obligations) and the expired amounts (which are only available to cover upward adjustments to prior year obligations) are reported as budgetary resources.

In budget formulation, only the unexpired, unobligated balances brought forward are reported; expired balances available for adjustment only are not included. Unobligated balances carried forward must meet all of the following conditions:

- They are balances of budget authority that have never been obligated or that have been obligated and deobligated;

- They are balances of budget authority that do not expire at the end of the fiscal year;

- They do not include any amounts for (1) indefinite appropriations, except available special and trust fund receipts; (2) indefinite borrowing authority; or (3) indefinite contract authority; and

- The amount can be quantified by subtracting the obligations to date from the amount of budget authority provided (new budget authority and unobligated balances carried forward at the start of the year from the previous fiscal year). That is, the law providing the budget authority must have specified a definite amount or an indefinite amount based on the appropriation of collections from a specified source. "Such sums as may be necessary" cannot be quantified.

Unavailable special and trust fund receipts or unavailable offsetting collections should not be counted as budget authority and, therefore, there should be no unobligated balances as a result of them. Unavailable receipts are included in the special and trust fund receipts schedule (see section 86.4); unavailable offsetting collections are presented as a memorandum entry in the program and financing schedule (see section 82.18).

In budget schedules, such as the program and financing schedule, the unobligated balance carried forward at the end of a year is equal to the unobligated balance at the start of the next year.

The unobligated balances you report for the start and end of the past year must be consistent with the amounts reported in FACTS II see sections 82.11 and 82.12).

(g) *Obligated balance*

The term obligated balance is a term of art that is defined in law as a "net" concept. It is not the unpaid obligations. The obligated balances are calculated as follows:

- Take the unpaid obligations (which is the sum of the accounts payable and the undelivered orders) and

- Subtract the uncollected customer payments from Federal sources (i.e. accounts receivable and the unpaid, unfilled orders from Federal sources).

(h) *Reappropriation*

A reappropriation is an extension of the availability of unobligated balances of budget authority that have expired or would otherwise expire as a result of legislation enacted subsequent to the law that provided the budget authority. The term does not apply to extensions of the availability of unobligated balances of budget authority that result from standing provisions of law, enacted before the budget authority was provided, or from provisions of law included in the same law that appropriated the funds. An example of an extension included in the same law that appropriated the funds is section 511 of the Treasury and General Government Appropriations Act, 2003, which allows agencies to extend the period of availability (expired to unexpired) of unobligated balances of appropriations (annual or multi-year) provided in the same act. The Act states:

> "... not to exceed 50 percent of unobligated balances remaining available at the end of fiscal year 2002 from appropriations made available for salaries and expenses for fiscal year 2002 in this Act, shall remain available through September 30, 2003, ..."

Reappropriations of expired balances that are newly available for obligation in the current or budget year will be recorded as new budget authority (reappropriations) in the year they are newly available, in the full amount of the potential extension. Likewise, reappropriations of amounts that would expire before the legislation takes affect (e.g., a reappropriation of funds that would expire at the end of FY 2013 included in an FY 2014 appropriations act enacted in August, 2013) would be treated as new budget authority (reappropriations). An example of this type of extension is found in section 137 (Division F) of the Consolidated Appropriations Act, 2003, which states:

> "….the funds provided in Labor, Health and Human Services, Education and Related Agencies Appropriations Act of 2002, Public Law 107–116, for the National Museum of African American History and Culture Plan for Action Presidential Commission shall remain available until expended."

In this example the FY 2002 appropriated funds were annual and therefore would have expired at the end of September 30, 2002. The language in the FY 2003 appropriation reappropriated the expired funds to unexpired no-year funds.

Reappropriations of unexpired balances or reappropriations of expired balances that cannot take effect until a fiscal year beyond the budget year will be reported as balance transfers in the year they are newly available for obligation.

Similar to reappropriations of unexpired balances, extensions in availability resulting from standing provisions of law or from provisions of law included in the same law that appropriated the funds will be shown as balance transfers. See section 120.66 for a complete discussion on reporting for all types of extensions in availability.

(i) *Rescissions and cancellations*

Rescissions and cancellations are reductions in law of budgetary resources. Reductions are recorded as negative budget authority in the year the reduction takes effect, regardless of whether the action reduces new budget authority or unobligated balances. If a law that precludes the obligation of budgetary resources in one year and authorizes their obligation in a subsequent year, you record negative budget authority in year of the reduction and new budget authority in the subsequent year.
Proposed cancellations and all enacted reductions should be included in the regular budget schedules under transmittal code 0 (see section 79.2). Proposed rescissions, which are subject to the requirements of Title 10 of the Congressional Budget and Impoundment Control Act, require separate schedules under transmittal code 5 (see section 112).

Congress can enact reductions in many ways. For example, the language can specify a dollar or percentage reduction and can pertain to a specific account or multiple accounts. Rescissions and cancellations can impact all types of budget authority and can be permanent or temporary subject to the underlying availability of the funds and to the specific statutory authority for the reduction.

Rescissions and cancellations of general fund appropriations are considered to be permanent reductions unless the legislation clearly indicates that the reduction is temporary. Permanent reductions of general fund appropriations revert to the General Fund of the U.S. Treasury. Reductions of contract authority and borrowing authority are also usually permanent.

Rescissions and cancellations of amounts appropriated from special and trust fund receipts, as well as spending authority from offsetting collections from non-Federal sources, are usually temporary reductions. For rescissions and cancellations of spending authority from offsetting collections from Federal sources, the original source of the funding needs to be considered to determine whether the reduction is temporary or permanent. The reduction amounts are reported as balances of unappropriated receipts (see section 86.4) or as unavailable offsetting collections (see section 82.18). If the reduced amount is permanently appropriated, it becomes available in the following year, but if it is subject to appropriations, it is not available again until further appropriations action has occurred. An exception is when the legislation makes clear that the amounts are permanently canceled or rescinded, in which case the amounts are returned to the General Fund of the U.S. Treasury.

Rescissions and cancellations of amounts that have been designated as emergency requirements are not counted as PAYGO offsets for the purposes of the Statutory Pay-As-You-Go Act of 2010. In addition, rescissions and cancellations of amounts that have been designated pursuant to a Concurrent Resolution on the Budget or BBEDCA as emergency requirements, as appropriations for Overseas Contingency Operations/Global War on Terrorism (OCO), or as disaster funding are not counted as discretionary offsets for appropriations of non-emergency, non-OCO, or non-disaster funds.

(j) *Transfer*

(1) **Definition**. Transfer means to reduce budgetary resources (budget authority and unobligated balances) in one account and increase them in another, by the same amount.

(2) **Authority**. You can't make a transfer unless a law authorizes it. The law may specify a particular transfer or provide general transfer authority within specified limits.

(3) **Expenditure transfer or nonexpenditure transfer**. A transfer is recorded as either an expenditure transfer, which involves an outlay, or a nonexpenditure transfer, which does not involve an outlay. Which you record usually depends on the purpose of the transfer, as explained in the following table, except that nonexpenditure transfers are limited to transactions in which both accounts are within the same fund group (i.e., trust-to-trust or Federal-to-Federal). See also exhibit 20.

If the transfer...	Record as...
(1) purchases goods or services that benefit the transferring account for example, Economy Act transactions or purchases from revolving funds (including working capital funds), such as, a rental payment to GSA's Federal Buildings Fund…	An expenditure transfer.
(2) shifts budgetary resources between Federal funds (general, special, and revolving fund accounts) and trust funds (trust fund and trust revolving fund accounts), regardless of the purpose...	An expenditure transfer.
(3) reduces budgetary resources available for the activities of the transferring account and increases them for the activities of the receiving account (for example, a transfer of unobligated balances from the construction account to the salaries and expense account to fund pay raises) other than between Federal and trust funds...	A non-expenditure transfer.
(4) corresponds to a transfer of an activity from one account to another such as in a reorganization)...	A non-expenditure transfer.

(4) Recording transfers in the budget:

- **Expenditure transfers**. Record an expenditure transfer as an obligation (against new budget authority or unobligated balances) and an outlay in the transferring account and as an offsetting collection or offsetting receipt in the receiving account (see section 20.7). If the receiving account is a general fund appropriation account or a revolving fund account (including a trust revolving fund), credit the amount as an offsetting collection to the appropriation or revolving fund account. If the receiving account is a special fund or trust fund account, you would normally credit the amount as an offsetting receipt to a receipt account of the fund.

- **Nonexpenditure transfers**. Do not record an obligation or an outlay or an offsetting collection or offsetting receipt. Record nonexpenditure transfers as a decrease either in budget authority or unobligated balances in the transferring account and as an increase either in budgetary authority or unobligated balances in the gaining account. Whether you record the reduction and increase as a change in budget authority or unobligated balances, depends on the circumstances, as described in the following table.

If you transfer...	And the transfer...	Record...
Unobligated balances	Results from a transfer specified in law that changes the purpose for which the funds will be used, other than general transfer authority provided in a standing provision of law enacted before the budget authority was provided.	A decrease in budget authority in the transferring account and an increase in budget authority in the gaining account.
Unobligated balances	Results from general transfer authority provided in a standing provision of law enacted before the budget authority was provided, or Corresponds to a transfer of an activity such that the purpose does not change (e.g. reorganizations authorized by law)	A decrease in unobligated balances in the transferring account and an increase in unobligated balances in the gaining account.
Budget authority in the year it becomes available	Is for any purpose	A decrease in budget authority in the transferring account and an increase in budget authority in the gaining account.

(k) *Transfer in the estimates*

A transfer in the estimates means the budget proposes to stop funding an activity under one budget account and start funding the activity under another budget account, beginning in the budget year. This does not involve a transfer of budgetary resources like that discussed in subsection (j). You simply stop showing budget authority in the one account and start showing it in the other. A transfer in the estimates usually reflects a proposal to do one of the following in the budget year:

- Transfer the funding of an activity from one account to another.
- Consolidate funding for related activities from two or more accounts into a single account.

- Disaggregate the funding for an activity from one account between two or more accounts.

See section 82.15 for guidance on presenting these amounts in the program and financing schedules for the transferring and receiving accounts.

(l) *Allocation*

Allocation means a delegation, authorized in law, by one agency of its authority to obligate budget authority and outlay funds to another agency. When an agency makes such a delegation, the Treasury Department establishes a subsidiary account called a "transfer appropriation account", and the receiving agency may obligate up to the amount included in the account. The budget doesn't show the transfer appropriation account separately. The budget schedules for the parent account include the obligations by the other agency against the subsidiary account without separate identification, except in the object class schedule (see section 83.15). Allocations are appropriate where the receiving agency is acting as the agent for the allocating agency.

20.5 When should I record obligations and in what amounts?

(a) *The general rule*

Obligation means a legally binding agreement that will result in outlays, immediately or in the future. When you place an order, sign a contract, award a grant, purchase a service, or take other actions that require the Government to make payments to the public or from one Government account to another, you incur an obligation. It is a violation of the Antideficiency Act (31 U.S.C. 1341(a)) to involve the Federal Government in a contract or obligation for payment of money before an appropriation is made, unless authorized by law. This means you can not incur obligations in a vacuum; you incur an obligation against budget authority in a Treasury account that belongs to your agency. It is a violation of the Antideficiency Act to incur an obligation in an amount greater than the amount available in the Treasury account that is available. This means that the account must have budget authority sufficient to cover the total of such obligations at the time the obligation is incurred. In addition, the obligation you incur must conform to other applicable provisions of law, and you must be able to support the amounts reported by the documentary evidence required by 31 U.S.C. 1501. Moreover, you are required to maintain certifications and records showing that the amounts have been obligated (31 USC 1108). The following subsections provide additional guidance on when to record obligations for the different types of goods and services or the amount.

(b) *Personnel compensation and benefits*

For personnel compensation and benefits the issue is usually the "timing" of the obligation and <u>not</u> the "amount" of the obligation. The amount is prescribed by laws that cover the civil service and the uniformed service and determined by well-established personnel procedures. As for the timing of the obligation, the amounts generally are recorded as obligations as the amounts are earned during the reporting pay period, with the following exceptions:

Type of obligations...	**At the time ...**	**Because...**
Severance pay	It is paid on a pay period by pay period basis	Severance pay is not earned with regular salaries and wages.
Authorized reimbursable expenses estimated to be paid to employees for real estate, temporary subsistence, and other	The individual travel orders are approved	The travel is a bona fide need at the time the order is approved.

Type of obligations...	At the time ...	Because...
expenses incident to relocation at the request of the Government		
Cash awards that do not become part of the employee's basic rate of pay Allowances for uniforms and quarters Subsidies for commuting costs	When payable to the employee	This is the time the amount is definite.
Unemployment compensation payments to the Department of Labor for former Federal employees	When the agency receives the bills rendered by Labor	Underlying law.
Annual leave	When it becomes due and payable as terminal leave or taken in lieu of a lump sum payment	Normally, annual leave is unfunded.
Funded annual leave	When you transfer a person from a revolving fund to another revolving fund, you obligate the employee's share of funded annual leave and you pay it to the fund to which the employee is transferred	The revolving fund to which the employee is transferred will pay the employee's salary and wages when the employee takes the annual leave or will pay the lump sum terminal leave for any annual leave not taken.
	When you transfer a person from a revolving fund to a non-revolving fund, you obligate the employee's portion of the funded annual leave and pay miscellaneous receipts in the general fund of the Treasury	The appropriation from the general fund in the Treasury will pay the employee's salaries and wages when the employee takes the annual leave or will pay the lump sum terminal leave for any annual leave not taken.

(c) *Contractual services and supplies*

Services and supplies that are purchased by contract are recorded as obligations at the time there is a binding agreement, which is usually when the contract is signed. As a general rule, the amount of the obligation is the maximum liability to the Federal Government. The maximum liability to the Government is normally limited by the terms of the contract (e.g., cancellation clauses).

The following provides the nuances of contracts with certain characteristics.

Contracts with...	Amount obligated is…	At the time ...
A maximum price	The maximum price	The contract is signed.
	Amount of downward adjustments (i.e. deobligation), if any	There is documentary evidence that the price is reduced.
Letters of intent and letter contracts	Normally, no amount is obligated	The letter is signed.
However, if the letters constitute binding agreements under which the contractor is authorized to proceed	The maximum amount indicated in the letter that the contractor is authorized to incur to cover expenses prior to the execution of a definitive contract	
Contracts for variable quantities	Normally, no amount is obligated	The contract is signed.
The contracts are usually followed by "purchase orders" that do obligate the Government	The amount of actual orders	The order is issued.
Orders where a law "requires" that you to place orders with another Federal Government account	The amount of the order	The order is issued.
Voluntary orders with other Federal Government accounts:	The amount of the order	The order is issued.
If the order is for common-use standard stock item the supplier has on hand or on order at published prices		That you issue the order to the supplier.
If the order is for stock items other than the above		You receive a formal notification that the items are on hand or on order.
If the order involves execution of a specific contract		The supplying agency notifies you that it has entered into the contract.

(d) *Intragovernmental services and supplies*

Obligations are incurred for services when they are rendered. For example, obligations for GSA rental payments are incurred in the year in which the premises are occupied, whether or not a bill has been rendered. Obligations are incurred for supplies when the order is placed.

(e) *Land and structures*

Contracts for lands and structures generally follow the same rules as for contracts specified above with the following exceptions.

In the case of condemnation proceedings, the amount obligated is the estimated amount for the price of the land, adjusted to the amount of the payment to be held in escrow where there is a declaration of a taking. It is obligated at the time when you ask the Attorney General to start condemnation proceedings.

In the case of lease purchases and capital leases covered by the scorekeeping rules developed under the Budget Enforcement Act, see the requirements in Appendix B.

(f) *Grants and fixed charges*

Discretionary grants will be obligated after the amounts are determined administratively and recorded at the time the grant award is signed. The grant award is normally the documentary evidence that the grant has been awarded. Letters of credit are issued after the grant awards are made and generally are not obligating documents.

For grants and fixed charges with formulas in law that automatically fix the amount of the charges, record the amount determined by the formula or, if there is an appropriation, then record the amount appropriated, whichever is smaller. The obligation is reported at the time the grantee is awarded the grant and is liquidated when the payment is made to the grantee. To the extent that a grant awarded in a previous year is no longer valid, you will record a recovery of prior year obligations.

The exceptions follow:

Grants or fixed charges…	**Amount obligated is…**	**At the time ...**
In lieu of taxes	The amount appropriated	The taxes are due.
Interest	The amount owed	The interest is payable.
Dividends	The amount declared	The dividend is declared.

(g) *Federal credit programs*

Obligations in Federal credit programs generally follow the same rules as for "personnel compensation and benefits" and "contracts" specified above with the following exceptions.

The amount is…	**Amount obligated is…**	**At the time ...**
Subsidy in direct loan program account	The portion of the subsidy cost for the direct loan contract that you are signing	You sign the direct loan contract. That is, when you enter into a binding agreement to make a direct loan when specified conditions are fulfilled by the borrower.
Subsidy in guaranteed loan program account	The portion of the subsidy cost for the binding agreement to make a loan guarantee	You make the loan guarantee commitment. That is, when you enter into a binding agreement to make a loan guarantee when special conditions

The amount is…	Amount obligated is…	At the time ...
		are fulfilled by the borrower, the lender, or any other party to the guarantee agreement.

20.6 What do I need to know about outlays?

Outlay means a payment to liquidate an obligation (other than the repayment to the Treasury of debt principal). Outlays are a measure of Government spending. As required by law, the budget presents some outlays as "on-budget" and some as "off-budget." Total outlays for the Federal Government include both on-budget and off-budget outlays. Government-wide outlay totals are stated net of refunds, offsetting collections, and offsetting receipts. Function, subfunction, and agency outlay totals are stated net of related refunds, offsetting collections, and offsetting receipts for most budget presentations. (Offsetting receipts from a few sources do not offset any specific function, subfunction, or agency but only offset Government-wide outlay totals.) Outlay totals for accounts with offsetting collections are stated both gross and net of the offsetting collections credited to the account. However, the outlay totals for special and trust funds with offsetting receipts are not stated net of the offsetting receipts.

The Government usually makes payments in the form of cash (currency, checks, or electronic fund transfers), and you record outlays equal to the disbursement at the time of the disbursement. Normally the amount of cash disbursed appropriately measures the value of the transaction. In other cases, however, the cash disbursed does not accurately measure the value of the transactions. In these cases, we require you to record the cash-equivalent value of the transactions (see section 20.8).

Not every disbursement is an outlay because not every disbursement liquidates an obligation. You don't record outlays for the following:

- Repayment of debt principal because we treat borrowing and the repayment of debt principal as a means of financing.

- Disbursements to the public by Federal credit programs for direct loan obligations and loan guarantee commitments made in fiscal year 1992 or later (and those made prior to that year if they have been modified) because we treat the cash flows to and from the Government for credit programs as a means of financing. We record outlays equal to the subsidy cost of direct loans and loan guarantees when the underlying direct or guaranteed loans are disbursed. Disbursements from liquidating accounts for direct loan obligations and loan guarantee commitments made prior to fiscal year 1992 are treated as outlays (see section 185).

- Disbursements from deposit funds because these funds are on deposit with the Government but are not owned by the Government and are therefore excluded from the budget (see section 20.7).

- Refunds of receipts that result from overpayments because they are recorded as decreases in receipts, rather than as increases in outlays (see section 20.10).

The timing for recording outlays for interest payments varies. Treasury records outlays for the interest on the public issues of Treasury debt securities as the interest accrues, not when it pays the cash. However, most Treasury debt securities held by Government accounts are in the Government account series. Treasury normally records the interest payments on these securities when it pays the cash, and you normally record an offsetting collection or receipt on a cash basis. Four trust funds in the Department of Defense: the Military retirement trust fund; the Education benefits trust fund; the Defense cooperation fund; and the Medicare-eligible health care fund routinely have relatively large differences between purchase price and par. For these funds, we've instructed the Department to record the holdings of debt at par but record the differences between purchase price and par as adjustments to the assets of the funds that are amortized over the life of the security. The Department records interest as the amortization occurs. We discuss the budget treatment of investment transactions in section 113.

Outlays during a fiscal year may liquidate obligations incurred in the same year or in prior years. Obligations, in turn, may be incurred against budget authority provided in the same year or against unobligated balances of budget authority provided in prior years. Outlays, therefore, flow in part from budget authority provided for the year in which the money is spent and in part from budget authority provided in prior years. The ratio of the outlays resulting from budget authority enacted in any year to the amount of that budget authority is referred to as the spendout rate for that year.

Outlays for the past year must agree with amounts reported in the Treasury Combined Statement, unless OMB approves an exception.

20.7 What do I need to know about governmental receipts, offsetting collections, and offsetting receipts?

(a) *Overview*

The money collected by the Federal Government and its accounts that is counted as income in the budget is classified as either governmental receipts (also known as receipts or revenues) or as offsets to budget authority and outlays. We sometimes use the generic term collections when referring to all of this money. Collections result from the following transactions:

- Sovereign power—payments from the public that result primarily from the Government's exercise of its sovereign power to tax or otherwise compel payment.
- Business-like transactions with the public, including payments from the public in exchange for goods and services; reimbursements for damages; and gifts or donations of money to the Government.
- Intragovernmental transactions—payments from other Federal Government accounts.

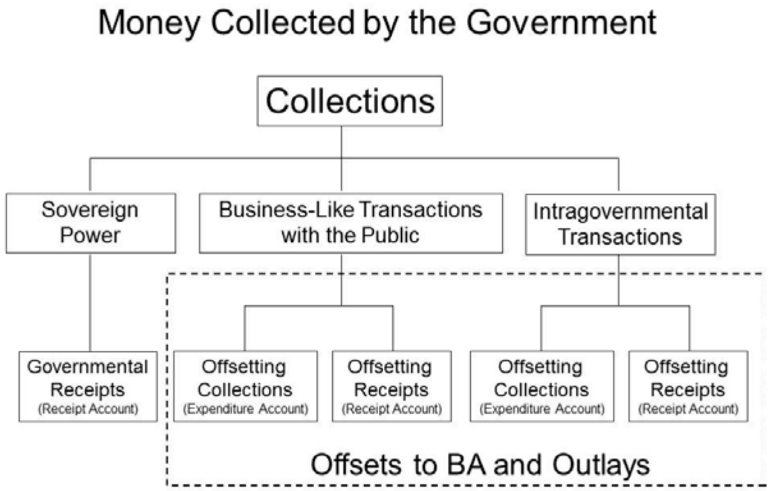
The universe of money collected also includes the proceeds of borrowing and the other means of financing which are not treated as collections in the budget. Means of financing are discussed in section 20.7 (h).

The Federal Government normally receives payments in the form of cash and normally records amounts equal to the amount of cash received at the time of collection. Usually the amount of cash collected appropriately measures the value of the transaction. In some cases, the cash collected does not accurately measure the value of the transaction. In these cases, you record the cash equivalent value of the transactions (see section 20.8).

As recommended by the 1967 President's Commission on Budget Concepts, the budget records money collected by Government agencies in one of two ways—depending on the nature of the activity generating the collection and the law that established the collection:

Governmental receipts, which are compared in total to outlays (net of offsetting collections and offsetting receipts) to calculate the surplus or deficit; or

Offsets to budget authority and outlays (classified as either offsetting collections or offsetting receipts), which are deducted from gross budget authority and outlays to produce net budget authority and outlay figures.

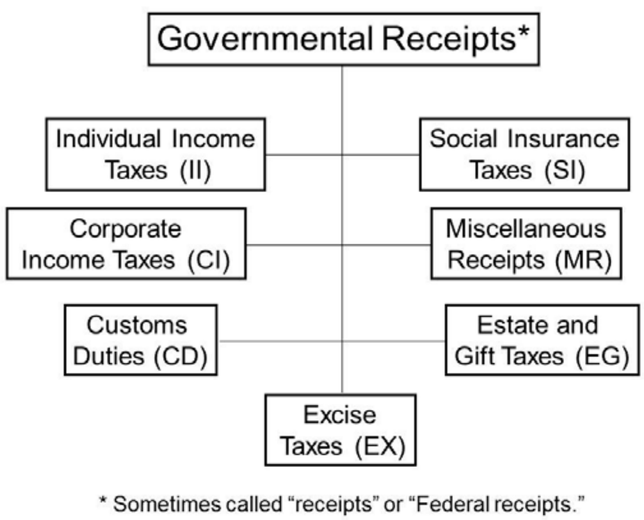


(b) *Governmental receipts*

Governmental receipts are collections that result from the Government's exercise of its sovereign power to tax or otherwise compel payment. Sometimes they are called receipts, Federal receipts, or revenues. They consist mostly of individual and corporation income taxes and social insurance taxes, but also include excise taxes, compulsory user charges, regulatory fees, custom duties, court fines, certain license fees, and deposits of earning by the Federal Reserve System. Governmental receipts are deposited in receipt accounts. See section 20.7(f) for more detail on receipt accounts.

The types of governmental receipts are summarized in the diagram below. Total governmental receipts for the Federal Government include both on-budget and off-budget receipts.

For more information on collections, see chapters 15 and 16, "Federal Receipts" in the Analytical Perspectives volume of the Budget.



(c) *General information about offsets to budget authority and outlays*

Offsetting collections and offsetting receipts are recorded as offsets to spending, not as additions to the receipt side of the budget. They are recorded as offsets to spending so that the budget totals represent governmental rather than market activity and to prevent double counting from intragovernmental transactions. This ensures that the Budget totals measure the transactions of the Government with the public. They are recorded in the budget in one of two ways, based on interpretation of laws and longstanding budget concepts and practice. They are offsetting collections when the collections are authorized to be credited to expenditure accounts. Otherwise, they are deposited in receipt accounts and called offsetting receipts. See section 20.7(f) for more detail on receipt and expenditure accounts.

Offsetting collections and offsetting receipts are classified according to the type and source of the money collected and how it is treated in the budget. Offsetting collections and offsetting receipts result from one of the following types of transactions:

Business-like transactions with the public—these include voluntary collections from the public in exchange for goods or services; reimbursements for damages (e.g. recoveries by the Hazardous Substance Superfund); and gifts of money to the Government. The budget records these amounts as offsetting collections from non-Federal resources for offsetting collections or as proprietary receipts for offsetting receipts. The amounts are deducted from gross budget authority and gross outlays, rather than added to receipts. This produces budget totals for receipts, budget authority, and outlays that represent governmental rather than market activity.

Intragovernmental transactions—collections from other Federal Government accounts. The budget records collections by one Government account from another as offsetting collections from Federal sources for offsetting collections or as intragovernmental receipts for offsetting receipts. Intragovernmental offsetting receipts can be further divided into two categories:

- Interfund receipts, which involve transactions between Federal and trust fund accounts; and
- Intrafund receipts, which involve transactions between the same types of fund groups (i.e., from Federal fund to Federal fund or from trust fund to trust fund.

The amounts are deducted from gross budget authority and gross outlays so that the budget totals measure the transactions of the Government with the public.

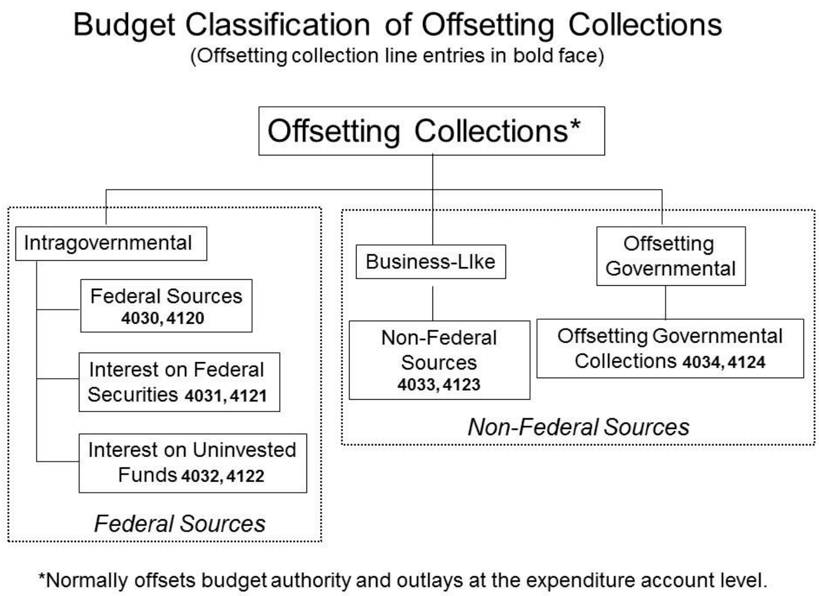
Offsetting governmental transactions—collections from the public that are governmental in nature (e.g., tax receipts, regulatory fees, compulsory user charges) but required by law to be misclassified as offsetting. The budget records amounts from non-Federal sources that are governmental in nature as offsetting governmental collections for offsetting collections or as offsetting governmental receipts for offsetting receipts.

(d) *Offsetting collections*

Some laws authorize agencies to credit collections directly to the account from which they will be spent. Most revolving funds operate with such authority. Offsetting collections credited to expenditure accounts automatically offset outlays and budget authority at the expenditure account level. Where accounts have offsetting collections, the budget shows the budget authority and outlays of the account both gross (before deducting offsetting collections) and net (after deducting offsetting collections). Totals for the agency, subfunction, and budget are net of offsetting collections.

Line codes are used to identify the source of the collections in OMB's budget database. See section 82.18 for the offsetting collection line entries and the definitions. The offsets are used to arrive at net budget authority and outlays for the account and are presented in the program and financing (schedule P) in the Appendix to the President's Budget.

The following chart summarizes the types of offsetting collections and the associated line codes reported in MAX:

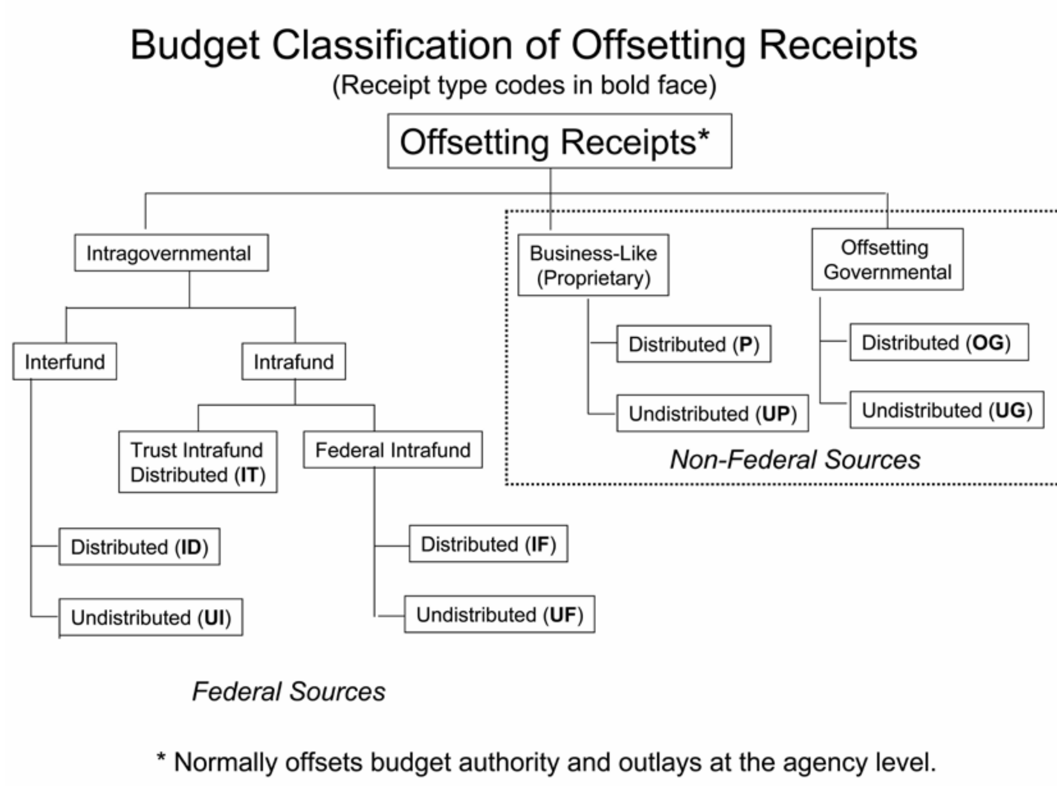


(e) *Offsetting receipts*

Collections that are offset against gross outlays and budget authority but are not authorized to be credited to expenditure accounts are credited to receipt accounts and are called offsetting receipts. They are deducted from budget authority and outlays in arriving at total budget authority and outlays. However, unlike offsetting collections that are credited to expenditure accounts, offsetting receipts do not offset budget authority and outlays at the account level. Most offsetting receipts deposited in receipt accounts are offset at the agency and subfunction levels. We call these distributed offsetting receipts. A few offsetting receipts are offset at government-wide totals. We call these undistributed offsetting receipts. For more information on the magnitude of undistributed offsetting receipts see Table 4, Undistributed Offsetting Receipts, in the Object Class Analysis report that accompanies the President's annual budget.

Within OMB's budget database, offsetting receipts are coded to identify the types of offsetting receipt (e.g., governmental, proprietary, offsetting governmental, intragovernmental) and to identify how they are treated (e.g., offset at the agency and function level). Each offsetting receipt type also has a number of unique and associated source category codes that enable MAX to produce tables needed for the Budget. These are assigned by OMB when the account is established (see exhibit 79B).

The following chart summarizes the receipt types, with associated receipt type codes in parentheses, for the various types of offsetting receipts.



(f) *Receipt accounts and expenditure accounts*

The placement of collections in receipt accounts or expenditure accounts is based on the interpretation of laws and long-standing budget concepts and practice.

Receipt accounts.—A general law requires that, except as provided by another law, an official or agent of the Government who receives money for the Federal Government from any source shall deposit the money in the Treasury as soon as practicable. This law (31 USC 3302) is generally referred to as the "Miscellaneous Receipts Act." The Department of the Treasury, in consultation with OMB, interprets this law as requiring all collections to be deposited in general fund receipt accounts, which as a group comprise part of "the general fund."

Some laws earmark collections from a certain source for a specific purpose. Depending on the legal requirements, Treasury deposits these collections in special fund receipt accounts, trust fund receipt accounts, or credits the collections directly to expenditure accounts, including revolving fund accounts. The legislation also specifies whether the earmarked receipts are (i) available for obligation and outlay without further appropriations action by Congress (i.e., available), or (ii) not available for obligation or outlay until Congress makes the amounts available in annual appropriations or other acts (i.e., unavailable). However, in some cases, receipts are considered to be unavailable because a benefit formula or limitation precludes their use. These amounts of receipts may become available subsequently without appropriations action. See section 20.4(b) for more information about amounts precluded from obligation.

When the collections in the receipt accounts are available for obligation and outlay, the amounts are appropriated to general fund, special fund, trust fund, or other expenditure accounts, as discussed below.

Expenditure accounts.—Some laws override the requirement to first deposit collections in receipt accounts. These collections are credited directly to expenditure accounts, where the collections are generally available for obligation and outlay without further action by Congress. These collections are called offsetting collections. Most revolving funds operate under such authority. These include public enterprise, intragovernmental, and trust revolving funds. In addition, the Economy Act allows Federal agencies or bureaus within agencies to do work for each other. When one account reimburses another account for this work, the Act authorizes the collections to be credited directly to the expenditure account that provided the goods and services.

(g) *User charges*

User charge means a fee, charge, or assessment the Government levies on a class of the public directly benefiting from, or subject to regulation by, a Government program or activity. We record user charges as governmental receipts, offsetting collections, or offsetting receipts using the criteria described above. The authorizing law must limit the payers of the charges to those benefiting from, or subject to regulation by, the program or activity.

User charges include:

- Collections from non-Federal sources for goods and services provided (for example, the proceeds from the sale of goods by defense commissaries, electricity by power marketing administrations, stamps by the Postal Service; fees charged to enter national parks; and premiums charged for flood and health insurance);
- Voluntary payments to social insurance programs, such as Medicare Part B insurance premiums;
- Miscellaneous customs fees (for example, United States Customs Service merchandise processing fees);
- Proceeds from asset sales (property, plant, and equipment);
- Proceeds from the sale of natural resources (such as timber, oil, and minerals);
- Outer Continental Shelf receipts;
- Spectrum auction proceeds;
- Many fees for permits, and regulatory and judicial services;
- Specific taxes and duties on an exception basis; and
- Credit program fees deposited into the credit program account and recorded in the budget on a current basis.

User charges do not include:

- Collections from other Federal accounts;
- Collections associated with credit programs, except for credit program fees deposited into credit program accounts and recorded in the budget on a current basis;
- Realizations upon loans and investments;
- Interest, dividends, and other earnings;
- Payments to social insurance programs required by law;
- Excise taxes;

- Customs duties;
- Fines, penalties, and forfeitures;
- Cost-sharing contributions; and
- Federal Reserve System deposits of earnings.

(h) *Means of financing*

These are monies received or paid by the Government that are not counted in the budget totals as either collections (governmental receipts, offsetting collections, or offsetting receipts) or outgo (outlays). Borrowing and the repayment of debt are the primary means of financing. Others are listed below. These monies finance outlays when there is a deficit—that is, when outlays (net of offsetting collections and offsetting receipts) exceed receipts. When there is a surplus—that is, when receipts exceed outlays (net of offsetting collections and offsetting receipts)—the means of financing may be used, together with the surplus, to retire debt.

Most of the individual means of financing represent changes in assets or liabilities and therefore can either be a source of financing for the Government or require financing themselves. For example, if the disbursements from credit financing accounts exceed their collections, which is normal, the difference must be financed by receipts or the other means of financing; if the disbursements are less than the collections, the difference may be used to reduce borrowing or to provide any financing required by the other means of financing. The means of financing other than borrowing and repayment of debt include:

- Net financing disbursements by direct loan and guaranteed loan financing accounts;
- Seigniorage (the profit from coining money) and profits on the sale of gold (a monetary asset);
- Certain exchanges of cash, such as deposits by the U.S. in the International Monetary Fund;
- Changes in Treasury's operating cash balance, uninvested deposit fund balances, and checks outstanding; and
- Treasury debt buyback premiums and discounts (see section 113).

For more information on the means of financing, see the section on Budget Deficit or Surplus and Means of Financing in Chapter 11, "Budget Concepts" of the Analytical Perspectives volume of the President's Budget.

20.8 What do I need to know about cash-equivalent transactions?

Normally the amount of cash disbursed or collected is the appropriate measure of the value of the transaction, and you record outlays or collections equal to the cash that changes hands. In other cases, however, the cash disbursed or collected doesn't accurately measure the value of the transactions. In these cases, you should record the cash-equivalent value of the transactions in the budget. The following are some examples of cash-equivalent transactions:

- Federal employee salaries. You record an outlay for the full amount of an employee's salary, even though the cash disbursement is net of Federal and state income taxes, retirement contributions, life and health insurance premiums, and other deductions. We record collections for the deductions that are payments to the Government.

- Debt instruments. When the Government receives or makes payments in the form of debt instruments (such as bonds, debentures, monetary credits, or notes) in lieu of cash, we record collections or outlays in the budget on a cash-equivalent basis. The Government can borrow from the public to raise cash and then outlay the cash proceeds to liquidate an obligation, or, if authorized in law, it may liquidate the obligation by issuing securities in lieu of the cash. The latter method combines two transactions into one—borrowing and an outlay. Combining these transactions into one does not change the nature of the transactions. Since the two methods of payment are equivalent, we require you to record the same amount of outlays for both cases. Similarly, when the Government accepts securities in lieu of cash from the public in payment of an obligation owed to the Government, we record offsetting receipts or collections. In one program, for example, a Government agency may choose whether to pay default claims against it in cash or by issuing debentures in lieu of cash; the agency records the same amount of outlays in either case. In turn, a recipient of these debentures may choose to pay the fees that it owes to the Government either in cash or by returning debentures of equivalent value that it holds. The agency records the same amount of offsetting receipts or collections in either case.

- Lease-purchases. We require you to record an outlay for the acquisition of physical assets through certain types of lease-purchase arrangements as though the transaction was an outright purchase or direct Federal construction. Lease-purchase transactions in which the Government assumes substantial risk are equivalent to the Government raising cash by borrowing from the public and purchasing the asset directly by disbursing the cash proceeds. You must report outlays over the period that the contractor constructs, manufactures, or purchases the asset that will be leased to the Government, not when the Government disburses cash to the developer for lease payments. Because the Government pays no cash up front to the nominal owner of the asset, the transaction creates a Government debt. In such cases, we treat the subsequent cash lease payments as the equivalent of interest outlays on that debt and principal repayments. (See Appendix B).

The scorekeeping effect of cash-equivalent transactions applies to budget authority, as well as to outlays and collections. You record the authority to incur obligations that will be liquidated through cash-equivalent payments as budget authority.

The use of cash-equivalents often results in an increase or decrease in Federal debt. In the previous example of the Government using debentures to pay claims, we record the issuance of a debenture as an increase in debt, and we record the Government's acceptance of a debenture for payment of fees as a decrease in debt. We also record an increase in debt as the means of financing the cash-equivalent outlays of lease-purchase arrangements in which the Government assumes substantial risk.

20.9 What do I need to know about discretionary spending, mandatory spending, and PAYGO?

(a) *Overview*

The Statutory Pay-As-You-Go Act of 2010 reestablished a statutory procedure to enforce deficit neutrality on new revenue and mandatory spending legislation. The Budget Control Act of 2011 (BCA) amended BBEDCA and reinstated limits (“caps”) on the amount of discretionary budget authority for 2012 through 2021.

The BCA also established a Joint Select Committee on Deficit Reduction and instructed it to recommend legislative changes that would reduce the deficit by at least $1.5 trillion over 2012 to 2021. The failure of that Committee to propose and the Congress to enact, legislation to reduce the deficit by at least $1.2 trillion triggered automatic reductions to budgetary resources in fiscal years 2013 through 2021. For information on how OMB calculated the amount of deficit reduction required, see the OMB Reports to the Congress on the Joint Committee Reductions for Fiscal Years 2013 and 2014.

This section describes some of the key requirements of BBEDCA and the Statutory Pay-As-You-Go Act of 2010. For more information on these statutes and budget enforcement, see chapters 11 and 13, "Budget Concepts" and "Budget Process" in the *Analytical Perspectives* volume of the Budget.

BBEDCA divides spending into two types—discretionary and mandatory (also known as direct):

1. Discretionary spending means the budget authority provided by annual appropriations acts and *the outlays that result from that budget authority.* For example, the budget authority and outlays for the salaries and other operating expenses of Government agencies are usually provided by annual appropriations acts and, therefore, are usually discretionary. Where obligation limitations set in appropriations acts limit permanent budget authority, except trust fund accounts in the Department of Transportation, we define the budget authority for the account as discretionary in an amount equal to the limit. For the Transportation trust funds, the budget authority remains mandatory, although the funds' outlays are discretionary.

2. Mandatory spending is budget authority and outlays provided by permanent laws (note that BBEDCA calls it "direct spending"). For example, permanent laws authorize payments for Medicare and Medicaid, unemployment insurance benefits, and farm price supports, so the budget authority and outlays for these programs are mandatory. In addition, budget authority provided in annual appropriations acts for certain programs is treated as mandatory because the authorizing legislation directs that the Government make or beneficiaries receive payment At the baseline level, the budget authority and outlays for such programs are scored to the authorizing legislation and subject to PAYGO. Similarly, at the baseline level, funding provided in the appropriations legislation is not scored to that legislation, and does not count for purposes of the discretionary spending caps. The budget authority for these and other programs where the funding provided in annual appropriations acts was determined to be mandatory is memorialized in the Joint Explanatory Statement of the Committee of Conference for the Balanced Budget Act of 1997. Also, BBEDCA specifically defines funding for the Supplemental Nutrition Assistance Program as mandatory spending.

The Explanatory Statement classified all accounts under the Appropriations Committee's jurisdiction at the time as discretionary or mandatory or, in some cases, split. The "scorekeepers" (House and Senate Budget Committees, CBO, and OMB) consult on the classification of new accounts and may reclassify an existing account. While mandatory and discretionary classifications are used for measuring compliance with BBEDCA and Statutory Pay-As-You-Go Act of 2010, they do not determine whether a program provides legal entitlement to a payment or benefit or the availability of funding. You should address questions about BBEDCA classifications and legal entitlements to your OMB representative.

The Explanatory Statement referred to in the previous paragraph also provided scorekeeping guidelines that the scorekeepers apply in measuring the effects of legislation. Appendix A contains the most recent guidelines.

(b) *Discretionary spending caps*

BBEDCA specifies spending limits ("caps") on discretionary budget authority for 2012 through 2021For 2012 and 2013, the caps are divided between security and nonsecurity categories. The security category includes discretionary budget authority for the Departments of Defense, Homeland Security, and Veterans Affairs, the National Nuclear Security Administration, the Intelligence Community Management account, and all budget accounts in the international affairs budget function (budget function 150). The nonsecurity category includes all discretionary budget authority not included in the security category.

For 2014 through 2021, the caps are divided between a "revised security category" and a "revised nonsecurity category." The revised security category (or Defense category) includes discretionary budget authority in the defense budget function 050, which primarily consists of the Department of Defense. The "revised nonsecurity category" (or non-defense category) includes all discretionary budget authority not included in the defense budget function 050.

BBEDCA includes requirements for OMB to adjust the caps for changes in concepts and definitions and for appropriations designated by Congress and the President as either emergency requirements or for Overseas Contingency Operations/Global War on Terrorism. BBEDCA also specifies adjustments for appropriations for continuing disability reviews and redeterminations by the Social Security Administration; the health care fraud and abuse control at the Department of Health and Human Services; and appropriations designated by Congress as being for disaster relief.

BBEDCA requires OMB to provide cost estimates of each appropriations act in a report to Congress within seven days of enactment of such act and to publish three sequestration reports—a "preview" report when the President submits the Budget, an "update" report in August, including a preview estimate of the adjustment for disaster funding for the upcoming fiscal year, and a "final" report within 15 days after the end of a session of Congress.

If OMB's final sequestration report for a given fiscal year indicates that the amount of discretionary budget authority provided in appropriations Acts for that year exceeds the cap for that category in that year, the President must issue a sequestration order canceling budgetary resources in nonexempt accounts within that category by the amount necessary to eliminate the breach.

(c) *Pay-as-you-go (PAYGO) requirements*

The Statutory Pay-As-You-Go Act of 2010 requires that new legislation changing governmental receipts or mandatory spending or collections must be enacted on a "pay-as-you-go" (PAYGO) basis; that is, that the cumulative effects of such must not increase projected on-budget deficits. Unlike the budget enforcement mechanism for discretionary programs, PAYGO is a permanent requirement and does not impose a cap on spending or a floor on revenues. Instead, PAYGO requires that bills reducing revenues must be fully offset by cuts in mandatory programs or by revenue increases, and that bills increasing mandatory expenditures must be fully offset by revenue increases or cuts in mandatory programs. This requirement is also enforced by a sequestration process, separate from that described above in reference to the BCA, which requires automatic across-the-board cuts in selected mandatory programs in the event that legislation taken as a whole does not meet the PAYGO standard established by the law. The PAYGO law establishes special scorecards and scorekeeping rules.

The budgetary effects of revenue and direct spending provisions, including both costs and savings, are recorded by OMB on two PAYGO scorecards in which costs or savings are averaged over rolling five-year and 10-year periods

Within 14 business days after a congressional session ends, OMB issues an annual PAYGO report and determines whether a violation of the PAYGO requirement has occurred. If there are more costs than savings in the budget year column of either scorecard, the President is required to issue a sequestration order implementing across-the-board cuts to nonexempt mandatory programs by an amount sufficient to offset the net costs on the PAYGO scorecard.

The PAYGO rules apply to the outlays resulting from changes in outyear budget authority for mandatory programs made in appropriations acts and to all revenue changes made in appropriations acts. The PAYGO rules do not apply to increases in mandatory spending or decreases in receipts that result automatically under existing law. For example, mandatory spending for benefit programs, such as unemployment insurance, rises when the population of eligible beneficiaries rises, and many benefit payments are automatically increased for inflation under existing laws. Also, if the Congress designates a provision of mandatory spending or receipts legislation as an emergency requirement, the effect of the provision is not scored as PAYGO.

Additional information on the Statutory Pay-As-You-Go Act of 2010 can be found on OMB's website.

20.10 What do I need to know about refunds?

Refunds are the repayments of excess payments. The amounts are directly related to previous obligations incurred and outlays made against the appropriation. Refunds received are deposited to the credit of the appropriation or fund account charged with the original obligations as explained in the following table:

The following table explains how to record refunds received:

If you...	And the appropriation against which the obligation was incurred...	You...
(1) receive a refund of funds that were obligated and outlayed in that year	remains available (usually the case)	reduce the total amount of obligations and outlays recorded for the year in the budget schedules.
(2) receive a refund of funds that were obligated and outlayed in a previous year	remains available for new obligations	record the refund as an offsetting collection, increasing spending authority from offsetting collections.
(3) receive a refund of funds that were obligated and outlayed in a previous year	has expired but is not yet canceled	record the refund as offsetting collections (cash) credited to expired accounts (i.e., as offsetting collections on lines 4030-4034 or 4120-4124 and as offsetting collections credited to expired accounts on line 4052 or 4142 of the P&F schedule). These offsetting collections are not reported as new budget authority; they are offset against gross outlays but not against gross budget authority.
(4) receive a refund of funds that were obligated in a previous year	has been canceled	deposit the refund in miscellaneous receipts of the Treasury.

Record refunds paid as follows:

- Record refunds paid by an expenditure account as an obligation and an outlay of the account.
- Record refunds of receipts that result from overpayments (such as income taxes withheld in excess of a taxpayer's income tax liability) as reductions of receipts, rather than as outlays. This does not include payments to a taxpayer for credits (such as an earned income tax credit) that exceed the taxpayer's income tax liability. Record these as outlays, not as refunds.

20.11 What do I need to know about advances?

Advances are amounts of money prepaid to a Federal Government account for the later receipt of goods, services, or other assets, or as matching funds.

When an advance is required, the budgetary resource provided by the order is equal to the cash accompanying the order. The advance, per se, is not available for obligation. If both the order and the advance were available for obligation, budgetary resources would be double-counted.

Deposit advances with orders in the appropriate appropriation/fund or receipt account.

Deposit advances without orders as follows:

If the advance is from...	Deposit the advance in...
A non-Federal source	Deposit fund account (6500)
A Federal source	An intragovernmental clearing account (F3885)

When a reimbursable agreement with another Federal account is accompanied by a cash advance, you may disburse to pay obligations associated with that advance. However, if you are authorized to incur obligations against customer orders from other Federal accounts without an advance, the order establishes obligational authority only and you may not disburse the account into a negative position (see section 145.2 on Antideficiency Act violations).

If you return a cash advance or other offsetting collection or special or trust fund receipts received in a prior fiscal year, you must record an obligation and an outlay in the current fiscal year.

20.12 What do I need to know about accounts and fund types?

(a) *Accounts*

The term account may refer to a receipt or expenditure account. Governmental receipts and offsetting receipts are deposited into receipt accounts (see section 20.7). Receipt accounts are not available for incurring obligations or making outlays. Expenditure accounts are provided with budget authority (e.g., appropriations or offsetting collections) and are used to incur obligations and make outlays. Receipt and expenditure accounts are further classified into fund types (e.g., general funds and special funds). Fund types are discussed in subsections 20.12(b) through 20.12(f) below.

The term account may also refer to Treasury accounts and budget accounts. When Congress provides budget authority for a particular purpose or under a particular title, it also provides a specific period of time for which the budget authority is available for obligation. This time period of availability (POA) may be annual, multi-year, or no-year.

Treasury establishes expenditure accounts based on the POA of the resources in the account. That is, Treasury establishes separate accounts with separate Treasury appropriation fund symbols (TAFS) for each POA, i.e., annual, multi-year, or no-year amount. For budget execution, which is governed largely by the Antideficiency Act, you must report data for each of the TAFS expenditure accounts established by Treasury (see section 130).

A budget account generally covers an organized set of activities, programs, or services directed toward a common purpose or goal. For budget formulation, the appropriations and other budget authority provided to TAFS accounts with the same appropriation title for the years covered by the budget are combined and presented as a single account under a single title, e.g., "Salaries and expenses." As an illustration, the FY 2013 column of the program and financing schedule for a "Salaries and expenses" account in the 2015 Appendix would include, as appropriate, outlays made in FY 2013 from the FY 2013 appropriation, the FY 2011–2013 multi-year appropriation, the no-year appropriation, and the five expired annual appropriations (FY 2008 through FY 2012).

For receipt accounts, the budget and Treasury accounts are usually the same.

For information on account identification codes, see section 79.2.

(b) *Overview of fund types*

Agency activities are financed through general funds, special funds, and revolving funds (public enterprise revolving funds, intragovernmental revolving funds, credit financing accounts), which constitute the Federal funds group, and trust funds and trust revolving funds, which constitute the trust funds group. General, special, and trust fund collections and disbursements may be held temporarily in clearing accounts pending clearance to the applicable account. Agencies account for amounts that are not Government funds in deposit funds. The following table summarizes the characteristics of these funds. The text following the table discusses the types of funds in more depth.

CHARACTERISTICS OF FUND TYPES AND THEIR ACCOUNTS

Fund Type/Account **Treasury Account Symbol**	**What is the purpose of the account?**	**Are receipt accounts and expenditure accounts linked?**	**Are these funds included in the budget?**
Federal funds:			
General fund receipt accounts (0000–3899)	Record unearmarked receipts.	No.	Yes.
General fund expenditure accounts (0000–3899)	Record budget authority, obligations, and outlays of general fund receipts and borrowing. Record offsetting collections authorized by law, such as the Economy Act, and associated budget authority, obligations, and outlays.	No, general fund appropriations draw from general fund receipts collectively.	Yes.
Special fund receipt accounts (5000–5999)	Record receipts earmarked by law for a specific purpose (other than business-like activity).	Yes.	Yes.
Special fund expenditure accounts (5000–5999)	Record budget authority, obligations, and outlays of special fund receipts. Record offsetting collections authorized by law, such as the Economy Act, and associated budget authority, obligations, and outlays	Yes.	Yes.
Public enterprise revolving funds (4000–4499)	Record offsetting collections earmarked by law for a specific purpose and associated budget authority, obligations, and outlays for a business-like activity conducted primarily with the public.	Not applicable. Collections are credited to the expenditure account.	Yes.[1]

Fund Type/Account Treasury Account Symbol	What is the purpose of the account?	Are receipt accounts and expenditure accounts linked?	Are these funds included in the budget?
Intragovernmental revolving funds (including working capital funds) (4500–4999)	Record offsetting collections earmarked by law for a specific purpose and associated budget authority, obligations, and outlays for a business-like activity conducted primarily within the Government.	Not applicable. Collections credited to the expenditure account.	Yes.
Trust funds:			
Trust fund receipt accounts (8000–8399 and 8500–8999)	Record receipts earmarked by law for a specific purpose (other than a business-like activity).	Yes.	Yes.[1]
Trust fund expenditure accounts (8000–8399 and 8500–8999)	Record budget authority, obligations, and outlays of trust fund receipts. Record offsetting collections authorized by law, such as the Economy Act, and associated budget authority, obligations, and outlays.	Yes.	Yes.[1]
Trust revolving funds (8400–8499)	Record offsetting collections earmarked by law for a specific purpose and associated budget authority, obligations, and outlays for a business-like activity conducted primarily with the public.	Not applicable. Collections credited to the expenditure account.	Yes.
Other: (non-budgetary)			
Clearing accounts (F3800–F3885)	Temporarily hold general, special, or trust fund Federal Government collections or disbursements pending clearance to the applicable receipt or expenditure accounts. (Amounts in clearing accounts should not be used to make outlays or payments.)	Not applicable. Deposits and disbursements are recorded in the same account.	Yes, once they are posted to either a receipt or expenditure account.
Deposit funds (6000–6999)	Record deposits and disbursements of monies not owned by the Government or not	Not applicable. Deposits and disbursements are recorded in the same account.	No.

Fund Type/Account Treasury Account Symbol	What is the purpose of the account?	Are receipt accounts and expenditure accounts linked?	Are these funds included in the budget?
	donated to the Government (amounts donated to the Government are deposited in a special or trust fund account).		

[1] By law, the budget authority and the outlays (net of offsetting collections) of the Postal Service Fund (a revolving fund), and the receipts, budget authority, and outlays of the two social security trust funds (the Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund) are excluded from the on-budget totals. The budget documents present these amounts as "off-budget" and adds them to the budget totals to show totals for the Federal Government (sometimes called unified budget totals).

(c) *Federal funds*

Federal funds comprise several types of accounts or funds. A general fund receipt account records receipts not earmarked by law for a specific purpose, such as individual income tax receipts. A general fund expenditure account records appropriations from the general fund and the associated transactions, such as obligations and outlays. General fund appropriations draw from general fund receipts collectively and, therefore, are not specifically linked to receipt accounts.

The Federal funds group also includes special funds and revolving funds, both of which earmark collections for spending on specific purposes. We establish a special fund where the law requires us to earmark collections from a specified source to finance a particular program, and the law neither authorizes the fund to conduct a cycle of business-type operations (making it a revolving fund) nor designates it as a trust fund. For example, a law established the Land and water conservation fund, earmarking a portion of rents and royalties from Outer Continental Shelf lands and other receipts to be used for land acquisition, conservation, and recreation programs. The receipts earmarked to a fund are recorded in one or more special fund receipt accounts. More than one receipt account may be necessary to distinguish different types of receipts (governmental, proprietary, etc.) and receipts from significantly different types of transactions (registration fees vs. fines and penalties, for example). The fund's appropriations and associated transactions are recorded in a special fund expenditure account. Most funds have only one expenditure account, even if they have multiple receipt accounts. However, a large fund, especially one with appropriations to more than one agency (such as the Land and water conservation fund), may have more than one expenditure account. The majority of special fund collections are derived from the Government's power to impose taxes, fines, and other compulsory payments, and they must be appropriated before they can be obligated and spent.

Revolving funds conduct continuing cycles of business-like activity. They charge for the sale of products or services and use the proceeds to finance their spending. Instead of recording the collections in receipt accounts (as offsetting receipts), the budget records the collections and the outlays of revolving funds in the same account. The laws that establish revolving funds authorize the collections to be obligated and outlayed for the purposes of the fund without further appropriation. The law of supply and demand is expected to regulate such funds. However, in some cases, Congress enacts obligation limitations on the funds in appropriations acts as a way of controlling their expenditures (for example, a limitation on administrative expenses). There are two types of revolving funds in the Federal funds group. Public enterprise funds, such as the Postal Service Fund, conduct business-like operations mainly with the public. Intragovernmental funds, such as the Federal Buildings Fund, conduct business-like operations mainly within and between Government agencies.

(d) *Trust funds*

Trust funds account for the receipt and expenditure of monies by the Government for carrying out specific purposes and programs in accordance with the terms of a statute that designates the fund as a trust fund (such as the Highway Trust Fund) or for carrying out the stipulations of a trust agreement where the Nation is the beneficiary (such as any of several trust funds for gifts and donations for specific purposes). Like special funds and revolving funds, trust funds earmark collections for spending on specific purposes. Many of the larger trust funds finance social insurance payments for individuals, such as Social Security, Medicare, and unemployment compensation. Other major trust funds finance military and Federal civilian employees' retirement, highway and mass transit construction, and airport and airway development.

A trust fund normally consists of one or more receipt accounts to record receipts and an expenditure account to record the appropriation of the receipts and associated transactions. Some trust funds have multiple receipt accounts for the same reasons that special funds have them. Also, like special funds, large trust funds (such as the Highway Trust Fund) may have multiple expenditure accounts. A few trust funds, such as the Veterans Special Life Insurance fund and the Employees Life Insurance Fund, are established by law as revolving funds. These funds operate the same way as revolving funds in the Federal funds group, and we call them trust revolving funds. They conduct a cycle of business-type operations. The collections are credited to the expenditure account as offsetting collections and their outlays are displayed net of collections in a single expenditure account.

The Federal budget meaning of the term "trust", as applied to trust fund accounts, differs significantly from its private sector usage. In the private sector, the beneficiary of a trust usually owns the trust's assets, which are managed by a trustee who must follow the stipulations of the trust. In contrast, the Federal Government owns the assets of most Federal trust funds, and it can raise or lower future trust fund collections and payments, or change the purposes for which the collections are used, by changing existing laws. There is no substantive difference between these trust funds and special funds or between trust revolving funds and public enterprise revolving funds. Whether a particular fund is designated in law as a trust fund is, in many cases, arbitrary. For example, the National Service Life Insurance Fund is a trust fund, but the Servicemen's Group Life Insurance Fund is a Federal fund, even though both are financed by earmarked fees paid by veterans and both provide life insurance payments to veterans' beneficiaries. There are a few Federal trust funds that are managed pursuant to a trust agreement. These are identified in the budget as "gift funds". In addition, the Government does act as a true trustee on behalf of some entities outside of the Government where it makes no decisions about the amount of these deposits or how they are spent. For example, it maintains accounts on behalf of individual Federal employees in the Thrift Savings Fund, investing them as directed by the individual employee. The Government accounts for such funds in deposit funds (see the section after next).

(e) *Clearing accounts*

You use clearing accounts to temporarily account for transactions that you know belong to the Government while you wait for information that will allow you to match the transaction to a specific receipt or expenditure account. For example:

- To temporarily credit unclassified transactions from the public when there is a reasonable presumption that the amounts belong to a Federal Government account other than miscellaneous receipts in the Treasury.

- To temporarily credit unclassified transactions between Federal agencies, including Intragovernmental Payment and Collection (IPAC) transactions.

You should not use clearing accounts to mask an overobligation or overexpenditure of an expenditure account.

(f) *Deposit funds*

You use deposit funds to account for monies that do not belong to the Government. This includes monies held temporarily by the Government until ownership is determined (such as earnest money paid by bidders for mineral leases) or held by the Government as an agent for others (such as State and local income taxes withheld from Federal employees' salaries and not yet paid to the State or local government). We exclude deposit fund transactions, as such, from the budget totals because the funds are not owned by the Government. Therefore, the budget records transactions between deposit funds and budgetary accounts as transactions with the public. For example, when the mineral leasing process has been completed, the winning bidder's earnest money is transferred from the deposit fund to the appropriate receipt account and the budget records a receipt. Similarly, outlays are recorded in an agency's salaries and expense account when a Federal employee is paid, even though some of the amount is transferred to a deposit fund for State and local income taxes withheld and paid later to the State and local government. Deposits and associated disbursements are recorded in the same account.

20.13 What do I need to know about reimbursable work?

Agencies can perform reimbursable work for the public or other Federal agencies. The types of laws that allow you to use advances or reimbursements in return for providing others with goods and services are:

- Laws that establish revolving funds, including franchise funds and working capital funds;
- Provisions in appropriations or substantive laws that allow agencies to use the amounts they collect; and
- The Economy Act (31.U.S.C. 1535).

Generally speaking, laws that authorize an agency to enter into a "reimbursable agreement" with non-Federal transaction partners only provide authority to deposit collections into the agency's account, rather than the Miscellaneous Receipts Account (31 U.S.C. 3302). One such example is the Intergovernmental Cooperation Act of 1969 (31 U.S.C. 6501). Authority to enter into a "reimbursable agreement" is not sufficient to allow you to record a budgetary resource against account receivable absent additional express statutory authority to do so.

(a) *Revolving funds*

You may use a revolving fund when a law establishes the revolving funds and authorizes you to credit payments to the revolving fund that performs the work. Revolving funds operate on a reimbursable basis when working capital (undisbursed cash) is available. Otherwise, advance payments must accompany orders. You may not disburse revolving funds into a negative cash position in anticipation of Federal or non-Federal reimbursements because of the Antideficiency Act.

(b) *Payments from non-Federal entities*

If the law authorizes an expenditure account to perform work for the public and to credit collections from non-Federal entities as spending authority, you may cover obligations incurred by the account by:

- Advances collected up to the amount of accompanying orders (see section 20.11 for treatment of advances); and
- Working capital that is available for this purpose.

(c) *Economy Act*

The Act authorizes the head of an agency or major organizational unit within an agency to place an order with a major organizational unit within the same agency or another Federal agency for goods or services provided that:

- The ordering agency has enough money to pay for the order;
- The head of the ordering agency or unit decides the order is in the best interest of the United States Government;
- The agency or unit to fill the order is able to provide or get by contract the ordered goods or services;
- The head of the ordering agency decides that the ordered goods or services cannot be provided by contract as conveniently or cheaply by a commercial enterprise; and
- Transactions authorized by the Economy Act are limited by the statutory requirement that the amount obligated by the ordering appropriation is required to be deobligated to the extent that the agency or unit filling the order has not incurred obligations before the end of the period of availability of the ordering appropriation.

Under the Economy Act, payment (via expenditure transfer) may be made in advance or reimbursements may be made. Advances and reimbursements from other Federal Government appropriations are available for obligation—but not disbursement until received—when the ordering appropriation records a valid obligation to cover the order. The Act states that the providing (servicing) agency shall charge the ordering (requesting) agency “on the basis of the actual cost of goods or services provided” as agreed to by the agencies. Specific questions about Economy Act requirements should be directed to the agency’s Chief Financial Officer and/or Office of General Counsel.

Transfers[1] of Budgetary Resources Among Federal Government Accounts

TYPE OF TRANSACTION	NATURE OF TRANSACTION	TREASURY ACCOUNTING TREATMENT	BUDGET TREATMENT
I. NONEXPENDITURE TRANSFERS			
A. TRANSFER OF AUTHORITY TO OBLIGATE	Transfers to carry out the purposes of the RECEIVING ACCOUNT, for example, to shift resources from one purpose to another or to reflect a reorganization.	TRANSFER via S.F. 1151	The TRANSFERRING ACCOUNT reports a transfer out of budget authority or balances. THE RECEIVING ACCOUNT reports a transfer in.
B. ALLOCATION OF AUTHORITY TO OBLIGATE i.e., transfers to transfer appropriation accounts	Transfers to carry out the purposes of the PARENT ACCOUNT.	TRANSFER via S.F. 1151	Obligations and outlays are reported by the PARENT ACCOUNT.
II. EXPENDITURE TRANSFERS			
A. EXPENDITURE TRANSFER PAYMENTS BETWEEN TWO FEDERAL FUNDS OR BETWEEN TWO TRUST FUNDS	Payments to carry out the purposes of the PAYING ACCOUNT, such as payments in return for goods and services authorized under the Economy Act. Payments that represent financial interchanges between Federal government accounts that are not in exchange for goods and services.	PAYMENTS via FMS 224 or electronic funds transfer.[2]	Obligations and outlays are reported by the PAYING account. Offsetting collections are reported by the RECEIVING account. The collections are (1) ADVANCES or (2) REPAYMENTS in the form of REIMBURSEMENTS or REFUNDS.
B. EXPENDITURE TRANSFER PAYMENTS BETWEEN FEDERAL AND TRUST FUNDS	All transfers between the two fund groups are expenditure transfers.	PAYMENTS via FMS 224 or electronic funds transfer.	Same as above.

[1] A transfer is distinguished from a reprogramming in that a reprogramming always involves the shifting of budgetary resources within a Treasury account whereas a transfer usually involves the shifting of budgetary resource between two Treasury accounts. However, the shifting of budgetary resources within a single Treasury account should be considered a transfer if the action moves budgetary resources between separate statutory appropriations.

[2] For non-Treasury disbursing offices, the equivalent of the FMS 224 is the FMS 1219, Statement of Accountability, and FMS 1220, Statement of Transactions.

SECTION 22—COMMUNICATIONS WITH THE CONGRESS AND THE PUBLIC AND CLEARANCE REQUIREMENTS

Table of Contents

22.1 Confidentiality of budget deliberations
22.2 Congressional testimony and communications
22.3 Clearance of materials for the Congress and the media
22.4 Clearance of changes to the President's Budget
22.5 Information available to the public
22.6 Congressional budget justifications

22.1 Confidentiality of budget deliberations.

The nature and amounts of the President's decisions and the underlying materials are confidential. Do not release the President's decisions outside of your agency until the Budget is transmitted to the Congress. The materials underlying those decisions may not be released at any time, except in accordance with this section. In addition, outyear discretionary data is considered pre-decisional and may not be released without prior OMB approval. (For additional information on the confidentiality of pre-decisional budget information, please consult OMB Memorandum M–01–17 of April 25, 2001.)

Presidential decisions on current and budget year estimates (other than forecasts of items that will be transmitted formally later), both in total and in detail, become the "proposed appropriations" as that term is used in the Budget and Accounting Act of 1921, as amended, and must be justified by your agency. Do not release agency justifications provided to OMB and any agency future year plans or long-range estimates to anyone outside the Executive Branch, except in accordance with this section.

Section 51.16 confirms and clarifies the application of this section to pre-decisional, deliberative budget information relating to the Inspectors General.

22.2 Congressional testimony and communications.

The Executive Branch communications that led to the President's budgetary decisions will not be disclosed either by the agencies or by those who have prepared the budget. In addition, agency justifications provided to OMB and any agency future year plans or long-range estimates will not be furnished to anyone outside the Executive Branch, except in accordance with this section.

When furnishing information on appropriations and budgetary matters, you (and your agency representatives) must be aware of the following limitation on communications:

> "...An officer or employee of an agency may submit to Congress or a committee of Congress an appropriations estimate or request, a request for an increase in that estimate or request, or a recommendation on meeting the financial needs of the Government only when requested by either House of Congress" (31 U.S.C. § 1108(e)).

You must also be aware of restrictions on communications to influence legislation that are not conducted through proper official channels (18 U.S.C. § 1913).

After formal transmittal of the budget, an amendment, or a supplemental appropriations request, the following policies apply when testifying before any congressional committee or communicating with Members of the Congress:

- Witnesses will give frank and complete answers to all questions.

- Witnesses will avoid volunteering personal opinions that reflect positions inconsistent with the President's program or appropriation request.

- If statutory provisions exist for the direct submission of the agency budget request to the Congress, OMB may provide you additional materials supporting the President's Budget request that you will forward to the Congress with the agency testimony. Witnesses will be prepared to explain the agency submission, the request in the President's Budget, and any justification material.

- When responding to specific questions on program and appropriations requests, witnesses will not provide the agency's request to OMB or plans for the use of appropriations that exceed the President's request. Typically, witnesses are responsible for one or a few programs, whereas the President is responsible for all the needs of the Federal Government. Where appropriate, witnesses will explain this difference in perspective and that it is therefore not appropriate for them to support appropriations above the President's request.

- When asked to provide a written response that involves a statement of opinion on program and appropriations requests, witnesses will provide a reply through the agency head.

- Do not let your communications be perceived as an "appropriations estimate or request ... or an increase in that estimate or request" (31 U.S.C. § 1108). You are expected to support the President's budgetary decisions and seek adjustments to those decisions only through established procedures if your agency head determines such action is necessary.

22.3 Clearance of materials for the Congress and the media.

Policy consistency between the President's Budget and the budget-related materials prepared for the Congress and the media is essential. To ensure this consistency, you are required to submit budget-related materials to OMB for clearance prior to transmittal to congressional committees, individual Members of the Congress or their staff, or the media. Unless a specific exemption is approved by OMB, materials subject to OMB clearance include:

- All budget justifications and budget-related oversight materials;

- Testimony before and letters to congressional committees;

- Written responses to congressional inquiries or other materials for the record;

- Materials responding to committee and subcommittee reporting requirements;

- Capability statements;

- Appeals letters;

- Reprogramming requests;

- Related cost information;

- Financial management documents addressing budget and policy issues (e.g., some accountability reports or transmittal documents for audited financial statements); and

- Proposed press releases relating to the President's Budget.

Provide this information to OMB five working days in advance to allow adequate review time. Performance and Accountability Reports must be provided 10 days in advance unless a shorter period is approved by OMB. OMB review of reprogramming requests may take longer in some circumstances (e.g., if the request has not been coordinated or if supporting materials have not been provided concurrently). In exceptional circumstances, where the response time is very short, agencies may request oral clearance or make other arrangements for expedited review. Immediately after the budget transmittal and after subsequent transmittals, provide OMB with a schedule of anticipated congressional reviews that require agency oral and written participation. Revise this schedule as appropriate.

Address any questions you have about this subsection to the OMB representatives whom you normally consult on budget-related matters.

22.4 Clearance of changes to the President's Budget.

If you want to propose changes to the President's Budget (e.g., appropriations language, limitations, balance sheets required by the Government Corporation Control Act, and dollar amounts), you must follow the confidentiality and clearance guidance provided in this section and submit a written request as described in section 110.3. OMB will notify you whether a formal transmittal of the change will be made.

When it is possible to reduce the amount of an appropriations request before action has been taken by the Appropriations Committee of either House, the head of your agency must inform OMB promptly. Before your agency head decides to request restoration of a reduction, the reasons for the reduction, the circumstances under which it was made, and its significance to the President's program should be carefully considered.

22.5 Information available to the public.

Agency budget documents that are subject to the Freedom of Information Act (FOIA) may be exempt from mandatory release pursuant to 5 U.S.C. § 552(b)(5). Depending on the nature of the record requested, other FOIA exemptions may apply. When deciding whether to withhold a budget document that is exempt from mandatory release, follow the FOIA memorandum issued by the President on January 21, 2009 and the FOIA guidance issued by the Attorney General on March 19, 2009. Any discretionary decision by an agency to disclose protected information should be made only after full and deliberate consideration of the institutional interests that could be implicated by disclosure, as well as after consultation with OMB. Agency heads are responsible for determining the propriety of record releases under FOIA.

Certain agencies headed by a collegial body are required to hold their meetings open to public observation unless the agency properly determines that the matter to be discussed warrants the closing of those meetings for reasons enumerated in the Government in the Sunshine Act (5 U.S.C. § 552b). Some meetings covered by that Act may pertain to budgetary information discussed in this Circular. Although, as with the FOIA, it is not possible to determine merely by the generic category of such information whether such an agency would be authorized to close a particular meeting covered by the Act, agencies must review those situations that involve budgetary information under the guidelines in the paragraph above and 5 U.S.C. § 552b(c). Such agencies are responsible for the propriety of determinations under these guidelines and provisions.

22.6 Congressional budget justifications.

Congressional budget justification materials must include or be structured as the performance plan submission (section 240). In addition, agencies must include the additional information described below, as well as detailed descriptions of agencies' activities and proposals at the program, project, and activity level.

(a) *Materials for performance plan submission to the Congress*

Consult with your congressional representatives to agree on the performance plan format prior to submitting your congressional justification. Please also note the applicable public posting and notification requirements that apply to performance plans as detailed in section 22.6(c). Your OMB representative should be included in those consultations as appropriate. Accordingly, your OMB representative should be provided with your proposed justification to the Congress with sufficient time for review.

(b) *Material to be included in congressional budget justifications*

Consistent with 41 U.S.C. § 433(h), identify funding levels requested for education and training of the acquisition workforce in your budget justifications to the Congress.

Consistent with 42 U.S.C. § 8255, identify funds requested for energy conservation measures in your budget justifications to the Congress.

Provide the Congress with information to assess current and proposed capital projects that is consistent with the Administration's budget proposals, including: appropriate information on planning; budgeting, including the current or proposed use of incremental or full funding; acquisition; and management of the projects.

Provide the Congress with information on the expected benefits you will receive from the President's E-Government initiatives and the funding levels for FY 2013.

You must submit all budget justification materials to OMB for clearance before transmitting them to the Congress.

(c) *Availability of congressional budget justifications*

Make your full congressional budget justification materials, including your performance plan submission, available to the public and post the materials on the Internet within two weeks after transmittal of those materials to the Congress. Release of these materials must be done in accordance with the requirements of this section and any relevant provisions of law. Materials will not be released if disclosure is prohibited by statute, the materials are classified or must be kept secret in the interest of national security or foreign policy, or the materials are otherwise exempt from release pursuant to 5 U.S.C. § 552(b).

CIRCULAR NO. A–11

PART 2

PREPARATION AND SUBMISSION OF BUDGET ESTIMATES

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
JULY 2013

SECTION 25—SUMMARY OF REQUIREMENTS

Table of Contents

25.1 Does Part 2 (Preparation and Submission of Budget Estimates) apply to me?
25.2 How do I get an exception?
25.3 For what items do I need advance approval?
25.4 How do I submit information to OMB?
25.5 What do I include in the budget request to OMB?
25.6 How do I build the MAX database?

Key Dates for the FY 2015 Budget

Initial budget submissions to OMB	September 9
FACTS II closes for 4th quarter, FY 2013	October 21
MAX database opens; FACTS II revision window opens	November 1
Agency PY lock and FACTS II revision window closes	November 13[1]
Receipt PY revision window close	November 13
Economic assumptions released	November TBD
Agency baseline lock (discretionary and mandatory)	December TBD[2]
Final database: Agency lock-out	January TBD
Transmittal of the FY 2015 Budget	February 3

[1] The prior year lock will apply to all schedules.
[2] Estimates of items included as transmit 7's in the adjusted baseline will also be required at this time.

25.1 Does Part 2 (Preparation and Submission of Budget Estimates) apply to me?

By law (31 U.S.C. 1104), the President's budget must include information on all agencies of all three branches of the Federal Government. Therefore, the instructions in Part 2 generally apply to all Government agencies. In addition, these instructions apply to the District of Columbia, which must submit information in support of Federal payments to the District. OMB includes the information submitted by certain agencies in the budget without change. In addition, Government-sponsored enterprises (GSEs) submit some of the information required of Government agencies on a comparable basis, and OMB includes it in the budget for information purposes.

If your agency appears in the following list, it is not subject to Executive Branch review by law or custom. That means that the requirements for submitting materials in support of your budget request do not apply to you. However, you do need to submit the information required for inclusion in the budget database and documents, which OMB incorporates without revision.

- Legislative Branch agencies.
- Judicial Branch agencies.
- Executive Branch agencies, as follows:
  - Milk, Fruit, and Vegetable Marketing Orders, USDA.
  - International Trade Commission.
  - Postal Service.
  - Board of Governors of the Federal Reserve System.
- Government-Sponsored Enterprises (GSEs) as follows:
  - Federal National Mortgage Association.
  - Federal Home Loan Mortgage Corporation.

- Banks for cooperatives.
- Agriculture credit banks.
- Farm credit banks.
- Federal Agricultural Mortgage Corporation.
- Federal home loan banks.
- Financing Corporation.
- Resolution Funding Corporation.

Contact your OMB representative if you have questions about the applicability of these instructions.

25.2 How do I get an exception?

For the sake of comparability among the budget data and presentations, OMB does not grant many exceptions to the specific requirements in this Part. However, if you believe special circumstances warrant an exception in your case, submit a written request detailing the circumstances and the specific exception needed to your OMB representative by August 1. If OMB approves the exception, it is valid only for the specified budget.

25.3 For what items do I need advance approval?

You must get advance approval from your OMB representative for the items shown in the table below.

Item	See section...	Timing
(1) Form and content of justification materials.	51.2	To be determined in consultation with your OMB representative.
(2) Program activity structure in the program and financing schedule.	82.5	By October 1.
(3) Changes in functional and receipt classifications.	79.4	By October 1.
(4) Changes in budget account structure (new accounts, merged accounts, changes in account titles, etc.)	79.4	By October 1 or as soon as possible thereafter for changes dependent on congressional action or other circumstances beyond agency control.

25.4 How do I submit information to OMB?

You generally submit information in two stages:

(1) ***As part of your budget request***. Both Executive Branch agencies that are subject to Executive Branch review and the District of Columbia must prepare information and materials supporting their budget request. Your OMB representative will work with you to determine the specific form, content, and timing of this information. Agencies that are not subject to Executive Branch review are not required to submit this information.

(2) ***After passback***. Passback usually occurs around the end of November. In early-mid November, OMB issues detailed guidance and deadlines to complete CY and BY information. This stage includes MAX computer data, print materials, and additional information used to prepare the budget documents and supporting database. Also, you may need to revise and resubmit some materials included in the budget request to reflect the effects of final decisions. Agencies that are not subject to Executive Branch review need to submit information for inclusion in the budget documents and the budget database.

In the following sections, we tell you more about each stage, the items required, the criteria for determining whether the item applies to your agency, and where to find more detailed guidance on the item.

25.5 What do I include in the budget request to OMB?

You should include the information described below. In addition, your OMB representative may require you to include other materials (for example, information about your budget request by account and Budget Enforcement Act (BEA) category).

TABLE 1: CONTENTS OF THE BUDGET REQUEST[1]
Access web links at http://www.whitehouse.gov/sites/default/files/omb/assets/a11_current_year/s25.pdf

If your agency is subject to Executive Branch Review and...	Then include this...	See section or link…
Covered by the Chief Financial Officers Act	Justification materials	51.2
	Report on resources for financial management activities (Exhibit 52) ***(Due January 31, 2014)***	52
	Brief discussion in PAR or AFR of the agency's financial management systems strategy. ***(Due November 15, 2013)***	52.3 and 52.4
Not covered by the Chief Financial Officers Act	Brief discussion in PAR or AFR of the agency's financial management systems strategy. If agency does not publish a PAR, include this information in the budget submission. ***(Due November 15, 2013)***	52.3 and 52.4
Has motor vehicles	Motor vehicle fleet report ***(Due August 26, 2013, initial agency input)***	Instructions
Obligates more than $5 million annually for rental payments to GSA or others	Space budget justification ***(Due with agency budget submission)***	54
Has credit liquidating accounts with unobligated balances that carry over into the current year	Justification of unobligated balances in liquidating accounts	51.13, 185.3(k)
Has geospatial data investments greater than $500,000	Information on geospatial data investments [2] ***(Due within 90 days of enactment of an agency's appropriations bill)***	Instructions
Has submitted a strategic sustainability performance plan associated with meeting the goals of EO 13423 and EO 13514	Information on funds for agency implementation of sustainability goals	Instructions
Implements homeland security related initiatives	Homeland security data collection	Instructions
Has technology transfers	Information on technology transfers ***(Due January 31, 2014)***	Instructions
Subject to GPRA requirements	Performance budget	51.7, 200

TABLE 1: CONTENTS OF THE BUDGET REQUEST[1]
Access web links at http://www.whitehouse.gov/sites/default/files/omb/assets/a11_current_year/s25.pdf

If your agency is subject to Executive Branch Review and...	Then include this...	See section or link…
Is requesting funds for investments in information technology	Funding Summary for information technology [2]	Instructions
Has IT expenditures	Data showing Cloud Computing budget levels by deployment model and service model	Instructions
Has IT expenditures	Explanation of proposed priority IT investments	Instructions
Is requesting funds for major information technology capital assets	Business Case for IT Capital Investments [2]	Instructions
Is requesting funds for non-information technology (IT) capital assets (other than aircraft)	Business Case for Non-IT Capital Acquisitions [2]	Instructions
Is requesting funds for acquisition and maintenance of aircraft	Business Case for Acquisition and Maintenance of Aircraft[2]	Instructions
Is proposing any discretionary administrative actions that would increase mandatory spending	Information on planned administrative actions	OMB Memorandum M–05–13, 31.3
Provides major formula grants to State or local governments	State-by-State data and other information ***(Due after Passback)***	Instructions
Has R&D funding	R&D funding by account and crosscut data at the bureau/agency level in budget authority (not outlays)	Instructions

[1] Materials are due September 9, 2013, unless otherwise specified. Requirements do not apply to agencies not subject to Executive Branch review (see section 25.1).

[2] If final decisions require changes to this information, revised materials must be submitted.

25.6 How do I build the MAX database?

(a) *Overview*

After the President has considered the estimates and made his decisions, you will be notified. You submit two types of information after passback, as explained in more detail in the following sections:

- ***MAX computer data,*** submitted through the MAX budget data system (see sections 79-86).
- ***Print materials,*** which OMB uses to prepare parts of the budget *Appendix* (see section 95).

If the decisions affect other budget accounts (such as the amount of transfers), you need to coordinate these changes with whomever is responsible for the budget submission of those other accounts.

When you are informed of the President's decisions, your agency head will determine the best and most appropriate distribution of amounts that have been left flexible. This Circular does not address the process by which you appeal passback decisions. We issue separate guidance on the appeals process at the time of passback.

(b) *Timing*

The core information in the PY column must be completed by mid-November (see Key Dates). In mid-early November OMB issues detailed guidance and deadlines for completing all MAX database schedules. These deadlines are based on the very tight schedule that OMB must maintain in order to transmit the budget in a timely manner. In order to meet the deadlines, you must begin providing the required information based on passback decisions. Do not wait until you have resolved appeals. Appeals generally affect very little of the information you submit, and you will have an opportunity to change the information as necessary to reflect the appeal resolution. Unless your OMB representative agrees, do not submit information that assumes an appeal resolution different from passback. When an appeal results in changes to passback decisions, the changes often differ from the agency proposal.

(c) *MAX computer data*

You must submit the MAX computer data described below for each applicable budget account. In addition, if the criterion listed in the first column of the table applies to you, submit the data described in the second column for each applicable budget account. We indicate the MAX data schedule or schedules involved and tell you where to find guidance on the requirement.

TABLE 2: MAX COMPUTER DATA [1,2]

If your agency has…	Then submit for each applicable budget account…	MAX data schedule…	See section…
Budget authority and outlays	Estimates of budget authority and outlays	X	81, 82
	Character classification data, including R&D data	C	84
	Program and financing schedules[3]	X	82
Obligations	Object classification schedules	O	83
Employment	Employment summary	Q	85.6
Receipt accounts	Receipt estimates	K and R	81.3(b)
Credit liquidating or financing accounts; or non-credit revolving funds that conduct business-type activities (as determined by OMB), including GSEs	Balance sheet	F	86.1
Appropriations language requests	Budget year appropriations requests in thousands	T	86.2
Major trust funds and certain other accounts (as determined by OMB)	Status of funds	J	86.3
Special or trust fund receipts	Special and trust fund receipts	N	86.4
Credit programs	Federal credit data	G, H, U, and Y	185

TABLE 2: MAX COMPUTER DATA [1,2]

If your agency has…	Then submit for each applicable budget account…	MAX data schedule…	See section…

[1] Including agencies not subject to Executive Branch review. GSEs submit data for schedules F, G, and H only. Federal Reserve Board submits data for schedules A, P, and O only.

[2] Information required for schedules A, S, and P will be reported in a single worksheet (schedule X).

[3] Schedule P also required for accounts with obligated or unobligated balances.

(d) *Print materials*

Print materials include these items printed in the ***Budget Appendix***:

- ***Appropriations language****.* You must submit language for each account for which appropriations or limitation language was enacted in the CY or is proposed in the CY or BY, including supplemental appropriations requests. You must also submit any general provisions that pertain to you (see section 95).

- ***Narrative statements, footnotes, and tables****.* You must provide a narrative statement for each account with activity in the current or budget year and separate statements for supplemental requests, rescission proposals, and items proposed for later transmittal. You may be required to provide tables and footnotes that are not generated by MAX under certain circumstances (see section 95).

SECTION 31—POLICIES, LAWS, AND OTHER GENERAL REQUIREMENTS FOR BUDGET ESTIMATES

Table of Contents

31.1 Basic policies and assumptions
31.2 Advance appropriations
31.3 Agency administrative actions
31.4 Equal opportunity
31.5 Full funding
31.6 Government perquisites
31.7 Multi-year appropriations
31.8 Management improvement initiatives and policies
31.9 Construction, leases of capital assets, and acquisition of real property
31.10 Hospital costs
31.11 Advisory committees and interagency groups
31.12 Radio spectrum-dependent communications-electronics systems
31.13 Spectrum relocation fund
31.14 Historically Black Colleges and Universities
31.15 Additional policies and requirements

Summary of Changes

Notes new guidance in OMB Memorandum M-13-13 and that the agency Information Resources Management strategic plan should reflect how the agency will comply with the open data policy (section 31.8).

31.1 Basic policies and assumptions

(a) *What should be the basis for my proposals?*

Your proposals should result from a comprehensive system that integrates analysis, planning, evaluation, and budgeting. In developing the estimates, consider the effect that demographic, economic, or other changes can have on program levels beyond the budget year. Be prepared to discuss the impact that program levels and changes in methods of program delivery, including advances in technology, will have on program operations and administration. Also consider the appropriate roles for Federal, State, and local governments, as well as the private sector, in conducting the covered activities.

(b) *What is the scope of the policy estimates?*

(1) *Presidential policy estimates for CY and BY.*

(i) *Regular annual estimates*. Your regular annual estimates must reflect all requirements anticipated at the time of budget submission and should cover:

- Continuing activities, including those that must be reauthorized for the budget year;
- Authorized activities that are proposed for the budget year;
- Amounts necessary to meet specific financial liabilities imposed by law; and
- Decreases for activities proposed for termination or reduction.

(ii) *Supplemental proposals.* You should make every effort to conduct your programs within the amounts appropriated for the current year and to postpone actions that require supplemental appropriations. OMB will only consider supplemental requests that meet the criteria provided in section 110.

(2) *Presidential policy outyear estimates.*

Policy estimates for the nine years following the budget year (BY+1 through BY+9) enable an analysis of the long-term consequences of proposed program or tax policy initiatives. When you develop outyear policy estimates, they should be consistent with the general policies and information required for the budget year and indicate the degree to which specific policy decisions made for the budget year or any subsequent year affect budget authority, outlay, and receipt outyear levels. Take into consideration changes in spending trends, economic assumptions, and other actions or events when you prepare estimates of budget authority, outlays, and receipts for BY+1 through BY+9.

(c) *What economic assumptions should I use when I develop estimates?*

All budget materials, including those for the outyear policy and baseline estimates, must be consistent with the economic assumptions provided by OMB. The specific guidance below applies to outyear policy estimates.

OMB policy permits *consideration* of price changes for goods and services as a factor in developing estimates. However, this does not mean that you should automatically include an allowance for the full rate of anticipated inflation in your request.

For *mandatory programs,* reflect the full inflation rate where such an allowance is required by law and there has been no decision to propose less than required. For *discretionary programs,* you may include an allowance for the full rate of anticipated inflation, an allowance for less than the full rate, or even no allowance for inflation. In many cases, you must make trade-offs between budgeting increases for inflation versus other increases for programmatic purposes. Unless OMB determines otherwise, you must prepare your budget requests to OMB within the budget planning guidance levels provided to you, regardless of the effect of inflation.

Economic assumptions may be revised shortly before final budget decisions are made. These revisions will not usually result in changes to the previous budget guidance on your agency totals.

See sections 32 and 85 for personnel assumptions and costs.

31.2 Advance appropriations

Do not request advance appropriations if the only purpose is to shift budget authority for a program that would normally be provided in the budget year. For example, if you would normally request budget authority in the budget year to cover a cohort of obligations for a grant program, even though some of the obligations will not be incurred until the following fiscal year, you may not request an advance appropriation to cover the obligations expected to be incurred in the following fiscal year.

31.3 Agency administrative actions

OMB Memorandum M–05–13, "Budget Discipline for Agency Administrative Actions," requires you to identify offsets when proposing administrative actions such as regulations, demonstrations, program notices, guidance to States or contractors, or other similar actions not required by law that would increase mandatory spending. In addition, you are required to include with your budget submission a list of all planned or anticipated administrative actions that would increase mandatory spending (see section 25.5).

31.4 Equal opportunity

Your estimates should reflect the Administration's commitment to programs designed to ensure or promote equal opportunity regardless of race, color, religion, national origin, sex (including pregnancy and gender identity), disability, age, sexual orientation, genetic information, or any other non-merit-based factor. These activities include the following: implementation of statutes or regulations requiring fair housing; nondiscrimination in federally assisted or conducted programs; equal credit opportunity; full voting rights; civil and Constitutional rights; equal employment opportunity (including nondiscrimination by Federal agencies); and efforts to increase Federal contracting and subcontracting opportunities for minorities, women, and disadvantaged entrepreneurs.

31.5 Full funding

Requests for acquisition of capital assets must propose full funding to cover the full costs of the project or a useful segment of the project, consistent with the policy stated in the Capital Programming Guide. Specifically, requests for procurement programs must provide for full funding of the entire cost. In addition, requests for construction programs must provide for full funding of the complete cost of construction. You should not submit estimates for construction funds for major construction projects unless planning will reach a point by the end of the current year that will ensure that a contract for construction could be awarded during the budget year. Remember that Administration policy and the Antideficiency Act require you to have sufficient budget authority or other budgetary resources to cover the full amount of unconditional obligations under any contract.

For policies related to leases of capital assets and lease-purchases, see section 31.9 and Appendix B. For guidance on budget submissions for capital asset acquisitions, see section 51.19. For guidance on principles and techniques of planning, budgeting, procurement, and management of capital assets, see the supplement to this Circular, the Capital Programming Guide.

31.6 Government perquisites

Your estimates should reflect Administration policy to limit the use of Government vehicles, Government aircraft, travel, executive dining facilities, conferences, real property, and fleet management in accordance with Bulletin No. 93-11 "Fiscal Responsibility and Reducing Perquisites," OMB Memorandums M-11-35 "Eliminating Excess Conference Spending and Promoting Efficiency in Government" and M-12-12 "Promoting Efficient Spending to Support Agency Operations," and Executive Order 13589 "Promoting Efficient Spending."

31.7 Multi-year appropriations

Consider whether it is appropriate to request appropriations with multi-year availability, particularly for buildings, equipment, and other types of fixed capital assets, including major ADP and telecommunications systems, with long acquisition cycles. Where multi-year appropriations requests are appropriate, you should match the period of availability to the expected length of the acquisition cycle.

31.8 Management improvement initiatives and policies

Your estimates should reflect your efforts and planned action to strengthen management and improve program performance. Guidance on specific areas is provided below.

- *Capital planning and investment control.* Agency estimates should reflect the Administration's commitment to information technology (IT) investments that directly support agency missions as identified in the Agency's Information Resources Management (IRM) Strategic Plan as specified in OMB Circular A-130; Integrated Project Team, as specified in the Capital Programming Guide, v. 3.0; follow a customer-centric approach as identified in the Digital Government Strategy

(2012); and are consistent with the Clinger Cohen Act of 1996, the Paperwork Reduction Act, and the Federal Acquisition Streamlining Act (see also section 51.19). As per OMB Memorandum M-11-29 "Chief Information Officer Authorities," "CIOs must drive the investment review process for IT investments and have responsibility over the entire IT portfolio for an Agency."

- *Open data and records management.* Your estimates should reflect data sets that have been prioritized through your agency's engagement with customers as specified in OMB Memorandum M-13-13 "Open Data Policy – Managing Information as an Asset." Initiatives should create a customer-centered electronic presence (maximizing the reuse of current assets) and advancing the strategy identified in the IRM plan. Your estimates should reflect the requirements of the Government Paperwork Elimination Act, the E-Government Act, and OMB's guidance.

- *Security.* Your estimates should reflect a comprehensive understanding of OMB security policies and National Institute of Standards and Technology (NIST) guidance, including compliance with the Federal Information Security Management Act, and OMB Memorandum M–03–19, "Reporting Instructions for the Federal Information Security Management Act and Updated Guidance on Quarterly IT Security Reporting," by:

  - Reflecting the cost considerations used to calculate IT security costs (see section 51.19);

  - Demonstrating that the costs of security controls are understood and are explicitly incorporated in the life-cycle planning of the overall system, including the additional costs of employing standards and guidance more stringent than those issued by NIST;

  - Demonstrating how the agency ensures that risks are understood and continually assessed;

  - Demonstrating how the agency ensures that the security controls are commensurate with the risk and magnitude of harm;

  - Identifying additional security controls for systems that promote or permit public access, other externally accessible systems, and those that are interconnected with systems over which program officials have little or no control;

  - Demonstrating how the agency ensures the effective use of security controls and authentication tools to protect privacy for those systems that promote or permit public access; and

  - Demonstrating how the agency ensures that the handling of personal information is consistent with relevant Government-wide and agency policies.

- *Privacy.* Your estimates should reflect the Administration's commitment to privacy and should include a description of your privacy practices and steps taken to ensure compliance with all OMB privacy policies as set forth in OMB Memorandum M–03–22 "OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002," OMB Circular A–130, Appendix I, and OMB Memorandum M-13-13 "Open Data Policy – Managing Information as an Asset."

- *Improper Payments.* Your estimates should reflect anticipated reductions in improper payments as reported in the Performance and Accountability Report pursuant to the Improper Payments Information Act of 2002 as amended by the Improper Payments Elimination and Recovery Act of 2010 (IPERA).

- *Financial systems*. For a financial modernization project, reflect plans to achieve compliance with OMB Memorandum M-10-26, "Immediate Review of Financial Systems IT Projects" and OMB Circular A-127, "Financial Management Systems."

- *Other contributions*. Your estimates should reflect the required contributions to E-Gov line of business and other shared service operations. Contribution information is posted in the E-Gov Funding Tool.

31.9 Construction, leases of capital assets, and acquisition of real property

Agencies are required to submit certain types of leases and other unique, non-routine financing proposals to OMB for review of the scoring impact. See Appendix B for specific requirements.

(a) *Construction of Federal facilities*

If you are proposing construction of Federal facilities, you must:

- Comply with Executive Order 12088 for pollution control standards;

- Include the amounts required to ensure that existing facilities provide safe and healthful workplaces for Federal employees consistent with the standards promulgated under section 19 of the Occupational Safety and Health Act of 1970, the provisions of Executive Order 12196, and the related Safety and Health Provisions for Federal Employees of the Secretary of Labor (29 CFR, Chapter XVII, Part 1960);

- Comply with requirements of the Architectural Barriers Act of 1968 to eliminate structural barriers impeding the mobility of individuals with disabilities;

- Have reviewed the GSA inventory of Federal facilities and indicate the reasons you want to acquire new space instead of using existing Federal space, according to the GSA inventory;

- Comply with Executive Orders 11988 and 11990 if you are proposing to use sites located in floodplains or wetlands; and

- Comply with Executive Orders 13423 and 13514 to ensure that you are adhering to the Federal sustainable green buildings requirements. For general information about the Federal Real Property Profile. Government users should report results in the Federal Real Property Profile.

In addition to the requirements above, if you are requesting funds in support of capital facilities projects, including new construction, full and partial building renovation/modernization, or facility investments that meet the agency's capital threshold, you must provide the following information upon request by your OMB program examiner:

- Documentation supporting compliance with both the A–11Capital Programming Guide and the agency's Capital Planning and Investment Control (CPIC) process.

- Life Cycle Cost Analysis consistent with Circular A-94.

- Housing Plan indicating at a minimum the FTE to be housed and the types of facility space and associated square footage for each type.

- Environmental/Energy Efficiency Analyses, including current and future consumption estimates for renovation/modernization.

- Any additional documentation requested by the OMB program examiner.

(b) *Construction of federally-owned housing*

If you are proposing to construct federally-owned housing, make sure you:

- Do not include estimated funding for construction of housing for civilian employees, except where necessary to maintain continuity and efficiency of service and where private capital cannot be found; and

- Meet the requirements in OMB Circular A–45 for service or protection, or lack of available housing.

(c) *Construction in the District of Columbia*

You must consult the Commission of Fine Arts regarding plans for the construction of buildings and other structures in the District of Columbia that may affect in any important way the appearance of the city, and other questions involving artistic considerations with which the Federal Government is concerned.

(d) *Acquisition of land in the National Capital Area*

You must consult with the National Capital Planning Commission in advance regarding proposed developments and projects or commitments for the acquisition of land in the National Capital area, in accordance with 40 U.S.C. 8723(a) (see http://www.ncpc.gov).

(e) *Leasing capital assets*

If you propose to lease capital assets rather than purchase them, you should check the requirements in OMB Circular A–94. For additional information, see Appendix B.

(f) *Real property acquisition*

If you plan to acquire real property, you must:

- Include estimates consistent with the policies of Executive Orders 13327, and 13514 in your budget submission, and

- Make sure that estimates for acquisition of real property under contract are consistent with obligations reported in object class 32 (see section 83.7).

31.10 Hospital costs

If you are developing estimates for hospital costs:

- Use data based on the use of resources allocated by diagnosis-related groups and compare these data with payment rates of other payers using similar groupings;

- Indicate whether or not capital and depreciation costs are contained, and describe the cost allocation method underlying the data; and

- Identify the amount of reimbursement collected from third parties and Federal agencies if you provide hospital care on a reimbursable basis.

If you provide estimates for inpatient care facilities and medical care services, make sure they are consistent with Executive Order 12372.

31.11 Advisory committees and interagency groups

If you have advisory committees and interagency groups:

- Reflect the results of the committee reviews required by Executive Order 12838, which requires agencies to reduce the number and cost of non-statutory advisory committees;
- Use the ceilings established by OMB Circular A–135; and
- Separately identify the costs of advisory committees established by statute that you are proposing for termination.

You are prohibited from financing interagency groups (including boards (except Federal Executive Boards), commissions, councils, committees, and similar groups) by contributions from member agencies' appropriations by a Government-wide general provision unless such financing is specifically authorized by statute. Therefore, you must propose financing for such groups in the budget in one of the following forms:

- Appropriations specifically for the interagency group.
- Specific language authorizing interagency funding.

31.12 Radio spectrum-dependent communications-electronics systems

The value of radio spectrum required for telecommunications, radars, and related systems should be considered, to the extent practical, in economic analyses of alternative systems/solutions.[1] In some cases, greater investments in systems could enhance Federal spectrum efficiency (e.g., purchase of more expensive radios that use less bandwidth); in other cases, the desired service could be met through other forms of supply (e.g., private wireless services or use of land lines). Therefore, to identify solutions that have the highest net benefits, agencies should consider greater investment to increase spectrum efficiency along with cost minimizing strategies. To this end, section 6411 of the Middle Class Tax Relief and Job Creation Act directed that A–11 be updated with sections (a) and (c). Subsection (b) provides a methodology for determining a baseline to evaluate improvements in spectrum efficiency.

(a) *Guidance for Determining Value of Spectrum-Dependent Assets*

To ensure the Federal Government demonstrates proper stewardship of the spectrum resource in its procurement decisions, and thus yield improvements in overall Federal spectrum management and use, agencies must include in the development of their budget justifications for procurement of major telecommunication, broadcast, radar, and similar systems consideration of the economic value of the spectrum being used.[2] The extent of economic and budget analysis required will depend upon the nature and value of the systems and spectrum involved, and agencies should work with their OMB contacts to ensure a proper level of analysis is conducted.[3]

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[1] Circular A–11 reflects language recommended by the Commerce Spectrum Management Advisory Committee, pursuant to section 6411 of the Middle Class Tax Relief and Job Creation Act of 2012.

[2] Agencies should work with their OMB contacts to identify the new and/or existing systems that will use the A–11 methodology to determine the economic value of spectrum use. Agencies should give priority to systems that operate or plan to operate in frequencies below 3 Gigahertz that have been identified by the National Telecommunications and Information Administration for potential repurposing to commercial use and those that have primary status within a particular band.

[3] As a starting point, agencies should estimate the economic value of spectrum utilized by a system using the methodology included in subsection (b).

To demonstrate consideration of the value of the relevant spectrum, agencies should indicate whether the system procured was the most spectrum "efficient" solution among those qualified bids (i.e., that met specified mission/operational requirements); if an agency is unable to so indicate, then the agency should indicate the investment difference between the solution chosen and the more spectrum "efficient" qualified solution. To further advance Federal stewardship of the spectrum resource, agencies should also include the following in their budget justifications for procurement of major spectrum-dependent communications systems:

- In a Request for Proposal (RFP)[4] to procure the system, the requirement that respondents address spectrum "efficiency" factors (e.g., greater adjacent band compatibility, less use of bandwidth, etc.) and assess trade-offs between investment in equipment and spectrum requirements.

- Whether the system will share spectrum with other Federal or non-Federal existing systems/operations and, if so, the nature and extent of the sharing relationship.

- When proposing a new system, whether sharing an existing Federal system to meet the capability requirement is possible, or whether sharing capabilities of similar Federal users has been considered.

- When replacing systems, what improvements in spectrum "efficiency" and "effectiveness" exist compared to the prior system.

- Certification of consideration of non-spectrum dependent or commercial alternatives to meet mission/operational requirements.

Spectrum should be considered to have value and be included, to the extent practical, in economic analyses of alternative systems/solutions. In some cases, greater investments in systems could enhance Federal system spectrum efficiency (e.g., purchase of radios that use less bandwidth); in other cases, the desired service can be met with other forms of supply (e.g., private wireless services or use of land lines). In addition to considering cost minimizing strategies, agencies are encouraged to consider whether the investment would provide net benefits.

(b) *Example Methodology for determining a Baseline to Evaluate Improvements in Efficiency*

The purpose of this section is to provide an example of a methodology to evaluate spectrum efficiency when considering alternatives for procuring systems, as called for by subsection (a), or when evaluating spectrum usage generally. The methodology does not attempt to measure or judge the overall benefits of a Federal activity that utilizes spectrum-dependent systems to achieve mission functions nor does it attempt to establish a dollar value or auction price. Instead, the method outlined in this section provides agencies a way to evaluate improvements in spectrum efficiency in implementing their required and essential activities. Also, agencies may develop alternative methods for measuring spectrum efficiency and submit them to OMB for approval.

One method for determining spectrum efficiency when assessing procurement of Federal systems is to develop a baseline that measures: 1) the technical characteristics of the frequency used by the system, 2) the population of an area where spectrum is utilized and 3) the amount of bandwidth utilized. The

[4] Any efficiency factors included in RFP respondents' proposal that are selected should also be included as terms of the final contracts.

following method can be used to determine a score in these terms that agencies may use in their procurement processes and budget documents as required in subsection (a)[5]:

Determine a weighting factor to assign to frequency used. Agencies should use Table 1 to assign a weighting factor to the frequency utilized by the system.

Table 1: Example Frequency Weighting Factors	
Frequency (MHz)	**Weighting Factors**
0-500	0.05
500-999	1.00
1000-2999	0.5
3000-4999	0.2
5000 and above	0.05

1. **Estimate population impacted by Federal use**. Agencies should estimate the U.S. population in the service area where the Federal system will be used. Agencies should use U.S. Census Bureau population information by metropolitan statistical area (MSA) or other relevant designation for non-metropolitan areas to develop estimates. Systems that operate partially in the U.S. should only count the U.S. population impacted. For example, a system that only operates in Denver and does not utilize spectrum outside of the Denver MSA, should only use the population information for the Denver MSA in estimating population affected. Conversely, agencies should use population information for the entire country, if a system is assigned or utilizes spectrum nationwide.

2. **Estimate bandwidth utilized by a Federal system.** Agencies should identify the amount of bandwidth (in megahertz) utilized by a Federal system. This amount should include the total amount of bandwidth needed to operate the system in terms of megahertz, regardless of whether that spectrum is necessary to support transmitting or receiving equipment. This calculation should include necessary guard bands.

Multiply the frequency used by population and by bandwidth. To calculate the baseline to evaluate spectrum efficiency improvements, multiply together the preceding three factors. The product provides a baseline that can be used to evaluate the extent of efficiency gains, as discussed in subsection (a).

(c) *Spectrum Certification*

You must obtain a certification by the National Telecommunications and Information Administration (NTIA) of the Department of Commerce, or your agency as designated by NTIA, that the radio frequencies required can be made available before you submit estimates for the development or procurement of major radio spectrum-dependent communication-electronics systems (including all systems employing space satellite techniques). The NTIA, which is responsible for assigning spectrum to Federal users, may also review these analyses, during the assignment process.[6]

[5] Subsection (a) reflects language recommended by the Commerce Spectrum Management Advisory Committee, which is being included in A–11 pursuant to section 6411 of the Middle Class Tax Relief and Job Creation Act of 2012.

[6] NTIA may review the economic analyses of alternative systems/solutions at any point in the NTIA authorization processes.

31.13 Spectrum Relocation Fund

Relocation or modification of systems subject to Commercial Spectrum Enhancement Act. For agencies that are affected by the reallocation of certain frequencies from Federal to private sector use, the Commercial Spectrum Enhancement Act (CSEA, P.L. 108–494 as amended by P.L. 112-96) streamlines the process for funding the relocation or modification of systems. Auction receipts from the sale of eligible frequencies (defined in P.L. 108–494 as: a) the 216–220 megahertz (MHz) band, the 1432–1435 MHz band, the 1710–1755 MHz band, and the 2385–2390 MHz band; and b) certain other frequencies reallocated from Federal use to non-Federal use after January 1, 2003) will be deposited into the Spectrum Relocation Fund, and these funds will be used to facilitate Federal agencies' relocation.

The Federal Communications Commission (FCC) concluded an auction in September 2006 for licenses in the 1710–1755 MHz band, and agencies' relocation cost estimates were submitted to the Congress in February 2007. Initial transfers of approved amounts were made in March 2007 for agencies to commence relocation activities. Spectrum relocation funds have no-year authority, though agencies are expected to adhere to the timeframes approved by OMB, as indicated in the February 2007 Congressional notification. In accordance with section 120, these funds must be apportioned at least annually prior to obligation, unless specifically exempted. Agencies that receive funds from the Spectrum Relocation Fund will report their expenditures to OMB, concurrent with input into an annual report to the Congress to be submitted by the National Telecommunications and Information Administration (NTIA) of the Department of Commerce. Further guidance will be forthcoming on reporting requirements.

If potential cost over-runs or delays become apparent in any spectrum relocation project, OMB and NTIA should be notified in order to facilitate further review. Under the terms of the CSEA, agencies may receive more than one transfer from the Spectrum Relocation Fund, subject to prior review and approval by OMB, in consultation with NTIA. If the subsequent transfer or transfers exceed 10 percent of the original transfer, OMB will notify Congress and the Government Accountability Office, in accordance with the requirements of the CSEA. If transferred amounts exceed actual relocation costs, excess amounts will be returned to the Spectrum Relocation Fund immediately after NTIA has notified the FCC that the agency's relocation is complete.

As pertains to the remaining frequency bands to which the CSEA applies, the FCC will notify NTIA no later than 18 months prior to the auction of eligible frequencies. Upon such notification, CSEA relocation processes will commence consistent with the Act, as with the implementation of the 1710–1755 MHz band.

31.14 Historically Black Colleges and Universities

As required by Executive Order 13532, which establishes the White House Initiative on Historically Black Colleges and Universities (HBCUs), affected agencies and executive departments must produce an annual plan that establishes clear goals for how the agency or department intends to increase the capacity of HBCUs to effectively compete for grants and contracts and to encourage HBCUs to participate in Federal programs.

31.15 Additional policies and requirements

Develop your budget estimates consistent with the following laws, rules, and policies:

ADDITIONAL REQUIREMENTS

Type of program or expenditure	Policies and requirements
Activities covered by the Coastal Barrier Resources Act	Do not include any new Federal expenditures or financial assistance prohibited by the Coastal Barrier

Type of program or expenditure	Policies and requirements
	Resources Act (Public Law 97–348).
Foreign currencies	Refer to guidelines in the Treasury Financial Manual (Vol. 1, Part 2, chapter 3200 and Vol. 1, Part 4, chapter 9000) and the Department of Foreign Affairs Manual (Volume 4, chapter 360).
Remedial environmental projects at Federal facilities	Follow the policies in Executive Orders 12088, 13423 and 13514.
Mail	Include sufficient amounts for official use of United States mail, package delivery, and/or private carrier service, including postage due. Assume maximum use of available postage discounts.
Records storage	Include sufficient amounts for the costs of storing and servicing temporary and inactive records.
Space and related requirements	Include payments for space, structures and facilities, land, and building service provided by GSA and others.
Systems acquisitions	Follow the guidance in the Capital Programming Guide. Ensure that electronic and information technology acquisitions meet the requirements of section 508 of the Rehabilitation Act of 1973 and allow individuals with disabilities access to and use of data.
Travel	Minimize official travel. Reflect the allowances authorized under the Federal Travel Regulations issued by GSA or comparable regulations issued by the Department of Defense for travel of military personnel and by the Department of State for foreign service personnel.
Tort claims	Do not include amounts for payment of tort claims unless a substantial volume of claims is presented regularly.
Water and sewer payments to the District of Columbia	Include amounts for payment for water and sewer services.
Construction of nuclear reactors	Obtain a letter from the Department of Energy setting forth its recommendations before submitting estimates.
Contractor claims	Include amounts for reimbursement of the claims and judgment fund for the full amount paid from the fund on behalf of the agency during the past year.
Subsidies for Medicare Part D eligible individuals for qualified prescription drug coverage	Do not assume that agency prescription drug costs for the agency's retirees and/or dependents will be reduced by the Part D program. Federal entities will not receive subsidies for Part D eligible individuals for qualified prescription drug coverage through the Retiree Drug Subsidy (RDS) and Federal entities will not administer—or have a third party administer—a Prescription Drug Plan or Medicare Advantage Prescription Drug Plan for their retirees and/or their dependents.

Type of program or expenditure	Policies and requirements
	Administration policy is that Federal Government entities should not receive the Medicare Part D drug subsidies because this would result in the Medicare Trust Fund cross-subsidizing other Federal programs. The primary rationale for creating the Part D RDS was to encourage employers and unions to continue to provide prescription drug coverage to their Medicare eligible retirees and their qualified dependents after the implementation of the Part D Program. These subsidies are not needed for Federal Government entities because the Federal Government intends to continue providing prescription drug coverage for its retirees and their qualified dependents.

SECTION 32—PERSONNEL COMPENSATION, BENEFITS, AND RELATED COSTS

Table of Contents

32.1 How should I estimate personnel compensation in my budget request?
32.2 How do I treat agency benefit payments under the Federal Employees' Compensation Act?
32.3 How do I budget for retirement costs?
32.4 How do I budget for unemployment compensation?
32.5 How do I budget for Uniformed Services health care?
32.6 Are there other places in A–11 where I can find related guidance?

Summary of Changes

Updates the percentage used in estimating the budget year pay raise costs (section 32.1).

Updates the FERS retirement cost factors (section 32.3).

32.1 How should I estimate personnel compensation in my budget request?

Personnel compensation

(a) *Pay scales.* Agencies should use 1.0 percent as their provisional estimate of the pay raise for January 2015. However, in making their final estimates for the 2015 Budget, agencies should anticipate revising pay raise amounts after the President makes a pay raise decision.

This assumed pay raise will apply to the statutory pay systems (General Schedule, Foreign Service, and Veterans Health Administration), the Executive Schedule, the Senior Executive Service (SES), and wage grade employees. The pay raises encompass both the national schedule adjustment and locality pay without assumption as to how the total increase will be distributed between the two. Use pay scales that reflect the most recent locality pay rates in preparing your estimates. You should be prepared to provide supporting detail on calculating pay costs, including separate identification of the pre-pay raise wage base reflected in the submission. For compensation costs, you must explicitly justify any increases in average compensation for the budget year, other than those due to changes in pay scales.

(b) *Hourly rates*. For all employees (as defined in 5 U.S.C. 5504(b)), use hourly rates of compensation determined by dividing the annual rate of basic pay by 2,087, in accordance with section 15203(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99–272).

(c) *Within-grade increases*. Additional resources for within-grade increases are normally not allowed. Offset the net cost, if any, of within-grade salary increases (i.e., costs after turnover, downgrades, and other grade or step reducing events are taken into account) by savings due to greater productivity and efficiency.

(d) *Vacancies*. For vacancies expected to be filled in the budget year, use the entrance salary for the vacancies involved.

(e) *Savings in personnel compensation*. Give full consideration to savings in personnel compensation due to personnel reductions, delay in filling vacant positions, leave without pay, lag in recruitment for new positions, filling vacancies at lower rates of pay, part-time employment, and grade reduction actions. Identify terminal leave payments, including those for SES, as offsets against such savings.

(f) *Positions above grade GS/GM–15.* Reflect these positions, including SES, only to the extent that positions have been authorized in those grades by OPM or other authority, or are specifically authorized in substantive law.

(g) *Awards*. Estimates should include amounts for all cash incentive awards. Upon request by OMB, be prepared to provide detailed information on your cash incentive awards program, including a narrative explanation of the basis on which your agency distributes awards and how that relates to its overall performance management program. Instructions for annual reporting of Senior Executive awards and pay adjustments are issued separately but be prepared to explain budget estimates upon request.

(h) *Executive selection and development programs*. Include in your estimates provisions for reasonable amounts for such programs, as required under Title IV of the Civil Service Reform Act of 1978 and by implementing guidelines issued by the Office of Personnel Management.

(i) *Premium pay and overtime*. Fully justify increases over amounts for the preceding year for premium pay. In preparing estimates for overtime, you should analyze the use of overtime to ensure that it is used in a prudent and efficient manner; explore all reasonable alternatives to overtime (such as improved scheduling); and ensure that adequate approval, monitoring, and audit procedures are in place to avoid overtime abuses.

(j) *Special rates for experts and consultants*. Reflect these positions and rates only to the extent that they are authorized per 5 U.S.C. 3109.

(k) *Severance pay*. Estimate severance pay at the amount needed for the fiscal year. However, obligations will be incurred on a pay-period by pay-period basis, notwithstanding the fact that a liability arises at the time of an employee's separation. Your estimates must include changes in severance pay and personnel compensation that would occur upon any reduction in force.

(l) *Physicians comparability allowance*. Reflect in your estimates approved plans to pay physician comparability allowance under 5 U.S.C. 5948. Instructions for reporting on the physicians’ comparability allowance program are issued separately.

(m) *Bonuses and allowances*. Reflect in your estimates approved agency plans for paying recruitment and relocation bonuses and retention allowances. You should be prepared to supply information on planned and actual expenditures upon request by OMB.

(n) *Retirement costs*. Reflect in your estimates the cost effects of changes in the distribution of employees between the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS).

32.2 How do I treat agency benefit payments under the Federal Employees’ Compensation Act?

For accounts subject to appropriations action, include in your budget year estimates the amount billed by the Office of Workers’ Compensation Programs of the Department of Labor for benefits paid on behalf of employees of your agency in the past year under the Federal Employees’ Compensation Act.

For accounts not subject to appropriations action, you must pay the bill in the current year.

32.3 How do I budget for Federal employee retirement costs?

Agency contributions to the large retirement receipt accounts, including those managed by the Departments of Defense, State, Treasury, the Social Security Administration, and the Office of Personnel

Management, should reflect the effects of: 1) Changes to the agency contribution rates for employee retirement and of civilian and military pay raises using the pay raise assumptions specified for these accounts in the Mid-Session Review; and 2) Increased employee Federal Employees Retirement System (FERS) Revised Annuity Employee (RAE) contributions for employees hired after December 30, 2012 with less than five years of prior creditable service, and reduced employer contributions for such employees, under the Middle Class Tax Relief and Job Creation Act of 2012.

You may need to adjust your estimates when final pay assumptions for the budget are released. This applies to:

- Governmental receipt accounts containing Federal employee contributions to Federal employee retirement;
- Offsetting receipt accounts (employer share, employee retirement) containing employing agency contributions to Federal employee retirement and Federal agency share of Social Security and Medicare payroll taxes; and
- General fund contributions to Federal employee retirement.

The Board of Actuaries of the Civil Service Retirement System (CSRS) and the FERS recommended changes to long term economic and demographic assumptions at its meeting on July 13, 2012. As a result, normal cost percentages are expected to increase for FERS retirement groups. Subsequent recommendations of the Board of Actuaries may result in normal cost percentages that supersede those provided in the following tables.

The Normal Cost is an actuarially determined percentage which represents the amount that must be saved each pay period over an employee's entire working career to fully finance, with interest, the cost of the employee's retirement. The percentage for employing agency and employee contributions in the CSRS is set in law (at 7% each for most employees) and has not changed.

Retirement Groups	FERS Non-RAE Employees			FERS RAE Employees		
	Normal Cost	Employee Contribution	Employing Agency Contribution	Normal Cost	Employee Contribution	Employing Agency Contribution
Regular	14.0%	0.8%	13.2%	14.2%	3.1%	11.1%
Law Enforcement	30.1%	1.3%	28.8%	30.1%	3.6%	26.5%
Air Traffic Controller	32.4%	1.3%	31.1%	32.5%	3.6%	28.9%
Military Reserve Technicians	17.7%	0.8%	16.9%	18.1%	3.1%	15.0%
CIA Special Overseas *	19.7%	0.8%	18.9%	19.9%	3.1%	16.8%
Members of Congress**	21.5%	1.3%	20.2%	14.2%	3.1%	11.1%
Congressional Staff**	19.7%	1.3%	18.4%	14.2%	3.1%	11.1%

* Employees under section 303 of the CIA Act of 1964 for certain employees (when serving abroad).
** For information only.

32.4 How do I budget for unemployment compensation?

In general, you should not budget for the costs of unemployment compensation for former Federal civilian and military personnel. The congressional intent is that such unemployment compensation be paid from appropriations available to the employing agencies. The liable agencies must absorb these reimbursements when they are required to be paid.

If you do not employ large numbers of temporary employees or other personnel expected to lead to significant unemployment compensation claims, your estimates for the current and budget year will not contain any special provisions for the costs of reimbursing the unemployment trust fund for such payments.

If you employ large numbers of temporary employees to meet part-year workload, you may request approval from OMB to budget for unemployment compensation costs for your temporary employees. OMB will consider such requests if you can demonstrate that you have a sound administrative control system for unemployment compensation claims.

32.5 How do I budget for Uniformed Services health care?

- *For Uniformed Services post-retirement medical care*. Post-retirement medical care for "Medicare-eligible" retirees and their dependents/survivors was funded on an accrual basis beginning in FY 2003. Budget estimates must assume inclusion of all Medicare-eligible retirees and families. Agencies must calculate the following estimates for their budget submission:
  - Accrual contribution to the Department of Defense Medicare-Eligible Retiree Health Care Fund (see below).
  - Estimate of the health care dollars to be expended for all retirees.

- *Accrual contribution to the* Department of Defense Medicare-Eligible Retiree Health Care Fund. To develop appropriate annual accrual contribution estimates, agencies must use the per-capita rates set by the Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries. Every summer, the Board sends a letter to the agencies promulgating the annual per-capita rates. Agencies must multiply these rates by the estimated average number of current uniformed service personnel. The resulting calculation is the accrual contribution, which should be budgeted in the agency's personnel account.

- *Estimate of the health care dollars to be expended for all retirees.* Agencies must estimate expenditures for retiree health care. (Separate estimates must be provided for Medicare-eligible retirees and non-Medicare-eligible retirees). The Medicare-eligible estimates are needed to develop the Trust Fund outlays for uniformed service health care and the non-Medicare eligible estimates to be included in agency budgets. To prevent double counting Medicare-eligibles, each agency must ensure that their health care account request does not include any amount for Medicare-eligible retiree health care other than the accrual contribution amounts.

32.6 Are there other places in A–11 where I can find related guidance?

Yes. Please see the table below for additional guidance on Federal employment.

Other Federal employment guidance and A–11 links	Section
When do I record obligations for Federal employment?	20.5(b)

Other Federal employment guidance and A–11 links	Section
How is civilian and military pay coded in my baseline (schedule S)?	81.2
What object class codes are used for employee compensation in the baseline?	83.7
What object classes are used to designate relocation expenses?	83.8
How are FTEs computed?	85.5
How do I complete the employment summary (MAX schedule Q)?	85.6
What employment plans should my agency make prior to a funding hiatus?	124.2
Should my agency furlough employees during a hiatus in appropriations?	124.3

SECTION 51—BASIC JUSTIFICATION MATERIALS

Table of Contents

51.1 General requirements
51.2 Requirements for program justification
51.3 Analysis of resources
51.4 Relationship of justification to account structure
51.5 Agency restructuring or work process redesign
51.6 Information on grant programs and infrastructure investment
51.7 Performance goals, measures, and indicators
51.8 Other analytical information
51.9 Evidence, evaluation, and innovative experimentation
51.10 Explanations relating to supplemental appropriations requests
51.11 Taxes and tax expenditures
51.12 Major changes in receipts estimates
51.13 User charges
51.14 Unobligated balances in liquidating accounts
51.15 Direct loan and loan guarantee programs
51.16 Information on funding for Inspectors General
51.17 Information on agency's tribal consultation process
51.18 Radio spectrum-dependent communications-electronics systems
51.19 Budgeting for the acquisition of capital assets

Summary of Changes

Instructs agencies to accompany major proposed policies with a thorough discussion of the evidence supporting the policies; also encourages agency budget proposals to enhance the use of evidence and evaluation, especially proposals that cross agency and program boundaries, and suggests strategies for agencies to consider (section 51.9).

51.1 General requirements

Your initial budget submission to OMB (due in September) should begin with a summary statement from the head of your agency and include:

- The broad policies and strategies proposed and the total amounts of discretionary and mandatory budgetary resources requested;
- The relationship of the policies, strategies, and resources requested to the planning guidance for budgetary resources provided by OMB;
- Significant proposed differences, if any, from current Administration policies;
- A thorough discussion of the evidence, both positive and negative, for major proposed policies. This evidence includes evaluation results, program performance indicators and performance goals, and other relevant data analytics and research studies;
- Any significant proposals for changes in the current year budget and the relationship of such changes to the budget year and outyear requests;

- Any significant proposals or changes in spending patterns for the five- to ten-year period beyond the budget year and their relationship to outyear planning guidance and the policies proposed for the current and budget year;

- If you determine that your agency needs additional funding for individual programs in excess of the budget year guidance levels to meet the President's priorities, you are welcome to submit a separate submission that proposes and justifies the additional funding. This separate submission should also identify potential discretionary offsets in lower priority programs within your agency's budget; and

- Significant changes in full-time equivalent (FTE) employment. Provide justification for changes in relationship to projected workload, strategic planning initiatives, and reengineering efforts.

Other sections in this Circular that address budget justification materials include sections 25 through 54, and sections 200-290. Budget submissions to OMB should be in the form of a performance plan to the greatest extent possible. Section 240 and 210.4 provide detailed instruction on developing and submitting a performance plan as required by GPRA Modernization Act.

51.2 Requirements for program justification

You must provide a written justification when you submit your budget. You should determine specific informational requirements and timing of submissions in consultation with your OMB representative.

Where possible, you should include the full cost of a program, and you should align budget accounts and program activity lines with programs or the components of the programs that contribute to a single strategic objective.

Your request should be consistent with the funding levels included in policy guidance. If the request is not consistent with policy guidance, you must provide a summary of what your budget request would be at the policy guidance levels and the reasons why a budget request consistent with the guidance is not appropriate. In addition, you may be asked by your OMB representative to identify and discuss the implications of other funding levels.

Prepare your justification in concise, specific terms and cover all programs and activities of your agency. Use tables, charts, and graphs in lieu of or to supplement text. Prepare materials in a manner designed to provide all of the information that you and OMB have agreed is necessary for OMB to understand and evaluate your agency's request and make its determinations.

At the discretion of OMB, you should include the following information for legislative proposals:

- Your estimates of the costs of implementing or administering proposed legislation.

- The assumptions underlying your estimates, including new work years, program outputs, and costs of inputs such as materials, contract costs or personnel costs. You should also include a discussion of alternative implementation strategies considered (e.g., contracting out versus in-house), and a discussion of any models used to develop your estimates.

- The budget classification (mandatory or discretionary) of the costs of implementing and administering the legislative proposal along with a written justification for your selection.

- Productivity savings and/or offsets for these costs. You should also provide a discussion of the methods and assumptions underlying your estimates for productivity savings and offsets.

You should also include the following:

- A comparison of total program benefits and total program costs, using quantitative, objective data to the maximum extent possible, as well as qualitative or judgmental material.
- A comparison of the marginal benefits and the marginal costs associated with the additional funds or reduced funding proposed.
- Supporting information that takes into consideration agency and outside (e.g., think tanks, GAO, CBO, universities, interest groups) program evaluations and related analytic studies, whether or not they agree with the proposed policy.

At the discretion of your OMB representative, these requirements may be modified or alternative justification materials specified. It should be emphasized that late decisions on proposed law provisions for the budget will require flexibility in this process. Other materials may be requested by your OMB representative.

51.3 Analysis of resources

Use a tabular presentation to identify the financial and personnel resources required at the program levels under consideration.

For all IT expenditures and for all expenditures on major IT investments, include also a breakout of resources (financial, and if available, personnel) within each program level. The tabular presentation should identify, by each major IT investment, the IT investment title, its unique investment identifier (UII), all principal supported program names, and the IT investment's budget authority level (PY, CY, and BY). The IT budget should reflect the resources associated with the actual program dollars going to this IT investment. All justifications should clearly show in text and tables the IT investment request within each bureau, account, and program activity level.

Your budget submission may include proposed high priority IT solutions not included in the Funding Summary for information technology, as explained in more detail in section 55. Instructions on including these proposals are provided in the detailed guidance cited in Table 1 in section 25.

To the extent possible, you should attempt to align your budget accounts with programs, distinguishing among components that contribute to different strategic objectives. This should relate program objectives (see section 240) and budget accounts or sub-accounts.

In addition, you should include the full cost of a program where possible. In some cases, you may want to consider requesting budgetary resources to cover all indirect costs in the budget account or program activity that funds the program, and paying for all central services as they are used. In other cases, you may want to request appropriations for some central accounts providing support services; in these cases, you should include a table showing the full cost of resources used by each program, whether paid from its budget account or not.

Present resources required for PY and CY, as well as the estimated requirements for each funding option for BY through BY+9, where applicable. If CY cancellations or supplementals are pending or proposed, identify these separately. A subsidiary breakdown of such items as personnel compensation, capital outlay, or other categories of special concern would be useful.

Generally, present financial data in terms of new budget authority and outlays. However, your OMB representative may require additional measures, such as unobligated balances and offsetting collections.

Describe budgetary resources requests in the context of your management plan for the programs and activities. Describe resources requested for IT investments in the context of your program requirements. For IT expenditures proposed, demonstrate that all opportunities for coordination with Administration goals and eliminating redundant activities have been explored. Explain the analysis used to determine the resources needed to accomplish program and Administration goals, and demonstrate that all opportunities for making more efficient and effective use of resources have been explored.

51.4 Relationship of justification to account structure

To the extent possible, you should attempt to align your budget accounts with programs, distinguishing among components that contribute to different strategic objectives. Where the major programs in your justification materials do not coincide with the budget account structure, prepare a table to show the relationship. Arrange this table by program, with all relevant accounts and parts of accounts listed, showing budgetary resources (usually budget authority) in millions of dollars and FTE. Include breakouts of financial resources within each account activity line for total IT expenditures. Report programs that are mainly grants, contracts or other transfers of funds to entities other than your agency, related salaries and expense accounts and parts of accounts, including allocations of overhead amounts. Where it is helpful to explain the coverage of the table or the relationship among accounts, prepare a short narrative to accompany the table. This requirement only applies to major programs and activities. You should consult your OMB representative to ensure that you provide tables for appropriate activities and that you avoid unnecessary paperwork.

51.5 Agency restructuring or work process redesign

You should identify restructuring or process reengineering activities resulting from proposed and current investments in information technology and other areas that yield budgetary savings. Indicate how these activities allow your agency to utilize existing resources better while improving program management and service delivery.

51.6 Information on grant programs and infrastructure investment

Include copies of systematic economic analyses of expected benefits and costs completed in accordance with Executive Order 12893. OMB Bulletin No. 94–16 provides additional guidance on this Executive Order, including a listing of the accounts covered by the Order.

51.7 Performance goals, measures, and indicators

Agency budget submissions for the 2015 budget may be structured as the performance plan required by the GPRA Modernization Act of 2010 (see also 31 U.S.C. § 1115). Therefore, you need not submit a separate performance plan to comply with the Act. Your budget submission should cover all of your agency's programs and should address all statutory requirements of the "annual performance plan" required by the GPRA Modernization Act. Section 240 and 210.14 contain detailed information on performance plan requirements. Additional details on applicable public posting and notification requirements are also included in section 22.

51.8 Other analytical information

Additional information may be required in budget justifications on the following:

- Workload analyses;

- Unit costs;
- Productivity trends; and
- Impact of capital investment proposals on productivity.

Use productivity measurement, unit costs, and organizational performance standards to the maximum extent possible in justifying staffing and other requirements.

Include as a specific element in productivity improvement for activities of Federal staff the gains planned or being realized from streamlining, including reduction of unnecessary overhead, creative use of technology, and elimination of low priority tasks and programs.

You should also be prepared to provide information on the basis for distributing funds (e.g., formulas or principles for allocation, matching, policies regarding the awarding of loans, grants, or contracts, etc.) and data on resulting geographic distribution (e.g., by State, etc.), with identification of any issues.

51.9 Evidence, evaluation, and innovative experimentation

OMB will evaluate agency budget submissions based partly on their use of evidence in shaping resource allocations, both among and within programs, and their plans to use evidence and evaluation to improve performance moving forward.

- A thorough discussion of the evidence, both positive and negative, supporting major proposed policies should accompany agency budget submissions. This evidence should include evaluation results, program performance indicators and performance goals, and other relevant data analytics and research studies. Where possible, footnotes and links should be provided for this evidence.

- OMB encourages proposals to enhance the use of evidence and evaluation going forward, especially proposals that cross agency and program boundaries. The 2014 Budget's Analytical Perspectives chapter on Program Evaluation and Data Analysis (page 91) describes strategies agencies should consider for 2015 to promote the use of evidence and evaluation to produce better results, save money, and enhance efficiency. Among the strategies agencies should consider are:

  - creating or enhancing tools for programs and researchers to access and utilize high-quality data to answer important policy and performance questions;

  - adopting innovative, outcome-focused grant designs, such as tiered evidence models, Pay for Success, performance partnerships allowing blended funding, waiver demonstrations, and competitive incentive funds to encourage use of evidence-based practices in formula grants;

  - using rapid, iterative experimentation to improve results and return on investment, including strategies that use insights from behavioral sciences to help participants make smarter choices or to improve outcomes at very low cost; and

  - strengthening agency evaluation capacity, including establishing guidelines to improve the quality of research, strategic sourcing to reduce evaluation contract costs, increasing the use of benefit-cost and cost-effectiveness analysis to inform agency spending decisions, strengthening clearinghouses to promote knowledge-sharing among government decision-makers and practitioners, and leveraging expertise of academics and other outside experts.

51.10 Explanations relating to supplemental appropriations requests

If you request a supplemental, explain why the request was not included in the regular estimates for the period concerned and the reasons why it is considered essential that the additional appropriation be granted during the year. Submit proposals for offsets to be made elsewhere in your agency for both mandatory and discretionary resources and indicate related FTE savings or requirements and appropriate financing changes. Show the effect of requested supplementals in the appropriate portions of the justification material for the program elements affected.

51.11 Taxes and tax expenditures

Reflect full and explicit consideration of the resources made available by the Federal Government through tax expenditures and other tax incentives. Tax expenditures are attributable to provisions of the Federal income tax laws that allow a special exclusion, exemption, or deduction from gross income or that provide a special credit, rate of tax, or deferral of tax (2 U.S.C. § 622). Tax expenditures include subsidies provided through the income tax system.

You must consult with the Office of Tax Analysis, Department of the Treasury on all proposals for new taxes or modifications of existing taxes whether or not the modification results in a tax expenditure. After consulting with the Office of Tax Analysis submit a justification of the proposal to OMB. The justification should include the views of the Office of Tax Analysis and address the following items:

- The nature and extent of the problem addressed by the proposal.
- The reason a subsidy is needed.
- The non-tax alternatives.
- The reason a tax change is preferable to the non-tax alternatives.

In addition, you should be prepared to submit justifications for continuing or reenacting existing taxes and tax expenditures in the program areas for which you have primary responsibility. Such justifications will contain the information described above.

In general, tax expenditures are subject to the same degree of performance reviews as spending and regulatory programs. Tax expenditures often complement or substitute for agencies' spending or regulatory programs that contribute to strategic objectives, and the resources and incentives provided through tax expenditures can be substantial. Work with the Office of Tax Analysis, which has lead responsibility for tax policy and analysis of tax expenditures, to develop data and methods to evaluate the effects of tax expenditures that affect (or are directed at the same goals as) your programs. You should be prepared to furnish, upon request, problem analyses, estimates of economic effects, and other materials that will provide explicit quantitative information on the relationship of existing or proposed tax expenditures to proposed budget expenditures.

51.12 Major changes in receipts estimates

Provide narrative explanations for major changes from one fiscal year to the next in the amounts of receipts reported for any account, trends in receipt estimates for the related programs, and any other unusual circumstances relating to the estimates.

Advise OMB of increases in amounts reported to the Treasury Department accounts 1435.00 (General fund proprietary interest receipts, not otherwise classified) and 3220.00 (All other general fund proprietary receipts) when you expect that the amounts collected from a single source will exceed $10million in any year or when legislation is proposed that will affect any receipts reported to those accounts.

Make your explanations of legislative proposals consistent with your legislative program and outyear policy estimates. Cover the expected timing of enactment and the annual level of receipts anticipated.

51.13 User Charges

If you propose new user charges that require authorizing legislation, provide a clear explanation of the new user charge and the legislation that will be required to authorize it. Include a detailed discussion of plans for achieving enactment of the legislation and the administrative actions planned for collecting the charges if the legislation is enacted. Assess the proposal's chances of enactment and explain why the President should propose it in the Budget, taking into account the likely reaction to the proposal by the Congress and the users. Describe the basis for your assessment in detail.

Refer to OMB Circular A-25 for additional information and requirements regarding user charges.

51.14 Unobligated balances in liquidating accounts

You must submit information justifying any unobligated balances you expect to carry forward into the current year (see section 185.3(l)).

51.15 Direct loan and loan guarantee programs

Proposed changes to technical assumptions must be included with justification materials for all credit programs unless another date is agreed upon by OMB. Required materials include any proposed changes to technical assumptions, methodology, or source data underlying the credit subsidy cost estimate cash flows, and justification for such changes. Consult with your OMB representative regarding other requirements for direct loan and loan guarantee programs, including policy proposals for new or existing programs (see section 185).

51.16 Information on funding for Inspectors General

If your agency is covered by the Inspector General Act of 1978, as amended (5 U.S.C. App.), your justification materials must include the following information required by section 6(f) of the Act:

1. Information submitted by the Inspector General to the head of the agency under section 6(f)(1) of the Act:

- The budget estimate and request of the Inspector General to the head of the agency;
- The portion of the budget amount requested by the Inspector General for training, including a certification that the amount requested satisfies all training requirements for that fiscal year; and
- The portion of the budget amount sought by the Inspector General as necessary to support the Council of the Inspectors General on Integrity and Efficiency; and

2. Information required to be submitted by the head of the agency under section 6(f)(2) of the Act:

- An aggregate request by the head of the agency for the Office of Inspector General;
- Amounts requested by the head of the agency for OIG training;

- Amounts requested by the head of the agency for support of the Council of the Inspectors General on Integrity and Efficiency; and

- Any comments of the affected Inspector General with respect to the overall Inspector General request by the head of the agency.

Prior to the President's submission of the President's Budget to the Congress, all of the above categories of pre-decisional deliberative information are subject to the confidentiality provisions of section 22.

The Act requires some of the above categories of information to be included in the President's Budget submitted to the Congress. All of the other categories of information listed above continue to remain subject to the confidentiality provisions of section 22 even after submission to the Congress of the President's Budget.

51.17 Information on agency's tribal consultation process

Your agency's initial budget submission to OMB must include a description of the tribal consultation process that the agency conducted related to budget development, and the input that was received. If the agency has no programs with tribal implications, the section should indicate that no consultation is required. Please confer with your agency lead on tribal consultation in developing an appropriate and effective approach to consultation, in light of your agency's programs. This requirement is based on Executive Order 13175 (November 2000) and President Obama's Memorandum of November 5, 2009, directing agencies to develop plans to implement the Executive Order.

51.18 Radio spectrum-dependent communications-electronics systems

Agencies must provide a narrative that: 1) states whether the system will share spectrum with other Federal or non-Federal existing systems/operations and, if so, the nature and extent of the sharing relationship; 2) states whether sharing of an existing Federal system to meet the capability requirement is possible, or whether sharing capabilities of similar Federal users has been considered; 3) describes, compares, and evaluates the spectrum efficiency and effectiveness for various alternatives considered utilizing the methodology described in section 31.12, or another methodology developed by the agency and approved by OMB; and 4) certifies consideration of non-spectrum dependent or commercial alternatives to meet mission/operational requirements.

51.19 Budgeting for the acquisition of capital assets

(a) *Overview*

The Government should have a high level of assurance that the funds dedicated to capital acquisitions support the agency mission and provide value to the taxpayer. In addition, agencies should be able to justify the acquisition and operation of an asset. The generation of a sound business case is a best practice for providing that justification and assurance. A business case should include the rationale for the investment and reference any supporting analysis.

The Capital Programming Guide provides guidance on the principles and techniques for effective capital programming. Additionally, budget terms and definitions are included in Appendix J, "Principles of Budgeting for Capital Asset Acquisitions." Other references related to capital assets are included in Appendix K, "Selected OMB Guidance and Other References Regarding Capital Assets."

The policy, budget justification, and reporting requirements for capital assets apply to all agencies of the Executive Branch of the Government subject to Executive Branch review. Agency business cases are due at the same time as your agency's annual budget submission (see Table 1 in section 25).

(b) *Information Technology (IT)*

Required data for all IT investments is provided in exhibits 53 A through D. Information required for major IT investments is provided in exhibits 300A and 300B. These exhibits are to be used only for information technology investments.

Links to templates and instructions for the above exhibits are provided in the Documents Library at http://www.whitehouse.gov/omb/e-gov/strategiesandguides/FY 2015 Ex53 300 Guidance--Final Revised-07-01-2013.pdf.

(c) Non-Information Technology (Non-IT)

In general, business cases are required for the acquisition and operation of non-IT capital assets. The definition of capital asset can be found in Appendix 1 of the Capital Programming Guide. Links to the template and instructions for the business case are provided in section 25, Table 1. The instructions include submission requirements, deadlines, and exemptions.

(i) *Aircraft*

An aircraft is a type of non-IT capital asset. A business case template tailored to the needs of the aircraft community is available. Links to the template and instructions are provided in section 25, Table 1. The instructions include submission requirements, deadlines, and exemptions.

(ii) *Facilities*

Facilities are a type of non-IT capital asset. When justifying a major investment in a facility, including new construction, full and partial building or modernization, or facility investments that meet the agency's capital threshold, you should be prepared to provide the materials identified in section 31.9(a) if requested by your OMB representative.

SECTION 52—INFORMATION ON FINANCIAL MANAGEMENT

Table of Contents

52.1	What are the general reporting requirements?
52.2	What policies are addressed by these reports?
52.3	Who must report?
52.4	What is the report on financial management systems?
52.5	What is the report on resources for financial management activities (exhibit 52)?
52.6	What are the resource descriptions for exhibit 52?
52.7	How do I submit exhibit 52 and when is it due?
Ex–52	Report on Resources for Financial Management Activities

52.1 What are the general reporting requirements?

Agencies are required to provide two reports on financial management:

- All agencies should prepare financial management systems initiatives and plans as described further in section 52.4 and OMB Circular A–127. This information should be summarized in each agency's annual Performance and Accountability Report (PAR) or Agency Financial Report (AFR); and

- Agencies covered by the Chief Financial Officers (CFO) Act of 1990 are to provide an annual resource allocation report on financial management activities (exhibit 52) as described in sections 52.5–52.7.

52.2 What policies are addressed by these reports?

For the 24 agencies covered by the Chief Financial Officers (CFO) Act of 1990, the materials required in this section address the following requirements:

- OMB Circular A–127, Financial Management Systems: Requires each agency to prepare and maintain financial management system plans.

- The Federal Financial Management Improvement Act of 1996 (FFMIA): Requires each agency head to determine substantial compliance with the Act. When the agency head determines that the agency's financial management systems do not comply with FFMIA, the Act requires the agency to submit a remediation plan to bring the agency's financial management systems into substantial compliance with FFMIA. Guidance in this section outlines the information that must be provided regarding the remediation plan.

- CFO Act: Requires each agency CFO to prepare a financial management plan.

52.3 Who must report?

CFO Act agencies. All CFO Act agencies must report as prescribed in sections 52.4–52.7. The CFO Act assigns to the CFO the responsibility for preparing and revising the agency's financial management plans and developing the agency's financial management budget. Additionally, the information is used in reviewing the budget submissions of agencies.

Non-CFO Act agencies. Non-CFO Act agencies must report as prescribed in section 52.4; however, do not report materials described in sections 52.5–52.7. Non-CFO Act agencies must include in their budget submission a brief summary of their financial management plans to ensure sound financial management practices. An agency should include this information in its PAR or AFR.

52.4 What is the report on financial management systems?

The following information, derived from more specific plans held by the agency, should be synopsized in each agency's annual PAR or AFR (PARs and AFRs are discussed in OMB Circular A–136 and financial systems are addressed in OMB Circular A–127). If any of the information requested in this section is also required by OMB Circular A–136 or A–127, agencies should streamline responses to avoid duplication of effort.

A discussion of an agency's financial management strategy should unite into a coherent and purposeful theme covering all aspects of financial and budget management, including material weaknesses, information systems, and performance measurement. This description should align with the agency's mission and programs, and include, at a minimum:

Goals and the supporting financial system strategies

- Briefly discuss the agency's financial management systems strategy and how it will achieve the goals of improving financial and budget management agency-wide. Include information on the status of financial management activities and systems (see below) to provide a context for the agency's plans and resources request.

- Financial management systems framework

- Present an overview of the agency's current and future financial management systems framework and describe financial management systems critical to effective agency-wide financial management, financial reporting, or financial control.

- Include in the overview a synopsis of critical projects currently underway, or planned to achieve the target framework. Identify FFMIA remediation activities planned and underway, describing target dates and offices responsible for bringing systems into substantial compliance with FFMIA.

- Compile an inventory of baseline financial management and mixed systems, including an assessment of major problems.

52.5 What is the report on resources for financial management activities (exhibit 52)?

Exhibit 52 captures information on obligations for financial management activities; specifically, resource levels for functions overseen by the CFO, including financial statement audit, budget formulation and execution, regardless of whether these three activities are directly under the purview of the CFO. It also collects the full-time equivalent (FTE) employment data and contractor information for the same activities. For each category, agencies will report their prior year (PY) obligations. This information is used for agency oversight and budget review.

Agencies should explain, in footnotes to the exhibit, any significant line item changes between the PY amounts and the exhibit 52 submission during the previous year. A significant change is defined as any increase that exceeds the percent increase determined by OMB guidance for the agency as a whole.

52.6 What are the resource descriptions for exhibit 52?

Report obligations for the prior year, in millions of dollars and FTE employment data for the categories described below. Information should represent the agency's salaries, contracts, or other major expenses; it includes systems costs reported on exhibit 53. Allocation of overhead expenses is not required. A footnote should indicate if overhead allocation has been included in the costs; and if so, a brief description of what consists of the overhead expenses.

REPORT ON RESOURCES FOR FINANCIAL MANAGEMENT ACTIVITIES

Category	Description
Agency contact	Include a point of contact for the information provided by the CFO organization of the agency.
Contact information	Include email and telephone number of agency contact.
Accounts Payable	Activities that lead up to disbursing payments due to the public, such as recording obligations, receiving and accepting goods and services, and establishing payables. (Exclude travel obligation activities.)
Accounts Receivable	Activities associated with establishing and collecting amounts due from the public for performance of services, delivery of goods sold, the passage of time (e.g., interest earned), overpayments, or other actions by the agency.
Disbursement	Activities associated with making payments that were warehoused, recording payments made by other systems, and transmitting payment files in the formats required by Treasury for the initiation of EFTs and check payments. It also includes payment activities of agencies that have delegated disbursing authority to print checks or to initiate electronic transfers. (Exclude travel payment activities.)
General ledger	Activities related to performing analysis, reconciling transactions posted, and recording adjustments to the general ledger.
Intra-governmental	Activities associated with identifying and posting entries that resulted from exchange and non-exchange transactions between Federal entities, e.g., reimbursable, fiduciary, transfers, and borrowing authorities.
Travel	Activities associated with establishing travel obligations, advances, and payments.
Financial Reporting	Activities associated with generating internal and external reports such as financial statements, trial balance, 133, 224, 1219/1220, fund status, transaction history, and ad hoc queries.
Accounting Policy	Activities associated with drafting and issuing financial management policies.
Internal Control	Activities associated with monitoring and improving internal control and reporting annual assessment of internal control as required by FMFIA.
Audit Support	Activities associated with supporting the annual financial statement audit, e.g., audit liaison.
Financial Systems	Activities associated with supporting the financial management system(s) maintained by OCFO. This should include both costs of the systems and salaries that are under the purview of the OCFO and are reported on the

Category	Description
	Exhibit 53. While the Exhibit 53 may include costs beyond the OCFO, this category on the Exhibit 52 should only capture the portion of systems costs that are under the OCFO.
Budget Formulation	Activities associated with determining priorities for future spending and to develop an itemized forecast of future funding and expenditures during a targeted period of time. This includes the collection and use of performance information to assess the effectiveness of programs and develop budget priorities.
Budget Execution	Activities pertaining to the legal and managerial uses of budgetary resources to achieve results that comply with the enacted budget and Administration policy. Budget execution activities include but are not limited to: apportionments, allotments, commitments, reprogramming actions, incurring obligations, and funds control.
OIG Financial Statements Audit	Activities associated with the annual financial statement audit by Inspector General staff and contractors (regardless of the source of funding by OCFO or OIG, for example).
Cost Accounting / Performance Management	Activities associated with accumulating, recognizing, and distributing organization and program costs for management information purposes. Include activities associated with Budget and Performance integration.
Grants management	Activities, directly under the CFO, relating to grants management functions. Grants management activities outside the OCFO should not be included.
Other	All activities directly under the CFO previously not defined, e.g. payroll, procurement, or loan activities.
No. of FTEs	Number of government employee FTEs supporting the activities described in each category. If an employee has performed a number of activities that would fall under more than one category, then report the employee's service under the category that the person had spent the most time. FTE should include Federal employees that are foreign nationals and working in locations outside the United States.
No. of Contractors	Number of contractors supporting the activities described in each category. If a contractor has performed a number of activities that would fall under more than one category, then report the contractor's service under the category that the person had spent the most time. If a fixed price contract is used, report the average number of FTEs in the fiscal year.
Cost of Contractors ($ in millions)	Amount of actual costs incurred for contractors supporting the activities described in each category. This column should not include contract costs, just personnel costs related to the contract. Other non-personnel related contract costs that are associated with contracts should be distributed across the appropriate categories in the total cost column.
Total Cost ($ in millions)	Amount of actual costs incurred for supporting the activities described in each category. Include contract personnel and other contract costs distributed across the appropriate categories.

52.7 How do I submit exhibit 52 and when is it due?

Exhibit 52 is due annually on January 31. It should be approved by the agency CFO before submission to OMB. Use the formatted excel spreadsheet template provided on the MAX Federal Community page. Email the completed spreadsheet to exhibit52@omb.eop.gov. For additional information about this submission, use the same email address for questions.

Department or Agency Name: Department of Government
Agency Contact (prepared by): Jane Doe
Contact Information (email/phone): 202-555-5555 jane.doe@gov

Categories	No of Federal Employees	No of Contractors	Cost of Contractors	Total Cost
	(in Full Time Equivalents)		($ in millions)	
Financial Operations				
Accounts Payable……	15.00	-	-	3.00
Accounts Receivable……	20.00	-	-	4.00
Disbursement……	3.00	-	-	0.40
General Ledger……	8.00	-	-	1.00
Intragovernmental ……	3.00	-	-	0.30
Travel……	1.00	1.50	0.01	0.20
Sub-total Financial Operations	**50.00**	**1.50**	**$ 0.01**	**$ 8.90**
Financial Reports……	8.00	-	-	1.00
Accounting Policy……	8.00	-	-	1.00
Internal Control……	15.00	-	-	2.00
Audit Support……	4.00	-	-	0.80
Financial Systems……	5.00	5.00	1.00	2.50
Budget				
Formulation……	5.00	-	-	1.00
Execution……	5.00	-	-	1.00
Sub-total Budget	**10.00**	**-**	**$ -**	**$ 2.00**
OIG for Financial Statements Audit……	-	3.50	0.70	0.70
Cost Accounting/Performance Management……	10.00	-	-	1.00
Grants Management……	-	-	-	-
Other (e.g. personnel, procurement, loan etc)……	2.00	-	-	0.30
TOTAL	**112.00**	**10.00**	**$ 1.71**	**$ 20.20**

Auto sum of all categories above.

Is the CFO responsible for handling the budget functions? (Yes/No) Yes

Comments:

Auto sum of f inancial operations.

Budget formulation and execution are the only categories that should include resources that may be located outside the CFO organization.

Auto sum of budget.

Grants management and all non-budget categories should include only resources that are located directly in the CFO organization.

Agencies should explain any significant line item changes between the amount and the exhibit 52 submission during the previous year, in the comments section. A significant change is defined as any increase that exceeds the percent increase determined by OMB guidance for the agency as a whole.

Allocation of overhead expenses is not required. A footnote should indicate if overhead allocation has been included in the costs; and if so, a brief description of what consists of the overhead expenses (e.g. rent...).

SECTION 54—RENTAL PAYMENTS FOR SPACE AND LAND

Table of Contents

54.1	Do I need to report on rental payments?
54.2	What materials must I provide?
54.3	What terms do I need to know?
54.4	How do I prepare the space budget justification?
54.5	What supporting information must I provide?
Ex–54	Space Budget Justification

54.1 Do I need to report on rental payments?

If your agency obligates more than $5 million annually for rental payments to the General Services Administration (GSA) or to others (e.g., other Federal agencies or commercial landlords) for rental of space, structures and facilities, and land and building services, you must submit a space budget justification in the format of exhibit 54 at the same time as your agency's annual budget submission (see section 54.2 for the e-mail address for the submission, which must be coordinated with all relevant agency officials). OMB uses this information to evaluate your budget request for rent in the context of personnel and program changes (e.g., downsizing). GSA uses this information to refine its estimates of rental costs. You should use this information to analyze your space requirements and rental costs.

For reporting purposes, *include* amounts for the services covered by the basic rental charge assessed by GSA as obligations for rental payments to GSA, but *exclude* amounts above standard services, such as overtime utility services. From GSA's monthly bill, use line D, "Total Annual Rental" plus, in some cases, line 14a "Billing Adjustments and Corrections, Current Year" to compare to the amount on the line "GSA rent estimate" of exhibit 54. These amounts are already *net* of obligations for the cost of operations in buildings where GSA has delegated authority for building operations. The cost of building operations in buildings whose operational authority is delegated should be budgeted in the appropriate object classes, such as 25.4, operations and maintenance of facilities. These costs should appear on exhibit 54.

Make your obligations for rental payments to GSA (Part 1 of exhibit 54) and your obligations for other space services paid to non-GSA entities (Part 2) consistent with data reported as rental payments under the appropriate object classes (see section 54.4).

54.2 What materials must I provide?

You must submit an overall summary report in the format of exhibit 54 for the agency as a whole. This report provides a justification of your agency's budget request for rent. In addition, you must submit a separate report for each bureau or subordinate organization that makes rental payments. Submit a single agency-wide summary report if these costs are paid for centrally from one account.

You must complete exhibit 54 using an electronic Excel spreadsheet available from GSA. The spreadsheet format includes inflation factors to calculate outyear estimates automatically and it generates total obligations for rental costs and funding sources.

The report contains information for PY through BY+1 on:

- Rental payments to GSA, which reconciles the GSA rent estimate with actual, planned, and requested changes in inventory.

- Funding sources for these rental payments to GSA.
- Rental payments to others, both non-Federal and Federal sources.
- Supporting detail on all changes from the GSA rent bill or GSA estimates of rental costs (see section 54.5).

Your submission must support your budget year request and list all applicable appropriations and/or other funding sources by account.

Report space requirements to the nearest square foot; state obligations in thousands of dollars and round to the nearest thousand. Where an amount falls exactly halfway in between, round to the nearest even figure (for example, both $11,500 and $12,500 round to $12). Do not identify amounts of $500 or less.

In addition to the materials provided with your budget submission, submit electronic versions of these materials both to GSA and OMB by sending e-mails to the following addresses:

OMBExhibit54@gsa.gov and exhibit54@omb.eop.gov

Exhibit 54 is due with the budget submission. Before sending the completed spreadsheet, verify that the subject line has the three-digit OMB agency code (see Appendix C) and the full agency name.

54.3 What terms do I need to know?

Agency means departments and establishments of the Government, and ***bureau*** means the principal subordinate organizational units of an agency.

GSA bureau code means the agency/bureau code(s) recorded on the GSA rent bills or GSA budget estimates for each bureau making rental payments. (This number is *not* the same as the 2–digit OMB bureau code described in section 79.2 and Appendix C.)

GSA rent estimate means a document developed by GSA and sent to customer agencies once a year. This document provides budget year data on estimated assigned space and the associated costs of that space. It is used by GSA's customers for planning and budgeting purposes. You should use this year's GSA budget estimate (available this summer) to report the GSA rent estimate for the CY and BY.

OMB-approved inflation factor means the inflation factor used in the GSA budget estimate. Mid-Session Review inflation factors will be used for CY through BY+1. The electronic spreadsheet format provided to you will use these factors to automatically inflate certain outyear estimates.

Chargeback *(or adjustments to the bill)* means the process by which GSA's customers contest a GSA billing. If you claim a chargeback, you are required to complete a Standard Form 2972 if you are an IPAC Agency and a form 2992 if you are a non-IPAC Agency and provide supporting chargeback data justifying your claim.

54.4 How do I prepare the space budget justification?

The following table explains the information needed to prepare the space budget justification (see exhibit 54). Exhibit 54 illustrates the summary page of the submission. There are five worksheets that contain the detail for the chargebacks, planned changes to inventory and the requested program changes. One worksheet is for the chargebacks, and there is one for each year in which to detail planned changes to inventory and the requested program changes (i.e., PY, CY, BY and BY+1). The summary justification consists of two parts:

- Rental payments to GSA (Part 1). (With the exception of the lines "Other adjustments," "Statutorily-imposed rent caps," and "Funding sources for Rental Payments to GSA," data in this part is derived by formula from five back-up worksheets); and

- Rental payments to others (Part 2).

Subtotals, totals, and certain other entries indicated in **boldface** will be automatically calculated (see exhibit 54).

INFORMATION REQUIRED FOR THE SPACE BUDGET JUSTIFICATION

Entry	Description
	Report in dollars and to the nearest square foot on the individual worksheets. The totals will be automatically calculated for the summary page, with obligations rounded to the nearest thousand. Report net estimates of rental costs and square feet (i.e., net of any adjustments within the relevant category being reported).
PART 1-A: RENTAL PAYMENTS TO GSA	In Part 1, include information on rental payments to GSA only. Report data on rental payments to others in Part 2.
Sections II, III, AND IV For PY, CY, BY, and BY+1 worksheets	Refer to the Exhibit 54 instructions provided by GSA for specific guidance in completing the supporting worksheets of the Exhibit 54 Excel Workbook. In addition to the instructional guide, GSA will provide the CY and BY Base Rent Estimate files and corresponding files containing anticipated Inventory Changes for those budget years. The GSA Exhibit 54 instructions can be found at: http://www.gsa.gov/exhibit54
Space budget justification—the summary worksheet	
Other adjustments	Use this space to enter any other adjustments that are not included in the individual worksheets. Include an explanation of these items.
Statutorily-imposed rent caps	Report only on those rental payments to GSA that you consider constrained for legal reasons. Include as a footnote the legal reference (i.e., public law citation). Supporting detail must be provided, as described in section 54.5.
Total, net rental payments to GSA	The Space Budget Justification worksheet will automatically generate these totals.
PART 1-B: FUNDING SOURCES FOR RENTAL PAYMENTS TO GSA	
Funded by direct appropriations	List each direct appropriation that funds rental payments to GSA, by account title and identification (ID) code. Use a 9–digit ID code, which includes the OMB agency/bureau code followed by the 4–digit basic account symbol assigned by Treasury (xxx–xx–xxxx) (see section 79.2). For PY–BY+1, include the amount of obligations for rental payments to GSA that are funded from annual appropriations and permanent appropriations to general, special, and trust funds.
Account title and ID code	If there are more than three accounts listed, change the electronic spreadsheet to add rows, as needed.

Entry	Description
Subtotal, direct appropriations	Report the sum of amounts of direct appropriations for a year for accounts listed. If more than three accounts are listed, change the spreadsheet formula to calculate the amount funded by direct appropriations.
Funded by other sources: Account title and ID code	List all other sources of funding for rental payments to GSA (i.e., other than direct appropriations) by account title and ID code (described above). Include additional information on the line stub to identify the source of funding, as necessary. For PY–BY+1, include the amount of obligations for rental payments to GSA that are funded from reimbursements, other offsetting collections, and allocations. If there are more than three accounts listed, change the electronic spreadsheet to add rows, as needed.
Subtotal, other funding sources	Report the sum of amounts for other funding sources for a year for accounts listed. If more than three accounts are listed, change the spreadsheet formula to calculate the amount funded by other sources.
Total, net rental payments to GSA (object class 23.1)	Report the sum of amounts paid to the GSA Federal Building Fund for all funding sources (direct appropriations plus other funding sources) for a year for accounts listed. Report amounts that are consistent with obligations classified as "Rental payments to GSA" (object class 23.1). Make the totals for each year equal to the corresponding "Total, net rental payments to GSA" reported above (see exhibit 54).
PART 2. RENTAL PAYMENTS TO OTHERS	In Part 2, report information on rental payments to Federal agencies other than GSA and to entities outside the Federal Government. Exclude data on rental payments to GSA, which are reported in Part 1.
Non-Federal sources (object class 23.2)	Include obligations for possession and use of space, land, and structures leased from non-Federal sources (i.e., commercial landlords). Report amounts consistent with obligations classified as "Rental payments to others" (object class 23.2).
Federal sources other than GSA (object class 25.3)	Include obligations for payments to Federal agencies other than GSA for space, land, and structures that are subleased or occupied by permits, regardless of whether the space is owned or leased. *Note:* Typically, with the approval of the Administrator of GSA, you may sublease your GSA-assigned space to another agency or bureau. In such cases, if you are the agency assigned the space by GSA, report rental payments for this space in Part 1 as "Rental payments to GSA." If you are the agency or bureau subleasing space from another agency or bureau, report payments for the sublease in Part 2 as "Federal sources other than GSA." Report amounts consistent with obligations for rental payments to Federal sources reported as "Purchases of goods and services from Government accounts" (object class 25.3).
Total, rental payments to others	Report the sum of amounts as rental payments to non-Federal sources and to Federal sources other than GSA. Make the totals consistent with rental obligations classified in object classes 23.2 and 25.3.

54.5 What supporting information must I provide?

Complete and submit all six worksheets of exhibit 54 that support the Space Budget Justification summary page. For each change, include the GSA bureau code; the GSA building number (if known); city and State; type of action; effective date; square feet; and rent, on the appropriate worksheet. For any program changes requested, provide supporting information that identifies the program initiatives related to the requested changes. In addition, provide a list that identifies major acquisitions, renovations, or consolidations required to implement agency planned space changes, as well as the timing, amount of work space, and cost of each action.

Space Budget Justification

Note: The PY GSA rent estimate is based on the monthly rent bill with "date of inventory" that matches the GSA budget estimate for BY. CY and BY rent estimates are taken from the GSA budget estimates for the BY.

Shaded entries are automatically generated by the electronic spreadsheet.

Agency______________________
Bureau ______________________
GSA Bureau Code______________

Round dollars to the nearest thousand, as required by section 54.2. Report space requirements to the nearest square foot.

Department of Government
(obligations in thousands of dollars)

	PY		CY		BY		BY + 1	
	Sq. Ft.	$	Sq. Ft.	$	Sq. Ft.	$	Sq. Ft.	$
PART 1-A: RENTAL PAYMENTS TO GSA								
GSA rent estimate……………………….	26,500,000	$400,000	28,300,000	$425,000	28,300,000	$438,000	28,300,000	$447,636
Actual adjustments to the bill:								
Chargebacks (PY only)…………	-500,000	-$4,000	-500,000	-$7,500	-500,000	-$7,658	-500,000	-$7,826
Other adjustments………………								
Statutorily imposed rent caps……								
Planned changes to inventory:								
PY…………………………………	200,000	$2,000	200,000	$3,000	200,000	$3,063	200,000	$3,130
CY…………………………………			100,000	$1,200	100,000	$1,500	100,000	$1,533
BY…………………………………					135,000	$1,750	135,000	$2,150
BY + 1……………………………							115,000	$1,000
BY + 2……………………………								
Requested program changes:								
CY…………………………………			115,000	$1,000	115,000	$1,700	115,000	$1,737
BY…………………………………					100,000	$1,200	100,000	$1,500
BY + 1……………………………							………	………
BY + 2……………………………								
Total, net rental payment to GSA……	26,200,000	$398,000	28,215,000	$422,700	28,450,000	$439,555	28,565,000	$450,860
PART 1-B: FUNDING SOURCES FOR RENTAL PAYMENTS								
Funded by direct appropriations:								
Account title and ID code:								
Acct. 1 Salaries and expenses 016-10-1166		$366,250		$367,750		$372,387		$377,000
Acct. 2…………………………….								
Acct. 3…………………………….								
Subtotal, direct appropriations…………		$366,250		$367,750		$372,387		$377,000
Funded by other sources:								
Account title and ID code:								
Acct. 1 Water resources control 016-12-2650		$31,750		$54,950		$67,168		$73,860
Acct. 2…………………………….								
Acct. 3…………………………….								
Subtotal, other funding sources…………		$31,750		$54,950		$67,168		$73,860
Total, net payments to GSA (object class 23.1)…………		$398,000		$422,700		$439,555		$450,860
PART 2: RENTAL PAYMENTS TO OTHERS								
Non-Federal sources (object class 23.2).	24,000,000	$290,000	25,000,000	$300,000	22,900,000	$275,000	22,900,000	$275,000
Federal sources (object class 25.3)……..	150,000	$1,800	150,000	$1,800	150,000	$2,000	150,000	$2,000
Total, rental payments to others………..	24,150,000	$291,800	$25,150,000	$301,800	$23,050,000	$277,000	$23,050,000	$277,000

Dollar amounts for "Total, net rental payments to GSA" above should equal the corresponding entries at the end of Part 1. Supporting detail is required on each actual, planned, and requested change in inventory (see section 54.5).

Pursuant to section 83.12, only payments made directly to the GSA Federal buildings fund should be classified as object class 23.1. All other rental payments should be classified as object class 23.2 or object class 25.3.

SECTION 55—INFORMATION TECHNOLOGY INVESTMENTS

Table of Contents

55.1 Overview
55.2 Why must I report on information technology investments?
55.3 What specific guidance applies to FY 2015, and when is the information required?
55.4 How should agencies align IT investments with their strategic plans?
55.5 Do these requirements apply to me?
55.6 What do I need to know about exhibit 53?
55.7 What do I need to know about exhibits 300A and 300B?

Key Dates for the FY 2015 Budget

Draft exhibit 53A submitted……………………………………………………August 26, 2013
Exhibits 53A, 53C, 53D submitted…………………………………………..September 9, 2013
Exhibits 300A–300B submitted…………………………………………..September 9-13, 2013
Final exhibits 53A, 53C, and (if required) 53D………………………………Early January, 2014
Final exhibits 300A–300B…………………………………………………………February, 2014

55.1 Overview

Agencies must submit information on their respective information technology (IT) investment portfolios, using the required formats, as applicable, for exhibits 53A, 53C, 53D, 300A, and 300B. This section provides general guidance related to reporting on IT and the templates used to collect that information. Section 25.5 provides electronic links to the definitions and specific reporting instructions and exhibits related to budgeting for investments in IT.

55.2 Why must I report on information technology investments?

The required information allows the agency and the Office of Management and Budget (OMB) to review and evaluate each agency's IT spending and to compare IT spending across the Federal Government.

Agencies must provide required data on total IT funding using the exhibit 53 reporting format. IT funding information should be consistent with the overall agency budget submission (see section 51.19), your agency enterprise architecture (EA), and your agency's exhibit 300 submissions.

IT investment costs must include funding from all Federal budgetary resources (e.g., direct appropriation, collections, and transfers).

Investment costs and performance benefits must be formulated and reported in order to support the Clinger-Cohen Act's requirement that the OMB Director shall submit to Congress a report on the net program performance benefits achieved as a result of major capital investments made by executive agencies in information systems and how the benefits relate to the accomplishment of the goals of the executive agencies.

55.3 What specific guidance applies to FY 2015, and when is the information required?

Submissions should be consistent with OMB Memorandum M-13-14, Fiscal Year 2015 Budget Guidance.

The timing for agency exhibit submissions is described below:

Initial budget submissions:

- Agencies that submit IT exhibit information to the IT Dashboard (see section 55.5) are required to submit a draft exhibit 53A by August 26, 2013.
- Exhibit 53A, 53C, and 53D submissions are due on September 9, 2013.
- Exhibit 300A and 300B submissions are due between September 9, 2013 and September 13, 2013.

Final budget submissions:

- Final exhibit 53A and exhibit 53C submissions are due in early January 2014.
- A final exhibit 53D submission, if requested, is due with exhibits 53A and 53C.
- Final exhibit 300A and 300B submissions will be due as directed, after exhibit 53A submissions are closed; submission timing will be coordinated with the schedule for public release of budget information.

Additional updates to exhibits 53A and 300A may be required after final budget release to reflect changes in funding levels due to enactment of appropriations. Specific instructions and deadlines for submitting updates, corrections, and final submissions of exhibits will be available on the OMB MAX Federal Community.

55.4 How should agencies align IT investments with their strategic plans?

Each IT investment must clearly demonstrate that the investment is needed to help meet the agency's strategic goals and mission. The agency must demonstrate how the investment supports a business line or enterprise service performance goal as documented in the agency's EA and annual Enterprise Roadmap submission to OMB. Agency IT investment business cases (and other documents), the IT Capital Asset Summary (exhibit 300A), and the Agency IT Investment Portfolio (exhibit 53A) must demonstrate the agency's management of IT investments and how governance processes are used to plan, select, develop, implement, and operate IT investments. Documents used to manage the planning, development, implementation, and operation of IT investments and documents that demonstrate the outcomes of agency, branch, and bureau governance decisions should be maintained and be available on request.

Individual agency exhibit 53A and exhibit 300A submissions are used to create an overall "Federal IT Investment Portfolio," providing information which is published as part of the President's Budget. Agency and OMB portfolio reviews and budget processes will ensure the selection of IT investments that support the agency's strategic objectives, as captured in the agency's Strategic Plan.

55.5 Do these requirements apply to me?

These requirements apply to all agencies subject to Executive Branch review (see section 25.1), unless otherwise directed.

The following agencies must submit all exhibits to the IT Dashboard:

Department of Agriculture	Department of Veterans Affairs
Department of Commerce	U.S. Agency for International Development
Department of Defense	U.S. Army Corps of Engineers
Department of Education	Environmental Protection Agency
Department of Energy	General Services Administration
Department of Health and Human Services	National Aeronautics and Space Administration
Department of Homeland Security	National Archives and Records Administration
Department of Housing and Urban Development	National Science Foundation
Department of the Interior	Nuclear Regulatory Commission
Department of Justice	Office of Personnel Management
Department of Labor	Small Business Administration
Department of State	Smithsonian Institution
Department of Transportation	Social Security Administration
Department of the Treasury	

Separate guidance may be issued amending the above specifications regarding agency submissions, for non-CFO Act agencies. The agency's IT capital planning office should coordinate and review all versions/revisions of exhibit 53 prior to submission.

55.6 What do I need to know about exhibit 53?

(a) *How is exhibit 53 organized, and how do exhibits 300A and exhibit 300B relate to this?*

Exhibit 53 is composed of three sub-exhibits:

1. Exhibit 53A, "Agency IT Investment Portfolio," which includes IT investment budget and architecture information;

2. Exhibit 53C, "Agency Cloud Computing Portfolio," which includes IT investment budget information by cloud computing deployment model and service model; and

3. Exhibit 53D, "Agency IT Priority Investment Proposals."

(b) *What do I need to know about exhibits 53A and 53C?*

Exhibit 53 is a report of all agency IT investments. All major and non-major IT investments must be reported in exhibit 53A. Exhibit 53 should provide a complete report of all IT spending within the agency, with IT investment costs provided in millions of dollars.

Investment funding sources must include all Federal budgetary sources of funding used (e.g., budget authority provided in direct appropriations, amounts available for obligation through collections of fees or other receipts, transfers from trust funds or other Federal sources, or via reimbursement, including payments for services to working capital funds or other revolving funds).

These investment costs and performance benefits must be formulated and reported in order to support the Clinger-Cohen Act's requirement that the OMB Director shall submit to Congress a report on the net program performance benefits achieved as a result of major capital investments made by executive agencies in information systems and how the benefits relate to the accomplishment of the goals of the executive agencies.

Funding levels in exhibit 53A should be provided for PY, CY, and BY, as outlined below:

For:	Funding levels in exhibit 53A should be:
2013 (PY)	Enacted 2013 level (actuals)
2014 (CY)	Level likely to be enacted for 2014
2015 (BY)	The agency 2015 IT budget request, as specified in the complete Ex.53/300 guidance.

These levels should be consistent with program-level funding and branch, bureau, and agency summary funding tables, as provided to OMB in the agency budget submission. Exhibit 53C funding information should be consistent with what is reported in exhibit 53A.

Note that proposals for priority investments identified in exhibit 53D should not be incorporated into the exhibit 53A submitted in September.

(c) *If I submitted exhibits 53Aand 53C last year, how do I revise them for this year?*

If your agency submitted exhibit 53 for the FY 2014 Budget, the revised FY 2015 Budget must comply with the specified format or it will be rejected. The agency must note "change in status" for each investment, as compared to the final FY 2014 Budget. Changes must be identified and described in columns 9 and 10 of exhibit 53A.

Exhibits 53A and 53C must be updated to reflect the appropriate amounts for PY, CY, and BY. Exhibit 53A also requires OMB Budget Account codes for all "Funding Sources" line items, using valid OMB budget accounts.

(d) *How do I submit exhibit 53D for proposals for IT priority investments not included in exhibit 53A?*

In addition to providing exhibit 53A, which presents an agency's total IT investment portfolio included in the agency budget submission, OMB encourages agencies to better manage their investment in IT and redirect low-value spending into more innovative efforts, and to include exhibit 53D with the budget submission, presenting proposals for priority IT investments not included in exhibit 53A, which address ways to spend Federal dollars on IT more efficiently, and to direct efforts toward priorities detailed in the guidance for exhibit 53D. Successful proposals would produce a favorable return on investment within 18 months or demonstrably improve citizen services or administrative efficiencies. OMB will analyze agency proposals for priority investments for potential inclusion in the final budget.

Proposed priority investments should be in the following areas:

- Improvements to citizen services or administrative efficiencies;
- Adoption of shared services;
- Consolidation of commodity IT, including optimizing data centers;

- Improvements to the security posture of the agency's IT and information assets;
- Improvements to the energy efficiency of IT facilities and equipment;
- Innovative investments consistent with policy initiatives such as cloud computing, modular development, reduction of improper payments, and digital government; or
- Data analytics or data management consistent with Administration priorities in Big Data.

The size and quality of FY 2013 cost savings/avoidance will be considered when OMB evaluates priority investments in the exhibit 53D. This includes cost savings/avoidance reported by the agency through the Integrated, Efficient, and Effective Uses of Information Technology (IEEUIT) report and the cost savings/avoidance portion of the Integrated Data Collection (IDC) reporting process.

55.7 What do I need to know about exhibits 300A and 300B?

OMB provides specific policy, procedural, and analytic guidelines for planning, budgeting, acquisition, and management of major IT capital investments in addition to general guidance issued in OMB Circular A-11 and OMB Circular A-130.

Exhibit 300 describes the justification, planning, and implementation of an individual capital asset included in the agency IT investment portfolio (as reported in exhibit 53) and serves as a key artifact of the agency's EA and IT capital planning processes. Exhibit 300 is comprised of two components—exhibit 300A provides key high-level investment information to inform budget decisions, including general information and planning for resources such as staffing and personnel. Exhibit 300B provides more temporal information, related to tracking management of an investment, such as projects and activities, risks, and operational performance of the investment.

Complete details on specifications for exhibits 300A and 300B are provided in the FY 2015 Ex 53 300 Guidance—Final Revised-07-01-2013.

SECTION 79—THE BUDGET DATA SYSTEM

Table of Contents

79.1 What is the MAX system and how do I report data in MAX?
79.2 What should I know about account identification codes?
79.3 Which transmittal code should I use?
79.4 How do I request new accounts, changes to existing accounts in MAX?
79.5 What are the MAX schedules?
79.6 What MAX changes were made this year?

Ex–79A Functional Classification
Ex–79B Source Category Codes for Receipt Accounts
Ex–79C When Do I Use Transmit 0, 2, or 4?
Ex–79D Examples of Different Account Identification Codes

Summary of Changes

Instructs agencies to use the new web-based version of the MAX A-11 data entry application for submitting the data to populate budget schedules; the existing windows-based MAX A-11 application will no longer be available for budget schedule data. The existing windows-based application will continue to be available for updating Appendix text (appropriations language and narrative), and a new web-based version of the Appendix text editor will be available on a pilot basis (section 79.1).

79.1 What is the MAX system and how do I report data in MAX?

MAX A-11 Data Entry (MAX) is a computer system used to collect and process most of the information required for preparing the budget. MAX compiles the budget data using a series of schedules, or sets of data, within the MAX database. Each schedule describes a view of the President's Budget. An overview of all the schedules is provided in section 79.4.

To submit the data to populate the budget schedules, you must use the web application, accessible here:

https://max.omb.gov/exercises/a11de

To submit appropriations language or narrative text for the Appendix during the preparation of the 2015 Budget, you will have the option of either using the web application or the software that you download and install on your computer. During the preparation of the 2016 Budget, you will be required to use the web application.

You report data at the budget account level in MAX (see section 20.12(a)). This information is aggregated to provide the totals presented in many of the tables in the President's Budget. Most amounts are reported in millions of dollars. The preferred method of rounding numbers is to the nearest even million (for example, both $11,500,000 and $12,500,000 would round to 12); however, use of standard off-the-shelf packages that round up when a number is exactly mid-way between two whole numbers is acceptable (for example, $11,500,000 would round to 12 and $12,500,000 would round to 13).

The MAX A–11 User's Guide is a comprehensive reference document that provides information on how to use MAX. It is available online, on the MAX A–11 website:

https://max.omb.gov/maxportal/webPage/home/maxA11UsersGuide

You must use the MAX A-11 system to submit your budget data. If data has already been entered for a particular account and transmittal code, you can retrieve and change the data using MAX. For a new account or transmittal code, you must create new shells of schedules before you can enter data. The User's Guide provides detailed instructions on how to create and edit schedules. You can also use MAX to generate several diagnostic computer reports.

MAX contains information on budget account titles and classifications and controls data entry. Before you can submit your budget data, an account must be established. Section 79.4 provides information on how to request new accounts or request changes to existing accounts.

MAX contains numerous crosschecks or error messages ("edit checks") to help ensure the consistency of the data. You can see all of the edit messages on the MAX A-11 Edit Checks report at this link:

> https://max.omb.gov/exercises/mds4/main/get_spreadsheet?xls_filename=MAX+A-11+Edit+Checks.xlsx&folder=BudgetSeason

79.2 What should I know about account identification codes?

OMB, in consultation with the Department of Treasury, assigns account identification codes. These codes are used to store and access data in MAX, run reports, and identify accounts in OMB and Treasury documents and MAX reports. While you can access your accounts in MAX without knowing the account number, you are required to perform several steps that can be eliminated if you do know it. Each account can be identified in several ways. For example, you can access your accounts in MAX by entering either the OMB account number or the Treasury account number. Regardless of which number you use, familiarity with the following coding options is helpful. See exhibit 79D for examples of various account code combinations.

- OMB agency code—Each department or independent agency has a unique three digit number assigned by OMB (see appendix C for list).

- OMB bureau code—Each bureau within each department or major agency has an agency-unique two-digit number assigned by OMB. Agencies that do not have distinct bureaus have a bureau code of "00" (see appendix C for list). Most receipt accounts do not have a distinct bureau and have a bureau code of "00".

- Treasury agency code—Each agency also has a two-digit number assigned by Treasury (see appendix C for list).

- Account symbol—Each account has an agency-unique number assigned by Treasury or, in the case of merged accounts, by OMB, that corresponds to the fund type (e.g., general, special). For expenditure accounts, this number is four digits and, for receipt accounts, this number is six digits.

- Transmittal code—Each account in MAX has a one-digit code that identifies the nature or timing of the associated schedules as described in section 79.3.

- Fund code—Section 20.12 explains fund codes and the account symbols associated with each fund type.

- Subfunction code—OMB assigns each account a three-digit code that corresponds to the account's subfunctional classification (e.g., national defense, income security, agriculture). (See section 79.4(d) for further explanation of subfunctions and exhibit 79A for a list of functional classifications.)

79.3 Which transmittal code should I use?

The following codes are used to identify the nature or timing of the request.

Most requests that are transmitted to the Congress in the President's Budget are for appropriations for the upcoming fiscal year. These requests are normally reported under transmittal code 0.

Transmittal Code	Title and description
0	Regular budget schedules.
1	Supplemental proposal. Use only for requesting supplemental CY amounts.
2	Legislative proposal, not subject to PAYGO. Use for the effects of proposals requiring authorizing legislation where those effects are not subject to PAYGO. These include both discretionary proposals that are contingent on the enactment of authorizing legislation, as well as mandatory and revenue proposals that do not have a PAYGO impact, which are sometimes referred to as third scorecard (see section 20.3). Do not use for routine reauthorization of ongoing programs.
3	Appropriations language to be transmitted later. Use only with prior approval of OMB when language for a significant policy proposal cannot be transmitted in the budget.
4	Legislative proposal, subject to PAYGO. Use for the effects of proposals requiring authorizing legislation that are subject to PAYGO. Do not use for routine reauthorization of ongoing programs.
5	Rescission proposal pursuant to Title 10 of the Congressional Budget and Impoundment Control Act. Use only for requesting rescission of CY amounts.
7	Amounts included in the adjusted baseline. The amounts are excluded by OMB to produce the BBEDCA baseline. Use only at OMB direction.
8	Overseas contingency operations. Use only for amounts requested for BY through BY+9.
9	Reserved for OMB use.

Separate schedules using non-zero transmittal codes are required to identify proposed supplementals, supplementals requested in the budget, and items proposed for later transmittal under either existing or proposed authorizing legislation or their effect on the information presented in the regular schedule for the account. The combination of the regular schedule and the non-zero transmittal code schedule should display the condition of the account as it would exist if the Congress enacts the proposals.

When a supplemental proposal or legislative proposal involves a transfer between accounts, omit the transaction from the regular (transmittal code 0) schedules and display it in separate schedules for each of the affected accounts. See exhibit 79C for help in determining if your legislative proposal should be coded as a transmittal code 0, 2, or 4.

79.4 How do I request new accounts, changes to existing accounts in MAX?

The MAX database contains information on budget account titles and classifications and controls data entry. Among other things, it contains information on:

- The account title, as it will be printed in the budget;
- The Treasury and OMB identification codes;
- Fund type;
- Subfunctional classification;
- Budget Enforcement (BEA) category;
- Congressional subcommittee assignment;
- Type of account (e.g., expenditure, receipt, trust, special, revolving);
- Whether more than half of the collections are user charges;
- Whether the account will finance payments to individuals;
- Whether the account has obligation limitations;
- Citation of legal authority to establish the account;
- For receipt accounts, the receipt type and source category; and for offsetting receipts, character classification; and
- Where the account will be printed in the budget (see section 95.3).

(a) *General*

If you need to request a new account or make changes to an existing account, please contact your OMB budget representative. If requesting a new account, you will need to provide information on all the items in the bulleted list above except for the identification codes.

These classifications are discussed further below. OMB will coordinate with Treasury, as required, make the necessary changes, and notify you when the change is complete.

If you want to propose new financing methods, reorganizations, account mergers, or changes to the program activity structure in the program and financing schedule, OMB approval is required. You should submit requests for such changes by October 1, unless OMB specifies another date. If a change is dependent on pending decisions or results from late congressional action or other circumstances beyond your control, submit the request as soon as possible after October 1. If prospective internal reorganizations are likely to require budget structure changes, obtain OMB approval prior to implementing the reorganization.

Until requests are approved, base budget materials on the existing structure. If changes are approved, you must revise budget schedules and other materials accordingly.

(b) *Fund type and code*

OMB and Treasury will assign identification codes based on the type of fund involved and other characteristics of the proposed new account. The account symbol is based on the fund type. See section 20.12 for a detailed discussion of fund types.

FUND TYPES AND CODES

Account symbol	Type of fund	Fund Code
0000–3899	General fund	1
5000–5999	Special fund	2
4000–4499	Public enterprise revolving fund	3
4500–4999	Intragovernmental revolving fund	4
3900–3999	Management fund	4
8000–8399 and 8500–8999	Trust non-revolving fund	7
8400–8499	Trust revolving fund	8
6000–6999	Deposit funds	N/A
F3800–F3899	Clearing accounts	N/A
90xx	Assigned by OMB to designate allowances	
991x–998x	Assigned by OMB for certain merged accounts	

(c) *BEA category*

For each expenditure or receipt account, OMB assigns a BEA category (e.g., discretionary, mandatory) that designates how the budgetary resources of the account will be classified for budget enforcement purposes (see section 81.2 for a summary of budget enforcement data classifications). In cases where the account will contain resources classified in more than one BEA category, OMB will identify the account as a "split" account.

(d) *Functional and subfunctional classification*

OMB normally assigns each expenditure and offsetting receipt account a single subfunction code (see exhibit 79A for a list of functional classifications). In rare cases, an appropriation account may be split between two or more subfunctions. If the subfunctions are in the same function, the code of the function is used (e.g., 500, 550, etc.). If two or more functions are involved, the code "999" is used. Annually, OMB consults with CBO and other relevant budget and appropriation committee staff members regarding functional and subfunctional classification. This process, which is required by statute, typically occurs from October through December (see section 25.3).

(e) *User charge classification*

OMB designates whether any collections related to the account are user charges, as defined in section 20.7(g). Receipts, offsetting receipts, and offsetting collections may be classified as user charges.

(f) *Receipt type*

Receipt accounts are classified either as governmental receipts or offsetting receipts. If the receipts associated with a particular program have more than one classification, separate receipt accounts must be established (see section 20.7 for a full discussion of receipts).

(g) *Source category code*

Each receipt type has a number of unique source category codes that enable MAX to produce tables needed for the budget. OMB assigns the codes when a new receipt account is established by determining the receipt type for the account and selecting an appropriate program category within that receipt type (see exhibit 79B for a list of source category codes).

(h) *Account mergers*

Two or more Treasury accounts may be merged into a single budget account with a single set of budget schedules:

- When two or more appropriation accounts are replaced by a single appropriation. Sometimes the amounts in the old accounts are merged by law into the successor account.

- When the budget proposes to merge several appropriations into a single account and request budget year appropriations on that basis. The objective of such proposed mergers is to permit greater flexibility in achieving program goals by managing and budgeting at a higher level of aggregation. This objective must be balanced against other needs, including the need for public disclosure and review and control by the President and the Congress.

- For revolving fund feeder accounts, which are appropriation accounts whose budgetary resources are available only for transfer to specified revolving fund accounts. They should be merged into the revolving funds to which they relate, and the amounts included in the feeder accounts should not be separately identified.

- In some situations, OMB may choose to merge two or more Treasury accounts for presentation purposes.

The data is displayed in the Appendix in a single budget account, but the underlying TAFSs continue to be accounted for separately pursuant to law, unless Congressional action merges them.

79.5 What are the MAX schedules?

The following table lists the MAX schedules that appear in reports and computer screen:

MAX schedule	Description	A–11 section number
SCHEDULE A	POLICY ESTIMATES OF BUDGET AUTHORITY AND OUTLAYS	81
SCHEDULE C	CHARACTER CLASSIFICATION	84
SCHEDULE F	BALANCE SHEET	86.1
SCHEDULE G	STATUS OF DIRECT LOANS, PRESIDENTIAL POLICY	185.11(b)
SCHEDULE H	STATUS OF GUARANTEED LOANS, PRESIDENTIAL POLICY	185.11(c)
SCHEDULE J	STATUS OF FUNDS	86.3
SCHEDULE K	RECEIPTS, BASELINE ESTIMATES	81
SCHEDULE N	SPECIAL AND TRUST FUND RECEIPTS	86.4
SCHEDULE O	OBJECT CLASSIFICATION	83
SCHEDULE P	PROGRAM AND FINANCING	82
SCHEDULE Q	EMPLOYMENT SUMMARY	85
SCHEDULE R	RECEIPTS, PRESIDENTIAL POLICY	81

MAX schedule	Description	A–11 section number
SCHEDULE S	BASELINE ESTIMATES OF BUDGET AUTHORITY AND OUTLAYS	81
SCHEDULE T	BUDGET YEAR APPROPRIATIONS REQUESTS IN THOUSANDS OF DOLLARS	86.2
SCHEDULE U	LOAN LEVELS AND SUBSIDY DATA, PRESIDENTIAL POLICY	185.10(c)
SCHEDULE X	COMBINED SCHEDULE	82
SCHEDULE Y	FEDERAL CREDIT DATA, BASELINE ESTIMATES	185.11(d)

79.6 What MAX changes were made this year?

The following table lists the MAX changes that will affect the FY 2014 Budget:

MAX schedule, line code, and title		Change
Program and Financing (P), Combined Schedule (X)		
1234	Appropriations precluded from obligation	Change
1235	Capital transfer of appropriations to general fund	Add
1421	Borrowing authority temporarily reduced	Add
1422	Borrowing authority applied to repay debt	Change
1603	Contract authority (previously unavailable)	Add
1621	Contract authority temporarily reduced	Add
1950	Other balances withdrawn and returned to unappropriated receipts	Change
1955	Unobligated balances withdrawn and returned to general fund	Add
5080	Outstanding debt, SOY	Change
5081	Outstanding debt, EOY	Change
5082	Borrowing	Change
Schedule J		
0081	Obligated balances (net)	Add
0082	Unexpired unobligated balances	Add
0083	Special or trust fund receipt balances	Add
0084	Unavailable balance: offsetting collections	Add
0085	Outstanding debt	Add
0090	Expired unobligated balance	Add
0091-0095	Other adjustments	Add
0099	Total balance, start of year	Add

In addition, on the SF 133 Report on Budget Execution and Budgetary Resources, the line number range 1051-1099 will be used for Expired balances available for adjustment only. For more information, see appendix F.

Note that, beginning with the preparation of the 2015 Budget, you are required to use the web version of MAX A-11 Data Entry (https://max.omb.gov/exercises/a11de) to submit data for the budget schedules. For appropriations language and narrative, you may choose to use either the software you install on your desktop or the web application.

FUNCTIONAL CLASSIFICATION

050 NATIONAL DEFENSE
- 051 Department of Defense-Military
- 053 Atomic energy defense activities
- 054 Defense-related activities

150 INTERNATIONAL AFFAIRS
- 151 International development and humanitarian assistance
- 152 International security assistance
- 153 Conduct of foreign affairs
- 154 Foreign information and exchange activities
- 155 International financial programs

250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY
- 251 General science and basic research
- 252 Space flight, research, and supporting activities

270 ENERGY
- 271 Energy supply
- 272 Energy conservation
- 274 Emergency energy preparedness
- 276 Energy information, policy, and regulation

300 NATURAL RESOURCES AND ENVIRONMENT
- 301 Water resources
- 302 Conservation and land management
- 303 Recreational resources
- 304 Pollution control and abatement
- 306 Other natural resources

350 AGRICULTURE
- 351 Farm income stabilization
- 352 Agricultural research and services

370 COMMERCE AND HOUSING CREDIT
- 371 Mortgage credit
- 372 Postal Service
- 373 Deposit insurance
- 376 Other advancement of commerce

400 TRANSPORTATION
- 401 Ground transportation
- 402 Air transportation
- 403 Water transportation
- 407 Other transportation

450 COMMUNITY AND REGIONAL DEVELOPMENT
- 451 Community development
- 452 Area and regional development
- 453 Disaster relief and insurance

500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES
- 501 Elementary, secondary, and vocational education
- 502 Higher education
- 503 Research and general education aids
- 504 Training and employment
- 505 Other labor services
- 506 Social services

550 HEALTH
- 551 Health care services
- 552 Health research and training
- 554 Consumer and occupational health and safety

570 MEDICARE
- 571 Medicare

600 INCOME SECURITY
- 601 General retirement and disability insurance (excluding social security)
- 602 Federal employee retirement and disability
- 603 Unemployment compensation
- 604 Housing assistance
- 605 Food and nutrition assistance
- 609 Other income security

650 SOCIAL SECURITY
- 651 Social security

700 VETERANS BENEFITS AND SERVICES
- 701 Income security for veterans
- 702 Veterans education, training, and rehabilitation
- 703 Hospital and medical care for veterans
- 704 Veterans housing
- 705 Other veterans benefits and services

750 ADMINISTRATION OF JUSTICE
- 751 Federal law enforcement activities
- 752 Federal litigative and judicial activities
- 753 Federal correctional activities
- 754 Criminal justice assistance

800 GENERAL GOVERNMENT
- 801 Legislative functions
- 802 Executive direction and management
- 803 Central fiscal operations
- 804 General property and records management
- 805 Central personnel management
- 806 General purpose fiscal assistance
- 808 Other general government
- 809 Deductions for offsetting receipts

900 NET INTEREST
- 901 Interest on Treasury debt securities (gross)
- 902 Interest received by on-budget trust funds
- 903 Interest received by off-budget trust funds
- 908 Other interest
- 909 Other investment income

920 ALLOWANCES
- 921–929 Allowances [Assigned by OMB]

950 UNDISTRIBUTED OFFSETTING RECEIPTS
- 951 Employer share, employee retirement (on-budget)
- 952 Employer share, employee retirement (off-budget)
- 953 Rents and royalties on the Outer Continental Shelf
- 954 Sale of major assets
- 959 Other undistributed offsetting receipts

MULTIPLE FUNCTIONS
- 999 Multifunction account [used for accounts that involve two or more major functions]

SOURCE CATEGORY CODES FOR RECEIPT ACCOUNTS

GOVERNMENTAL RECEIPTS

[RECEIPT TYPE "G"]

- Individual income taxes:
  - Federal Funds 0121
- Corporation income taxes:
  - Federal funds 0130
  - Trust funds (Hazardous substance superfund) 0135
- Social insurance taxes and contributions (trust funds):
  - Employment taxes and contributions:
    - Old-age and survivors insurance (Off-budget) 0211
    - Disability insurance (Off-budget) 0213
    - Hospital insurance 0215
    - Railroad retirement:
      - Social Security equivalent account 0219
      - Rail pension and supplemental annuity funds 0217
  - Unemployment insurance:
    - State taxes deposited in Treasury 0221
    - Federal unemployment tax receipts 0222
    - Railroad unemployment tax receipts 0223
    - Railroad debt repayment 0224
  - Other retirement contributions:
    - Federal employees' retirement-employee contributions 0232
    - Contributions for non-Federal employees 0233
- Excise taxes:
  - Federal funds:
    - Other Federal fund excise taxes 0310
    - Tobacco excise taxes 0311
    - Alcohol excise tax 0312
    - Telephone excise tax 0314
    - Ozone depletion excise tax 0315
    - Transportation fuels tax 0316
    - Miscellaneous excise taxes 0320
    - Medical Devices 0321
  - Trust funds:
    - Highway trust fund 0322
    - National recreational trails trust fund 0323
    - Airport and airway trust fund 0325
    - Aquatic resources trust fund 0330
    - Tobacco trust fund 0331
    - Black lung disability insurance trust fund 0333
    - Inland waterway trust fund 0336
    - Hazardous substance superfund 0339
    - Oil spill liability trust fund 0341
    - Post-closure liability trust fund 0342
    - Supplementary medical insurance 0343
    - Patient-centered outcomes research 0344
    - Vaccine injury compensation trust fund 0345
    - National endowment for the environment 0346
    - Leaking under ground storage tank trust fund 0348
    - Other trust fund excise taxes 0349
- Estate and gift taxes 0350
- Custom duties and fees 0400
- Miscellaneous Receipts:
  - Miscellaneous taxes 0459
  - Net tobacco settlement 0462
  - United Mine Workers of America: Combined benefit fund 0470
  - Employees health benefits fund 0473
  - Deposit of earnings, Federal Reserve System 0651
  - Transfers from the Federal Reserve 0652
  - Defense Cooperation 0653
  - Alternative fuels production 0655
  - Fees for permits and regulatory and judicial services
    - Immigration, passport, and consular fees 0830
    - Patent and copyright fees 0840
    - Registration and filing fees 0850
    - Coal mining reclamation fees 0885
    - Miscellaneous fees for permits, licenses, etc 0869
    - Miscellaneous fees for regulatory and judicial services 0890
    - Fees for legal and judicial service 0860
  - Fines, penalties, and forfeitures 1050
  - Restitutions, reparations, and recoveries under military occupation 1100
  - Confiscated assets 1150
  - Confiscated Iraqi assets 1155
  - Refunds and recoveries 1250
- Proposed Legislative Plug 1300

OFFSETTING RECEIPTS

INTRAGOVERNMENTAL TRANSACTIONS

[RECEIPT TYPE "IF"]

- Federal intrafund transactions:
  - Distributed by agency:
    - Interest from the Federal Financing Bank 1405
    - Interest on Government capital in enterprises 1400
    - Interest received by retirement and health benefits funds 1410
    - General fund payments to retirement and health benefits funds:
      - Employees health benefits fund 1432
      - DoD retiree health care fund 1430
      - Miscellaneous Federal retirement funds 1438
    - Subsidy balance transfers 1440
    - Other 1471

[RECEIPT TYPE "UF"]

- Federal intrafund transactions:
  - Undistributed by agency:
    - Employing agency contributions:
      - Employees health benefits fund 1482
      - DoD retiree health care fund 1480
      - Miscellaneous Federal retirement funds 1488

[RECEIPT TYPE "IT"]

- Trust intrafund transactions:
  - On-Budget:
    - Payment to railroad retirement (from off-budget) . 1691
    - Interest payments, to hospital insurance (from off-budget) 1692
    - Other 1521
  - Off-Budget:
    - Interest on intertrust borrowing 1693
    - Other 1511

[RECEIPT TYPE "ID"]

Inter-fund transactions:
Distributed by Agency:
On Budget:
Federal fund payments to trust funds:
Contributions to retirement and insurance programs:
Military retirement fund....1612
Supplementary medical insurance....1613
Hospital insurance....1614
Railroad social security equivalent fund....1615
Rail industry pension fund....1620
Civilian supplementary retirement contributions....1616
Unemployment insurance....1617
Other contributions....1618
State and local government fiscal assistance....1623
Miscellaneous payments....1622
Trust fund payments to Federal funds:
Repayment of loans or advances to trust funds....1644
Quinquennial adjustment of military service credits....1695
Other....1643
Off-Budget:
Old-age, survivors and disability, insurance....1681

[RECEIPT TYPE "UI"]

Undistributed by agency:
On-Budget:
Employer share, employee retirement (on-budget):
Civil service retirement and disability insurance....1661
CSRDI from Postal Service....1697
Hospital insurance (contribution as employer)....1662
Employer contributions to FHI from Postal Service....1696
Military retirement fund....1664
Other Federal employees retirement....1669
Interest received by on-budget trust funds....1670
Off-Budget:
Employer share, employee retirement (off-budget)....1682
Interest received by off-budget trust fund....1683

PROPRIETARY RECEIPTS FROM THE PUBLIC

[RECEIPT TYPE "P"]

Distributed by agency:
Interest:
Interest on foreign loans and deferred foreign collections....1715
Interest on deposits in tax and loan accounts....1716
Other interest....1717
Dividends and other earnings....1750
Royalties and rents....2050
Sale of products:
Sale of timber and other natural land products....2220
Sale of minerals and mineral products....2230
Sale of power and other utilities....2240
Other....2299
Fees and other charges for services and special benefits:
Medicare premiums and other charges....2460
Employees health benefits premiums....2462
Nuclear waste disposal revenues....2464
Veterans life insurance (trust funds)....2465
Tolls and other revenues, Panama Canal....2466
Other....2467
Sale of Government property:
Military assistance program sales (trust funds)....2637
Sale of land and other real property....2515
Sale from the stockpile of strategic and other materials....2636
Other....2799
Realization upon loans and investments:
Dollar repayments of loans, Agency for International Development....2961
Foreign military credit sales....2962
Negative subsidies and downward re-estimates....2965
Repayment of loans to foreign nations....2997
Other....2998
Recoveries and refunds....3100
Gifts and contributions....3101
Miscellaneous receipt accounts....3102

[RECEIPT TYPE"UP"]

Undistributed by agency:*
Outer Continental Shelf escrow account (Function 908)....3220
Outer Continental Shelf rents and bonuses (953)....3230
Outer Continental Shelf royalties (953)....3240
Arctic National Wildlife Refuge (959)....3245
Sale of major assets (954)....3250
Other undistributed offsetting receipts (959)....3252

OFFSETTING GOVERNMENTAL RECEIPTS

[RECEIPT TYPE "OG"]

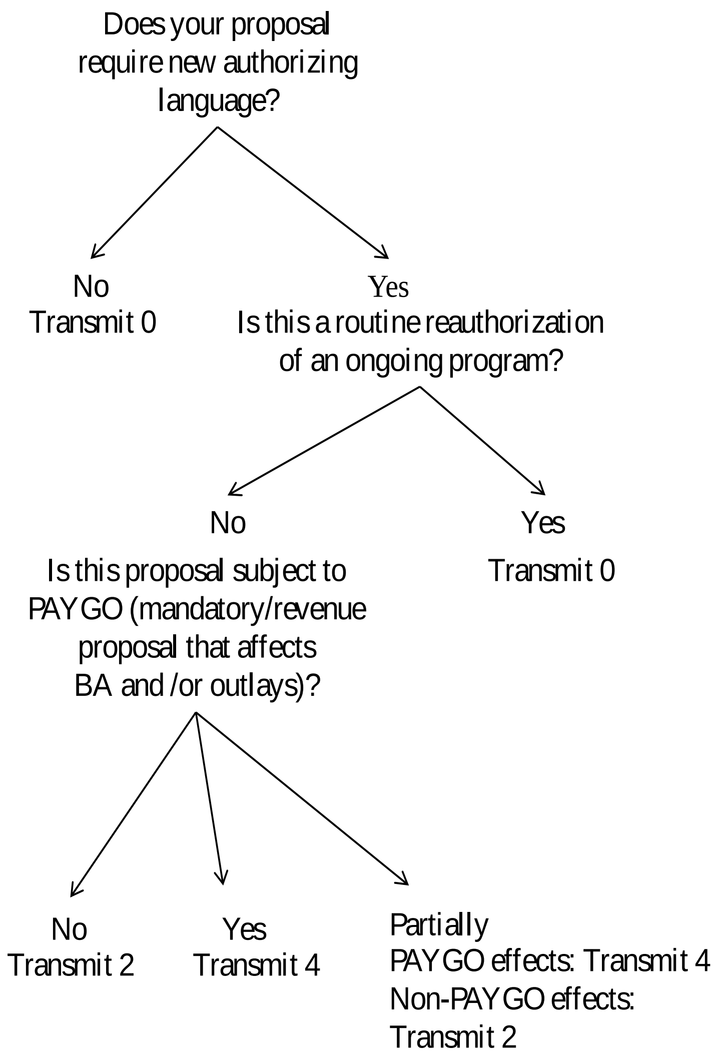
Distributed by Agency:
Defense cooperation....4001
Regulatory fees....4025
Other....4050

[RECEIPT TYPE "UG"]

Undistributed by agency:
Spectrum auction proceeds....5000

NOTE: Functions may not be mixed within a "UP" source category.

When do I use Transmit 0, 2, or 4?[1]



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[1] Use transmit 1 for supplemental proposals for current year BA that do not require new authorizing language.

Examples of Different Account Identification Codes

The following example illustrates the various account code combinations for the Salaries and Expenses account of the National Telecommunications and Information Administration of the Department of Commerce:

- OMB account number

OMB Agency Code OMB Bureau Code Account Symbol

006 – 60 – 0550

- Treasury account number

Treasury Agency Code Account Symbol

13 – 0550

- Account identification code as shown in Budget Appendix

Treasury Agency Code Account Symbol Fund Code

13 – 0550 – 0 – 1 – 376

Transmittal Code Subfunction

- Account identification code as shown at top of MAX data entry screen

OMB Agency Code Treasury Agency Code Transmittal Code

006 – 60 – 13 – 0550 – 0 – 376

OMB Bureau Code Account Symbol Subfunction

SECTION 80—DEVELOPMENT OF BASELINE ESTIMATES

Table of Contents

80.1 What are the basic requirements?
80.2 What general rules do I need to know?
80.3 What rules apply to discretionary spending and collections?
80.4 What rules apply to mandatory spending and collections?
80.5 What rules apply to mandatory supplemental requests?
80.6 What rules apply to governmental receipts?
80.7 What materials must I provide in support of baseline estimates?

Summary of Changes

Advises agencies to consult their OMB representative to determine which materials they are required to provide; information is not required for each baseline assumption (section 80.7).

80.1 What are the basic requirements?

OMB baseline estimates follow the rules in section 257 of the Balanced Budget and Emergency Deficit Control Act (BBEDCA) of 1985, as amended. The baseline rules were recently reinstated through amendments to BBEDCA enacted in the Budget Control Act of 2011 (BCA).

Each agency, including the legislative and judicial branches, must submit estimates of budgetary resources, outlays, and receipts that project the CY levels into BY through BY+9, except:

- For credit financing accounts, baseline data is required only for net financing disbursements; and
- Government-sponsored enterprises do not have to submit baseline estimates.

Section 82 provides detailed information on entering baseline data into MAX.

The BBEDCA provides explicit instructions on how to develop the baseline estimates. Some apply to all baseline estimates. However, most rules are specific to two categories of collections and spending:

- Those that are controlled through annual appropriations acts (discretionary spending); and
- Those that are controlled through authorizing legislation (mandatory spending and receipts).

The classification of collections and spending as discretionary or mandatory spending generally follows the criteria specified in the BBEDCA. Consult your OMB representative if you have questions concerning the classification.

OMB may work with affected agencies to make adjustments to the estimates to produce an adjusted baseline to be used in the budget documents.

80.2 What general rules do I need to know?

The baseline is a projection of the budgetary resources, outlays, and receipts for mandatory programs and governmental receipts based generally on current law, and a projection of the current year (CY) levels of budgetary resources, outlays, and receipts into the outyears for discretionary programs. Below are rules that apply to all baseline estimates:

- *Legislative proposals*. Legislative proposals are considered to be changes from the baseline projection. Do not reflect their budgetary effects in the baseline estimates.

- *Supplementals*. Include only supplementals associated with mandatory programs that would finance obligations required by current law in the baseline.

- *Regulations, management initiatives, and administrative actions*. Include the effects of these, including planned regulations that are not final, in the baseline estimates, as long as they can be implemented without further legislation.

- *Credit programs*. Base the estimates for credit programs on enacted appropriations of subsidy budget authority for direct loans and guaranteed loan commitments. In addition, see section 185.11(d) for baseline requirements for net financing disbursements in liquidating and financing accounts (Schedule Y).

80.3 What rules apply to discretionary spending and collections?

Follow the BBEDCA guidelines and base the baseline estimates for discretionary spending and collections on the levels provided in the most recent appropriations act or full-year continuing resolution (CR). If a part-year CR is in effect, base the estimates on the annualized level of the CR. Except for advance appropriations, the most recent appropriations act or full-year CR is normally for the current year.

(a) *Current year base*

Estimates will equal the enacted current year amounts reported in MAX under transmittal code 0. You must separate discretionary budgetary resources, except those related to spending authority from offsetting collections, into portions related to civilian pay and benefits, military pay and benefits, or not related to pay and benefits. See section 81.2 for pay and non-pay definitions.

(b) *BY through BY+9 baseline estimates*

In most cases, baseline estimates of budgetary resources are calculated by MAX to be equal to the most recent full year appropriation (generally the CY level) adjusted for anticipated pay and non-pay inflation using factors supplied by OMB.

For the four BBEDCA-specified accounts with social insurance administrative expenses (the Federal hospital insurance trust fund, the supplementary medical insurance trust fund, the unemployment trust fund, and the rail industry pension fund), you must report estimates of the beneficiary population (see explanation of line 5150-00 in section 82.9).

For programs financed by the Highway and Mass Transit trust fund and controlled by annual obligation limitations, projections of discretionary outlays are derived from a projection with inflation of the CY level of the obligation limitation.

Outlays from budgetary resources provided prior to the budget year should be the same in the baseline and in the Presidential policy estimates. New budgetary resources generally should outlay at a rate that is consistent with Presidential policy spendout rates. Section 82.6 describes outlays more fully.

(c) *Advance appropriations*

If an account is completely funded through advance appropriations, the last year of the enacted advance appropriation is the base for calculating the baseline estimate for the remaining years. However, if Congress discontinues an advance appropriation and provides the funding for that advance in the current appropriations instead, the last year of the advance appropriation should be assumed to be zero, and the regular appropriation should be inflated accordingly.

If an account is funded with both current and advance appropriations, inflate the current appropriation as described in (b) above; for the advance appropriation, follow the guidance in the paragraph above.

(d) *Discretionary credit accounts*

MAX inflates CY subsidy budget authority using the annual adjustment factor for non-pay costs from the economic assumptions for the budget. The estimated policy subsidy rate for the BY should be a separate and distinct calculation from that done for the CY. The OMB subsidy model computes the subsidy rate using the economic assumptions for the budget. (See section 185.5 for instructions on calculating baseline subsidy estimates, including programs with negative subsidies.) OMB does not collect baseline information on direct loan obligations and guarantee commitments.

(e) *Discretionary offsetting collections and receipts*

The baseline estimates should be consistent with the levels of budgetary resources assumed for the account conducting the activity that generates the collections. When the level of collections is independent of the appropriated level, reflect collections consistent with the level of activity anticipated under current law.

(f) *Multi-account appropriations*

If an appropriation covers more than one account and does not specify the amount provided for each account, such as the limitation on administrative expenses under the Social Security Act, the distribution of the budget authority by account in the CY is the base for subsequent years. Inflate the CY amount by account to derive the budget authority for BY through BY+9.

(g) *Accounts with negative budget authority in the CY*

- If the account has net negative budget authority as a result of a rescission, reduction, or transfer of balances, estimate the budget authority for BY through BY+9 as zero.

- If the account has negative budget authority because the offsetting collections credited to the account exceed the spending authority from those offsetting collections (e.g., as a result of limitations on administrative expenses or repayments of debt), provide your best estimate of the *offsetting collections* under current law, and

    - If the *spending authority is controlled by appropriations*, project the authority using the guidance in section 80.3(b).

    - If the *spending authority from offsetting collections is indefinite*, reflect the level of activity anticipated under current law.

80.4 What rules apply to mandatory spending and collections?

Section 257 of the BBEDCA requires the estimates for budgetary resources provided in authorizing law and for appropriated entitlements to reflect the level of activity anticipated under current law, using the Budget's economic and technical assumptions. Include the effect of changes to programs and activities directed by previously enacted legislation (such as a change in a benefit formula that becomes effective in BY+2) in the year that the changes become effective. The following special rules apply:

- *Expiring authorizations*. Assume that a program explicitly designated as temporary will expire in the baseline if the program was enacted after the Balanced Budget Act of 1997. Assume that programs scheduled to expire under current law (even if not explicitly designated as temporary) will expire in the baseline if current year outlays for the program are $50 million or less. Assume that expiring programs will continue in the baseline if current year outlays exceed $50 million. For programs with definite BA, extend the BA at the same level provided in the last full year, and for programs with indefinite BA, project future BA and outlays based on the program's eligibility criteria, benefit formulas, and other provisions in effect at the point of expiration. Assume an expiring *provision* of law (in contrast to an expiring *program*) will expire if that assumption does not have the effect of terminating the basic program.

- *Veterans' compensation cost-of-living-adjustment (COLA)*. Assume enactment of a COLA for veterans' compensation that is equal to the COLA required by law for veterans' pensions.

Affected agencies should contact their OMB representative for guidance.

You should base collections affected by Federal pay rates on rates used for Presidential policy, not on the levels of compensation assumed in the baseline for the pay portion of discretionary accounts.

Certain substantive changes to or restrictions on entitlement law or other mandatory spending law contained in appropriations laws (including changes in offsetting receipts or collections) shall be treated as changes in discretionary spending for the purposes of scoring those appropriations laws (see Appendix A). However, in the subsequent budget, OMB can decide to reclassify such changes, especially in accounts that are generally mandatory. If advised by OMB to reclassify the change, the mandatory spending entries for the account should reflect the change made in appropriations law.

80.5 What rules apply to mandatory supplemental requests?

Baseline estimates for mandatory supplemental requests will reflect *current year* baseline estimates of budget authority and the related outlays insofar as that budget authority will finance obligations that exist under current law. Budget authority estimates for BY through BY+9 will be zero. However, you should reflect the spendout of current year budget authority, as appropriate, over the period BY through BY+9.

80.6 What rules apply to governmental receipts?

Governmental receipts should be projected based on provisions of the tax code under current law, except that excise taxes dedicated to trust funds are assumed to continue after their scheduled expirations. (These receipts will not necessarily be carried over in policy if the trust fund spending is assumed to expire.) Thus, estimates should include the effect of changes to governmental receipts directed by previously enacted legislation (such as a change in a tax rate, deduction, or credit that becomes effective in BY+2) in the year that the changes become effective.

80.7 What materials must I provide in support of baseline estimates?

After final budget decisions, you may be required to submit a table showing the impact on the baseline of estimates for some or all of the following:

- Major regulations;
- Expiring provisions of law assumed to be extended in the baseline;
- Caseloads for major mandatory programs;
- Management initiatives;
- Administrative actions; and
- Other major program assumptions included in the baseline.

Show the budgetary impact of each major assumption separately. For example, a change in outlays due to a regulatory change should be shown separately from a change due to the expiration of a provision of law. Consult with your OMB representative on the format and content of this table.

SECTION 81—POLICY AND BASELINE ESTIMATES OF BUDGET AUTHORITY, OUTLAYS, AND RECEIPTS (SCHEDULES A, S, R, AND K)

Table of Contents

81.1 What are the basic requirements?
81.2 What data classifications do I use to enter data into MAX?
81.3 What information do I need to report?
(a) Expenditure accounts
(b) Receipt accounts

Summary of Changes

Clarifies the general rules for classifying offsetting collections from Federal and non-Federal sources. These rules should be applied prospectively; agencies are not expected to review or reclassify existing offsetting collections (section 81.2).

81.1 What are the basic requirements?

MAX contains detailed information on budgetary resources, outlays, and receipts for *presidential policy* (schedules A and R) and *baseline* (schedules S and K). You will enter the data for schedules A and S in the combined schedule X in MAX. The system will copy the appropriate entries from schedule X into schedules A and S.

- Presidential policy data covers the period PY through BY+9.
- Baseline data covers the period CY through BY+9.
- Schedules A and S include information on budget authority, limitations and outlays.
- Schedules R and K include information on receipts.

For all accounts, except credit financing accounts and Government-sponsored enterprises, you must:

- Submit policy data (all transmittal codes).
- Submit baseline data for the regular budget schedule (transmittal code "0").
- Submit baseline data for supplemental requests (transmittal code "1") that are classified as *mandatory* and finance obligations that exist under current law (such as payments under entitlement programs).
    - Do not provide baseline estimates for *discretionary* supplemental requests.
    - Do not provide baseline estimates for other transmittals (e.g., codes "2", "4", "8") unless specifically requested by OMB.

Use the guidance in sections 31–32 to develop the policy estimates. Use the guidance in section 80 to develop the baseline estimates.

81.2 What data classifications do I use to enter data into MAX?

Report data using the classifications specified below. Multiple entries are required when more than one classification applies to a budgetary resource, limitation, offset, or outlay. When inserting or revising data in MAX, choose the appropriate line number, subfunction, budget enforcement subcategory, and other classifications from a list provided on the screen.

DATA CLASSIFICATIONS FOR SCHEDULES X (A and S), R, AND K

Classification	Description
LINE NUMBER	Line numbers for schedules A, S, R and K consist of a four-digit number and a two-digit suffix (xxxx–xx). For schedule A and S, the first four digits tells the type of data being reported and the last 2 digits distinguishes between policy and baseline data or describes the types of outlays (see exhibit 81B). For schedules R and K, the six-digit number (xxxx–xx) indicates the character classification (see section 81.3 and 84.4)
SUBFUNCTION	For accounts with a single subfunctional classification (see section 79.2), you can enter data without specifying the subfunction; MAX automatically provides the subfunction designation. For multifunction accounts, you must enter data under each of the appropriate subfunctions.
CIVILIAN PAY AND BENEFITS/ MILITARY PAY AND BENEFITS/ NON-PAY	Indicates whether amounts are used to fund personnel compensation and benefits ("pay") or other activities ("non-pay"). This is entered in schedule X on line xxxx–50. Applies to baseline budget authority (other than spending authority from offsetting collections) and limitations. The requirement to distinguish baseline pay and benefits from other amounts applies only to discretionary budget authority and limitations. For mandatory amounts, you may choose to make the distinction, or just to code all amounts as non-pay. ***Civilian pay and benefits*** means the amount of new budgetary resources used to fund personnel compensation and benefits for civilian personnel, consistent with the definitions for object classes 11.1 through 11.5 and 12.1. ***Military pay and benefits*** means the amount of new budgetary resources used to fund personnel compensation and benefits for military personnel, consistent with object classes 11.6, 11.7 and 12.2. ***Other than pay and benefits*** means the amount of new budgetary resources not used to fund personnel compensation.
BUDGET ENFORCEMENT CATEGORY/ SUBCATEGORY/ JURISDICTION/	Indicates: • ***Budget enforcement category.*** (e.g., discretionary, mandatory, net interest, governmental receipt) As a general rule, for offsetting collections from Federal sources, you should classify any spending authority from offsetting collections, the offsetting collections from which they are derived, and the associated outlays as mandatory or discretionary based on the activities for which the offsetting collections are spent in the receiving account. This means the classification will have the same classification as the funding provided for similar activities being carried out by the account. For offsetting collections from non-Federal sources (e.g. user fees), amounts should be classified as mandatory if the legislative language that creates the collection is in authorizing legislation or discretionary if the legislative language is in an appropriations act.

Classification	Description
	• ***Subcategory.*** Includes subcategories from before discretionary enforcement expired in 2002 (e.g. third scorecard, highway, mass transit, non-emergency supplemental funding, economic recovery, and change in a mandatory program), as well as the new cap adjustments included in the Budget Control Act of 2011 (BCA) (e.g., overseas contingency operations/global war on terrorism, emergency funding, program integrity, and disaster relief). Report data by the categories listed in the next table, "Summary of Budget Enforcement Data Classifications." Use multiple entries if more than one classification applies to the budgetary resources and outlays in an account. • ***Jurisdiction.*** (appropriations or authorizing committee) All discretionary resources are under the jurisdiction of appropriations committees. The classification for mandatory resources differentiates between appropriations and authorizing committee jurisdiction. • ***Homeland security.*** MAX tracks spending on homeland security activities. For selected budget enforcement subcategories, MAX will prompt you to indicate whether the amounts should be further classified as: o Homeland security. Activities focused on combating and protecting against terrorism. These activities may occur within the United States and its territories, or outside of the United States and its territories in support of domestically based systems or activities (e.g. visa processing). Such activities include efforts to detect, deter, protect against, and, if needed, respond to terrorist attacks. A complete definition can be found in the National Strategy for Homeland Security; o Regular. Those programs, projects, and other activities that are not classified as homeland security. • ***Rescissions and cancellations.*** Use an emergency, overseas contingency operations/global war on terrorism (OCO/GWOT), or disaster relief subcategory to classify rescissions and cancellations of amounts that have been designated as emergency, OCO/GWOT, or as disaster relief appropriations, respectively. Reductions of funds that have been designated as emergency requirements will not be counted as PAYGO offsets for the purposes of the Statutory Pay-As-You-Go Act of 2010. Reductions of funds that have been designated as emergency requirements, as OCO/GWOT appropriations, or as disaster relief will not be counted as discretionary offsets for appropriations of non-emergency funds. • ***Other***. The above rules apply to all line entries *except* the number of beneficiaries (line 5150-00).

SUMMARY OF BUDGET ENFORCEMENT DATA CLASSIFICATIONS

If the resource is classified as ...	And is controlled by the ...	And the following conditions apply ...	Then the data classification is ...
Discretionary	Appropriations committee	None of the conditions described below applies.	DISCRETIONARY This category includes spending authority that requires appropriations

If the resource is classified as ...	And is controlled by the ...	And the following conditions apply ...	Then the data classification is ...
			committee action and the associated outlays, as well as receipts made available through action by appropriations committees in discretionary accounts. Do not use this category if amounts can be classified in any of the other discretionary categories described below.
		The amounts are under the ***discretionary highway category*** of BBEDCA, as amended by TEA-21 and SAFETEA-LU (Pub .L. No. 105–178, Pub. L. No. 109–59).	DISCRETIONARY, HIGHWAY Classify amounts in excess of the highway category spending cap as "discretionary" not as "discretionary, highway."
		The amounts are under the ***discretionary mass transit category*** of BBEDCA, as amended by TEA-21 and SAFETEA-LU (Pub. L. No. 105–178, Pub. L. No. 109–59).	DISCRETIONARY, MASS TRANSIT Classify amounts in excess of the mass transit category spending cap as "discretionary" not as "discretionary, mass transit."
		The amounts include ***enacted or proposed emergency funding for the current year and proposed emergency funding for the budget year*** (i.e., funding that is either proposed or enacted with an emergency designation by both the President and the Congress pursuant to Section 251(b)(2)(A) of BBEDCA, as amended) and is limited to emergency amounts that are not for Overseas Contingency Operations/Global War on Terrorism, or Disaster Relief.	DISCRETIONARY, EMERGENCY Use only with OMB approval. Do not use this category if amounts can be classified in any of the other discretionary categories described below.
		Use for enacted or proposed NON-emergency funding for the current year and proposed NON-emergency funding for the budget year for funding requested or provided in a supplemental act.	NON-EMERGENCY SUPPLEMENTAL FUNDING Use only with OMB approval.
		The amounts that were provided in the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111–5).	EMERGENCY ECONOMIC RECOVERY FUNDING Use only with OMB approval.

If the resource is classified as ...	And is controlled by the ...	And the following conditions apply ...	Then the data classification is ...
		Use for ***enacted or proposed funding for the current year and proposed funding for the budget year*** that is designated by both the President and the Congress as being for Overseas Contingency Operations/Global War on Terrorism pursuant to Section 251(b)(2)(A) of the BBEDCA, as amended.	OVERSEAS CONTINGENCY OPERATIONS/GLOBAL WAR ON TERRORISM Use only with OMB approval.
		Use for enacted or proposed funding for the current year and proposed funding for the budget year for either SSA Continuing Disability Reviews and Redeterminations or for the HHS Health Care Fraud and Abuse Control account for program integrity efforts pursuant to Sections 251(b)(2)(B) and 251(b)(2)(C) of BBEDCA, as amended. This may also be used only for Administration proposals for program integrity efforts for Internal Revenue Service tax enforcement or unemployment insurance improper payment reviews.	PROGRAM INTEGRITY FUNDING Use only with OMB approval.
		Use for enacted or proposed funding for the current year and proposed funding for the budget year that is designated by the Congress as being for Disaster Relief pursuant to Section 251(b)(2)(D) of BBEDCA, as amended.	DISASTER RELIEF FUNDING Use only with OMB approval.
		Appropriations action that modifies the spending authority or receipts in an otherwise mandatory account.	DISCRETIONARY, CHANGE IN A MANDATORY PROGRAM Does not apply to baseline estimates. Use only with OMB approval. (See definition of CHIMPs in section 20.3.)
Mandatory	Appropriations committee	None of the conditions described below applies.	MANDATORY, APPROPRIATIONS COMMITTEE Do not use this category if amounts can be classified in any of the other mandatory categories described below.

If the resource is classified as ...	And is controlled by the ...	And the following conditions apply ...	Then the data classification is ...
		The amounts include ***emergency funding*** (i.e., funding that is proposed to be designated as emergency by the President and the Congress in statute).	MANDATORY, EMERGENCY, APPROPRIATIONS COMMITTEE Use only with OMB approval.
	Authorizing committee	None of the conditions described below applies.	MANDATORY, AUTHORIZING COMMITTEE Do not use this category if amounts can be classified in any of the other mandatory categories described below.
		The amounts include ***emergency funding*** (i.e., funding that is proposed to be designated as emergency by the President and the Congress in statute.)	MANDATORY, EMERGENCY, AUTHORIZING COMMITTEE Use only with OMB approval.
Net Interest		None of the conditions described below applies.	NET INTEREST Applies to budget authority, outlays, and offsetting receipts included in the net interest functions (function 900).
		The amounts result from the effects of proposed legislative changes on interest budget authority, outlays, or receipts, and are not scored as PAYGO.	NET INTEREST, THIRD SCORECARD Does not apply to baseline estimates.
Governmental receipts	Authorizing committee	None of conditions described below applies.	GOVERNMENTAL RECEIPTS Applies to governmental receipts in schedules K and R.
	Appropriations committee	The amounts result from appropriations action modifying Governmental receipts.	DISCRETIONARY MODIFICATION OF GOVERNMENTAL RECEIPTS Applies to governmental receipts in schedule R; does not apply to schedule K. Use only with OMB approval.

81.3 What information do I need to report?

(a) *Expenditure accounts*

Report all budgetary resources, limitations, outlays, and offsets into schedule X and MAX will automatically copy the data to schedules A and S. For more information about schedule X, see section 82.

The following rules apply to expenditure accounts:

- For PY through BY, the sum of amounts for total policy BA (lines xxxx-40) and offsets (lines xxxx-41) must equal the amounts entered for schedule P (four-digit line numbers).

- For discretionary CY amounts in transmit 0, baseline BA; limitations; and offset amounts must equal policy amounts. You will enter data in the baseline lines, and MAX will copy it to policy and lock the policy amount.

- For mandatory amounts in CY through BY+9 in transmit 0, all baseline amounts must equal policy amounts. You will enter data in the baseline lines, and MAX will copy it to policy and lock the policy amounts.

- For discretionary baseline BA and limitations (except spending authority from offsetting collections), you will enter a CY amount and MAX will generate and lock BY through BY+9. For mandatory baseline BA and limitations, you will enter all amounts.

- For discretionary policy BA and limitations (except spending authority from offsetting collections), you will enter a BY amount and MAX will generate and lock BY+1 through BY+9. In some cases, OMB will unlock BY+1 through BY+9 so you can overwrite the amounts in the outyears.

- For discretionary offsets and spending authority from offsetting collections, you will enter data for CY in baseline and BY in policy, and MAX will generate the outyears. You may overwrite these generated amounts.

- For discretionary outlays, you will enter in policy:

    - Outlay ***amounts*** in PY.

    - Outlay ***amounts*** in all years for outlays from balances (both obligated and unobligated) of budget authority brought forward from PY (end of PY balances).

    - Outlay ***rates*** that apply to BA or limitations provided in the CY and beyond. You may use different outlay rates for the CY than you use for BY and beyond.

  MAX will copy all outlay rates and end of PY balance outlay amounts to baseline.

- For mandatory outlays, you may choose to enter all amounts by hand, or use the outlay rates where applicable. MAX will copy outlay amounts and rates to baseline.

(b) *Receipt accounts*

Report data on all collections deposited in receipt accounts (i.e., governmental receipts and offsetting receipts) in schedules R and K. The line numbers for offsetting receipts are also used to designate receipt character classification (see section 84.4). Only one character classification (line number) is valid for each receipt account, and that information must be specified in advance in OMB's database of account information before you can report the character classification data for the applicable account.

The following rules apply to receipts:

- Past year data will be loaded into schedule R from agency data reported to Treasury. These amounts cannot be overridden but can be changed by OMB when agencies provide valid justification, to include coordination with Treasury (see section 82.12).

- MAX automatically calculates *discretionary policy receipts* in schedule R through BY+9 for the years that are subject to across-the-board rules. You may overwrite these amounts, if necessary.

- MAX also automatically calculates *discretionary baseline receipts* in schedule K for BY through BY+9 based on the CY budgetary resources entered by the agency and inflation factors entered by OMB. You may overwrite these amounts, if necessary.

- MAX copies the mandatory baseline receipts data you enter in schedule K to schedule R. To change the policy estimates, you must revise the baseline estimates.

The following table indicates the line numbers used to report receipts in schedules K and R:

RECEIPTS

Entry	Title	Description
0000–00	Governmental receipts	Report all collections classified as governmental receipts (see section 20.7).
	Offsetting receipts:	Report all offsetting receipts based on the character classification of the receipts (see section 84.4). *Most offsetting receipts will be reported on line 2004–03.*
1330–03	Proceeds from sale of commodities	
1340–03	Receipts from sales of property or assets	
1352–03	Receipts from other physical assets	
1512–03	Receipts for education and training	
2004–03	All other offsetting receipts	

SECTION 82—COMBINED SCHEDULE X

Table of Contents

Overview

82.1 What is schedule X?
82.2 What are schedules P, A, and S?
82.3 How is schedule X organized?
82.4 How are schedules A and S derived from schedule X?

Sections of schedule X

82.5 How do I report obligations by program activity?
82.6 How do I report the budgetary resources available for obligation?
82.7 How do I report the change in obligated balances?
82.8 How do I report budget authority and outlays, net?
82.9 What memorandum information must I report in Schedule X?
82.10 How do I show unfunded deficiencies that have not been liquidated?

Data controls

82.11 What control totals do I need to tie to?
82.12 How do I resolve issues with my FACTS II control totals?
82.13 What amounts in schedule X need to tie to other schedules?

Special Requirements

82.14 How do I present transfers of resources?
82.15 How do I present transfers in the estimates?
82.16 How do I present merged accounts?
82.17 How should I treat allocation accounts?

Line Descriptions

82.18 What should I know about the individual lines in schedule X?

Ex–82A Updating MAX Combined Schedule X
Ex–82B Setting Up Outlay Calculations
Ex–82C Automatic Generation of Discretionary Outlays
Ex–82D Schedule X Line Numbers Including Schedule A, S, and P Lines

Summary of Changes

Adds lines to report sequestration where concept was not previously captured (section 82.18).

Clarifies the general rules for classifying offsetting collections from Federal and non-Federal sources. These rules should be applied prospectively; agencies are not expected to review or reclassify existing offsetting collections (section 82.18).

82.1 What is schedule X?

Schedule X facilitates entering like data into the MAX database. Instead of entering similar or identical data into 3 different schedules, you use one master worksheet. The data entered into schedule X populates:

- Schedule P (Program and financing schedule)
- Schedule A (Presidential policy data for expenditure accounts)
- Schedule S (Presidential baseline data for expenditure accounts)

For credit financing accounts and government sponsored enterprises, schedule X populates only schedule P, because these accounts do not have policy or baseline data.

82.2 What are schedules P, A, and S?

Schedule P is the program and financing schedule. It is printed in the budget *Appendix* and presents information on agency programs, the allocation of budgetary resources by activity, the status of those resources, and spending patterns. The schedule covers PY through BY. It is used to:

- Analyze and evaluate the estimates;
- Compare enacted funding levels to the President's request;
- Relate budget formulation to budget execution (estimates to actuals); and
- Identify programmatic and historical trends.

Schedule A shows budget authority and outlays by OMB account for the most recent actual year (PY), enacted levels for the current year (CY), and the levels proposed by the President for the budget year (BY) through BY+9.

Schedule S shows baseline estimates of budget authority and outlays by OMB account and covers CY through BY+9.

To learn more about the additional data classifications you will use for schedules A and S, see section 81.

82.3 How is schedule X organized?

Schedule X follows the flow of the program and financing schedule (schedule P):

• Obligations by program activity	(lines 0001–0900)	(section 82.5)
• Budgetary resources	(lines 1000–1966)	(section 82.6)
• Change in obligated balance	(lines 3000–3200)	(section 82.7)
• Budget authority and outlays, net	(lines 4000–4190)	(section 82.8)
• Memorandum (non-add) entries	(lines 5000–5150)	(section 82.9)
• Unfunded deficiencies	(lines 7000–7020)	(section 82.10)

The data you enter in the Budgetary Resources section and the Budget Authority and Outlays, Net section will automatically populate schedules P, A, and S. The remainder of the sections populate schedule P.

The Budgetary Resources section is a common section used in schedule X, the SF133 report on budget execution, and the apportionment schedule. The Change in obligated balance; the Budget authority and outlays, net; and the Unfunded deficiencies sections are used in schedule X and the SF133.

82.4 How are schedules A and S derived from schedule X?

In the Budgetary Resources section, where schedule X shows the total for a type of budget authority (e.g., line 1160), you will also enter a more detailed breakout of budget authority and outlays used to populate schedules A and S. In the Budget Authority and Outlays, Net section, where schedule P shows offsets (e.g., line 4030), you will also enter a more detailed breakout of offsets for schedules A and S.

You will do this by using more than one version of the line. For example, for total discretionary appropriations, you will use line X 1160 to populate schedule P, line X 1160–40 to populate schedule A, and line X 1160–50 to populate schedule S. Since baseline and policy should be equal in CY for all data in transmit 0 and for BY through BY+9 in transmit 0 for mandatory receipts and spending, MAX will copy your data entry from baseline lines to policy. MAX will display a CY error if the amounts you enter in schedule X to populate the P and A schedules do not match the corresponding amounts that populate schedule A.

Schedules A and S also require that you associate outlays with your BA, so for each line of policy and baseline BA, you will show the associated outlays. These outlays are copied directly into schedules A and S, and are used to populate the Budget authority and outlays, net section of schedule P. See exhibit 82B for more guidance on entering outlays.

Schedule P line numbers always have four digits. Schedule A and S line numbers always have six digits. Subtotals that appear only onscreen (i.e., do not print) also have 6 digits. This chart shows what the fifth and sixth digits in line numbers mean:

MAX Line and Line Numbers		MAX Schedule
New Budget Authority and limitations:		
xxxx–40	Policy program	Schedule A
xxxx–50	Baseline program	Schedule S
Outlays (policy):		
xxxx–61	Outlays from new authority	Schedule S
xxxx–62	Outlays from balances	Schedule S
xxxx–63	Outlays from end of PY balances	Schedule S
xxxx–64	Outlay subtotal	Schedule S
Outlays (baseline):		
xxxx–81	Outlays from new authority	Schedule A
xxxx–82	Outlays from balances	Schedule A
xxxx–83	Outlays from end of PY balances	Schedule A
xxxx–84	Outlay subtotal	Schedule A
Offsets:		
xxxx–41	Policy program	Schedule A
xxxx–71	Baseline program	Schedule S

MAX Line and Line Numbers		MAX Schedule
Other:		
xxxx–10	Sum of detail lines	
xxxx–20	Computed totals Sum of the detail lines	
xxxx–30	Pick list placeholders MAX displays these lines only in the pick lists for collapsible lines in schedule X. Choose this line number when you want to enter a line with a new BEA category, BEA subcategory and Spending Committee (e.g., authorizing committee) code combination.	
5150–00	Number of beneficiaries (in thousands) Use only with OMB approval	Schedule S

82.5 How do I report obligations by program activity?

The Obligations by Program Activity section of schedule X, lines 0001–0900, shows the new obligations incurred for each of the principle program activities or projects financed by the account (see section 20.5 for instructions on when to record obligations). Direct obligations are shown on lines 0001–0799, reimbursable obligations are shown on lines 0801–0899 (see section 83.5 for more on the distinction between direct and reimbursable obligations), and the 07xx series is reserved for credit-specific activities. The total direct and reimbursable obligations in this section must tie to the totals in schedule O, object classification.

In transmit 0, all amounts in this section must be positive.

(a) *Selecting program activities*

Use activities that provide a constructive basis for analyzing and evaluating the estimates. Keep the number of activities to a reasonable minimum without sacrificing clarity. Do not use subactivities (such as projects or recipient institutions), unless the amounts are significant and the breakdown necessary to provide full understanding. The activities should:

- Clearly indicate the services to be performed or the programs to be conducted;
- Finance no more than one strategic goal or objective;
- Distinguish investment, developmental, grant and subsidy, and operating programs; and,
- Relate to administrative control and operation of the agency.

Unless otherwise noted, you must:

- Distinguish direct obligations from reimbursable programs; and,
- Have adequate accounting support for obligations shown in the actual column.

Having adequate accounting support means that your agency's financial system records obligations in a way that allows you to create a straight-forward cross-walk between the projects or limitations in the financial system and Schedule X program activities. Typically, you will have many projects or limitations in your financial systems that correspond to one Schedule X activity.

Obtain approval for any changes in activity structure from OMB prior to your budget submission.

(b) *Allocating expenses to activities*

Charge personnel compensation to activities on the basis of organizational units or on the basis of specific assignments. When feasible, distribute other administrative and overhead expenses among activities. However, you must be able to readily separate these overhead expenses from other charges. If you need to distribute amounts between two or more activities, base the distribution on readily supportable factors. Be consistent from year to year, and do not rely on overly detailed procedures.

Do not report adjustments to obligations in expired accounts in this part of Schedule X. Report them under changes in obligated balance, on lines 3011 and 3041 (see section 82.5).

(c) *Reimbursable programs*

If your account includes reimbursable obligations (see section 20.5), show the obligations financed by reimbursements separately from direct obligations. If the same activities are conducted on both a direct and reimbursable basis, you may list the same entries in both sections.

Report all the obligations in non-credit revolving fund accounts as reimbursable; report all the obligations in credit program and liquidating accounts as direct.

(d) *Program activity codes*

Program activity codes are unique to each account and have no relationship to the codes shown in other schedules, except for credit programs. For obligations specific to credit accounts, use the 07xx series, as specified in the list of line numbers at the end of this chapter.

82.6 How do I report the budgetary resources available for obligation?

This section identifies the budgetary resources available for obligation in the account and provides detailed information on the new budget authority. This section is also used in the SF 133 report on budget execution and in the apportionment schedule.

(a) *Unobligated balance*

The entries include unobligated balances carried over from prior years and adjustments to those amounts (such as transfers of balances to and from other budget accounts and recoveries resulting from downward adjustments of prior year unpaid obligations). The unobligated balances reported on Schedule X do not include expired amounts or amounts unavailable for obligation. The end-of-year balances are shown as a memorandum entry on line 1941.

(b) *Budget authority*

The entries indicate the type of budget authority (such as appropriations, contract authority, spending authority from offsetting collections) and whether the authority:

- Is discretionary or mandatory; and
- Pertains to a special or trust fund account.

Separate entries identify adjustments resulting from transfers, temporary and permanent reductions, capital transfers, repayments of outstanding borrowing, etc.

Discretionary budget authority means budget authority under the jurisdiction of appropriations committees and controlled by annual appropriations acts. It includes budget authority provided in appropriations acts except where such authority funds direct-spending programs, such as appropriated entitlements. Use the appropriate discretionary entries to report budget authority that is classified as *discretionary* under the Balance Budget and Emergency Deficit Control Act of 1985 (BBEDCA), see sections 20.4(e) and 81.3.

Mandatory budget authority means budget authority resulting from permanent laws and includes programs the BBEDCA defines as "appropriated entitlements and mandatories," direct spending programs included in appropriations Act such as the Medicare program. Use the appropriate mandatory entries to report all budget authority that is classified as *mandatory* under the BBEDCA, as well as budget authority that is classified as *net interest*. Also use the appropriate mandatory entries to report budget authority associated with credit financing accounts.

(c) *Entering policy and baseline budgetary resources data*

Below is additional detail on entering the data into schedule X that will populate schedules A and S for budgetary resources and outlays.

BUDGETARY RESOURCES

Entry	Description
1160–xx to 1850–xx	***Budget Authority.*** Includes total lines for each BEA category (e.g., discretionary, mandatory,) for the different budgetary authority types (i.e., appropriations, advance appropriations, borrowing authority, contract authority, spending authority from offsetting collections). Policy estimates of advance appropriations (line 1180) for BY+2 and beyond will be set equal to BY+1, unless OMB approves as exception.
1963–xx to 1966–xx	***Limitations.*** MAX includes data on limitations for selected accounts where limitations on program level or administrative expenses are enacted or proposed. Limitation lines are also used, with OMB approval, for special purposes, such as to report information on mandatory administrative expenses for the social security and medicare trust funds. The limitation(s) applicable to an account must be specified in advance in OMB database of account information before you can report limitation data in MAX. When more than one limitation is applicable, report each one separately. Supplemental requests and legislative proposals that involve limitations should be reported under the appropriate transmittal code. Mandatory budget authority that is subject to a discretionary limitation on obligations established in an appropriations act is scored as discretionary budget authority rather than as a limitation for all affected accounts except trust fund accounts in the Department of Transportation.
xxxx–40	***Policy budget authority.*** The amounts on this line will be copied to schedule A. For *discretionary* policy budget authority and spending authority from offsetting collections, as a general rule, MAX automatically calculates entries for BY+1 through BY+9 based on the BY budgetary resources entered by the agency and growth factors entered by OMB. For discretionary spending authority from offsetting collections entries (line 1750), you may overwrite these amounts, if necessary. For *mandatory* budget authority and spending authority from offsetting collections, amounts will be copied from line xxxx–50 in transmittal code 0 only.
xxxx–50	***Baseline budget authority.*** The amounts on this line will be copied to schedule S. As mentioned in section 81.2, amounts on this line should be broken out by civilian pay/ military pay/ non-pay.

Entry	Description
	For *discretionary* baseline budget authority and spending authority from offsetting collections, as a general rule, MAX automatically calculates entries for BY through BY+9 based on the CY budgetary resources entered by the agency and growth factors entered by OMB. For discretionary spending authority from offsetting collections (line 1750), you may overwrite these amounts, if necessary, to accurately reflect levels of activity anticipated under current law. For *mandatory* budget authority and offsetting collections, entries should reflect the levels of activity anticipated under current law.

(d) *Entering policy and baseline outlay data*

Discretionary outlays. MAX automatically calculates discretionary outlays (policy and baseline) for CY through BY+9 based on the information reported in schedule X for:

- The levels of budgetary resources reported;
- The percentage of new BA that is outlayed in the year the BA is provided and in each subsequent year (outlay rate); and
- Outlays from PY balances.

You report outlay rates using the separate MAX drop down menu that is accessible for each budgetary resource, as described in the MAX A–11 User's Guide (see exhibit 82B). If necessary, you can report multiple outlay rates for the budgetary resources within an account, along with the corresponding outlays from PY balances. To support the automatic outlay generation feature in MAX, you must enter information developed using the method of calculation (i.e., the waterfall method) that is specified in this Circular and the MAX A–11 User's Guide (see exhibit 82C). As a general rule, you cannot override automatically generated discretionary outlay amounts.

Mandatory outlays. If you enter outlay rates for mandatory resources, MAX will automatically generate the outlays. Remember to include information on outlays from PY balances if you use the automatic feature. Otherwise, you must enter mandatory outlays by hand for all years. A benefit of using outlay rates to calculate outlays is that MAX will automatically generate revised outlays if you change the BA, saving you the work of calculating and entering revised outlay estimates.

Outlays from new and prior authority. Outlays must be distributed between those from new authority and those from balances of prior authority. The distribution of prior authority should be available from accounting records. For CY through BY+9, estimate the distribution based on experience in the timing of outlays for the respective obligations.

The following line numbers indicate the type of outlays. You will enter these data in schedule X, and MAX will automatically copy them to schedules A and S.

OUTLAYS

Policy	Baseline	Description
xxxx–61	xxxx–81	***Outlays from new authority.*** The outlays from new budget authority for that year. For outlays from discretionary and mandatory authority, the sum of all outlays from new authority may not exceed the sum of new budget authority entries (lines 11xx through 16xx) for that year.

Policy	Baseline	Description
		For outlays from spending authority from offsetting collections, outlays may not exceed the total amount reported on lines 1750 and 1850. Policy (xxxx–61) and baseline (xxxx–81) outlays from new authority will generally be the same for mandatory programs in all years and discretionary programs in the CY. Discretionary policy outlays may be different from baseline outlays if budget authority amounts are different between the two.
xxxx–62	xxxx–82	***Outlays from balances.*** The outlays from balances (both obligated and unobligated) of budget authority brought forward from CY to BY+9. Policy (xxxx–62) and baseline (xxxx–82) outlays from balances will generally be the same for mandatory programs in all years and discretionary programs in the BY. Discretionary policy outlays may be different from baseline outlays if budget authority amounts are different between the two.
xxxx–63	xxxx–83	***Outlays from end of PY balances.*** The outlays from balances (both obligated and unobligated) of budget authority brought forward from PY. Amounts should be shown in the year the outlay will be made, from CY to BY+9. Do not report outlays from new budget authority provided in CY to BY+9. This line can also be used to display the outlay impact (+ or –) of balance transfers (lines 1010 to 1031) and adjustments in expired accounts (line 3011, 3041). The sum of all years of the outlays from end of PY balances lines (xxxx–63) should not exceed the total end of PY balances plus PY unpaid obligations, end of year, plus or minus CY and BY balance transfers / adjustments. The amounts shown on baseline outlays from PY balances (xxxx–83) will be copied from policy outlays from PY balances (xxxx–63).

82.7 How do I report the change in obligated balances?

Obligated balances are composed of unpaid obligations (shown as positive amounts) and uncollected customer payments from Federal sources (shown as negative amounts). Unpaid obligations are obligations you have incurred but have not yet paid. Uncollected customer payments are money you're owed from Federal sources plus orders that have been placed with you by Federal sources, but you have not yet fulfilled. Only if an account has explicit legal authority to count orders from non-Federal sources as a budgetary resource may it do so.

Schedule X separately bridges between start and end of year unpaid obligations and uncollected customer payments from Federal sources. For unpaid obligations, new obligations are added to the start of year balance, and gross outlays are deducted. Adjustments, such as transfers of unpaid obligations are added or subtracted, as appropriate, and recoveries of prior year unpaid obligations are subtracted to determine the unpaid obligations at the end of the year. For uncollected customer payments from Federal sources, adjustments, such as transfers of uncollected payments and the change in uncollected customer payments from Federal sources (both unexpired and expired), are added or subtracted, as appropriate, to determine the uncollected payments at the end of the year. In addition to reporting transactions in unexpired accounts, reflect outlays from and adjustments in expired (but not canceled) accounts.

82.8 How do I report budget authority and outlays, net?

This section of schedule X bridges between gross and net budget authority and outlays. It begins with mandatory and discretionary gross budget authority and outlays. Budget authority is reported for unexpired accounts only; outlays include both expired and unexpired accounts. Outlays are distinguished between outlays from new authority and from balances.

Next, cash collections of offsetting collections are shown as negative amounts that offset both gross budget authority and gross outlays. Following that are two items that offset only gross budget authority: changes in uncollected customer payments and offsetting collections credited to expired accounts.

Increases in uncollected customer payments from the start to the end of the year increase the amount of the offset (and are shown as negative amounts in this section) because the increase constitutes an increase in gross budget authority; decreases reduce the amount of the offset because a decrease means that a portion of the offsetting collections (cash) received has been applied to liquidate obligations for which an offset was already counted. Offsetting collections credited to expired accounts are shown as positive amounts here so that there is no total effect on budget authority of receiving a cash collection that is credited to an expired account. The amount on this line (line 4052 or 4142) and the amount in the cash collection line (e.g., 4030) have opposite signs and sum to zero. We do this because gross budget authority includes only unexpired amounts.

Finally, net outlays are shown as the sum of gross budget authority and outlays and any applicable offsets.

Below is additional detail on entering the data into schedule X that will populate schedules A and S for offsets.

OFFSETS

Entry	Description
4030–xx to 4142–xx	***Offsets against gross budget authority and outlays*** Includes total lines for each BEA category (e.g., discretionary, mandatory, see section 82.3 for line definitions) within the different sources of offsetting collections (e.g., Federal sources, interest on Federal securities, interest on uninvested funds, non-Federal sources, offsetting governmental collections from non-Federal sources, change in uncollected customer payments from Federal sources unexpired accounts and offsetting collections credited to expired accounts).
xxxx–41	***Policy offsetting collections.*** The amounts on this line will be copied to schedule A. For discretionary policy offsetting collections, as a general rule, MAX automatically calculates entries for BY+1 through BY+9 based on the BY amounts entered by the agency and growth factors entered by OMB. You may overwrite these amounts, if necessary.
xxxx–71	***Baseline offsetting collections.*** The amounts on this line will be copied from policy offsetting collections (xxxx–41) and will be copied to schedule S. For discretionary baseline offsetting collections, MAX automatically calculates entries for BY through BY+9 based on the CY amounts entered by the agency and growth factors entered by OMB.

82.9 What memorandum information must I report on Schedule X?

Lines 5000–5101 of schedule X display supplementary information related to investments in Federal securities; investments in non-Federal securities, balances of contract authority, unavailable unobligated balances (derived from appropriations, borrowing authority, contract authority, and offsetting collections), and discretionary mandated transfers. The amounts are not added or deducted from the budget authority or outlay amounts reported above.

In addition, certain accounts will use line 5150–00 to report on the annual average number of beneficiaries who are served by Federal hospital insurance, supplementary medical insurance, unemployment insurance, and rail industry pension fund programs. MAX uses this data to generate discretionary baseline budget authority for administrative expenses for these programs. Use only with OMB approval.

82.10 How do I show unfunded deficiencies that have not been liquidated?

Section 145 explains prohibited agency actions under the Antideficiency Act and associated reporting requirements when a violation is discovered.

Lines 7000–7020 of Schedule X identify unfunded deficiencies that have not yet been liquidated by either a new appropriation that specifically authorizes amounts to be applied to the deficiency or by the administrative application of other budgetary resources not expressly provided to liquidate deficiencies.

82.11 What control totals do I need to tie to?

Some of the data you enter into MAX needs to tie to control totals. The following list is not exhaustive:

(a) *Controls reported by the agency*

The following is data that your agency has already reported. You must either tie to those controls, or, if appropriate, fix your other reporting:

FACTS II. This data is drawn from the 4th quarter U.S. Standard General Ledger (USSGL) accounting information reported by your agency accounting office at the Treasury Appropriation Fund Symbol-level into a Treasury-operated system named Federal Agencies Centralized Trial-Balance System II (FACTS II).

In the 2015 Budget, almost all the lines that are used to populate schedule P will be edit checked against your FACTS II submission. The following types of lines are not edit checked against FACTS II:

- Individual obligations by program activities (X0001–X0899)
- Nonexpenditure transfers, e.g. appropriation transfers from other accounts (–) (X1120)
- Specific MAX-generated detail entries, e.g. obligations incurred, unexpired accounts (X3010)
- Specific MAX-generated subtotals and totals, e.g., total discretionary appropriations (X1160)
- Specific memorandum (non-add) entries, e.g. unobligated balance, SOY: contract authority (X5050)

PY net outlays (line X4190) and PY receipts (schedule R). This data is drawn from the following budget execution documents: FMS 224, FMS 1219, and FMS 1220. The data is loaded into MAX by OMB and locked. The net outlays reported in FACTS II must also equal the PY net outlay amount locked on line X4190.

- If you do not agree with the amount on line P 4190 "Outlays, net (discretionary and mandatory)", after the FACTS II database is locked (late-October) and the amount is reported in FACTS II and imported into MAX A–11, then you must submit a written explanation of the difference to your OMB representative before OMB will consider revising the amount. Since these types of issues generally require a revised Statement of Transactions, you must submit your explanation via a backdated Treasury document request at https://max.omb.gov/community/x/6YLrHQ. Applies to FACTS II and non-FACTS II users.

- Follow the process in the bullet above if your agency does not agree with the receipt actuals that have been imported into MAX schedule R from Treasury FMS 224 data. (See section 81.1). Receipt account information is not collected via FACTS II.

Non-Federal securities (Market value). Line X5011, Total investments, end of year: non-Federal securities: Market value is checked against amounts agencies report to Treasury's Financial Management Service in subclasses 42 and 43 on the Statements of Transactions.

Homeland security. Policy and baseline amounts coded as 'homeland security' must match agency reporting to the homeland security database. Use the MAX data entry "View" menu to see a comparison of the homeland security control totals vs. the related amounts entered in the account. OMB will provide a separate budget data request (BDR) with agency instructions on uploading and revising these control totals.

Credit. For Federal credit programs, credit subsidy cost data must match amounts approved by OMB. Control totals for schedule X reestimate and interest on reestimate obligations are verified against agency submissions to OMB through the Credit Supplement Report Exercise (CSR). For most programs, both control totals and Schedule X obligation data for reestimates are automatically loaded into MAX, upon OMB approval.

Start of year balances. Start of year balances for investments in non-Federal securities (X 5010) and the unavailable balance of offsetting collections (X 5054) are checked against the end of year amount shown in the previous budget. If you disagree with this number, provide an explanation to your OMB representative for the discrepancy.

(b) *Controls reported by Treasury*

Interest earnings on Federal securities. Lines X4031 and X4121, Offsetting collections collected from interest on Federal securities are checked against amounts reported by Treasury's Bureau of Public Debt.

Federal securities (Par value). Lines X5000 and X5001, Total investments, start and end of year: Federal securities: Par value are checked against amounts reported by Treasury's Financial Management Service.

Financing account interest. Lines X0713 (Obligations for payment of interest to Treasury) and X4122 (Offsetting collections from interest on uninvested funds) are checked against amounts reported by Treasury's Bureau of Public Debt for financing accounts only.

(c) *Controls reported by OMB*

For both the formulation of the Budget and for mid-session review, OMB provides control totals for net discretionary levels. There are three types of edit checks which compare net discretionary levels in MAX to OMB control totals.

- BA/Obligation Limitation Edit Check: The BA/OBLIM edit check sums line numbers 1160, 1340, 1540, 1180, and 1966 for each account and checks against the control total.

- Offsetting Collections and Spending Authority Check: This checks net totals for discretionary offsetting collections, spending authority, and orders on hand for each account (the sum of line numbers 1750 and the discretionary amounts for 4030, 4031, 4032, 4033, 4034, 4050, and 4052) against the account. A net total of zero is anticipated for most accounts.

- Offsetting Receipts Edit Check: This checks the total for discretionary offsetting receipts in Schedule R for each account (e.g., line number 2004–03) against the control.

Contact your OMB representative about how to view reports comparing live MAX data to the OMB discretionary control totals.

CY net discretionary control totals. The OMB control totals are based on BEA scoring of enacted appropriations for CY. If there are no final enacted CY appropriations at the time, OMB will make a determination as to what funding levels to include in the CY column.

In some cases, OMB's control total may need to be updated (e.g., for updated offsetting collection or receipt estimates, for transfers, or for other technical updates). Please contact your OMB representative if a change is needed to a control total. You will need to provide a written explanation of the change and the enacted legislation supporting that explanation.

BY net discretionary controls for mid-session. The OMB control totals will be the net discretionary levels from the President's Budget, with limited changes based on:

- technical adjustments due to legislation enacted since the Budget's release
- budget amendments formally transmitted to Congress
- corrections submitted to OMB's errata database

OMB anticipates very few changes to the net BY discretionary levels during mid-session. Please contact your OMB representative if you believe a change is needed to a control total. You will need to provide a written explanation of the change and the enacted legislation and/or Budget Appendix language supporting that explanation.

82.12 How do I resolve issues with my FACTS II control totals?

(a) *What actuals in schedule X are imported from the actual I reported to Treasury?*

In order to reduce duplicate reporting while improving the consistency of year-end data, your agency accounting office reports U.S. Standard General Ledger (USSGL) accounting information at the Treasury account-level into a Treasury-operated system named Federal Agencies Centralized Trial-Balance System II (FACTS II), which was developed by agencies, Treasury, and OMB. The FACTS II information is then translated/crosswalked and copied into the following reports:

- SF 133 Report on Budget Execution and Budgetary Resources (used to monitor SF 132 Apportionments and used as the basis of the audited Statement of Budgetary Resources);

- FMS 2108 Year-end Closing Statement (used as a primary source of the Treasury Combined Statement); and,

- Much of the PY column of Schedule P.

For more information about FACTS II and the USSGL and crosswalks from the USSGL to Schedule P, see USSGL Treasury Financial Manual (TFM) supplement located at http://www.fms.treas.gov/ussgl/index.html.

When year-end FACTS II information is submitted, the information must not only pass a number of FACTS II edit-checks, but a person separate from the "preparer" (i.e. data entry person) named a "certifier" must certify that the information is correct. In addition, GAO requires your auditors to determine whether controls exist to ensure that the amounts in your systems and the amounts submitted via FACTS II agree. See GAO–02–126G "Guide for Auditing the Statement of Budgetary Resources".

On a daily basis, Treasury provides your agency with an Account Statement via the Governmentwide Accounting System. The Account Statement reflects all activity reported to Treasury. You are required to reconcile the Account Statement with your accounting system each month. At year-end, this reconciliation should be accomplished before submitting your FACTS II data.

During the preparation of the Budget, refer to https://max.omb.gov/community/x/h4CpAg for a budget season FACTS II reports that include the following:

- MAX A–11 Issue Status Report – FACTS II only
- FACTS II submissions that will lead to errors in MAX
- List of TAFSs that have submitted revisions

- FACTS II revision reports (link)
- FACTS II suppression requests (link)

The following table summarizes the actions you need to take if MAX does not agree with FACTS II edit-checked amounts:

If an error is found…	Then…
Before FACTS II and MAX A–11 agency lock-out AND Financial audit was ongoing or complete	• Consult with your accounting office. • Correct the amount in MAX A–11. • Ensure that your accounting office revises the amount in FACTS II. Your accounting office *must* revise both material and non-material amounts in FACTS II. • Work with your accounting office to determine the source of the problem and internally develop a plan to make sure the problem does not recur in the future. Your accounting office will also need to talk with the financial statement auditors to determine whether your financial statements for the next reporting cycle should be restated or a footnote to the financial statements is required for the changes made in FACTS II. • For limited situations where there appears to be insufficient budgetary accounting to support the budget presentation, submit a PY FACTS II-related suppression request to https://max.omb.gov/community/x/kQJuFw. OMB will review the suppression requests on a case-by-case basis. Agency requests should include affected Treasury Appropriation Fund Symbol, MAX A–11 edit error, the amount of the adjustment in actual dollars, agency contact information, and an action plan that explores the various options to improve the budgetary accounting.
After FACTS II and MAX A–11 agency lock-out AND Financial audit was complete	• Consult with OMB representative Submit a PY FACTS II-related suppression request to https://max.omb.gov/community/x/kQJuFw for any situation where appropriate revisions were not made in the FY 2013 FACTS II revision window. Refer to section 82.12(d) below. • Submit a CY FACTS II-related suppression request to https://max.omb.gov/community/x/kQJuFw for any situation where the certified end of year unobligated and/or obligated balance(s) differ from the balances shown in MAX A–11. Refer to section 82.12 (d) below. • OMB will review the suppression requests on a case-by-case basis.

The FACTS II revision window will be open to agency accounting offices at the same time agency budget offices are working on the actual column (PY) data in the budget database. During this time, the FACTS II-related suppression request exercise (located at https://max.omb.gov/community/x/kQJuFw) will also be available. Agencies may prepare suppression requests during and after the FACTS II revision window. As a general rule, OMB will not suppress any MAX A–11 edit-checks related to FACTS II data before the FACTS II revision window closes.

While the FACTS II revision window is open, OMB will use the revised FACTS II data in its edit checks. If your agency accounting office has made all the appropriate revisions in FACTS II, then your agency should have no edit-checks problems related to FACTS II.

(b) *What do I do if I do not agree with FACTS II non-edit-checked PY amounts imported from Treasury?*

You may over-write amounts imported from FACTS II that are not edit-checked. However, before over-writing an amount in the PY column of Schedule P in MAX A–11, you should talk with the person who entered the data into FACTS II to see why they entered that amount. If you both find that an amount reported via FACTS II was incorrect, then over-write the amount and let the person who entered the information in FACTS II know, so that they can revise it. This may indirectly impact other FACTS II data that is edit checked.

(c) *What do I need to do if a backdated Treasury document is required to revise MAX to report corrections to data for previous fiscal years?*

If you have discovered an error in the budgetary reporting for a previous fiscal year, you may be required to record the correction as an adjustment to the data for the previous fiscal year, even though the action taken to correct the data occurs in the current year. This is because budgetary transactions must be booked against the fiscal year in which they were incurred so that they can be reconciled to the legal period of availability of the appropriations available at the time. Where necessary, Treasury will backdate the correction to the appropriate fiscal year, to prevent recording prior fiscal activity as current fiscal year activity. This is accomplished by filing a backdated Treasury document (Statement of Transactions, nonexpenditure transfer, or warrant), which shows both the date the correction is requested and a prior-year adjustment attribute to backdate the change to the correct period. If this also requires making a change to MAX data, then you are required to submit a request in the exercise (located at https://max.omb.gov/community/x/6YLrHQ) and identify the appropriate information such as an explanation of why the error happened, affected Treasury Appropriation Fund Symbol, MAX A–11 edit error, the amount of the adjustment in actual dollars, an action plan, and agency contact information.

For details of what should be submitted, contact Treasury's Budget Reports Division at (202) 874–8668 for backdated Statements of Transactions and (202) 874–9865 for backdated nonexpenditure transfers and warrants.

Once you have submitted your request in the exercise and your backdated document to Treasury's Budget Reports Division, you may monitor the status of your request via the exercise. You should get PY-related matters like this taken care of as soon as the budget database opens so that you can concentrate on the BY column later.

For additional Treasury guidance for processing requests to back date corrections to a prior fiscal year, please refer to TFM Bulletin No. 2012–04 titled Using the Prior-Year Adjustment Attribute Required for Federal Agencies Centralized Trial-Balance System II (FACTS II) Reporting and Submitting and Tracking Treasury Backdated Documents (http://fms.treas.gov/tfm/vol1/12-04.html).

The following table summarizes the actions you need to take to process a backdated Treasury document:

If an error is found…	Then…
Before FACTS II and MAX A–11 agency lock-out AND	• Consult with your accounting office. • Submit a backdated Treasury document (Statement of Transactions, nonexpenditure transfer, or warrant) request to https://max.omb.gov/community/x/6YLrHQ if the action

If an error is found…	Then…
Financial audit was ongoing or complete	impacts line P 4190 "Outlays (net)" or receipt data. Contact Budget Reports Division if your request is accepted, line P 4190 or the receipt data will be centrally changed. • If the action impacts any line P other than line P 4190, ensure that your accounting office revises the amount in FACTS II. Refer to section 82.11. Your accounting office *must* revise both material and non-material amounts in FACTS II. • Work with your accounting office to determine the source of the problem and internally develop a plan to make sure the problem does not recur in the future. Your accounting office will also need to talk with the financial statement auditors to determine whether your financial statements for the next reporting cycle should be restated or a footnote to the financial statements is required for the changes made in FACTS II.
After FACTS II and MAX A–11 agency lock-out AND Financial audit was complete	• Consult with OMB representative. Submit a backdated Treasury document (Statement of Transactions, nonexpenditure transfer, and/or warrant) request to https://max.omb.gov/community/x/6YLrHQ. If the action impacts line P 4190 "Outlays (net)" or receipt data, OMB will update MAX if the request is approved. • If the action impacts any line P other than line P 4190, submit a PY FACTS II-related suppression request to https://max.omb.gov/community/x/kQJuFw for any situation where appropriate revisions were not made in the FY 2013 FACTS II revision window. Refer to section 82.12(d) below. • If the action impacts any line P other than line P 4190, submit a CY FACTS II-related suppression request to https://max.omb.gov/community/x/kQJuFw for any situation where the certified end of year unobligated and/or obligated balance(s) differ from the balances shown in MAX A–11. Refer to section 82.12 (d) below. OMB will review the suppression requests on a case-by-case basis.

(d) *Why do I need to revise FACTS II if I do not agree with PY amounts imported from Treasury?*

Before the MAX A–11 agency lock-out, the FACTS II database opens for revisions. You must revise the incorrect information in FACTS II because the revised FACTS II database is used as a basis for revised SF 133s, audited Statements of Budgetary Resources (if material), and central analysis. Information is copied from FACTS II to MAX A–11 once per year before MAX A–11 opens to agency budget offices. However, information is never copied from MAX A–11 to FACTS II.

Revisions are intended to help you correct errors (not to give you extra time to verify your data) and should be used sparingly. The primary purpose of this revision period is to make FACTS II consistent with the amounts in the prior-year column of the Budget. Consult with the financial statement auditors to determine whether your financial statements for the next reporting cycle should be restated or a footnote to the financial statements is required for the changes made in FACTS II that result in differences between the Statement of Budgetary Resources and the Budget. For FACTS II reporting periods, see http://www.fms.treas.gov/factsii/.

(e) *What actions do I need to take if I changed amounts imported from FACTS II in MAX A–11 for the Budget but did not change them in the FACTS II revision window?*

Before OMB will suppress any PY or CY FACTS II-related edit error request, agencies must submit an a suppression request to https://max.omb.gov/community/x/kQJuFw and identify the appropriate information such as affected Treasury Appropriation Fund Symbol, MAX A–11 edit error, the amount of the adjustment in actual dollars, an action plan, and agency contact information.

If the changes *do not affect ending balances* (e.g., changes to discretionary versus mandatory coding), you do not need to make changes in FACTS II in the next fiscal year FACTS II reporting window. For example, if you changed an appropriation from mandatory to discretionary, this change does not impact the ending balances. Therefore, no change is required in FACTS II after the revision window has closed. If the changes *affect ending balances* (e.g., changes to amounts of budget authority, obligations incurred, gross outlays, beginning balances), you will need to make changes in FACTS II in the next fiscal year FACTS II reporting window. You should consult with the person who entered the data into FACTS II. If you both agree that the amount should have been revised in FACTS II, then the person who entered the information in FACTS II should adjust the appropriate beginning balances (whether material or non-material) in the next fiscal year FACTS II reporting window. For example, if you increased the amount of obligations incurred (but not disbursed) by 100, then the ending unobligated balance would decrease by 100, and the obligated balance would increase by 100. Therefore, the beginning unobligated balance reported in the preceding fiscal year FACTS II reporting window should be decreased by 100, and the beginning obligated balance reported in the preceding fiscal year FACTS II reporting window should be increased by 100.

Until changes are made in both FACTS II and MAX A–11, there will be an ongoing difference in the balances reported in FACTS II and the Budget.

(f) *How can I prepare?*

Actuals reported in the budget must be consistent with amounts reported to Treasury and must be based on actual accounting data. Review any differences from last year's actuals reported to Treasury at https://max.omb.gov/community/x/HAAQAw to prevent these differences from reoccurring. The website also includes reports that show FY 2013 quarterly FACTS II submissions and how they would crosswalk into Schedule P.

Typically, one group within your agency (for example, the accounting office) reports amounts to Treasury (see section 130.2), while another group (for example, the budget office) prepares budget schedules. Before your accounting office submits its actuals to Treasury in FACTS II (described below), you must ensure that the amounts are conceptually and numerically consistent with the amounts that you are going to report in MAX A–11. FACTS II facilitates, and to a large extent eliminates the need for, this reconciliation.

Consult with your accounting office for any differences that you are aware of and review your obligations and balances reported on your quarterly SF 133 throughout the year. Also, review any differences from last year at https://max.omb.gov/community/x/HAAQAw to prevent these differences from reoccurring.

82.13 What amounts in schedule X need to tie to other schedules?

The data you enter into schedule X needs to tie to data in other schedules. The following list is not exhaustive:

(a) *Other schedules in the same account*

All accounts, not including financing accounts

- Schedule O (obligations): The total obligations you report in the Obligations by program activities section of schedule X must equal the total obligations you report in schedule O, the object classification schedule. In addition, the breakdown of direct vs. reimbursable obligations must be the same as in O, with a small rounding tolerance.

- Schedule C (net BA and outlays): Net policy BA and outlays you report in schedule X must match, by subfunction, the net BA and outlays reported in schedule C, the character classification schedule. If you have only one BA line and one outlay line in schedule C, MAX will generate these amounts for you.

- Schedule T (pre-transfer appropriations): The pre-transfer policy BA you report in schedule X as controlled by the appropriations committee must match the BA you report in schedule T, the schedule for the budget year appropriations request in thousands of dollars.

Credit accounts only

- Schedule U (obligations and outlays): In credit program accounts, the obligations you report on lines 0701–0709 in schedule X must tie to schedule U. In addition, the gross outlays you report in schedule U cannot exceed the gross outlays you report in schedule X on lines xxxx–61, xxxx–62, and xxxx–63.

- Schedules G and H (obligations): In credit financing accounts, obligations you report on lines 0710–0744 in schedule X must tie to schedule G for direct loan financing accounts or schedule H for guaranteed loan financing accounts.

- Schedule Y (net financing disbursements): In credit financing accounts, the net financing disbursements you report on line 4190 of schedule X must match the policy net financing disbursements you report in schedule Y.

(b) *Schedules in other accounts*

- Nonexpenditure transfers: When you enter a line in schedule X for a nonexpenditure transfer to or from another account, you must enter the primary Treasury account code associated with that account. The amounts you enter for your account must match the amounts entered in the other account for PY through BY.

- Credit accounts: Transactions between program accounts, financing accounts, and receipt accounts for the same program must match. For example, if the program account reports negative subsidies in schedule U on lines x341–99, the same amount must be reported in the associated financing accounts on line 0740 in schedule X and in the associated negative subsidy receipt account.

- Interfund account: For general fund accounts that make payments to trust fund accounts, the amounts paid by the general fund account must match the amounts received by the trust fund account.

82.14 How do I present transfers of resources?

Transfers between agencies resulting from Presidential reorganization plans or enacted reorganization legislation may involve unique problems. Agency staff must consult with OMB representatives in each instance. When the gaining agency assumes *all* of the activities previously financed under a single account in another agency, as a general rule, the losing agency should omit budget schedules and appropriation language for the affected account and the gaining agency should show the transferred activities and appropriation language with its schedules. Use footnotes to identify the amounts involved. (See section 82.13 for an example of how the footnote should be worded and section 95 for guidance on submitting the footnotes for printing.)

82.15 How do I present transfers in the estimates?

When a transfer in the estimates (see section 20.4(k)) for the budget year results in a significant increase to or decrease from the amount of budget authority for the past or current year, include footnotes explaining the transfer after the program and financing schedule. (See section 95 for guidance on submitting the footnotes for printing.)

For the account assuming the responsibility, use the following footnote:

Note—Includes $–million in budget authority in BY for activities previously financed from:

PY CY
[List the full title of each losing account, including agency and bureau, and the budget authority amount applicable to each. Where it is appropriate to show the amount on some other basis, such as obligations, you may modify the footnote accordingly.]

If the entire BY estimate is for the transferred activity, the footnote may be worded, "BY estimate is for activities previously financed from [List agency, bureau, and account title]."

For the account losing the activity, use the following footnote:

Note—Excludes $–million in budget authority in BY for activities transferred to:

[List the title of each gaining account, including agency and bureau, and the budget authority amount applicable to each. Where it is more appropriate to show the amount on some other basis, such as obligations, modify the footnote accordingly.]

Comparable amounts for PY ($–million) and CY ($–million) are included above.

You only need to provide a transfer in the estimates footnote in the year the transfer proposal is made. If you use more than one footnote, include them under a centered heading, "NOTES." Modify the wording of footnotes as necessary to explain current year transfers.

At the discretion of OMB, transfers in the estimates may be shown on a three-year comparable basis. If they are, the footnotes should be modified accordingly.

82.16 How do I present merged accounts?

Where two or more appropriations have been or are proposed to be replaced by a single appropriation (see section 79.4(h)), submit a single set of schedules for the new appropriation.

When you merge accounts, you may find it helpful to append a distribution of budget authority and outlays by account to the bottom of the program and financing schedule. For accounts where you have created a distribution table, list each merged budget account by name and provide data for PY through BY. (See section 95 for guidance on submitting the distribution of budget authority and outlays for printing.)

82.17 How should I treat allocation accounts?

Combine Schedule P information for allocation accounts with the parent account without separate identification (see section 20.4(l)). However, you must identify the obligations incurred by allocation accounts in a separate section of the object class schedule of the parent account (see section 83.18).

Receiving agencies should include the following note at the end of each bureau that receives funding through allocations:

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows: [list agency, bureau, and account title for each parent appropriation].

(See section 95 for guidance on submitting the note for printing.)

82.18 What should I know about the individual lines in schedule X?

Use the entries in the following tables to prepare the individual lines in schedule X. MAX will automatically generate the line entries indicated in **bold face**.

OBLIGATIONS BY PROGRAM ACTIVITY

This section only includes obligations by program activity in unexpired Treasury Appropriation Fund Symbols.

Entry	MAX Details
All accounts:	
0xxx	The first digit will always be zero (0).
Non-credit programs:	The line codes are unique to each account and have no relationship to information shown in other schedules.
Direct programs (0001–0799):	
0Xxx	For the second digit, use the values 0 through 7 to identify the activity or subactivity group.
0xXX	For the third and fourth digits, use the values 01 through 89 to identify activity or subactivity detail items. Any number sequence in this range is valid. For subtotals, use the values 91 through 98 as follows: • Xx91—Subtotal for a single group of detail lines (e.g., 0001–0089) • Xx92—Subtotal of two groups of detail lines (e.g., 0001–0189) • Xx93—Subtotal of three groups of detail lines (e.g., 0001–0289) Use the value 0x00 for running subtotals (e.g., 0500 = the sum of detail lines 0001–0489). MAX will generate line 0799 for the total direct obligations if there are multiple direct detail lines and at least one reimbursable detail line.
Reimbursable programs (0800–0899):	If coding requirements for reimbursable programs create difficulties in developing the account display, consult with OMB. The second digit will always be 8.

Entry	MAX Details
08Xx	For the third digit, use the values 0 through 8; for the fourth digit, use the values 1 through 8 to identify activity or subactivity detail items.
08xX	For subtotals, use the value 9 for the fourth digit as follows: • 0809—Subtotal of activities on lines 0801 through 0808 • 0819—Subtotal of activities on lines 0810 through 0818 • 0829—Subtotal of activities on lines 0820 through 0828 • 0839—Subtotal of activities on lines 0830 through 0838 • 0859—Subtotal of activities on lines 0840 through 0858 • 0869—Subtotal of activities on lines 0860 through 0868 • 0879—Subtotal of activities on lines 0870 through 0878 • 0889—Subtotal of activities on lines 0880 through 0888 MAX will generate line 0899 for the total reimbursable obligations if there are multiple reimbursable detail lines and at least one direct detail line.
Credit activities:	Use the following standard line coding scheme for credit programs. See sections 185.11 and 185.12 for more information on requirements related to credit financing and liquidating accounts.
Credit program accounts:	
0701	Direct loan subsidy
0702	Loan guarantee subsidy
0703	Subsidy for modifications of direct loan terms
0704	Subsidy for modifications of loan guarantees
0705	Reestimates of direct loan subsidy
0706	Interest on reestimates of direct loan subsidy
0707	Reestimates of loan guarantees
0708	Interest on reestimates of loan guarantee subsidy
0709	Administrative expenses
Credit financing accounts:	
0710	Direct loan obligations
0711	Default claim payment on principal
0712	Default claim payments on interest
0713	Payment of interest to Treasury
0715–0739	Other
0740	Negative subsidies obligations
0741	Modification savings
0742	Downward reestimate paid to receipt account

Entry	MAX Details
0743	Interest on downward reestimates
0744	Adjusting payments to liquidating account
All accounts:	
0900	Total new obligations. MAX will generate this line from the detail amounts on the detail lines 0001 to 0899. Equals line 3010.

BUDGETARY RESOURCES

This section only includes budgetary resources from unexpired Treasury Appropriation Fund Symbols.

Entry		MAX Details
Unobligated Balance:		
1000	**Unobligated balance brought forward, Oct 1**	For CY and BY, MAX automatically generates this entry from the end of year amounts reported on line 1941 for the previous year. *This line is copied into schedule J line 8802.* If unobligated balances are used to liquidate deficiencies, report the amount used as an adjustment on line 1901; do not reduce the amount on line 1000. For PY, this amount must tie to the PY end of year amounts reported in FACTS II for 2012, including all changes made during the 2012 FACTS II revision window.
1001	Discretionary unobligated balance brought forward, Oct 1	Portion of amount shown on line 1000 that is classified as discretionary in PY and CY. The amount on this line cannot exceed the amount on line 1000.
Nonexpenditure Transfers:		
1010	Unobligated balance transferred to other accounts (–)	*This line is copied into Schedule J line 7645.* Note: You must identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see section 79.2 and Appendix C).
1011	Unobligated balance transferred from other accounts	*This line is copied into schedule J line 7645.* Note: You must identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see section 79.2 and Appendix C).
1012	Unobligated balance transfers between expired and unexpired accounts	*This line is copied into schedule J line 7645.* Use lines 1105/1204 for reporting expired balance transfers that are classified as reappropriations.
1013	Unobligated balance of contract authority transferred to or from other accounts (net) (+ or –)	This line is only for use by the Department of Transportation. Note: You must identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see section 79.2 and Appendix C).
Adjustments:		
1020	Adjustment to unobligated balance carried forward, Oct 1 (+ or –)	*This line is copied into Schedule J line 0110.* Changes to the PY start of year balances made after the 2012 FACTS II revision window closed. Use only for PY, unless specifically approved by

Entry		MAX Details
		OMB for CY.
1021	Recoveries of prior year unpaid obligations	Equals line 3040, but with opposite sign. Use only for PY or CY if recoveries have already occurred prior to transmittal of the budget—unless specifically approved in advance by OMB. Note: Report recoveries of prior year obligations in expired accounts on line 3041.
1022	Capital transfer of unobligated balance to general fund (–)	*This line is copied into schedule J line 7650.*
1023	Unobligated balance applied to repay debt (–)	*This line is copied into schedule J line 7650.*
1024	Unobligated balance of borrowing authority withdrawn (–)	The sum of the amounts on lines 1024 and 1025 cannot exceed the amount on line 1021. Note: When new appropriations or new offsetting collections are used to liquidate obligations initially incurred against borrowing authority, report the amounts on lines 1139, 1239, 1728, or 1827, as appropriate.
1025	Unobligated balance of contract authority withdrawn (–)	The sum of the amounts on lines 1024 and 1025 cannot exceed the amount on line 1021. Note: When new appropriations or new offsetting collections are used to liquidate obligations initially incurred against contract authority, report the amounts on lines 1137, 1238, 1727, or 1826, as appropriate.
1026	Adjustment for change in allocation of trust fund limitation or foreign exchange valuation	*This line is copied into schedule N line 0620, with the opposite sign.* This line is only for use by the Social Security Administration, the Department of Health and Human Services, and the Department of the Treasury.
1027	Adjustment in unobligated balances for change in investments of zero coupon bonds (special and non-revolving trust funds)	*This line is copied into schedule N line 0621, with the opposite sign.* Use only for special and non-revolving trust funds.
1028	Adjustment in unobligated balances for change in investments of zero coupon bonds (revolving funds)	Use only for revolving funds.
1029	Other balances withdrawn (–)	
1031	Refunds and recoveries temporarily precluded from obligation (special and trust funds)(–)	*This line is copied into schedule N lines 0610–0613, with the opposite sign.*
1050	**Unobligated balance (total)**	Automatically generated by MAX.

Entry	Discre-tionary	Man-datory	MAX Details
Budget Authority:			
Appropriations:			
Appropriation	1100	1200	For indefinite authority, record only the amount that will be obligated.
Appropriation (special or trust fund)	1101	1201	*This line is copied into schedule N lines 0500–0589, with the opposite sign.*
Appropriation (previously unavailable)	1102	1203	*This line is copied into schedule N lines 0500–0589, with the opposite sign for special and non-revolving trust funds. This line is used to calculate line 5093 for revolving funds that had appropriations previously sequestered.* Use only with OMB approval.
Appropriation available from subsequent year	1103	n/a	Use only in PY and CY and only with OMB approval.
Appropriation available in prior year (-)	1104	n/a	Use only in PY and CY and only with OMB approval.
Reappropriation	1105	1204	Use line 1012 for transfers of expired balances to unexpired accounts that are not considered to be reappropriations.
Nonexpenditure Transfers:			
Appropriations transferred to other accounts (–)	1120	1220	*This line is copied into schedule J line 7645.* For transfers pursuant to proposed appropriations law of mandatory funding to be used for otherwise discretionary activities, show the transfer on line 1120 in the losing account, using the BBEDCA classification for a discretionary, modification of a mandatory program and on line 1121 in the receiving account, using the appropriate BBEDCA classification for that account. However, if the losing account is an entitlement program, report the transfer on line 1220 in the losing account and on line 1121 in the receiving account, using the appropriate BBEDCA classifications for the respective accounts. For transfers pursuant to existing law of mandatory funding to be used for otherwise discretionary activities (generally in PY and CY), show the transfer on line 1220 in the losing account and on line 1121 in the receiving account, using the appropriate BBEDCA classifications for the respective accounts. Consult your OMB representative about suppressing any MAX error messages that occur. Identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see section 79.2 and Appendix C).
Appropriations transferred from other accounts	1121	1221	*This line is copied into schedule J line 7645.* For transfers of mandatory funding to be used for otherwise discretionary activities, see the guidance under lines 1120/1220. Identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see section 79.2 and Appendix C).

Entry	Discre-tionary	Man-datory	MAX Details
Adjustments:			
Appropriations permanently reduced (–)	1130	n/a	*This line is copied into schedule J line 7625.*
Unobligated balance of appropriations permanently reduced (–)	1131	n/a	
Appropriations and/or unobligated balance of appropriations permanently reduced (–)	n/a	1230	*This line is copied into schedule J line 7625.* For unobligated balance of appropriations permanently reduced, use only for PY or CY unless specifically approved by OMB.
Appropriations temporarily reduced (–)	1132	n/a	*This line is copied into schedule N lines 0500–0589, with the opposite sign for special and non-revolving trust funds. This line is used to calculate line 5093 for revolving funds that have sequestered appropriations.*
Unobligated balance of appropriations temporarily reduced (–)	1133	n/a	*This line is copied into schedule N lines 0500–0589, with the opposite sign.* Use only for special and non-revolving trust funds in PY and CY.
Appropriations and/or unobligated balance of appropriations temporarily reduced (–)	n/a	1232	*This line is copied into schedule N lines 0500–0589, with the opposite sign for special and non-revolving trust funds. This line is used to calculate line 5093 revolving funds that have sequestered appropriations.* Use only for PY and CY unless specifically approved by OMB.
Appropriations precluded from obligation (–)	1134	1234	*This line is copied into schedule N lines 0500–0589, with the opposite sign.* When the amount becomes available for obligation, report it on line 1203. Use only with OMB approval.
Capital transfer of appropriations to general fund (–)	n/a	1235	*This line is copied into schedule J line 7650.* This line is only for use by the Department of Education.
Appropriations applied to repay debt (–)	1135	1236	*This line is copied into schedule J line 7650.*
Deficiency appropriation(–)	1136	1237	*Use these lines only with OMB approval.*
Appropriations applied to liquidate contract authority (–)	1137	1238	
Appropriations applied to liquidate contract authority withdrawn (–)	1138	n/a	Use only in PY or CY and only with OMB approval.
Appropriations substituted for borrowing authority (–)	1139	1239	
Appropriation (total)	**1160**	**1260**	Automatically generated by MAX.
Advance Appropriations:			
Advance appropriation	1170	1270	
Advance appropriation (special or trust fund)	1171	1271	*Lines 1171 and 1271 are copied into schedule N lines 0500–0589, with the opposite sign.*

Entry	Discre- tionary	Man- datory	MAX Details
Adjustments:			
Advance appropriations permanently reduced (–)	1173	1272	For line 1272, no BY amount can be entered.
Advance appropriations temporarily reduced (–)	1174	1273	*This line is copied into schedule N lines 0500–0589, with the opposite sign.*
Advance appropriations (total)	**1180**	**1280**	Automatically generated by MAX.
Borrowing Authority:			
Borrowing authority	1300	1400	Amount of new borrowing authority. For indefinite authority, record only the amount that will be obligated.
Adjustments:			
Borrowing authority permanently reduced (–)	1320	1420	For line 1420, no BY amount can be entered.
Borrowing authority temporarily reduced (-)	n/a	1421	For borrowing authority temporarily reduced via sequestration, no amount can be entered for BY. Use only for revolving, special, and non-revolving trust funds.
Borrowing authority applied to repay debt (–)	n/a	1422	Use only in financing accounts in PY unless specifically approved by OMB.
Borrowing authority (total)	**1340**	**1440**	Automatically generated by MAX.
Contract Authority:			
Contract authority	1500	1600	Amount of new contract authority. For indefinite authority, record only the amount that will be obligated.
Contract authority (previously unavailable)	n/a	1603	Use only with OMB approval.
Nonexpenditure Transfers:			
Contract authority transferred to other accounts (–)	1510	1610	Identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see section 79.2 and Appendix C).
Contract authority transferred from other accounts	1511	1611	Identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see section 79.2 and Appendix C).
Adjustments:			
Contract authority and/or unobligated balance of contract authority permanently reduced (–)	1520	1620	For contract authority permanently reduced, no amount can be entered for BY. For unobligated balance of contract authority permanently reduced, use only for PY of CY unless specifically approved by OMB.
Contract authority temporarily reduced (-)	n/a	1621	For contract authority temporarily reduced via sequestration, no amount can be entered for BY. This line is only used by the Departments of the Interior and Transportation.

Entry	Discre-tionary	Man-datory	MAX Details
Contract authority precluded from obligation (limitation on obligations) (–)	1522	1622	Use only with OMB approval.
Contract authority (total)	**1540**	**1640**	Automatically generated by MAX.
Spending Authority from Offsetting Collections:			*As a general rule, spending authority from offsetting collections from Federal sources should be classified as mandatory or discretionary based on the activities for which the offsetting collections are outlayed and spending authority from offsetting collections from non-Federal sources should be classified based on whether the legislative language that created the collection is in authorizing legislation or appropriations act (see section 81.2).*
Collected	1700	1800	
Change in uncollected payments, Federal sources (+ or –)	1701	1801	The amounts reported on these lines are added and automatically copied to line 3080, but with the opposite sign. Additionally, lines 1701 and 1801 are automatically copied to lines 4050 and 4140 respectively, but with the opposite sign.
Offsetting collections (previously unavailable)	1702	1802	Amount previously reported as precluded from obligation on line 1725 or 1824 and as temporary reduction on line 1723 or 1823 that will be available for obligation.
Nonexpenditure Transfers:			
Spending authority from offsetting collections transferred to other accounts (–)	1710	1810	*This line is copied into schedule J line 7645.* Identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see section 79.2 and Appendix C). Note: Although the spending authority is transferred to another account, the offsetting collection will be credited to the account that initially received the collection on lines 4030 through 4034 or 4120 through 4124, as appropriate.
Spending authority from offsetting collections transferred from other accounts	1711	1811	*This line is copied into schedule J line 7645.* Identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see section 79.2 and Appendix C). Note: Although the spending authority is transferred from another account, the offsetting collection will be credited to the account that initially received the collection on lines 4030 through 4034 or 4120 through 4124.
Adjustments:			
Capital transfer of spending authority from offsetting collections to general fund (–)	1720	1820	Primarily used by revolving funds; however, may be used by other accounts with OMB approval. *This line is copied into schedule J line 7650.*

Entry	Discre-tionary	Man-datory	MAX Details
Spending authority from offsetting collections permanently reduced (–)	1722	1822	Use only in PY and CY.
New and/or unobligated balance of spending authority from offsetting collections temporarily reduced (–)	1723	1823	Use only in PY and CY.
Spending authority from offsetting collections precluded from obligation (limitation on obligations) (–)	1725	1824	When the amount becomes available for obligation, report it on line 1702 or 1802. Use only with OMB approval.
Spending authority from offsetting collections applied to repay debt (–)	1726	1825	*This line is copied into schedule J line 7650.*
Spending authority from offsetting collections applied to liquidate contract authority (–)	1727	1826	
Spending authority from offsetting collections substituted for borrowing authority (–)	1728	1827	
Spending authority from offsetting collections (total)	**1750**	**1850**	Automatically generated by MAX.
Budget authority (total)	**1900**	**1900**	Automatically generated by MAX.
Adjustment for new budget authority used to liquidate deficiencies (–)	**1901**	**1901**	Report the amount of new budget authority used to liquidate obligations that were incurred in a prior fiscal year without sufficient budget authority to legally cover such obligations. The line adjusts the total budgetary resources available for new obligations without reducing the amount of budget authority appropriated.
Total budgetary resources available	**1930**	**1930**	Automatically generated by MAX. Sums the adjusted amounts of unobligated balances and budget authority.

MEMORANDUM (NON-ADD) ENTRIES

This section includes data from unexpired and expired Treasury Appropriation Fund Symbols.

Entry		MAX Details
	All Accounts:	
1940	**Unobligated balance expiring (–)**	

Entry		MAX Details
1941	**Unexpired unobligated balance, end of year**	Automatically generated from the sum of the detailed entries on lines 1930 plus 1940 minus 0900. *This line is copied into schedule J line 8802.*
Special and Non-Revolving Trust Funds only:		
1950	**Other balances withdrawn and returned to unappropriated receipts**	*This line is copied into schedule N lines 0610–0613.* Automatically generated by MAX.
1951	**Unobligated balance expiring**	*This line is copied into schedule J line 8891.* Use only for accounts with schedule J (see section 86.3). Automatically generated by MAX.
1952	**Expired unobligated balance, start of year**	*This line is copied into schedule J line 0090.* Use only for accounts with schedule J (see section 86.3). Automatically generated by MAX. Amount excluded in the start of year unobligated balances reported on line 1000 in special and non-revolving trust funds that must be included in the unexpended balances reported on schedule J line 0100.
1953	**Expired unobligated balance, end of year**	*This line is copied into schedule J line 8890.* Use only for accounts with schedule J (see section 86.3). Amount excluded from the end of year unobligated balances reported on line 1941 in special and non-revolving trust funds that must be included in the unexpended balances reported on Schedule J line 8799.
1954	**Unobligated balance canceling**	*This line is copied into schedule N lines 0610–0613.*
1955	**Other balances withdrawn and returned to general fund**	*This line is copied into schedule J line 7650.*

CHANGE IN OBLIGATED BALANCE

This section only includes change in obligation balances from unexpired and expired Treasury Appropriation Fund Symbols.

Entry		MAX Details
Unpaid obligations:		
3000	**Unpaid obligations, brought forward, Oct 1**	*This line is copied into schedule J line 0081.* MAX copies CY and BY from the end of year mount reported on line 3090 for the previous year.
3001	Adjustment to unpaid obligations, brought forward, Oct 1(+ or –)	*This line is copied into schedule J line 0111.* Report any changes to the PY start of year balances made after the 2010 FACTS II revision window closed. Use only for PY, unless specifically approved by OMB.
3010	**Obligations incurred, unexpired accounts**	Automatically generated by MAX.
3011	Obligations incurred, expired accounts	Use only for PY, unless specifically approved by OMB.
3020	**Outlays (gross) (–)**	Automatically generated by MAX. This line is copied into schedule J lines 4500–4525 under transmittal codes 0 and 3; and schedule J lines 5500–5525 under transmittal codes 1, 2, 4, and 5.

Entry		MAX Details
3030	Unpaid obligations transferred to other accounts (–)	*This line is copied into schedule J line 7645.* Note: You must identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see section 79.2 and Appendix C).
3031	Unpaid obligations transferred from other accounts	*This line is copied into schedule J line 7645.* Note: You must identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see section 79.2 and Appendix C).
3040	**Recoveries of unpaid prior year obligations, unexpired accounts (–)**	Automatically copied from line 1021, but with the opposite sign.
3041	Recoveries of unpaid prior year obligations, expired accounts (–)	Use only for PY, unless specifically approved by OMB.
3050	**Unpaid obligations, end of year**	*This line is copied into schedule J line 8801.* Automatically generated by MAX.
Uncollected payments:		
3060	**Uncollected pymts, Fed sources, brought forward, Oct 1 (–)**	*This line is copied into schedule J line 0081.* MAX copies CY and BY from the end of year mount reported on line 3090 for the previous year.
3061	Adjustment to uncollected pymts, Fed sources, brought forward, Oct 1(+ or –)	*This line is copied into schedule J line 0111.* Report any changes to the PY start of year balances made after the 2010 FACTS II revision window closed. Use only for PY, unless specifically approved by OMB.
3070	**Change in uncollected pymts, Fed sources, unexpired accounts (+ or –)**	Automatically generated by MAX.
3071	Change in uncollected pymts, Fed sources, expired accounts (+ or –)	
3080	Uncollected pymts, Fed sources transferred to other accounts	*This line is copied into schedule J line 7645.* Note: You must identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see section 79.2 and Appendix C).
3081	Uncollected pymts, Fed sources transferred from other accounts (–)	*This line is copied into schedule J line 7645.* Note: You must identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see section 79.2 and Appendix C).
3090	**Uncollected pymts, Fed sources, end of year (–)**	*This line is copied into schedule J line 8801.* Automatically generated by MAX.

MEMORANDUM (NON-ADD) ENTRIES

This section includes data from unexpired and expired Treasury Appropriation Fund Symbols.

Entry		MAX Details
3100	**Obligated balance, start of year (+ or –)**	For PY, this amount must tie to the PY end of year amounts reported in FACTS II for 2012 including all changes made during the 2012 FACTS II revision window. Automatically generated by MAX.
3200	**Obligated balance, end of year (+ or –)**	Automatically generated by MAX.

BUDGET AUTHORITY AND OUTLAYS, NET

This section includes budget authority from unexpired Treasury Appropriation Fund Symbols; and outlays and offsets from unexpired and expired Treasury Appropriation Fund Symbols.

Entry	Discre-tionary	Man-datory	MAX Details
Gross Budget Authority and Outlays:			
Budget authority, gross	4000	4090	Automatically generated by MAX.
Outlays, gross			
Outlays from new authority	4010	4100	
Outlays from balances	4011	4101	
Outlays, gross (total)	4020	4110	Automatically generated by MAX. For credit financing accounts, use line 4110 instead of lines 4100 and 4101.
Offsets against Gross Budget Authority and Outlays:			
Offsetting collections (collected) from:			
	Identify the source of the payment (see the descriptions below). Use subentries when there are significant amounts of different types of income, such as insurance premiums, loan repayments, interest, fees, etc.		
Federal sources (–)	4030	4120	This line is copied into schedule J lines 1280–1289 under transmittal codes 0 and 3; and schedule J lines 2280–2289 under transmittal codes 1, 2, 4, and 5.
Interest on Federal securities (–)	4031	4121	This line is copied into schedule J lines 1280–1289 under transmittal codes 0 and 3; and schedule J lines 2280–2289 under transmittal codes 1, 2, 4, and 5.
Interest on uninvested funds (–)		4122	This line is copied into schedule J lines 1280–1289 under transmittal codes 0 and 3; and schedule J lines 2280–2289 under transmittal codes 1, 2, 4, and 5.
Non-Federal sources (–)	4033	4123	This line is copied into schedule J lines 1280–1289 under transmittal codes 0 and 3; and schedule J lines 2280–2289 under transmittal codes 1, 2, 4, and 5. Use line titles to identify separately the primary sources of collections. Small amounts may be aggregated. See exhibits 185C, 185F and 185I.

Entry	Discre-tionary	Man-datory	MAX Details
Offsetting governmental collections (–)	4034	4124	This line is copied into schedule J lines 1280–1289 under transmittal codes 0 and 3; and schedule J lines 2280–2289 under transmittal codes 1, 2, 4, and 5. Use line titles to identify separately the primary sources of collections.
Offsets against gross budget authority and outlays (total) (–)	**4040**	**4130**	Automatically generated by MAX.
Additional Offsets against Gross Budget Authority only:			
Change in uncollected pymts, Fed sources, unexpired accounts (+ or –)	**4050**	**4140**	Automatically generated by MAX.
Offsetting collections credited to expired accounts	4052	4142	
Additional offsets against budget authority only (total)	**4060**	**4150**	Automatically generated by MAX.
Budget authority, net	**4070**	**4160**	Automatically generated by MAX.
Outlays, net	**4080**	**4170**	Automatically generated by MAX.
Budget Authority and Outlays, Net (total):			
Budget authority, net (total)	**4180**	**4180**	Automatically generated by MAX. This line will always be used, even if the amount is zero.
Outlays, net (total)	**4190**	**4190**	Automatically generated by MAX. This line will always be used, even if the amount is zero.

MEMORANDUM (NON-ADD) ENTRIES

Entry		MAX Details
Investments in Federal securities:		*Report the par value of Federal securities; do not reflect unrealized discounts. Include all the balances invested at the start of the year, including those that are not available for obligation, i.e., those reported in the schedule on special and trust fund receipts (MAX schedule N). If a special or trust fund has multiple expenditure accounts, report the invested portion of the unavailable collections in schedule P of the account that receives the largest appropriation from the fund.*
5000	**Total investments, SOY: Federal securities: Par value**	MAX copies CY and BY from the end of year amounts reported on line 5001 for the previous year.
5001	Total investments, EOY: Federal securities: Par value	*This line is copied into schedule J line 8701.*
Investments in non-Federal securities:		*Report the market value of non-Federal securities. Include all the balances invested at the start of the year, including those that are not available for obligation, i.e., those reported in the schedule on special and trust fund receipts (MAX schedule N).*

Entry		MAX Details
		Include changes in the value of the account's portfolio due to purchases, sales, and market conditions.
5010	**Total investments, SOY: non-Federal securities: Market value**	MAX copies CY and BY from the end of year amounts reported on line 5011 for the previous year.
5011	Total investments, EOY: non-Federal securities: Market value	
Contract authority:		*Contract authority is unfunded. When appropriation or offsetting collections are provided to liquidate contract authority, the amounts are no longer considered to be contract authority, and should be excluded from the balances of contract authority reported below.*
5050	**Unobligated balance, SOY: Contract authority**	Cannot exceed the amount on line 1000 of the program and financing schedule. MAX copies CY and BY from the end of year amounts reported on line 5051 for the previous year.
5051	Unobligated balance, EOY: Contract authority	Cannot exceed the amount on line 1941 of the program and financing schedule.
5052	**Obligated balance, SOY: Contract authority**	Cannot exceed the amount on line 3000 of the program and financing schedule. MAX copies CY and BY from the end of year amounts reported on line 5053 for the previous year.
5053	Obligated balance, EOY: Contract authority	Cannot exceed the amount on line 3090 of the program and financing schedule.
5054	**Fund balance in excess of liquidating requirements, SOY: Contract authority**	MAX copies CY and BY from the end of year amounts reported on line 5055 for the previous year.
5055	Fund balance in excess of liquidating requirements, EOY: Contract authority	
5061	Limitation on obligations (Transportation trust funds)	Automatically generated by MAX from information on limitations reported in schedule X (see section 81.3).
Outstanding debt (Special and Non-Revolving Trust Funds only):		*The amount of outstanding debt, SOY and EOY and borrowing including repayable advances. Only applies to special and non-revolving trust funds in USDA, DoC, DoE, DoL and RRB.*
5080	**Outstanding debt, SOY (-)**	MAX copies CY and BY from the end of year amounts reported on line 5081 for the previous year.
5081	Outstanding debt, EOY (-)	*This line is copied into schedule J line 8805.* Automatically generated by MAX.
5082	Borrowing (-)	*This line is copied into schedule J line 7650.*
Unavailable unobligated balances:		*The amount of offsetting collections previously precluded from obligation, or temporarily reduced that have not yet become budget authority available for obligation.* *The amount of appropriations, borrowing authority, and contract authority that have been sequestered in revolving, special, and non-revolving trust funds.*

Entry		MAX Details
5090	**Unavailable balance, SOY: Offsetting collections**	*This line is copied into schedule J line 0084. Does not generally apply to special and non-revolving trust funds.* MAX copies CY and BY from the end of year amounts reported on line 5091 for the previous year.
5091	**Unavailable balance, EOY: Offsetting collections**	*This line is copied into schedule J line 8804.* Automatically generated by MAX.
5092	**Unavailable balance, SOY: Appropriations**	*Does not generally apply to special and non-revolving trust funds.* MAX copies CY and BY from the end of year amounts reported on line 5093 for the previous year.
5093	**Unavailable balance, EOY: Appropriations**	*This line is copied into schedule J line 8804.* Automatically generated by MAX.
5094	**Unavailable balance, SOY: Contract authority**	MAX copies CY and BY from the end of year amounts reported on line 5095 for the previous year.
5095	**Unavailable balance, EOY: Contract authority**	Automatically generated by MAX.
5096	**Unavailable balance, SOY: Borrowing authority**	MAX copies CY and BY from the end of year amounts reported on line 5097 for the previous year.
5097	Unavailable balance, EOY: Borrowing authority	
Discretionary mandated transfers:		
5100	Discretionary mandated transfer to other accounts (–)	The line shows the amount of discretionary transfers mandated by law that are included in line 1120. In exceptional cases, this line may represent the discretionary transfers mandated by law included in line 1010. Use in PY. If the account has enacted appropriations, also use for CY. Identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see section 79.2 and Appendix C).
5101	Discretionary mandated transfer from other accounts	The line shows the amount of discretionary transfers mandated by law that are included in line 1121. In exceptional cases, this line may represent the discretionary transfers mandated by law included in line 1011. Use in PY. If the account has enacted appropriations, also use for CY. Identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see section 79.2 and Appendix C).

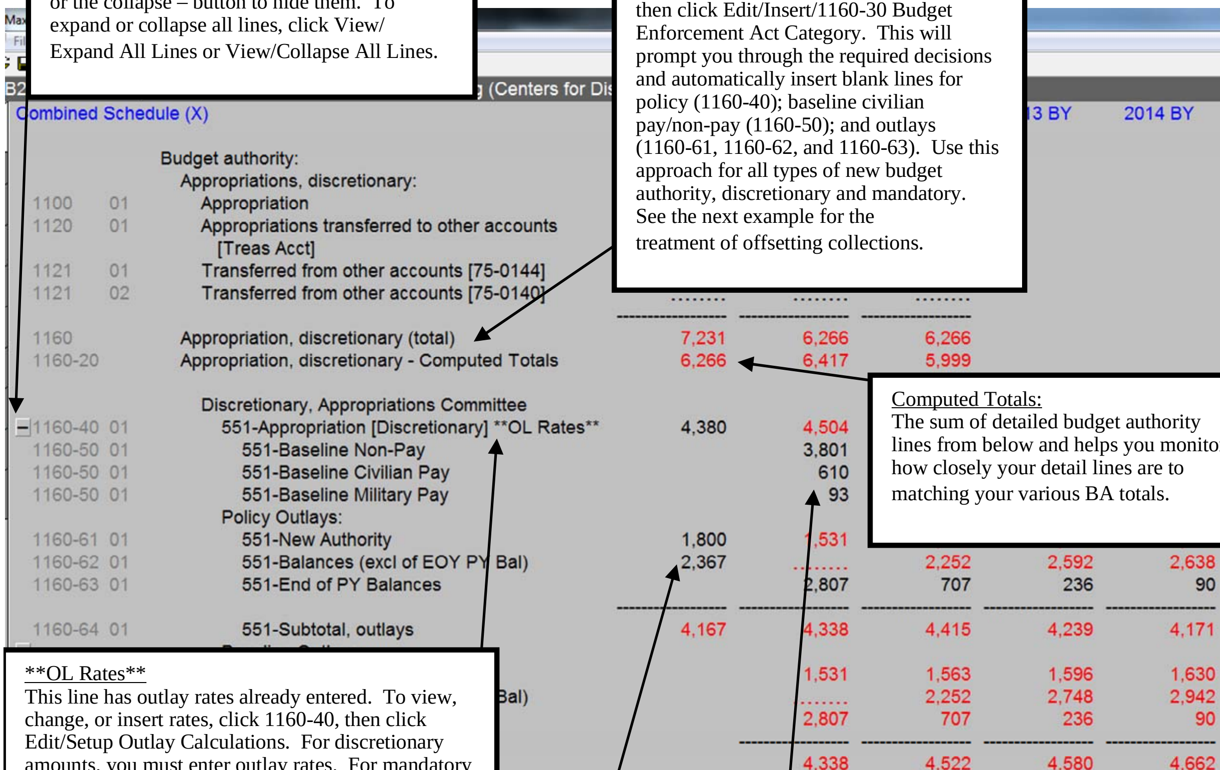
UNFUNDED DEFICIENCIES

Note: See section 145 for additional reporting requirements on deficiencies.

Entry		MAX Details
7000	**Unfunded deficiency, start of year (–)**	Automatically generated by MAX in CY and BY.
7010	**New deficiency (–)**	Automatically generated by MAX.
7011	**Deficiency appropriation**	Automatically generated by MAX.
7012	**New budget authority used to liquidate deficiencies**	Automatically generated by MAX.
7020	**Unfunded deficiency, end of year (–)**	Automatically generated by MAX.

Updating MAX Combined Schedule X

Schedule X is where users enter all budgetary resource and outlay data; MAX will then automatically populate lines in schedules P, A, and S. Schedule X looks identical to schedule P until the "Budget Authority" line. This exhibit illustrates how to insert data and new lines, unique features of schedule X, and where data entered in schedule X crosswalks to schedules A and S. See sections 80–82 for an overview and detailed line descriptions for schedules S, A, and P respectively.



<u>Collapse / Expand Lines:</u>
Click the expand + button to reveal detail lines or the collapse – button to hide them. To expand or collapse all lines, click View/ Expand All Lines or View/Collapse All Lines.

<u>Insert Additional Lines – Budget Authority:</u>
To insert additional detailed discretionary budget authority lines, click the 1160 line, then click Edit/Insert/1160-30 Budget Enforcement Act Category. This will prompt you through the required decisions and automatically insert blank lines for policy (1160-40); baseline civilian pay/non-pay (1160-50); and outlays (1160-61, 1160-62, and 1160-63). Use this approach for all types of new budget authority, discretionary and mandatory. See the next example for the treatment of offsetting collections.

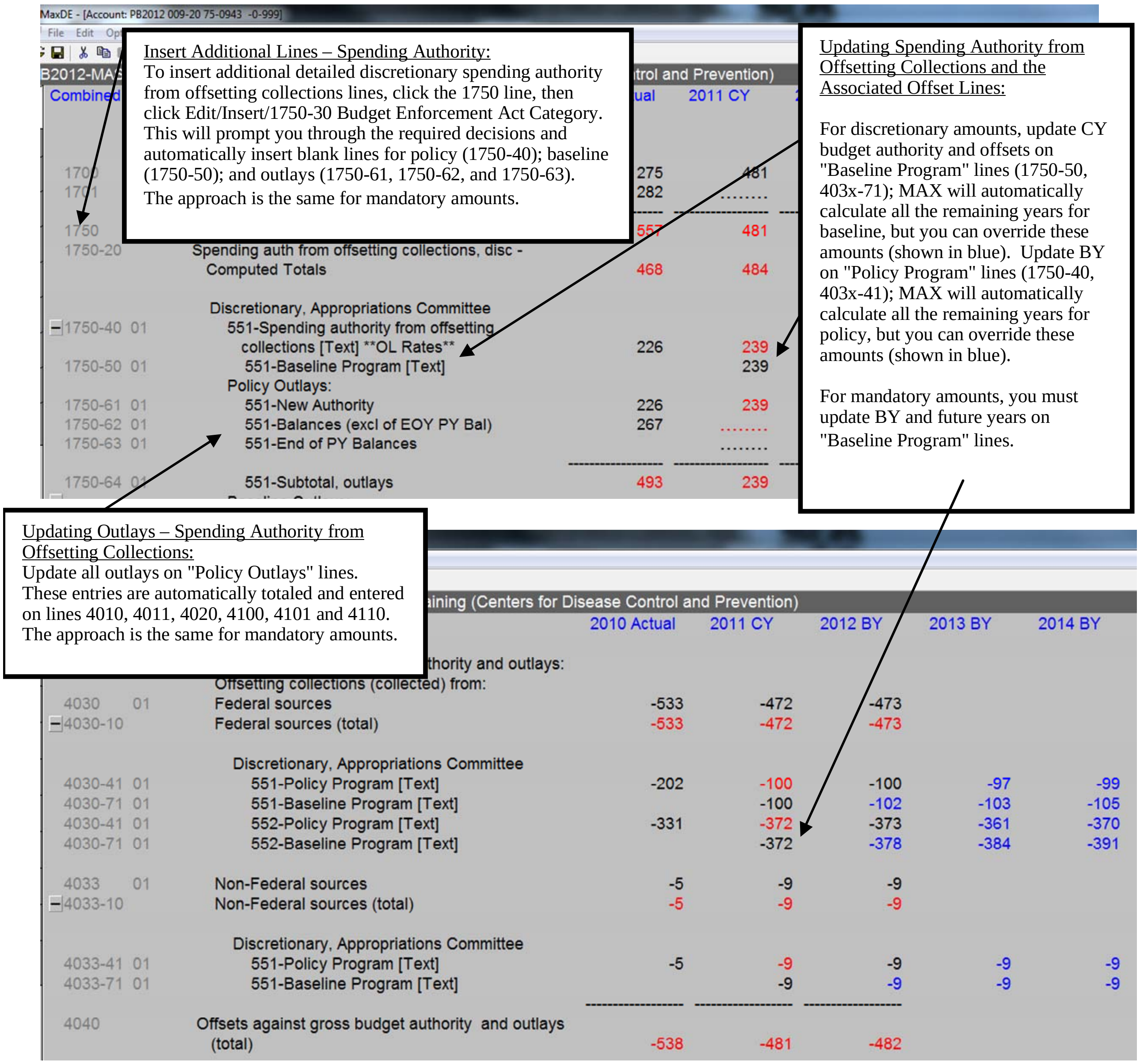
<u>Computed Totals:</u>
The sum of detailed budget authority lines from below and helps you monitor how closely your detail lines are to matching your various BA totals.

<u>**OL Rates**</u>
This line has outlay rates already entered. To view, change, or insert rates, click 1160-40, then click Edit/Setup Outlay Calculations. For discretionary amounts, you must enter outlay rates. For mandatory amounts, this feature is optional.

<u>Updating Outlays:</u>
For PY, distribute outlays between "New" (1160-61) and "Balances" (1160-62). Next, enter estimates of how amounts from unobligated and obligated balances, with adjustments, will outlay in CY and future years on "End of PY Balances" (1160-63). All the remaining outlay entries will be automatically calculated for you if you entered outlay rates. If you are not using outlay rates, then estimate the distribution between "New" and "Balances" for all years. These entries are also automatically totaled and entered onto outlay lines 4010, 4011, 4020, 4100, 4101 and 4110.

<u>Non-Pay / Civilian Pay / Military Pay:</u>
Update non-pay, civilian pay, and military pay here. For mandatory amounts, report all years. These detail lines copy to schedule S, and the total copies to schedule A. This example also illustrates how your schedule looks if your account has multiple subfunctions (e.g. 054, 751).

Updating MAX Combined Schedule X—CONTINUED



Setting Up Outlay Calculations

You can enter multiple outlay rates for an account and show different programs on separate BA lines even if the rates are the same. To do this, use multiple line sequence numbers (01, 02, 03, etc.). MAX will generate separate outlay data that corresponds to each BA line. In schedule X, MAX displays BA and corresponding outlays together. The examples below show how to enter two different outlay rates.

			PY	CY	BY	BY+1	BY+2	BY+3	BY+4	BY+5
		Discretionary, Appropriations Committee								
1160-40	01	751-Appropriation [Text] **OL Rates**		8,098	8,341	8,600	8,866	9,141	9,424	9,820

Estimates for BY+6 through BY+9 can be viewed by scrolling across the MAX screen.

To get to the Setup Outlay Calculation screen, make sure you have selected line 1160-40/01. Then go to the MAX menu and select EDIT -> SETUP OUTLAY CALCULATION .

SETUP OUTLAY CALCULATION

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
CY Rates:[1]	10.00	10.00	10.00	10.00	10.00	10.00
BY Rates:[1]	10.00	10.00	10.00	10.00	10.00	10.00
	Year 7	**Year 8**	**Year 9**	**Year 10**	**Year 11**	**Total[2]**
CY Rates:	10.00	10.00	10.00	10.00	---	100.00%
BY Rates:	10.00	10.00	10.00	10.00	---	100.00%

			PY	CY	BY	BY+1	BY+2	BY+3	BY+4	BY+5
		Discretionary, Appropriations Committee								
1160-40	02	751-Appropriation [Text] **OL Rates**		23,296	24,438	25,464	26,533	27,648	28,809	30,019

To get to the Setup Outlay Calculation screen, make sure you have selected line 1160-40/02. Then go to the MAX menu and select EDIT -> SETUP OUTLAY CALCULATION .

SETUP OUTLAY CALCULATION

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
CY Rates:[1]	85.00	15.00	--	--	--	--
BY Rates:[1]	85.00	15.00	--	--	--	--
	Year 7	**Year 8**	**Year 9**	**Year 10**	**Year 11**	**Total[2]**
CY Rates:	--	--	--	--	---	100.00%
BY Rates:	--	--	--	--	---	100.00%

[1] Enter the outlay rates for the budgetary resources provided in the current and budget years. For CY rates, Year 1 represents CY, Year 2 represents BY, etc. For BY rates, Year 1 represents BY, Year 2 represents BY+1, etc.

[2] Outlay rates should total 100 percent unless the budget authority does not spend out within 11 years. MAX generates an error message if the total exceeds 100 percent.

Automatic Generation of Discretionary Outlays

To automatically calculate outlays, enter discretionary budgetary resources and outlay rates. Outlays from end of PY balances will have to be manually entered. The steps below show how MAX calculates the discretionary outlays.

Enter Budgetary Resource amounts in Schedule X:

		PY	CY	BY	BY+1	BY+2	BY+3	BY+4	BY+5	BY+6	BY+7	BY+8	BY+9
	Discretionary, Appropriations Committee												
1160-40 01	751-Appropriation [Text]												
	OL Rates....................................	40	45	50	55	60	65	70	75	80	85	90	95
	Policy Outlays:												
1160-61 01	751-New Authority...........................	8	9	10	11	12	13	14	15	16	17	18	19
1160-62 01	751-Balances(excl of EOY PY Bal)..	14	---	16	22	40	37	47	53	58	63	67	71
1160-63 01	751-End of PY Balances..................		14	6	12								
1160-64 01	751-Subtotal, outlays........................	22	54	60	66	72	78	84	90	96	102	108	114

MAX will automatically calculate these lines based on the BA amounts and the outlay rates entered in the Setup Outlay Calculation window.

Enter outlay rates in SETUP OUTLAY CALCULATION window:

To get to this window, make sure you have selected the budetary resource line. Then go to MAX menu and select EDIT -> SETUP OUTLAY CALCULATION

SETUP OUTLAY CALCULATION

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6
CY Rates:	20.00	35.00	15.00	30.00	--	--
BY Rates:	20.00	30.00	20.00	15.00	15.00	--

	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Total
CY Rates:	--	--	--	--	--	100%
BY Rates:	--	--	--	--	--	100%

To calculate outlays from new authority, MAX multiplies the budgetary resource amount by the Year 1 outlay rate:
CY: 45*.20=9
BY: 50*.20=10
BY+1 to BY+9: same as BY

MAX automatically calculates outlays by multiplying the budgetary resource amounts with the outlay ra

	PY	CY	BY	BY+1	BY+2	BY+3	BY+4	BY+5	BY+6	BY+7	BY+8	BY+9
Total - Outlay from New Authority...		9	10	11	12	13	14	15	16	17	18	19

	PY	CY	BY	BY+1	BY+2	BY+3	BY+4	BY+5	BY+6	BY+7	BY+8	BY+9
Outlay from Balances - CY..............			15.8	6.8	13.5							
Outlay from Balances - BY..............				15	10	7.5	7.5					
Outlay from Balances - BY+1..........					16.5	11	8.3	8.3				
Outlay from Balances - BY+2..........						18	12	9	9			
Outlay from Balances - BY+3..........							19.5	13	9.8	9.8		
Outlay from Balances - BY+4..........								22.5	15	11.3	11.3	
Outlay from Balances - BY+5..........									24	16	12	12
Outlay from Balances - BY+6..........										25.5	17	12.8
Outlay from Balances - BY+7..........											27	18
Outlay from Balances - BY+8..........												28.5
Total - Outlays from Balances.....			16	22	40	37	47	53	58	63	67	71

To calculate outlays from from balances for BY+1, MAX takes the third year spendout of CY balances (45*.15=6.8) plus the second year spendout from BY balances (50*.30=15)

Schedule X Line Numbers Including Schedule A, S, and P Lines

New Line #	Line Description	Schedule P	Schedule A	Schedule S
	Obligations by program activity			
	Direct obligations			
0001-0700	Direct Program Activity	✓		
	Credit program obligations			
0701	Direct loan subsidy	✓		
0702	Loan guarantee subsidy	✓		
0703	Subsidy for modifications of direct loans	✓		
0704	Subsidy for modifications of loan guarantees	✓		
0705	Reestimates of direct loan subsidy	✓		
0706	Interest on reestimates of direct loan subsidy	✓		
0707	Reestimates of loan guarantee subsidy	✓		
0708	Interest on reestimates of loan guarantee subsidy	✓		
0709	Administrative expenses	✓		
0710	Direct loan obligations	✓		
0711	Default claim payments on principal	✓		
0712	Default claim payments on interest	✓		
0713	Payment of interest to Treasury	✓		
0715-0739	Other	✓		
0740	Negative subsidy obligations	✓		
0741	Modification savings	✓		
0742	Downward reestimate paid to receipt	✓		
0743	Interest on downward reestimates	✓		
0744	Adjusting payments to liquidating accounts	✓		
	Reimbursable obligations			
0801-0899	Reimbursable program activity	✓		
0900	Total new obligations	✓		
	Budgetary resources			
	Unobligated balance			
1000	Unobligated balance brought forward, Oct 1	✓		
1001	Discretionary unobligated balance brought forward, Oct 1	✓		
1010	Unobligated balance transferred to other accounts	✓		
1011	Unobligated balance transferred from other accounts	✓		
1012	Unobligated balance transfers between expired and unexpired accounts	✓		
1013	Unobligated balance of contract authority transferred to or from other accounts	✓		
1010	Unobligated balance transferred to other accounts	✓		
1011	Unobligated balance transferred from other accounts	✓		
1022	Capital transfer of unobligated balances to general fund	✓		
1023	Unobligated balances applied to repay debt	✓		
1024	Unobligated balance of borrowing authority withdrawn	✓		
1025	Unobligated balance of contract authority withdrawn	✓		
1026	Adjustment for change in allocation of trust fund limitation or foreign exchange valuation	✓		
1027	Adjustment in unobligated balances for change in investments of zero coupon bonds (special and non-revolving trust funds)	✓		
1028	Adjustment in unobligated balances for change in investments of zero coupon bonds (revolving funds)	✓		
1029	Other balances withdrawn	✓		
1031	Refunds and recoveries temporarily precluded from obligation (special and trust funds)	✓		
1050	Unobligated balance (total)	✓		

+Updated line

Schedule X Line Numbers Including Schedule A, S, and P Lines

New Line #	Line Description	Schedule P	Schedule A	Schedule S
	Budgetary resources			
	Budget authority			
	Appropriations, discretionary			
1100	Appropriation	✓		
1101	Appropriation (special or trust fund)	✓		
1102	Appropriation (previously unavailable)	✓			+
1103	Appropriation available from subsequent year	✓		
1104	Appropriation available in prior year (-)	✓		
1105	Reappropriation	✓		
1120	Appropriations transferred to other accounts	✓		
1121	Appropriations transferred from other accounts	✓		
1130	Appropriations permanently reduced	✓		
1131	Unobligated balance of appropriations permanently reduced	✓		
1132	Appropriations temporarily reduced	✓		
1133	Unobligated balance of appropriations temporarily reduced	✓		
1134	Appropriations precluded from obligation	✓		
1135	Appropriations applied to repay debt	✓		
1136	Deficiency appropriation	✓		
1137	Appropriations applied to liquidate contract authority	✓		
1138	Appropriations applied to liquidate contract authority withdrawn	✓		
1139	Appropriations substituted for borrowing authority	✓		
1160	Appropriation, discretionary (total)	✓		
	Discretionary, {BEA Subcategory}			
1160-40	Appropriation [Text]		✓	
1160-50	Baseline Pay and Benefits / Non-Pay and Benefits			✓
	Policy Outlays			
1160-61	New Authority		✓	
1160-62	Balances (excl of EOY PY Bal)		✓	
1160-63	End of PY Balances		✓	
1160-64	Subtotal, outlays		✓	
	Baseline Outlays			
1160-81	New Authority			✓
1160-82	Balances (excl of EOY PY Bal)			✓
1160-83	End of PY Balances			✓
1160-84	Subtotal, outlays			✓
	Advance appropriations, Discretionary			
1170	Advance appropriation	✓		
1171	Advance appropriation (special or trust fund)	✓		
1173	Advance appropriations permanently reduced	✓		
1174	Advance appropriations temporarily reduced	✓		
1180	Advance appropriation, discretionary (total)	✓		
	Discretionary, {BEA Subcategory}			
1180-40	Advance appropriation [Text]		✓	
1180-50	Baseline Pay and Benefits / Non-Pay and Benefits			✓
	Policy Outlays			
1180-61	New Authority		✓	
1180-62	Balances (excl of EOY PY Bal)		✓	
1180-63	End of PY Balances		✓	
1180-64	Subtotal, outlays		✓	
	Baseline Outlays			
1180-81	New Authority			✓
1180-82	Balances (excl of EOY PY Bal)			✓
1180-83	End of PY Balances			✓
1180-84	Subtotal, outlays			✓

+Updated line

Schedule X Line Numbers Including Schedule A, S, and P Lines

New Line #	Line Description	Schedule P	Schedule A	Schedule S	
	Budgetary resources (cont.)				
	Appropriations, Mandatory				
1200	Appropriation	✓			
1201	Appropriation (special or trust fund)	✓			
1203	Appropriation (previously unavailable)	✓			
1204	Reappropriation	✓			
1220	Appropriations transferred to other accounts	✓			
1221	Appropriations transferred from other accounts	✓			
1230	Appropriations and/or unobligated balance of appropriations permanently reduced	✓			
1232	Appropriations and/or unobligated balance of appropriations temporarily reduced	✓			
1234	Appropriations precluded from obligation	✓			+
1235	Capital transfer of appropriations to general fund	✓			+
1236	Appropriations applied to repay debt	✓			
1237	Deficiency appropriation	✓			
1238	Appropriations applied to liquidate contract authority	✓			
1239	Appropriations substituted for borrowing authority	✓			
1260	Appropriations, mandatory (total)	✓			
	Mandatory, {BEA Subcategory}				
1260-40	Appropriation [Text]		✓		
1260-50	Baseline Pay and Benefits / Non-Pay and Benefits			✓	
	Policy Outlays				
1260-61	New Authority		✓		
1260-62	Balances (excl of EOY PY Bal)		✓		
1260-63	End of PY Balances		✓		
1260-64	Subtotal, outlays		✓		
	Baseline Outlays				
1260-81	New Authority			✓	
1260-82	Balances (excl of EOY PY Bal)			✓	
1260-83	End of PY Balances			✓	
1260-84	Subtotal, outlays			✓	
	Advance appropriations, mandatory				
1270	Advance appropriation	✓			
1271	Advance appropriation (special or trust fund)	✓			
1272	Advance appropriations permanently reduced	✓			
1273	Advance appropriations temporarily reduced	✓			
1280	Advance appropriation, mandatory (total)	✓			
	Mandatory, {BEA Subcategory}				
1280-40	Advance appropriation [Text]		✓		
1280-50	Baseline Pay and Benefits / Non-Pay and Benefits			✓	
	Policy Outlays				
1280-61	New Authority		✓		
1280-62	Balances (excl of EOY PY Bal)		✓		
1280-63	End of PY Balances		✓		
1280-64	Subtotal, outlays		✓		
	Baseline Outlays				
1280-80	New Authority			✓	
1280-81	Balances (excl of EOY PY Bal)			✓	
1280-82	End of PY Balances			✓	
1280-83	Subtotal, outlays			✓	
	Borrowing authority, Discretionary				
1300	Borrowing authority	✓			
1320	Borrowing authority permanently reduced	✓			
1340	Borrowing authority, discretionary (total)	✓			

+Updated line

Schedule X Line Numbers Including Schedule A, S, and P Lines

New Line #	Line Description	Schedule P	Schedule A	Schedule S	
	Budgetary resources (cont.)				
	Discretionary, {BEA Subcategory}				
1340-40	Authority to borrow [Text]		✓		
1340-50	Baseline Pay and Benefits / Non-Pay and Benefits			✓	
	Policy Outlays				
1340-61	New Authority		✓		
1340-62	Balances (excl of EOY PY Bal)		✓		
1340-63	End of PY Balances		✓		
1340-64	Subtotal, outlays		✓		
	Baseline Outlays				
1340-81	New Authority			✓	
1340-82	Balances (excl of EOY PY Bal)			✓	
1340-83	End of PY Balances			✓	
1340-84	Subtotal, outlays			✓	
	Borrowing authority, Mandatory				
1400	**Borrowing authority**	✓			
1420	Borrowing authority permanently reduced	✓			
1421	Borrowing authority temporarily reduced	✓			+
1422	Borrowing authority applied to repay debt	✓			+
1440	Borrowing authority, mandatory (total)	✓			
	Mandatory, {BEA Subcategory}				
1440-40	Authority to borrow [Text]		✓		
1440-50	Baseline Pay and Benefits / Non-Pay and Benefits			✓	
	Policy Outlays				
1440-61	New Authority		✓		
1440-62	Balances (excl of EOY PY Bal)		✓		
1440-63	End of PY Balances		✓		
1440-64	Subtotal, outlays		✓		
	Baseline Outlays				
1440-81	New Authority			✓	
1440-82	Balances (excl of EOY PY Bal)			✓	
1440-83	End of PY Balances			✓	
1440-84	Subtotal, outlays			✓	
	Contract authority, Discretionary				
1500	Contract authority	✓			
1510	Contract authority transferred to other accounts	✓			
1511	Contract authority transferred from other accounts	✓			
1520	Contract authority and/or unobligated balance of contract authority permanently reduced	✓			
1522	Contract authority precluded from obligation (limitation on obligations)	✓			
1540	Contract authority, discretionary (total)	✓			
	Discretionary, {BEA Subcategory}				
1540-40	Contract authority [Text]		✓		
1540-50	Baseline Pay and Benefits / Non-Pay and Benefits			✓	
	Policy Outlays				
1540-61	New Authority		✓		
1540-62	Balances (excl of EOY PY Bal)		✓		
1540-63	End of PY Balances		✓		
1540-64	Subtotal, outlays		✓		
	Baseline Outlays				
1540-81	New Authority			✓	
1540-82	Balances (excl of EOY PY Bal)			✓	
1540-83	End of PY Balances			✓	
1540-84	Subtotal, outlays			✓	

+Updated line

Schedule X Line Numbers Including Schedule A, S, and P Lines

New Line #	Line Description	Schedule P	Schedule A	Schedule S	
	Budgetary resources (cont.)				
	Contract authority, Mandatory				
1600	Contract authority	✓			
1603	Contract authority (previously unavailable)	✓			+
1610	Contract authority transferred to other accounts	✓			
1611	Contract authority transferred from other accounts	✓			
1620	Contract authority and/or unobligated balance of contract authority permanently reduced	✓			
1621	Contract authority temporarily reduced	✓			+
1622	Contract authority precluded from obligation (limitation on obligations)	✓			
1640	Contract authority, mandatory (total)	✓			
	Mandatory, {BEA Subcategory}				
1640-40	Contract authority [Text]		✓		
1640-50	Baseline Pay and Benefits / Non-Pay and Benefits			✓	
	Policy Outlays				
1640-61	New Authority		✓		
1640-62	Balances (excl of EOY PY Bal)		✓		
1640-63	End of PY Balances		✓		
1640-64	Subtotal, outlays		✓		
	Baseline Outlays				
1640-81	New Authority			✓	
1640-82	Balances (excl of EOY PY Bal)			✓	
1640-83	End of PY Balances			✓	
1640-84	Subtotal, outlays			✓	
	Spending authority from offsetting collections, discretionary				
1700	Collected	✓			
1701	Change in uncollected payments, Federal sources	✓			
1702	Offsetting collections (previously unavailable)	✓			
1710	Spending authority from offsetting collections transferred to other accounts	✓			
1711	Spending authority from offsetting collections transferred from other accounts	✓			
1720	Capital transfer of spending authority from offsetting collections to general fund	✓			
1722	Spending authority from offsetting collections permanently reduced	✓			
1723	New and/or unobligated balance of spending authority from offsetting collections temporarily reduced	✓			
1725	Spending authority from offsetting collections precluded from obligation (limitation on obligations)	✓			
1726	Spending authority from offsetting collections applied to repay debt	✓			
1727	Spending authority from offsetting collections applied to liquidate contract authority	✓			
1728	Spending authority from offsetting collections substituted for borrowing authority	✓			
1750	Spending auth from offsetting collections, disc (total)	✓			
	Discretionary, {BEA Subcategory}				
1750-40	Spending authority from offsetting collections [Text]		✓		
1750-50	Baseline Program [Text]			✓	
	Policy Outlays				
1750-61	New Authority		✓		
1750-62	Balances (excl of EOY PY Bal)		✓		
1750-63	End of PY Balances		✓		
1750-64	Subtotal, outlays		✓		

+Updated line

Schedule X Line Numbers Including Schedule A, S, and P Lines

New Line #	Line Description	Schedule P	Schedule A	Schedule S	
	Budgetary resources (cont.)				
	Baseline Outlays				
1750-81	New Authority			✓	
1750-82	Balances (excl of EOY PY Bal)			✓	
1750-83	End of PY Balances			✓	
1750-84	Subtotal, outlays			✓	
	Spending authority from offsetting collections, mandatory				
1800	Collected	✓			
1801	Change in uncollected payments, Federal sources	✓			
1802	Offsetting collections (previously unavailable)	✓			
1810	Spending authority from offsetting collections transferred to other accounts	✓			
1811	Spending authority from offsetting collections transferred from other accounts	✓			
1820	Capital transfer of spending authority from offsetting collections to general fund	✓			
1822	Spending authority from offsetting collections permanently reduced	✓			+
1823	New and/or unobligated balance of spending authority from offsetting collections temporarily reduced	✓			
1824	Spending authority from offsetting collections precluded from obligation (limitation on obligations)	✓			
1825	Spending authority from offsetting collections applied to repay debt	✓			
1826	Spending authority from offsetting collections applied to liquidate contract authority	✓			
1827	Spending authority from offsetting collections substituted for borrowing authority	✓			
1850	Spending auth from offsetting collections, mand (total)	✓			
	Mandatory, {BEA Subcategory}				
1850-40	Spending authority from offsetting collections [Text]		✓		
1850-50	Baseline Program [Text]			✓	
	Policy Outlays				
1850-61	New Authority		✓		
1850-62	Balances (excl of EOY PY Bal)		✓		
1850-63	End of PY Balances		✓		
1850-64	Subtotal, outlays		✓		
	Baseline Outlays				
1850-81	New Authority			✓	
1850-82	Balances (excl of EOY PY Bal)			✓	
1850-83	End of PY Balances			✓	
1850-84	Subtotal, outlays			✓	
1900	Budget authority (total)	✓			
1901	Adjustment for new budget authority used to liquidate deficiencies	✓			
1930	Total budgetary resources available	✓			
	Memorandum (non-add) entries				
1940	Unobligated balance expiring	✓			
1941	Unexpired unobligated balance carried forward, end of year	✓			
	Special and non-revolving trust funds	✓			
1950	Other balances withdrawn and returned to unappropriated receipts	✓			+
1951	Unobligated balance expiring	✓			
1952	Expired unobligated balance carried forward, start of year	✓			
1953	Expired unobligated balance carried forward, end of year	✓			
1954	Unobligated balance canceling	✓			
1955	Other balances withdrawn and returned to general fund	✓			+

+Updated line

Schedule X Line Numbers Including Schedule A, S, and P Lines

New Line #	Line Description	Schedule P	Schedule A	Schedule S
	Limitations			
1963	Limitations: Not result of G-R-H [Text]			
	Mandatory, {BEA Subcategory}			
1963-40	Limitation [Text]		✓	
1963-50	Baseline Pay/Non-Pay			✓
	Policy Outlays			
1963-61	New Authority		✓	
1963-62	Balances (excl of EOY PY Bal)		✓	
1963-63	End of PY Balances		✓	
1963-64	Subtotal, outlays		✓	
	Baseline Outlays			
1963-81	New Authority			✓
1963-82	Balances (excl of EOY PY Bal)			✓
1963-83	End of PY Balances			✓
1963-84	Subtotal, outlays			✓
1966	Limitations: Not result of G-R-H [Text]			
	Discretionary, {BEA Subcategory}			
1966-40	Limitation [Text]		✓	
1966-50	Baseline Pay/Non-Pay			✓
	Policy Outlays			
1966-61	New Authority		✓	
1966-62	Balances (excl of EOY PY Bal)		✓	
1966-63	End of PY Balances		✓	
1966-64	Subtotal, outlays		✓	
	Baseline Outlays			
1966-81	New Authority			✓
1966-82	Balances (excl of EOY PY Bal)			✓
1966-83	End of PY Balances			✓
1966-84	Subtotal, outlays			✓
	Change in obligated balance			
	Unpaid obligations			
3000	Unpaid obligations, brought forward, Oct 1	✓		
3001	Adjustments to unpaid obligations, brought forward, Oct 1	✓		
3010	Obligations incurred, unexpired accounts	✓		
3011	Obligations incurred, expired accounts	✓		
3020	Outlays (gross)	✓		
3030	Unpaid obligations transferred to other accounts	✓		
3031	Unpaid obligations transferred from other accounts	✓		
3040	Recoveries of prior year unpaid obligations, unexpired accounts	✓		
3041	Recoveries of prior year unpaid obligations, expired accounts	✓		
3050	Unpaid obligations, end of year	✓		
	Uncollected payments			
3060	Uncollected pymts, Fed sources, brought forward, Oct 1	✓		
3061	Adjustments to uncollected pymts, Fed sources, brought forward, Oct 1	✓		
3070	Change in uncollected pymts, Fed sources, unexpired	✓		
3071	Change in uncollected pymts, Fed sources, expired	✓		
3080	Uncollected pymts, Fed sources transferred to other accounts	✓		
3081	Uncollected pymts from Fed sources transferred from other accounts	✓		
3090	Uncollected pymts, Fed sources, end of year	✓		
	Memorandum (non-add) entries			
3100	Obligated balance, start of year (+ or -)	✓		
3200	Obligated balance, end of year (+ or -)	✓		

+Updated line

Schedule X Line Numbers Including Schedule A, S, and P Lines

New Line #	Line Description	Schedule P	Schedule A	Schedule S
	Budget authority and outlays, net			
	Discretionary			
4000	Budget authority, gross	✓		
	Outlays, gross			
4010	Outlays from new discretionary authority	✓		
4011	Outlays from discretionary balances	✓		
4020	Outlays, gross (total)	✓		
	Offsets against gross budget authority and outlays			
	Offsetting collections (collected) from			
4030	Federal sources	✓		
	Discretionary, {BEA Subcategory}			
4030-41	Policy Program [Text]		✓	
4030-71	Baseline Program [Text]			✓
4031	Interest on Federal securities	✓		
	Discretionary, {BEA Subcategory}			
4031-41	Policy Program [Text]		✓	
4031-71	Baseline Program [Text]			✓
4033	Non-Federal sources	✓		
	Discretionary, {BEA Subcategory}			
4033-41	Policy Program [Text]		✓	
4033-71	Baseline Program [Text]			✓
4034	Offsetting governmental collections	✓		
	Discretionary, {BEA Subcategory}			
4034-41	Policy Program [Text]		✓	
4034-71	Baseline Program [Text]			✓
4040	Offsets against gross budget authority and outlays (total)	✓		
	Additional offsets against gross budget authority only			
4050	Change in uncollected pymts, Fed sources, unexpired	✓		
	Discretionary, {BEA Subcategory}			
4050-41	Policy Program [Text]		✓	
4050-71	Baseline Program [Text]			✓
4052	Offsetting collections credited to expired accounts	✓		
	Discretionary, {BEA Subcategory}			
4052-41	Policy Program [Text]		✓	
4052-71	Baseline Program [Text]			✓
4060	Additional offsets against budget authority only (total)	✓		
4070	Budget authority, net (discretionary)	✓		
4080	Outlays, net (discretionary)	✓		
	Mandatory			
4090	Budget authority, gross	✓		
	Outlays, gross			
4100	Outlays from new mandatory authority	✓		
4101	Outlays from mandatory balances	✓		
4110	Outlays, gross (total)	✓		

+Updated line

Schedule X Line Numbers Including Schedule A, S, and P Lines

New Line #	Line Description	Schedule P	A	S
	Budget authority and outlays, net (cont.)			
	Offsets against gross budget authority and outlays			
	Offsetting collections (collected) from			
4120	Federal sources	✓		
	Mandatory, {BEA Subcategory}			
4120-41	Policy Program [Text]		✓	
4120-71	Baseline Program [Text]			✓
4121	Interest on Federal securities	✓		
	Mandatory, {BEA Subcategory}			
4121-41	Policy Program [Text]		✓	
4121-71	Baseline Program [Text]			✓
4122	Interest on uninvested funds	✓		
	Mandatory, {BEA Subcategory}			
4122-41	Policy Program [Text]		✓	
4122-71	Baseline Program [Text]			✓
4123	Non-Federal sources	✓		
	Mandatory, {BEA Subcategory}			
4123-41	Policy Program [Text]		✓	
4123-71	Baseline Program [Text]			✓
4124	Offsetting governmental collections	✓		
	Mandatory, {BEA Subcategory}			
4124-41	Policy Program [Text]		✓	
4124-71	Baseline Program [Text]			✓
4130	Offsets against gross budget authority and outlays (total)	✓		
	Additional offsets against gross budget authority only			
4140	Change in uncollected pymts, Fed sources, unexpired	✓		
	Mandatory, {BEA Subcategory}			
4140-41	Policy Program [Text]		✓	
4140-71	Baseline Program [Text]			✓
4142	Offsetting collections credited to expired accounts	✓		
	Mandatory, {BEA Subcategory}			
4142-41	Policy Program [Text]		✓	
4142-71	Baseline Program [Text]			✓
4150	Additional offsets against budget authority only (total)	✓		
4160	Budget authority, net (mandatory)	✓		
4170	Outlays, net (mandatory)	✓		
4180	Budget authority, net (total)	✓		
4190	Outlays, net (total)	✓		

+Updated line

Schedule X Line Numbers Including Schedule A, S, and P Lines

New Line #	Line Description	Schedule P	A	S	
	Memorandum (non-add) entries				
5000	Total investments, SOY: Federal securities: Par value	✓			
5001	Total investments, EOY: Federal securities: Par value	✓			
5010	Total investments, SOY: non-Federal securities: Market value	✓			
5011	Total investments, EOY: non-Federal securities: Market value	✓			
5050	Unobligated balance, SOY: Contract authority	✓			
5051	Unobligated balance, EOY: Contract authority	✓			
5052	Obligated balance, SOY: Contract authority	✓			
5053	Obligated balance, EOY: Contract authority	✓			
5054	Fund balance in excess of liquidating requirements, SOY: Contract authority	✓			
5055	Fund balance in excess of liquidating requirements, EOY: Contract authority	✓			
5061	Limitation on obligations (Transportation Trust Funds)	✓			
5080	Outstanding debt, SOY	✓			+
5081	Outstanding debt, EOY	✓			+
5082	Borrowing	✓			+
5090	Unavailable balance, start of year: Offsetting collections	✓			+
5091	Unavailable balance, end of year: Offsetting collections	✓			+
5092	Unavailable balance, start of year: Appropriations	✓			+
5093	Unavailable balance, end of year: Appropriations	✓			+
5094	Unavailable balance, start of year: Contract authority	✓			+
5095	Unavailable balance, end of year: Contract authority	✓			+
5096	Unavailable balance, start of year: Borrowing authority	✓			+
5097	Unavailable balance, end of year: Borrowing authority	✓			+
5100	Discretionary mandated transfer to other accounts	✓			
5101	Discretionary mandated transfer from other accounts	✓			
5150	Number of beneficiaries (in thousands) - Adj. Baseline			✓	
	Unfunded deficiencies				
7000	Unfunded deficiency, start of year	✓			
	Change in deficiency during the year				
7010	New deficiency	✓			
7011	Deficiency appropriation	✓			
7012	New budget authority used to liquidate deficiencies	✓			
7020	Unfunded deficiency, end of year	✓			

+Updated line

SECTION 83—OBJECT CLASSIFICATION (MAX SCHEDULE O)

Table of Contents

General Information

83.1 What are object classes?
83.2 Why must I report object class information?
83.3 How do object classes compare to functional and character classes and program activity?
83.4 How does the object class schedule relate to the program and financing schedule?
83.5 How can I determine whether an obligation should be classified as direct or reimbursable?
83.6 What object class codes and definitions should I use?
83.7 What object classes do I associate with civilian and military pay and benefits in the baseline?

Classifying Specific Types of Transactions

83.8 How do I classify relocation expenses related to a permanent change of station (PCS)?
83.9 How do I classify purchases related to information technology (IT)?
83.10 How do I classify obligations for education and training?
83.11 How do I classify obligations for real property (space, land, and structures)?
83.12 How do I classify obligations for Federal civilian retirement under CSRS?
83.13 How do I classify obligations for military retirement?
83.14 How do I classify intragovernmental transactions?
83.15 How do I classify obligations under the Intergovernmental Personnel Act (IPA)?
83.16 How do I classify obligations for Tricare benefits for uniformed service members?

The Printed Object Class Schedule and MAX Schedule O

83.17 How is object class information presented in MAX schedule O and the Appendix?
83.18 When I report data in MAX Schedule O will it generate subtotals or totals?

Ex–83A Summary of Object Class Codes and Standard Titles (MAX Schedule O)
Ex–83B Object Classification—Without Allocation Accounts
Ex–83C Object Classification—With Allocation Accounts

Summary of Changes

Specify that payments to whistleblowers should be reported in object class 11.8 Special personal services payments (section 83.6).

83.1 What are object classes?

Object classes are categories in a classification system that presents ***obligations by the items or services purchased*** by the Federal Government. These are the major object classes:

- 10 Personnel compensation and benefits
- 20 Contractual services and supplies
- 30 Acquisition of assets
- 40 Grants and fixed charges
- 90 Other

We divide these major classes into smaller classes and present them in the Budget Appendix in object class schedules.

The object classes present obligations according to their initial purpose, *not the end product or service*. For example, if you pay a Federal employee who constructs a building, classify the obligations for the employee's wages under *Personnel compensation and benefits*, rather than *Acquisition of assets*. If you purchase a building, classify the contractual obligations under *Acquisition of assets*.

You record *obligations* when the Federal Government places an order for an item or a service, awards a contract, receives a service, or enters into similar transactions that will require payments in the same or a future period (see section 20.5). You also record obligations when you make an *expenditure* transfer between Federal Government accounts (see section 20.4(j)).

83.2 Why must I report object class information?

You must report object class information because the law (31 U.S.C. 1104(b)) requires the President's Budget to present obligations by object class for each account.

83.3 How do object classes compare to functional and character classes and program activity?

The following table shows how the object classification system differs from the other classification systems used in the President's Budget.

Classification System	What is classified?	What does it tell me?
Object class	Obligations	Goods or services or items purchased, for example, supplies, rent, or equipment
Program activity (see section 82.5)	Obligations	Activity, project, or other programmatic distinction
Functional class (see section 79.3(d))	Budget authority, outlays, and offsetting receipts	Major purpose served, for example, national defense, health, income security
Character class (see section 84.4)	Budget authority, outlays, and offsetting receipts	Whether the amount pays for an *investment* or noninvestment and whether the amount is a *gran*t to a State and local government or a *direct* Federal program; If investment, then, what type: physical asset, conduct of R&D, or conduct of education and training

83.4 How does the object class schedule relate to the program and financing schedule?

You report object class information whenever you report obligations on a program and financing (P&F) schedule (except you do not report object class information for credit financing accounts). This means you report obligations by object class separately for the regular budget requests, supplemental budget requests, rescission proposals, and legislative proposals.

In addition, object class schedules separately identify the following types of obligations:

- Direct and reimbursable obligations (see section 83.5).
- Obligations between agencies (see section 83.14).

83.5 How can I determine whether an obligation should be classified as direct or reimbursable?

In general, reimbursable obligations are those financed by offsetting collections (see section 20.7(d)) received in return for goods and services provided, while all other obligations are direct. However, there are exceptions. Classify *obligations* as "direct" or "reimbursable" in accordance with the following criteria:

If the obligations are . . .	**And if . . .**	**And the schedule P offsetting collections lines are from . . .**	**The classification is . . .**
NOT financed from offsetting collections			Direct
Financed from any type of budgetary resources, including offsetting collections	The account is a CREDIT program or liquidating account		Direct
Financed from offsetting collections from:			Direct
• Asset sales (including GSA recycling funds);		Non-Federal sources (lines 4033 or 4123)	
• Interest on Federal securities;		Lines 4031 or 4121	
• Interest on uninvested funds;		Lines 4032 or 4122	
• Compulsory collections derived from the Government exercising its sovereign powers, , e.g., taxes, compulsory user charges, regulatory fees, inspection fees, customs duties, license fees;		Non-Federal sources (lines 4033 or 4123) or Offsetting Governmental Collections (lines 4034 or 4124)	
• Intragovernmental expenditure or non-expenditure transfers;	There is no benefit exchanged to the paying account (e.g., does not receive a good or service)	Federal sources (lines 4030 or 4120)	
• Donations; or		Non-Federal sources (lines 4033 or 4123)	
• Refunds.		Federal sources (lines 4030 or 4120) or Non-Federal Sources (lines 4033 or 4123)	
Financed from offsetting collections received in return for goods or services provided, including: • Reimbursements under the IPA (see section 83.15); and • Voluntary insurance premiums	The account is NOT a credit program or liquidating account	Federal sources (lines 4030 or 4120) or Non-Federal Sources (lines 4033 or 4123)	Reimbursable
Financed from offsetting collections from other Federal government account(s)	The collections are for a jointly funded grant or project	Federal Sources (lines 4030 or 4120)	Reimbursable

The amounts you classify as reimbursable obligations in both MAX Schedule O and MAX schedule P for a budget account should be identical with the following exceptions:

- Line 9995, *Below reporting threshold*, in MAX Schedule O may contain a mixture of direct and reimbursable obligations. These amounts are not material because they are normally $4 million or less;

- Credit financing accounts do not have any MAX Schedule O

MAX Schedule O. Use the 4–digit object class line numbers in exhibit 83A when you enter obligations by object class in MAX schedule O. Be sure to use the correct prefix to distinguish reimbursable from direct obligations. For reimbursable obligations, if the obligations are for the parent account use 2xxx and if the obligations are in an allocation account use 4xxx.

MAX Schedule P. Use the 4–digit program activity codes described in section 82.5 when you report obligations. For reimbursable obligations, use x8xx.

83.6 What object class codes and definitions should I use?

Earlier, we said that we divided the major object classes into smaller ones. The following table provides the codes, standard titles, and definitions used to identify detailed object class data. Exhibit 83A summarizes the codes and standard titles used in MAX Schedule O.

Entry		Description
10	**PERSONNEL COMPENSATION AND BENEFITS**	This major object class consists of object classes 11, 12, and 13.
11	Personnel compensation	Compensation directly related to duties performed for the Government by Federal civilian employees, military personnel, and non-Federal personnel. Object class 11 covers object classes 11.1 through 11.8.
11.1	Full-time permanent	For full-time civilian employees with permanent appointments. Full-time permanent employees are those who are full-time civilian employees with *permanent appointments as defined by the Office of Personnel Management* (OPM). The nature of the employee's appointment is controlling, not the nature of the position. For this object class, include full-time permanent employees in the: • Competitive Service with career and career-conditional appointments. • Excepted Service whose appointments carry no restriction or condition. Include those serving trial periods or whose tenure is equivalent to career-conditional tenure in the Competitive Service. Exclude those serving on indefinite appointments and appointments limited to a specific time. • Senior Executive Service (SES) with career appointments as defined in 5 U.S.C. 3132(a)(4) and non career appointments as defined in 5 U.S.C. 3132(a)(7). Refer to your agency's human resources office for assistance on the types of appointments for staff in your agency. Include: • Regular salaries and wages paid to the employees (some of which may be withheld from the employee's check to pay taxes, to pay a bill in a credit union, or to pay the employee's share of life and health insurance). • Other payments that become part of their basic pay (for example, geographic differentials, and critical position pay).

Entry		Description
		• Regular salaries and wages paid while the employees are on paid leave, such as annual, sick, or compensatory leave. • Lump sum payments for annual leave upon separation (also known as terminal leave payments). Exclude: • Compensation above the basic rate, for example, overtime or other premium pay, which will be classified in object class 11.5, *Other personnel compensation.* • Full-time *temporary* employees who are full-time civilian employees with *temporary appointments as defined by OPM* who will be classified in object class 11.3, *Other than full-time permanent*.
11.3	Other than full-time permanent	Regular salaries and wages paid to civilian employees for part-time, temporary, or intermittent employment (see note below). Include: • Part-time permanent employees, that is, employees with appointments that require work on a prearranged schedule of fewer hours or days of work than prescribed for full-time employees in the same group or class. • Temporary employees, that is, employees with appointments for a limited period of time that is generally less than a year. For example: (a) full-time temporary employees, (b) seasonal employees without permanent appointments, (c) employees with term appointments, and (d) employees with indefinite appointments. • Personnel appointments and advisory committees. • Intermittent employees, that is, employees with appointments that require work on an irregular or occasional basis and who are paid only for the time actually employed or services actually rendered. *Note:* For personal services contracts with individuals, who are classified by OPM as Federal employees, classify the basic pay in this object class and classify compensation above the basic pay in object class 11.5, *Other personnel compensation*. On the other hand, classify the payments to a contractor principally for the personal services of a group of the contractor's employees according to the type of contract involved (for example, classify personal services contracts for operation and maintenance of facilities under object class 25.4).
11.5	Other personnel compensation	Compensation *above the basic rates* paid directly to civilian employees. Include: • Overtime, which is pay for services in excess of the established work period as defined in 5 U.S.C. 5542, standby duty and administratively uncontrollable overtime as defined in 5 U.S.C. 5545, and unscheduled availability duty hours for criminal investigations as defined in 5 U.S.C. 5545(a). • Holiday pay as defined in 5 U.S.C. 5546(b). • Night work differential, which is pay above the basic rate for regularly scheduled night work.

Entry		Description
		• Post differentials, which are authorized under 5 U.S.C. 5925 above the basic rate for service at hardship posts abroad that are based upon conditions of environment substantially different from those in the continental United States and warrant additional pay as a recruitment and retention incentive. • Hazardous duty pay, which is pay above the basic rate because of assignments involving performance of duties that subject the employee to hazards or physical hardships. *Note*: Post differentials and hazardous duty pay result from the job or services performed. For example, a job performed at a hardship post abroad or under hazardous duty is different from what might appear to be the same job performed elsewhere and under non-hazardous conditions. Hence, both are classified with other pay in object class 11 and not as benefits in object class 12. By contrast, compensation in the form of cost of living allowances are classified as benefits in object class 12 because they do not result from the job or services performed. The cost for a job in one locale is different from the same job in another locale simply because the cost of living is higher in one locale. • Supervisory differential, which is pay above the basic rate to adjust the compensation of a supervisor to a level greater than the highest paid subordinate. The differential applies to a General Schedule employee who supervises one or more employees not covered by the General Schedule. • Cash incentive awards, which are payments for cash awards that do not become part of the Federal civilian employee's basic rate of pay, such as those authorized under 5 U.S.C. 4503, 4504, 4505(a), 4507, and 5384. • Other payments above basic rates, which are payments for other premium pay, such as stand-by pay and premium pay in lieu of overtime and special pay that is paid periodically during the year in the same manner and at the same time as regular salaries and wages are paid. Exclude other payments which are classified in object class 12.1, *Civilian personnel benefits*. • Royalties to Federal scientists and inventors which may last up to 17 years and may be paid after the employee has left Federal service or to the employee's beneficiary.
11.6	Military personnel - basic allowance for housing	Basic allowance given for housing to personnel of the uniformed service, including the commissioned corps of the Public Health Service and the National Oceanic and Atmospheric Administration.
11.7	Military personnel	The regular salaries and wages paid to personnel of the uniformed service, including the commissioned corps of the Public Health Service and the National Oceanic and Atmospheric Administration (some of which may be withheld from the employee's check to pay taxes, to pay a bill in a credit union, or to pay the employee's share of life and health insurance) as well as amounts above the basic pay rates. For "amounts above the basic pay rates", apply the same definitions as for civilian employees in object class 11.5. Include: • Flight pay. • Basic allowance for subsistence (BAS). • Extra pay based upon conditions of environment (except cost of

Entry		Description
		living allowances for locations outside the contiguous 48 States and the District of Columbia which will be classified in object class 12.2, Military personnel benefits).
11.8	Special personal services payments	Payments for personal services that do not represent salaries or wages paid directly to Federal employees and military personnel. Include: • Reimbursable details, that is, payments to other accounts for personal services of civilian employees and military personnel on reimbursable detail (both compensation and personnel benefits). • Reemployed annuitants, that is, payments by an agency employing an annuitant to reimburse the Civil Service Retirement and Disability Fund for the annuity paid to that employee under 5 U.S.C. 8339 through 8344. • Non-Federal civilians, such as witnesses; casual workers, patient and inmate help, and allowances for trainees and volunteers. • Salary equalization (authorized under 5 U.S.C. 3372 and 3584) to individuals on leave of absence while employed by international organizations or State and local governments, when the equalization payment is 50 percent or less of the person's salary. • Staff of former Presidents paid by the General Services Administration (GSA) under 3 U.S.C. 102(b). • Payments from the Working Capital Fund to the military personnel accounts to reimburse for work done by military personnel for the Working Capital Fund. • Payments to a person who tells someone in authority about alleged dishonest or illegal activities occurring in a Government agency. Often referred to as a "whistleblower."
11.9	Total personnel compensation	This line is automatically generated when there are multiple direct compensation lines.
12	Personnel benefits	Benefits for ***currently*** employed Federal civilian, military and certain non-Federal personnel. Covers object classes 12.1 and 12.2. *Note:* Show benefits to certain ***former*** civilian and military personnel in object classes 13.0 and 42.0.
12.1	Civilian personnel benefits	Cash payments (from the agency, not funds withheld from employee compensation) to other funds for the benefit of Federal civilian employees or direct payments to these employees. Include payments to or for certain non-Federal employees as required by law. Non-Federal civilian employees are employees who are not reportable to the Office of Personnel Management as Federal employees, such as witnesses, casual workers, trainees, volunteers. For example, Peace Corps and VISTA volunteers, Job Corps enrollees, and U.S. Department of Agriculture Extension Service agents. Include: • Insurance and annuities, which are the employer's share of payments for life insurance, health insurance, employee retirement (including agency contributions to the Thrift Savings Program), work injury disabilities or death and professional liability insurance (which are payments to reimburse qualified Federal employees for up to one half the cost of professional liability insurance premiums, as authorized by P.L. 104–208 and amended by P.L. 106–58).

Entry		Description
		• Recruitment, retention, and other incentives, such as: ▸ Payments above the basic rate for recruitment bonuses, relocation bonuses, and retention allowances authorized by 5 U.S.C. 5753 and 5754. ▸ Payment to the loan holder (e.g., the bank) to repay an employee's student loan as a recruitment incentive. ▸ Extended assignment incentives. ▸ Relocation and other expenses related to permanent change of station (PCS), except expenses for travel and transportation and the storage and care of vehicles and household goods (see section 83.8). ▸ Cash allowances for separate maintenance, education for dependents, transfers for employees stationed abroad, and personal allowances based upon assignment or position, and overseas differentials. ▸ Cost-of-living allowances (COLAs) as authorized under 5 U.S.C. 5924 and 5941 and other laws. *Note*: COLAs are classified as benefits in object class 12 (and not as compensation in object class 11) because they are not related to the job or service performed. ▸ Student loan repayments authorized by 5 U.S.C. 5379. • Other allowances and payments such as allowances for uniforms and quarters, special pay that is paid in a lump sum (such as compensatory damages or employee settlements), reimbursements for notary public expenses, and subsidies for commuting costs, that is, payments to subsidize the costs of Federal civilian employees in commuting by public transportation.
12.2	Military personnel benefits	Cash allowances and payments of employer share to other funds for military personnel. Include: • Cash allowances, such as: ▸ Uniform allowances. ▸ Extended assignment incentives. ▸ Reenlistment bonuses. ▸ Cost-of-living allowances. ▸ Dislocation and family separation allowances. ▸ Personal allowances based upon assignment or rank. • Payments to other funds, such as the employer's share of military retirement, Medicare-Eligible Retiree Health Care, Federal Insurance Contribution Act taxes, Servicemen's Group Life Insurance premiums, and education benefits. • Subsidies for commuting costs, which are payments to subsidize the costs of military personnel in commuting by public transportation. Exclude: • Basic allowance for housing which classified in object class 11.6; Hazardous duty pay, flight pay, extra pay based upon conditions of work environment, and other such pay, which are classified as

Entry		Description
		military personnel compensation in object class 11.7; and benefit payments to veterans resulting from their past service, which are classified as benefits to former personnel in object class 13.0. • Homeowners assistance which are classified as grants, subsidies and contributions in object class 41.0.
13.0	Benefits for former personnel	Benefits for former officers and employees or their survivors that are based (at least in part) on the length of service to the Federal Government. Include: • Retirement benefits in the form of pensions, annuities, or other retirement benefits paid to former military and certain civilian Government personnel or to their survivors. Exclude payments made directly to beneficiaries from retirement (special or trust) funds, which are classified as insurance claims and indemnities under object class 42.0. • Separation pay, which are severance payments to former employees who were involuntarily separated through no fault of their own and voluntary separation incentive (VSI) payments, also known as "buy-outs" to employees who voluntarily separate from Federal service. • Payments to other funds for ex-Federal employees and ex-service personnel (e.g., agency payments to the unemployment trust fund for ex-employees and one-time agency payments of final basic pay to the civil service retirement fund for employees who took the early-out under buy-out authority) and other benefits paid directly to the beneficiary. Also, Government payment to the employees health benefits and life insurance funds for annuitants. Exclude: • In-kind benefits, such as hospital and medical care, which are classified under the object class representing the nature of the items purchase.
20	**CONTRACTUAL SERVICES AND SUPPLIES**	This major object class covers purchases of contractual services and supplies in object classes 21.0 through 26.0.
21.0	Travel and transportation of persons	Travel and transportation costs of Government employees and other persons, while in an authorized travel status, that are to be paid by the Government either directly or by reimbursing the traveler. Consists of both travel away from official stations, subject to regulations governing civilian and military travel, and local travel and transportation of persons in and around the official station of an employee. Include: • Contracts to transport people from place to place, by land, air, or water, such as commercial transportation charges; rental or lease of passenger cars; charter of trains, buses, vessels, or airplanes; ambulance service or hearse service; and expenses incident to the operation of rented or chartered conveyances.(Rental or lease of all passenger-carrying vehicles is to be charged to this object class, even though such vehicles may be used incidentally for transportation of things.) • Incidental travel expenses which are other expenses directly related to official travel, such as baggage transfer, and telephone and telegraph expenses, as authorized by travel regulations.

Entry		Description
22.0	Transportation of things	Transportation of things (including animals), the care of such things while in process of being transported, and other services incident to the transportation of things. Include: • Freight and express charges by common carrier and contract carrier, including freight and express, switching, crating, refrigerating, and other incidental expenses. • Trucking and other local transportation charges for hauling, handling, and other services incident to local transportation, including contractual transfers of supplies and equipment. • Mail transportation charges for express package services (i.e., charges for transporting freight) and postage used in parcel post. Exclude other postage and charges that are classified under object class 23.3. • Transportation of household goods related to permanent change of station (PCS). Exclude: • Transportation paid by a vendor, regardless of whether the cost is itemized on the bill for the commodities purchased by the Government. Since shipping charges are not consistently separated on bills for commodities purchased, they should not be recorded under this object class even if such a separation is provided.
23	Rent, Communications, and Utilities	Payments for the use of land, structures, or equipment owned by others and charges for communication and utility services. Object class 23 covers object classes 23.1 through 23.3.
23.1	Rental payments to GSA	Payments to the General Services Administration (GSA) for rental of space and rent related services. Exclude: • Payments to a non-Federal source, which will be reported in object class 23.2, *Rental payments to others*. • Payments to agencies other than GSA for space, land, and structures that are subleased or occupied by permits, which will be classified in object class 25.3, *Other goods and services from Federal sources*, regardless of whether the space is owned or leased by the agency other than GSA. • Payments for related services provided by GSA in addition to services provided under rental payments, e.g., extra protection or extra cleaning, which will be classified in object class 25.3, *Other goods and services from Federal sources*. • Payments for rental of transportation equipment, which are classified under object class 21.0, *Travel and transportation of person*, or object class 22.0, *Transportation of things*.
23.2	Rental payments to others	Payments to a non-Federal source for rental of space, land, and structures.
23.3	Communications, utilities, and miscellaneous charges	Payment for information technology, utilities and miscellaneous charges. Include: • Rental or lease of information technology equipment, include any hardware or software, or equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or

Entry		Description
		information, such as mainframe, mid-tier, and workstation computers. Exclude contractual services involving the use of equipment in the possession of others, such as computer time-sharing or data center outsourcing, which will be classified in object class 25.7, *Operation and maintenance of equipment*. • Information technology services, include data, voice, and wireless communication services, such as long-distance telephone services from other Federal agencies or accounts. Exclude charges for maintenance of information technology and related training and technical assistance, when significant and readily identifiable in the contract or billing, which will be classified in object class 25.7, *Operation and maintenance of equipment*. • Postal services and rentals, include postage (exclude parcel post and express mail service for freight); contractual mail (include express mail service for letters) or messenger service; and rental of post office boxes, postage meter machines, mailing machines, and teletype equipment. • Data communication services (voice, data, and wireless) from other Government agencies or accounts. • Utility services include heat, light, power, water, gas, electricity, and other utility services. • Miscellaneous charges, for example, periodic charges under purchase rental agreements for equipment. (Payments subsequent to the acquisition of title to the equipment should be classified under object class 31.0, *Equipment*.) Exclude payments under lease-purchase contracts for construction of buildings, which will be classified in object class 32.0, *Land and structures*, or object class 43.0, *Interest and dividends*, and for lease-purchase contracts for information technology and telecommunications equipment which will be classified in object class 31.0, *Equipment*.
24.0	Printing and reproduction	Printing and reproduction obtained from the private sector or from other Federal entities. Include: • Electronic publications. • Photo composition, photography, blueprinting, photostating, and microfilming. Includes electronic asset management of photography and videos. • Typesetting and lithography. • Duplicating. • Standard forms when specially printed or assembled to order and printed envelopes and letterheads. • Publication of notices, advertising, radio and television time. • The related composition and binding operations performed by the Government Printing Office, other agencies, or other units of the same agency on a reimbursable basis, and commercial printers or photographers.

<table>
<tr><th colspan="2">Entry</th><th>Description</th></tr>
<tr><td></td><td></td><td>Note: In determining subclasses for administrative use, agencies may appropriately maintain a distinction between traditional printing technologies and photo static reproduction.</td></tr>
<tr><td>25</td><td>Other contractual Services</td><td>Object class 25 covers object classes 25.1 through 25.8.</td></tr>
<tr><td>25.1</td><td>Advisory and assistance services</td><td>Services acquired by contract from non-Federal sources (that is, the private sector, foreign governments, State and local governments, tribes), as well as, from other units within the Federal Government. This object class consists of three types of services:

Management and professional support services.
Studies, analyses, and evaluations.
Engineering and technical services.

Each is described in further detail below.

<u>Management and professional support services</u>.
Include:

Services that assist, advise, or train staff to achieve efficient and effective management and operation of organizations, activities, or systems (including management and professional support services for information technology and R&D activities).
Services that are normally closely related to the basic responsibilities and mission of the agency contracting for the services.
Services that support or contribute to improved organization of program management, logistics, management, project monitoring and reporting, data collection, budgeting, accounting, performance auditing, and administrative/technical support for conferences and training programs.
<u>Exclude</u> auditing of financial statements, which will be classified in object class 25.2, Other services from non-Federal sources.

<u>Studies, analyses, and evaluations</u> provide organized analytic assessments or evaluations in support of policy development, decision-making, management, or administration.
Include:

Studies in support of information technology and R&D activities.
Models, methodologies, and related software supporting studies, analyses, or evaluations.

<u>Engineering and technical services</u> (excluding routine engineering services and operation and maintenance of information technology and data communications services).
Include:

Services that support the program office during the acquisition cycle by providing such services as information technology architecture development, systems engineering, and technical direction (FAR 9.505–1(b)).
Services that ensure the effective acquisition, operation, and maintenance of a major acquisition, weapon system or major system, as defined in OMB Circular No. A–109 and in this Circular's supplement, Capital Programming Guide. \
</td></tr>
</table>

Entry		Description
		• Provide direct support of a major acquisition or weapons system that is essential to planning, R&D, production, or maintenance of the acquisition or system. Include information technology consulting services, such as information technology architecture design and capital programming, and investment control support services. • Include software services such as implementing a web-based, commercial off-the-shelf software product that is an integral part of a consulting services contract. Exclude: • Information technology consulting services, which have large scale systems acquisition and integration or large scale software development as their primary focus. Classify these in object class 31.0, *Equipment*. • Personnel appointments and advisory committees. Classify these in object class 11.3, *Other than full-time permanent*. • Contracts with the private sector for operation and maintenance of information technology and telecommunication services. Classify these in object class 25.7, *Operation and maintenance of equipment*. • Architectural and engineering services as defined in the Federal Acquisition Regulations (FAR) 36.102 (40 U.S.C. 541). • Research on theoretical mathematics and basic medical, biological, physical, social, psychological, or other phenomena which will be classified in object class 25.5, *Research and development contracts*. Other contractual services classified in object classes 25.2, *Other services from non-Federal sources*, through 25.8, *Subsistence and support of persons*, and 26.0, *Supplies and materials*.
25.2	Other services from non-Federal sources	Report contractual services with non-Federal sources that are *not otherwise classified* under this object class. Include: • Auditing of financial statements when done by contract with the private sector. Exclude performance auditing by contract with the private sector, which will be classified in object class 25.1, *Advisory and assistance services* and auditing of financial statements when done by contract with another Federal Government entity, which will be classified in object class 25.3, *Other goods and services from Federal sources*. • Typing and stenographic service contracts with the private sector. • Purchases from State and Local governments, the private sector, and Government sponsored enterprises that are not otherwise classified. • Tuition for the general education of employees (e.g., for courses for credit leading to college or post graduate degrees). Exclude tuition for training closely-related to the basic responsibilities and mission of the agency, which are classified under object class 25.1, *Advisory and assistance services.*

Entry		Description
		• Fees and other charges for abstracting land titles, premiums on insurance (other than payments to the Office of Personnel Management), and surety bonds. Exclude: • Advisory and assistance services contracts, which are classified under object class 25.1, *Advisory and assistance services*. • Contractual services reported in other object classes 21.0, 22.0, 23.1–23.3, 24.0, 25.1, 25.3–25.8, and 26.0. • Services in connection with the initial installation of equipment, when performed by the vendor, which will be classified in object class 31.0, *Equipment*. • Expenditure transfers between Federal accounts, which are classified in object classes 25.3, *Other goods and services from Federal sources,* and 92.0, *Undistributed*, as described below. • Repair, maintenance, and storage of vehicles and storage of household goods, which are reported in object class 25.7, *Operation and maintenance of equipment*. • Repairs and alterations to buildings, which are classified in object classes 25.4, *Operation and maintenance of facilities*, or 32.0, *Land and structures*, as appropriate. • Subsistence and support of persons, which is classified as object class 25.8, *Subsistence and support of persons*. • Research and development contracts which will be classified in object classes, *Advisory and assistance services*, 25.4, *Operation and maintenance of facilities*, and 25.5, *Research and development contracts*, as appropriate.
25.3	Other goods and services from Federal sources	Purchases from other Federal Government agencies or accounts *that are not otherwise classified*. **Do not use this object class if a more specific object class applies. See section 83.14.** Include: • Rental payments to Federal Government accounts other than the GSA Federal Buildings Fund. • Interagency agreements for contractual services (including the Economy Act) for the purchase of goods and services, except as described below. • Expenditure transfers between Federal Government accounts for jointly-funded grants or projects. Exclude: • Purchases from State and local governments, the private sector, and Government sponsored enterprises that are not otherwise classified. Classify these in object class 25.2, *Other services from non-Federal sources*. • Data communication services (voice, data, and wireless) from other agencies or accounts. Classify these in object class 23.3, *Communications, utilities, and miscellaneous charges*. • Agreements with other agencies to make repairs and alterations to buildings. Classify these in object classes 25.4, *Operation and maintenance of facilities*, or 32.0, *Land and structures*, as appropriate.

Entry		Description
		• Storage and maintenance of vehicles and household goods. Classify these in object class 25.7, *Operation and maintenance of equipment*. • Subsistence and support of persons. Classify these in object class 25.8, *Subsistence and support of persons*. • Development of software, or maintenance of software or hardware. Classify these in object classes 31.0, *Equipment*, and 25.7, *Operation and maintenance of equipment*, respectively. • Advisory and assistance services. Classify these in object class 25.1, *Advisory and assistance services*. • Payments made to other agencies for services of civilian employees or military personnel on reimbursable detail. Classify these in object class 11.8, *Special personal services payments*. • Contractual services classified under object classes 21.0, 22.0, 23.1–23.3, 24.0, 25.2, 25.4–25.8, and 26.0.
25.4	Operation and maintenance of facilities	Operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. Include: • Government-owned contractor-operated facilities (GOCOs). • Service contracts and routine repair of facilities and upkeep of land. • Operation of facilities engaged in research and development activities. Exclude: • Alterations, modifications, or improvements to facilities and land, which will be reported in object class 32.0, *Land and structures.*
25.5	Research and development contracts	Contracts for the conduct of basic and applied research and development. Exclude: • Advisory and assistance services for research and development (object class 25.1, *Advisory and assistance services*). • Operation and maintenance of R&D facilities (object class 25.4, *Operation and maintenance of facilities*).
25.6	Medical care	Payments to private sector contractors as well as Federal agency contractors for medical care. Include: • Payments to Medicare contractors. • Payments to private hospitals. • Payments to nursing homes. • Payments to group health organizations for medical care services provided to veterans. • Payments to carriers by the Employees and retired employees' health benefits fund and the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). • Payments to HHS for medical care provided by Public Health Service officers.

<table>
<tr><th colspan="2">Entry</th><th>Description</th></tr>
<tr><td></td><td></td><td>Exclude:
Contracts with individuals who are reportable under Office of Personnel Management regulations as Federal employees (object class 11.3, Other than full-time permanent, or 11.5, Other personnel compensation, as appropriate).
Payments to compensate casual workers and patient help (object class 11.8, Special personal services payments).</td></tr>
<tr><td>25.7</td><td>Operation and maintenance of equipment</td><td>Operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account.
Include:
Storage and care of vehicles and storage of household goods, including those associated with a permanent change of station (PCS).
Operation and maintenance of information technology systems, including maintenance that is part of a rental contract, when significant and readily identifiable in the contract or billing.
Contractual services involving the use of equipment in the possession of others, such as computer time-sharing or data center outsourcing.
Exclude:
Rental of information technology systems, services and other rentals, which are classified in object class 23.3, Communications, utilities, and miscellaneous charges.
Contracts where the principal purpose is to develop or modernize software, which are classified in object class 31.0, Equipment.</td></tr>
<tr><td>25.8</td><td>Subsistence and support of persons</td><td>Contractual services with the public or another Federal Government account for the board, lodging, and care of persons, including prisoners

<u>Exclude</u> travel items, which are classified under object class 21.0, Travel and transportation of persons, and hospital care, which is classified under object class 25.6, Medical care.</td></tr>
<tr><td>26.0</td><td>Supplies and materials</td><td>Commodities that are:
Ordinarily consumed or expended within one year after they are put into use.
Converted in the process of construction or manufacture.
Used to form a minor part of equipment or fixed property.
Other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.
Include:
Office supplies, such as pencils, paper, calendar pads, notebooks, standard forms (except when specially printed or assembled to order), unprinted envelopes, other office supplies, and property of little monetary value, such as desk trays, pen sets, and calendar stands.
Publications, such as pamphlets, documents, books, newspapers, periodicals, records, cassettes, or other publications whether printed, microfilmed, photocopied, or otherwise recorded for auditory or visual use that are off-the-shelf rather than specially ordered by or at the request of the agency.</td></tr>
</table>

Entry		Description
		Exclude publications acquired for permanent collections, which are classified under object class 31.0, *Equipment*. • Information technology supplies and materials, such as manuals, data storage media (CD-ROM, diskettes, digital tape), and toner cartridges for laser printers or fax machines. Exclude charges for off-the-shelf software purchases which should be classified in object class 25.1, *Advisory and assistance services*, if the purchase is an integral part of a consulting services contract, or object class 31.0, *Equipment*, if the purchase is considered equipment. • Chemicals, surgical and medical supplies. • Fuel used in cooking, heating, generating power, making artificial gas, and operating motor vehicles, trains, aircraft, and vessels. • Clothing and clothing supplies, such as materials and sewing supplies used in manufacture of wearing apparel. • Provisions such as food and beverages. • Cleaning and toilet supplies. • Ammunition and explosives. • Materials and parts used in the construction, repair, or production of supplies, equipment, machinery, buildings, and other structures.
30	**ACQUISITION OF ASSETS**	This major object class covers object classes 31.0 through 33.0. Include capitalized (depreciated) assets and non-capitalized assets.
31.0	Equipment	Purchases of: • Personal property of a durable nature, that is, property that normally may be expected to have a period of service of a year or more after being put into use without material impairment of its physical condition or functional capacity. • The initial installation of equipment when performed under contract. Include: • Transportation equipment. • Furniture and fixtures. • Publications for permanent collections. • Tools and implements. • Machinery including construction machinery. • Instruments and apparatus. • Information technology hardware or software, custom and commercial off-the-shelf software, regardless of cost, such as central processing units (CPUs), modems, signaling equipment, telephone and telegraph equipment, and large scale system integration services. Exclude software that is an integral part of consulting services contracts, as defined in object class 25.1, *Advisory and assistance services*. Also exclude rental of information technology systems and services, which are classified under object class 23.3, *Communications, utilities, and miscellaneous charges*.

Entry		Description
		• Armaments including special and miscellaneous military equipment. • Payments for lease-purchase contracts for information technology and telecommunications equipment. Exclude: • Supplies and materials classified under object class 26.0, *Supplies and materials*; purchase of fixed equipment, which is classified under object class 32.0, *Land and structures*; and operation, maintenance and repair of equipment classified in object class 25.7, *Operation and maintenance of equipment.*
32.0	Land and structures	Purchase and improvement (additions, alterations, and modifications) of land and structures. Include: • Land and interest in lands, including easements and rights of way. • Buildings and other structures, including principal payments under lease-purchase contracts for construction of buildings. • Nonstructural improvements of land, such as landscaping, fences, sewers, wells, and reservoirs. • Fixed equipment when acquired under contract (whether an addition or a replacement). These are fixtures and equipment that become *permanently* attached to or a part of buildings or structures. Examples include elevators, plumbing, power-plant boilers, fire-alarm systems, lighting or heating systems, and air-conditioning or refrigerating systems. Include the cost of the initial installation when performed under contract. Exclude: • Routine maintenance and repair, which will be classified in object class 25.4, *Operation and maintenance of facilities*.
33.0	Investments and loans	Purchase of investments and loans. Include: • Stocks, bonds, debentures, and other securities that are neither U.S. Government securities nor securities of wholly-owned Federal Government enterprises. • Temporary or permanent investments. • Interest accrued at the time of purchase and premiums paid on all investments. *Note:* For credit "program" accounts and "liquidating" accounts, see section 185 for object classification related to defaults. There should be no object classification for credit "financing" accounts printed in the Appendix. However, the agency's financial system should continue to provide object class information for the "financing" accounts.
40	**GRANTS AND FIXED CHARGES**	This major object class covers object classes 41.0 through 44.0.
41.0	Grants, subsidies, and contributions	Cash payments to States, other political subdivisions, corporations, associations, and individuals. Include: • Grants (including shared revenues).

Entry		Description
		• Subsidies (including credit program costs). • Gratuities and other aid (including readjustment and other benefits for veterans, other than indemnities for death or disability). • Contributions to foreign countries, international societies, commissions, proceedings, or projects that are: 1. Lump sum or quota of expenses. 2. Fixed by treaty. 3. Discretionary grants. • Taxes imposed by State and local taxing authorities where the Federal Government has consented to taxation (excluding the employer's share of Federal Insurance Contribution Act taxes) and payments in lieu of taxes. *Note:* Obligations under grant programs that involve the furnishing of services, supplies, materials, and the like by the Federal Government, rather than cash, are not charged to this object class, but to the object class representing the nature of the services, articles, or other items that are purchased.
42.0	Insurance claims and indemnities	Benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. Include: Social insurance and retirement payments for individuals from special and **trust funds** for: • Social security. • Medicare. • Unemployment insurance. • Railroad retirement. • Federal civilian retirement. • Military retirement. • Other social insurance and retirement programs. Insurance payments from Federal insurance revolving funds, such as the Bank Insurance Fund, for: • Liquidation and insurance. • Litigation settlements due receivers and trustees. • Working capital outlays. • Net case resolution losses. • Other unpaid resolution obligations, not otherwise classified. Other claim or indemnity payments: • To veterans and former civilian employees or their survivors for death or disability, whether service-connected or not. • Of claims and judgments arising from court decisions or abrogation of contracts; indemnities for the destruction of livestock, crops, and the like; damage to or loss of property; and personal injury or death. • To or for persons displaced as a result of Federal and federally assisted programs, as authorized under 42 U.S.C. 4622–4624.

Entry		Description
		• For losses made good on Government shipments. • From liquidating accounts on guarantees where no asset is received and where forgiveness is not provided by law. *Note:* Classify other payments by Federal insurance revolving funds to the object classes to which they apply, for example classify premiums on investments in object class 33.0, Investments and loans, and interest expenses in object class 43.0, Interest and dividends).
43.0	Interest and dividends	Include: • Payments to creditors for the use of moneys loaned, deposited, overpaid, or otherwise made available. • Distribution of earnings to owners of trust or other funds. • Interest payments under lease-purchase contracts for construction of buildings. Exclude the interest portion of the payment of claims when a contract has been delayed by the Government. Classify these costs under the same object class used for the original contract.
44.0	Refunds	Payments of amounts collected by the Government in a previous fiscal year. Include: • Payments to correct errors in computations, erroneous billing, and other factors (see section 20.10). • Payments to former employees or their beneficiaries for employee contributions to retirement and disability funds (e.g., payments made when employees die before retirement or before their annuities equal the amount withheld). • Payments to return cash advances or other offsetting collections received in a prior fiscal year (see section 20.11). *Note*: In the account receiving the refund, previously recorded obligations will be reduced in the appropriate object class(es) by the amount of the refund, if the refund is received in the same year as the obligations are reported (see section 20.10).
90	**OTHER**	This major object class covers object classes 91.0 through 99.5.
91.0	Unvouchered	Charges that may be incurred lawfully for confidential purposes and are not subject to detailed vouchering or reporting.
92.0	Undistributed	Charges that cannot be distributed to the object classes listed above. Use this object class only with the prior approval of OMB.
94.0	Financial transfers	This object class is used for obligations that represent financial interchanges between Federal government accounts that are not in exchange for goods and services, e.g., an expenditure transfer that shifts budgetary resources between Federal funds and trust funds regardless of the purpose. Use this object class only with the prior approval of OMB.
99.0	Subtotal, obligations	This entry is automatically generated by MAX: • For *direct or allocation* account obligations, the subtotal stub entry should appear when more than one object class category is reported in a single account. For *reimbursable* obligations, the subtotal stub entry, "Reimbursable obligations," should appear, even if all reimbursable obligations are classified in a single object class category.

Entry		Description
99.5	Below reporting threshold	Use this object class adjustment line when: • The sum for an object class entry is $500 thousand or less, that is, it is below the reporting threshold, *and* • The sum of *all* the below threshold amounts rounds to $1 million or more. There will be *only one* adjustment line per object class schedule. It will: • Follow the last subtotal (object class 99.0) for the schedule. • Be coded 9995 in MAX. Do not report amounts of more than $4 million in this object class, unless approved by OMB.
99.9	Total new obligations	This entry is automatically generated by MAX.

83.7 What object classes do I associate with civilian and military pay and benefits in the baseline?

Civilian pay and benefits means the budgetary resources used to fund civilian compensation and benefits consistent with object classes 11.1 through 11.5 and 12.1.

Military pay and benefits means the budgetary resources used to fund military personnel compensation and benefits consistent with object classes 11.6, 11.7 and 12.2.

83.8 How do I classify relocation expenses related to a permanent change of station (PCS)?

When an employee accepts a Federal position at a different location, such as at a different State, this is called a permanent change of station. An agency, at its discretion, may reimburse the employee for a variety of expenses related to the relocation. Follow the instructions in the table to classify these expenses among the object classes.

If the obligations are for ...	Then classify in object class ...
Transportation, per diem while in travel status, or reimbursement of actual travel expenses for the employee or the employee's immediate family	21.0 Travel and transportation of persons
Transportation of household goods, house trailers, and effects	22.0 Transportation of things
Storage and care of vehicles and household goods	25.7 Operation and maintenance of equipment
All other relocation expenses for *civilian* employees, such as: • Allowances for expenses incurred in connection with a sale of a residence or settlement of an unexpired lease. • Subsistence when occupying temporary quarters (in contrast to per diem while in travel status, above). • Reimbursements of amounts equal to income taxes incurred by transferred employees for	12.1 Civilian personnel benefits

If the obligations are for ...	Then classify in object class ...
moving or storage expenses under 5 U.S.C. 5724(b). • Contractual charges for relocation services under 5 U.S.C. 5724(c). • Miscellaneous moving expenses under 5 U.S.C. 5724(a).	
All other relocation expenses for *military* personnel	12.2 Military personnel benefits

83.9 How do I classify purchases related to information technology (IT)?

For some reason, we have had many questions on how to classify IT obligations among the various object classes. The general rule is to focus on the nature of the services, articles or other items for which obligations are first incurred. The following table shows the application of this rule.

If the obligations are for ...	Then classify in object class ...
IT services or the rental of IT equipment	23.3 Communications, utilities, and miscellaneous charges
Operation and maintenance of IT systems by the private sector	25.7 Operation and maintenance of equipment
Operation and maintenance of IT systems by another Federal Government account	25.3 Other goods and services from Federal sources
IT hardware and software	31.0 Equipment
IT supplies and materials, such as manuals, diskettes, toner cartridge	26.0 Supplies and materials
IT consulting services in the form of: • Management and professional support services. • Studies, analyses, and evaluations. • Engineering and technical services.	25.1 Advisory and assistance services

83.10 How do I classify obligations for education and training?

We have also had many questions on how to classify education and training obligations among the various object classes. The general rule is to focus on the nature of the services, articles or other items for which obligations are first incurred. The following table shows the application of this rule.

If the obligations are for ...	Then classify in object class ...
Payments of tuition to universities or colleges leading to a degree, or for attendance at conferences	25.2 Other services from non-Federal sources
All other payments to a private sector company for training courses	25.1 Advisory and assistance services

If the obligations are for ...	Then classify in object class ...
Payments to other Federal government agencies for training courses	25.3 Other goods and services from Federal sources
Cash allowances for the education of dependents that are provided as recruitment and retention incentives for civilian employees	12.1 Civilian personnel benefits
Payment to the loan holder (e.g., the bank) to repay an employee's student loan as a recruitment incentive	12.1 Civilian personnel benefits
Cash allowances for the education of dependents that are provided as recruitment and retention incentives for military personnel	12.2 Military personnel benefits

83.11 How do I classify obligations for real property (space, land, and structures)?

Classify obligations for the *purchase, including lease purchase, or improvement* (that is, alteration or modification) of real property in object class 32, *Land and structures.*

Classify the *rental or lease* of real property, as follows:

If the obligation are for ...	And if ...	Then classify in object class ...
Payment to another Federal government account	The other account is GSA's Federal Buildings Fund*	23.1 Rental payments to GSA
Payment to another Federal government account	The other account is NOT GSA's Federal Buildings Fund	Purchases of goods and services from Government accounts Note: The paying account must use this object class code but may change the title to "Rental payments to GSA."
Payment to the private sector		23.2 Rental payments to others

* Classify amounts for the *standard* services, such as cleaning and security, covered by the *basic rental charge* assessed by GSA in object class 23.1, *Rental payments to GSA*. However, if the payment is for rent "related" services provided by GSA in addition to services provided under rental payments, for example, extra protection or extra cleaning, report the amounts under object class 25.3, *Other goods and services from Federal sources*.

GSA operating delegations. When GSA *delegates* the operation of a facility back to an agency ("operating delegations"), the agency is in charge of operating the facility.

GSA bills for basic rental charges differ depending on whether the building is owned or leased by GSA.

For GSA-leased buildings, the GSA bills the total (gross) amount of the basic rental charge which includes a charge for operating the building. In these cases, the following transactions occur:

- GSA bills the agency for the *gross* amount of the basic rental charge.

- Agency records obligations in object class 23.1, *Rental payments to GSA*, and pays GSA's Federal Buildings Fund the *gross* amount.

- GSA *rebates* the amount for operating the facility back to the agency.
- Agency records the amount rebated as offsetting collections.
- If the agency, in turn, contracts with the private sector to clean the facilities, the obligations are classified in object class 25.4, *Operation and maintenance of facilities.*
- If the agency, in turn, contracts with another agency (for example, to guard the building), the obligations are classified in object class 25.3, Other goods and services from Federal sources.

The above treatment will continue for rental of ***GSA-leased buildings***.

83.12 How do I classify obligations for Federal civilian retirement under the Civil Service Retirement System (CSRS)?

Use the following:

If the obligations are for ...	Then classify in object class ...
The accrual for the future retirement cost of current civilian personnel covered by CSRS that is charged to the accounts that pay direct compensation to those personnel. *Note:* The corresponding receipts credited to the civil service retirement and disability trust fund are treated as undistributed offsetting receipts (Employer share, employee retirement on the inter fund transaction line).	12.1 Civilian personnel benefits
The Government's share of retirement costs that amortize increases in the static unfunded liability created since October 20, 1969 by any statute which authorizes new or liberalized benefits, an extension of retirement coverage, or pay increases *Note:* This applies to OPM's "Payment to the Civil Service Retirement and Disability Fund" account only.	12.1 Civilian personnel benefits
Interest on the static unfunded liability and annuity disbursements attributable to military service and the payment to provide annuities to former spouses of annuitants who died between September 1978 and May 1986 and who did not elect survivor coverage *Note:* This applies to OPM's "Payment to the Civil Service Retirement and Disability Fund" account only.	13.0 Benefits for former personnel
Payments to CSRS retirees *Note:* This applies to OPM's "Civil Service Retirement and Disability Fund" account only.	42.0 Insurance, claims, and indemnities

83.13 How do I classify obligations for military retirement?

Since 1985, when the financing of military retirement changed to an accrual basis, the payments should be classified as follows:

If the obligations are ...	Then classify in object class ...
The accrual for the future retirement cost of current	12.2 Military personnel benefits

If the obligations are ...	Then classify in object class ...
military personnel that is charged to the accounts that pay direct compensation to those personnel *Note:* The corresponding receipts credited to the military retirement trust fund are treated as undistributed offsetting receipts (Employer share, employee retirement on the inter fund transaction line).	
From general revenues to the military retirement fund to finance retirement costs for service prior to 1985 *Note:* This applies to the "Payment to Military Retirement Fund" account only.	13.0 Benefits for former personnel
Made to military retirees *Note:* This applies only to the "Military Retirement Fund" and the Veterans Affairs "Compensation and Benefits" accounts .	42.0 Insurance, claims, and indemnities

See also section 83.16 for the classification of Tricare benefits earned by all uniformed service members.

83.14 How do I classify intragovernmental transactions?

For payments between two Federal Government accounts for:

- Relocation expenses, see section 83.8;
- Information technology, see section 83.9;
- Education and training, see section 83.10;
- Real property, see section 83.11;
- Federal civilian retirement under CSRS, see section 83.12; and
- Military retirement, see section 83.13.

For other payments between two Federal Government accounts, classify the obligations as follows:

If the obligations are ...	Then classify in object class ...
Transfers by the paying account to reimburse the receiving account for an asset or a service *with a specific object class*	The paying account should classify the *direct* obligations in the object class that best describes the purchase, such as: 21.0 Travel and transportation of persons 22.0 Transportation of things 23.1 Rental payments to GSA 23.2 Rental payments to others 23.3 Communications, utilities, and miscellaneous charges 24.0 Printing and reproduction 25.1 Advisory and assistance services 25.4 Operation and maintenance of facilities 25.5 Research and development contracts 25.6 Medical care 25.7 Operation and maintenance of equipment 25.8 Subsistence and support of persons

If the obligations are ...	Then classify in object class ...	
	26.0	Supplies and materials
	31.0	Equipment
	32.0	Land and structures
	33.0	Investment and loans
	43.0	Interest and dividends
	44.0	*Refunds*
Transfers by the paying account to reimburse the receiving account for an asset or a service *without a specific object class*	25.3	*Other goods and services from Federal sources.* Do not use this object class if a more specific object class applies.
Transfers that merely moves resources between Federal government accounts (e.g., expenditure transfers between a trust fund and federal fund accounts). Normally these transfers result from appropriations action or general transfer authority where the obligations are simply accounting transfers.	94.0	Financial transfers *Note:* The paying account should report direct obligations in object class 94.0 and the receiving account should distribute the obligations as direct obligations in the appropriate object classes.

83.15 How do I classify obligations under the Intergovernmental Personnel Act (IPA)?

Under the IPA, a Federal employee, with his or her consent, may be assigned temporarily to a non-Federal organization.

- *Detailed Federal employees*. A detailed Federal employee continues to receive pay, allowances, and benefits from the Federal agency. In some cases, these costs are reimbursed by the non-Federal organization.

- *Federal employees on leave without pay (LWOP)*. A Federal employee on LWOP is paid by the non-Federal organization to which he or she is assigned. The salary paid by the non-Federal organization may be more or less than the employee's current Federal salary. If the rate of pay of the non-Federal organization is less, then the Federal agency may pay a supplemental salary to the employee.

Also under the IPA, an employee of a non-Federal organization may be assigned temporarily to a Federal agency either (1) with a temporary Federal appointment or (2) on detail.

- *Non-Federal employees with temporary Federal appointments*. A non-Federal employee with a temporary Federal appointment is paid by the Federal agency to which he or she is assigned. However, he or she is eligible to enroll in the Federal Employees Health Benefits program only if the Federal appointment results in the loss of coverage under the non-Federal health benefits system. He or she is not covered by any retirement system for Federal employees or by the Federal Employees Group Life Insurance Program.

- *Non-Federal employees detailed to a Federal Position*. A non-Federal employee who is detailed to a Federal agency continues to receive pay, allowances, and benefits from the non-Federal organization to which he or she is employed. In some cases these costs may be reimbursed by the Federal agency. In addition, if the non-Federal salary of the employee on detail is less than the minimum rate of pay for the Federal position, the Federal agency may supplement the salary to make up the difference.

Cost-sharing arrangements for IPA assignments are negotiated between the participating organizations. The Federal agency may agree to pay all, some, or none of the costs associated with an assignment. These include basic pay, supplemental pay, fringe benefits, and travel and relocation expenses.

Because of these cost-sharing arrangements you should use the following table to classify these obligations.

If the obligations are ...	And if the employees is ...	Then classify in object class ...	
Regular salaries and wages	Federal full-time and on detail to a non-Federal organization	11.1	Full-time permanent
	Federal but not full-time and on detail to a non-Federal organization Non-Federal with a temporary Federal appointment.	11.3	Other than full-time permanent
	Non-Federal on detail to a Federal agency to provide consulting services	25.1	Advisory and assistance services
	Non-Federal on detail to a Federal agency to provide services other than consulting	11.8	Special personal services payments
Supplemental pay	Federal on LWOP Non-Federal on detail	11.8	Special personal services payments
Cash incentive awards	Federal Non-Federal with a temporary Federal appointment (*Note:* you cannot give this type of award to a non-Federal employee who is detailed to a Federal position.)	11.5	Other personnel compensation
Travel or relocation expenses		See sections 83.5 and 83.9	
Other expenses		See section 83.5	

83.16 How do I classify obligations for Tricare benefits for uniformed service members?

Tricare is a regionally administered program which provides healthcare for uniform service members, retirees, survivors, and their families. This program combines healthcare resources of the Air Force, Army, and Navy while enhancing them with a variety of civilian healthcare professionals.

The National Defense Authorization Act replaces annual appropriations to the military personnel accounts of the Department of Defense (DoD) with permanent, indefinite appropriations from the General Fund of the Treasury. The Tricare accrual payments are made at the beginning of each year, instead of at the end of each month, and will be based on planned troop levels within the enacted DoD budget, instead of on the actual number of military personnel at the end of each month. The funding is shown in separate accounts for the Army, the Navy, the Marine Corps, the Air Force, the Army reserve, the Navy reserve, the Marine Corps reserve, the Air Force reserve, the Army National Guard and the Air Force National Guard. These accounts will, in turn, pay the accruals to the DoD Medicare-Eligible Retiree Health Care Fund.

Tricare benefits are earned by all current uniformed service members not just those in the DoD. This means that accounts for the Commissioned Corps in the Public Health Service in the Department of

Health and Human Services, the United States Coast Guard in the Department of Homeland Security, and the Commissioned Corps in the National Oceanic and Atmospheric Administration in the Department of Commerce will also pay the accruals to the DoD Medicare-Eligible Retiree Health Care Fund.

In turn, the DoD Medicare-Eligible Retiree Health Care Fund pays the health benefits for retired members of the uniformed service.

If the obligations are ...	Then classify in object class ...
The employing agency contributions by the Department of Defense (DoD), the Department of Health and Human Services, the Department of Homeland Security, and the Department of Commerce to the special DoD Medicare-Eligible Retiree Health Care Fund to pay for *future* benefits earned by *current* uniformed service members. *Note:* The corresponding receipts deposited in the special fund receipt account are permanently appropriated to the DoD Medicare-Eligible Retiree Heath Care Fund expenditure account.	12.2 Military personnel benefits
The annual payment from the general treasury to finance the accrued unfunded liability of *retired* uniformed service members. This is paid to the Department of Defense Medicare-Eligible Retiree Heath Care Fund. *Note:* This applies to the "Payment to the Department of Defense Medicare-Eligible Retiree Health Care Fund."	13.0 Benefits for former personnel
Direct payments for uniformed service retirees. *Note:* This applies to the "DoD Medicare-Eligible Retiree Health Care Fund" account only."	42.0 Insurance, claims, and indemnities

83.17 How is object class information presented in MAX Schedule O and the Appendix?

You must first enter all object class information in MAX Schedule O in order to populate the Appendix with object class data. The *Appendix* presents object class information in tables called object class schedules, which display the object class codes, the object class titles, and the amounts of obligations in the past, current, and budget year.

MAX Schedule O. Object class data are displayed in MAX on the basis of a 4–digit line number. This line number is made up of a *prefix* and a *3–digit object class code*. See the box on exhibit 83A for the type of obligations indicated by each prefix. Also, see exhibit 83A for a list of the 3–digit object class codes.

Note: The 3–digit object class code in MAX Schedule O is the same 3–digit object class code in the *Appendix*, except that in the *Appendix* there is a decimal before the last digit. See section 83.7 for the definitions of the object classes.

Appendix schedules. The object class schedules in the *Appendix* present the 3–digit object class codes and the object class titles.

Normally, the *Appendix* will include a separate object class schedule for each P&F schedule that reports obligations (see exhibits 83B and 83C). However, when all obligations in a P&F schedule are classified in a *single object class,* there will be no object class schedule in the *Appendix*. Instead, the code for the appropriate object class will be identified in the P&F schedule in parentheses () at the end of the line for total new obligations. For example, if all obligations in a P&F are for grants, then "(object class 41.0)" will be at the end of the stub entry on line 10.00 of the P&F. Although there will be no object class schedule in the *Appendix*, you must enter the data in MAX Schedule O.

Normally, the *Appendix* includes only one object class line for each object class code and uses the standard titles listed in section 83.7. However, you may insert additional object class lines in MAX and edit the standard titles. For example, to present employee travel separately from grantee travel in object class 21.0, *Travel and transportation of persons*, you may insert another line in MAX Schedule O, edit the standard titles, and distribute the obligations between the two lines.

Allocations between agencies. In some cases, funds appropriated to the President or to an agency are allocated to one or more agencies that help to carry out the program. Obligations incurred under such allocations are included in the data for the account to which the appropriation was made in the allocating agency, that is, the parent account. You must enter the data in MAX Schedule O. Use the appropriate prefix in the box on exhibit 83A as the first digit in the 4–digit line number. See exhibit 83C for an illustration of an *Appendix* galley of an object class schedule for a parent account with allocations.

83.18 When I report data in MAX Schedule O will it generate subtotals or totals?

Yes. MAX will generate subtotals for different types of obligations from the amounts that you entered, as follows:

- For "reimbursable" obligations (lines 2XXX and 4XXX), MAX will automatically generate subtotal lines (2990 and 4990) when you enter "at least one" amount on lines 2XXX or 4XXX.

- For “direct” obligations (lines 1XXX and 3XXX), MAX will automatically generate subtotal lines (1990 and 3990) when you enter "more than one" amount on lines 1XXX, or 3XXX

MAX will generate "Total new obligations" on line 9999, when you enter more than one amount above this line.

Summary of Object Class Codes and Standard Titles (MAX Schedule O)

3-digit object class code	Standard Titles
	Personnel compensation and benefits
	Personnel compensation
X111	Full-time permanent
X113	Other than full-time permanent
X115	Other personnel compensation
X116	Military personnel - basic allowance for housing
X117	Military personnel
X118	Special personal services payments
X119	**Total personnel compensation***
X121	Civilian personnel benefits
X122	Military personnel benefits
X130	Benefits for former personnel
	Contractual services and supplies
X210	Travel and transportation of persons
X220	Transportation of things
	Rent, communications, and utilities
X231	Rental payments to GSA
X232	Rental payments to others
X233	Communications, utilities, and miscellaneous charges
X240	Printing and reproduction
	Other contractual services
X251	Advisory and assistance services
X252	Other services from non-Federal sources
X253	Other goods and services from Federal sources
X254	Operation and maintenance of facilities
X255	Research and development contracts
X256	Medical care
X257	Operation and maintenance of equipment
X258	Subsistence and support of persons
X260	Supplies and materials
	Acquisition of assets
X310	Equipment
X320	Land and structures
X330	Investments and loans
	Grants and fixed charges
X410	Grants, subsidies, and contributions
X420	Insurance claims and indemnities
X430	Interest and dividends
X440	Refunds
	Other
X910	Unvouchered
X920	Undistributed
X940	Financial transfers
X990	**Subtotal, obligations ***
9995	Below reporting threshold
9999	**Total new obligations ***
	* Automatically calculated by MAX

4-digit object class line number in MAX schedule O.

Prefix	Type of obligation
1xxx	Parent account—direct
2xxx	Parent account—reimbursable
3xxx	Allocation account—direct
4xxx	Allocation account—reimbursable

Object Classification—Without Allocation Accounts

Report data rounded to the nearest million. If the total of amounts that fall below the threshold rounds to $1 million or more, report the total in object class 99.5. To determine the amount on line 99.5, add the below threshold amounts in thousands, and round the total to the nearest million.

DEPARTMENT OF GOVERNMENT
OFFICE OF THE SECRETARY
Salaries and Expenses

VGOV08161166

S3643

Object Classification (in millions of dollars)

Identification code 09-2650-0-1-301		PY act.	CY est.	BY est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	113	112	115
11.3	Other than full-time permanent	3	3	3
11.5	Other personnel compenstation	3	3	3
11.8	Special personal services payments	1	1	1
11.9	Total personnel compensation	120	119	122
12.1	Civilian personnel benefits	24	24	25
23.1	Rental payments to GSA	23	23	24
25.4	Operation and maintenance of facilities	5	5	5
25.7	Operation and maintenance of equipment	1	1	1
99.2	Undistributed	…….	4	4
99.0	Direct obligations	211	208	209
99.0	Reimbursable obligations	26	27	28
99.5	Below reporting threshold	1	2	2
99.9	Total new obligations	238	237	239

Use to show payments that do not represent salaries or wages paid directly to Federal employees (section 83.5).

The reimbursable subtotal line will always appear whenever more than one category (e.g., direct, reimbursable, allocation, etc.) is reported and whenever any reimbursable obligations are reported in nonrevolving fund accounts.

Total new obligations and subtotals for direct and reimbursable obligations will agree with the corresponding amounts on the program and financing schedule.

Object Classification—With Allocation Accounts

DEPARTMENT OF GOVERNMENT
BUREAU OF PUBLIC WORKS
Construction

VGOV08161166
S3643

Object Classification (in millions of dollars)

Identification code 16-3044-0-1-452		PY act.	CY est.	BY est.
	BUREAU OF PUBLIC WORKS			
	Personnel compensation:			
11.1	Full-time permanent	47	54	56
11.3	Other than full-time permanent	2	3	3
11.5	Other personnel compenstation	1	1	1
11.9	Total personnel compensation	50	57	60
12.1	Civilian personnel benefits	9	12	12
21.1	Travel and transportation of persons	4	2	2
99.0	Subtotal, obligations, Bureau of Public Works	971	711	561
	ALLOCATION ACCOUNTS			
	Personnel compensation:			
11.1	Full-time permanent	23	27	28
11.3	Other than full-time permanent	1	2	2
11.5	Other personnel compensation	1	1	1
11.9	Total personnel compensation	25	30	31
12.1	Civilian personnel benefits	5	6	6
99.0	Subtotal, obligations, allocation accounts	60	55	50
99.9	Total new obligations	1,031	766	611

Where there is only one allocation, the center heading and the subtotal line will contain the name of the organizational unit involved and the distribution below will be omitted.

This entry will agree with the total new obligations on the program and financing schedule.

SECTION 84—CHARACTER CLASSIFICATION (SCHEDULE C)

Table of Contents

84.1	What is the purpose of the character classification system?
84.2	What terms do I need to know?
84.3	What do I need to know about reporting the data and relationships with other data requirements?
84.4	How do I report character classification in MAX?
Ex–84	Summary of Character Classification Codes (Schedule C)

Summary of Changes

Drops the definitions for the memorandum research and development classifications; detailed instructions and definitions will be distributed by OMB prior to the reporting period (section 84.3).

84.1 What is the purpose of the character classification system?

We use character classification to distinguish between investment and non-investment activities. Investments finance activities that yield benefits largely in the future. We also use character classification to report data on grants to State and local governments separately from direct Federal programs. Character class line numbers include the following:

- Investment activities:
  - Lines 13xx, physical assets.
  - Lines 14xx, research and development (R&D).
  - Lines 15xx, education and training.

- Non-investment activities:
  - Lines 2xxx.

See exhibit 84 for a summary of character classification line numbers. See section 84.4 for detailed descriptions of all of the line numbers that you must use to report character classification.

84.2 What terms do I need to know?

(a) *State or local governments*

For preparing character classification data, State or local governments include the following:

- The 50 States and the District of Columbia.

- Cities, counties, townships, school districts, special districts, and other local governmental units, as defined by the Bureau of the Census.

- Puerto Rico, the Virgin Islands, and other U.S. territories.

- The Federated States of Micronesia, Marshall Islands, and Palau, if the payments are a relatively small part of the accounts that have grants to State or local governments.

- Indian Tribal governments when:
  - The legislation authorizing the payment includes such entities within the definition of eligible State or local units.
  - The Tribal government acts as a nonprofit agency operating under State or local auspices.
- Quasi-public nonprofit entities, such as community action agencies, when the boards of such entities must either be elected in State or local elections, or must include significant representation of State or locally elected officials.

(b) *Grants to State and local governments*

Report budget authority and outlays as grants to State and local governments if the Federal Government's resources support State or local programs of government operations or provision of services to the public. For reporting character classification data for grants, include the following:

- Direct cash grants to State or local governmental units, to other public bodies established under State or local law, or to their designee.
- Payments for grants-in-kind, such as purchases of commodities distributed to State or local governmental institutions (e.g., school lunch programs).
- Payments to nongovernmental entities when such payments result in cash or in-kind services or products that are passed on to State or local governments, for example, payments to the Corporation for Public Broadcasting, or to the American Printing House for the Blind.
- Payments to regional commissions and organizations that are redistributed at the State or local level to provide public services.
- Payments to State and local governments for research and development that is an integral part of the State and local governments' provision of services to the general public (e.g., research on crime control financed from law enforcement assistance grants, or on mental health associated with the provision of mental rehabilitation services; see discussion below for exclusions related to research and development and payments for services rendered).
- Direct loan or loan guarantee subsidies to State or local governments.
- Shared revenues. These payments to State or local governments are computed as a percentage of the proceeds from the sale of certain Federal property, products, or services (e.g., payments from receipts of Oregon and California grant lands). Tax or other collections by the Federal Government that are passed on to State or local governments (e.g., internal revenue collections for Puerto Rico) are also included.

Exclude the following:

- Federal administrative expenses associated with grant programs.
- Grants directly to profit-making institutions, individuals, and nonprofit institutions not covered above, for example, payments to Job Corps centers and trainees.
- Payments for research and development not directly related to the provision of services to the general public, for example, basic research awarded via competitive grants.

- Payments for services rendered, for example, utility services, training programs and expenses for Federal employees, research and development for Federal purposes conducted under contracts, grants, or agreements by such agencies as the National Institutes of Health (NIH), the National Science Foundation (NSF), the Department of Energy (DOE), the National Aeronautics and Space Administration (NASA), and the Department of Defense (DOD).

- Federal grants to cover administrative expenses for regional bodies and other funds not redistributed to the States or their subordinate jurisdictions (e.g., the administrative expenses of the Appalachian Regional Commission).

(c) *Direct Federal programs*

Federal programs that are not classified as grants to State and local governments will be classified as direct Federal programs.

84.3 What do I need to know about reporting the data and relationships with other data requirements?

(a) *General requirements*

- If an account has only one character class code, MAX will automatically generate the amounts for Schedule C.

- Report credit program accounts related to investments (i.e., for physical assets, the conduct of research and development, or the conduct of education and training) net of offsetting collections.

- Report budget authority and outlays by subfunction.

- Do not report character class for credit financing accounts.

- OMB does not control centrally the addition or deletion of character classification codes of expenditure accounts. If the nature of an account changes or otherwise requires the use of different classes, you may add (or delete) the appropriate code and enter budget authority and outlays in MAX in that code without advance approval from OMB.

- If a transaction fits into more than one classification, report it in the classification category with the lowest numerical character classification code. For example, record amounts for construction of research and development facilities in the appropriate 13xx grouping, not in the 14xx grouping.

- If accounts are split between two or more character classifications, omit a classification involving less than $1 million in each of the three fiscal years, and include the amounts in some larger classification for that particular account.

- *Grants:* Report grants by BEA category (e.g. discretionary or mandatory). In some cases, grants to State and local governments allow the recipient jurisdiction the option of using funds for current or investment-type purposes, such as in community development block programs. In such instances, record all of the budget authority and outlays for grants in the category where the majority of the funds are anticipated to be used.

(b) *Reporting offsetting collections (expenditure accounts)*

Offsetting collections are reflected in Schedule C. The sum of budget authority and outlay entries in Schedule C will equal budget authority and outlays net of offsetting collections. In almost all cases, offsetting collections will be included in character class code 2004 (direct Federal, non-investment) and netted from the other budget authority and outlays for that code as described below. An exception would be offsetting collections from the sale of physical assets (e.g. land, structures, equipment, or commodities), which will be reported as negative amounts in the corresponding physical asset character classes.

Identify first the budget authority and outlays for investments and grants (if any) and classify this spending in the appropriate character class code (i.e., character class codes 1xxx, 2001, or 2003). For the remaining spending and offsetting collections, use character class code 2004 as a residual balancing entry to ensure that the sum of entries in Schedule C add to total net budget authority and outlays. This means that in some cases, character class code 2004 amounts can be negative.

As an example, consider an account with net outlays of zero that receives $50 million in offsetting collections from the public and spends all of it. If half of the outlays are for direct Federal construction, non-R&D (character class code 1314) and half for direct Federal non-investment (character class code 2004), then character class code 1314 would show $25 million in outlays for construction, and character class code 2004 would show a net $–25 million. The $–25 million can be thought of two ways: as a residual balancing entry to ensure that total net outlays are zero, or as the sum of $25 million for direct Federal non-investment, and $–50 million for collections from the public. The sum of all character class codes would add to net outlays and, in this example, would be zero.

(c) *Classifying activities financed by offsetting collections from Federal sources*

If grants to State or local governments or investments are financed by payments from one Federal account to a second Federal account (i.e., offsetting collections from Federal sources), you must ensure that the amounts are recorded as grants or investments only once (i.e., ensure that they are not double-counted). As a general rule, the amounts should be recorded as follows:

- For all grants to State or local governments, record the grants in the second account (i.e., the account that actually makes the payment to the State or local government).

- For direct Federal investment (which includes all investments except grants to State or local governments), record the investment in the account that is primarily responsible for funding the investment. (Note that grants to research institutions are classified as direct Federal investment, not as grants to State or local governments.) This is usually the initial account. For example, if the Environmental Protection Agency provides funds to the National Science Foundation for research, record the R&D in the EPA account that funds the research, not in NSF. However, in certain cases, primary responsibility might occur in the second account. For example, regarding rental payments to the GSA Federal Buildings Fund, some of the rental receipts may ultimately be used for construction by GSA. In these situations, the investment should be recorded in the second account because primary responsibility for the investment would be in that account.

(d) *Reporting offsetting receipts (receipt accounts)*

You must also report offsetting receipts for PY through BY by character class in Schedules K and R. OMB controls the character classification of offsetting receipts centrally, and you must ask your OMB representative to change the classification in the Budget Account Title (BAT) file before you can enter data under a different code. (See section 79.4 for proposing changes to the BAT file.)

Report character class information for collections deposited in offsetting receipt accounts in Schedules K (baseline) and R (policy) using the instructions in section 81.3(b). You must use line 2004–xx for offsetting receipt accounts, with the following two exceptions:

- Report the proceeds from the sale of physical assets (e.g., land, structures, equipment, or commodities) in the corresponding physical asset character classes; and

- Report credit reform offsetting receipt accounts for downward reestimates and negative subsidies for investment-related programs (i.e., for physical assets or for the conduct of education and training) on the appropriate investment line number (i.e., 13xx or 1512).

(e) *Relationships with other data requirements*

You should be able to reconcile information reported in this schedule related to the conduct of research and development with information reported in the National Science Foundation (NSF) Survey of Federal Funds for Research and Development (see description of line 14xx).

Actual outlays for past year grants and shared revenue must be consistent with the respective amounts reported to the Department of Commerce, Bureau of the Census, pursuant to the instructions regarding its "Federal Aid to States" publication.

(f) *Outyear projections*

A–11 data will be reported for PY through BY. MAX will automatically generate outyear projections of grant outlays through BY+9 based on in-year data. Other entries will be shown through BY only.

For the projection of grant outlays, using an algorithm, MAX will assume that the percentage of grant outlays estimated for the outyears is the same as that reported in the BY. For example, if 18 percent of outlays in the account are on line 1511–02 (grant outlays for education and training) in BY, then 18 percent of net outlays will be estimated on line 1511–02 for each outyear. Agencies may view these outyear projections on-screen. If projections do not accurately reflect outyear policy, you may override the projections by entering the correct amounts (not percentages) directly into MAX.

(g) *Memorandum research and development requirements*

Schedule C previously contained memorandum entries that supplemented, and were a subset of, R&D information reported on lines 1311–xx through 1432–xx, and were meant for the reporting of information on crosscutting R&D data for specific areas identified by the National Science and Technology Council (NSTC) and required by law. This reporting is still required, and the data are now collected outside of MAX A-11 in an online MAX Collect tool (see section 25.5). Detailed instructions and definitions will be distributed by OMB staff through a Budget Data Request prior to the reporting period.

84.4 How do I report character classification in MAX?

Character class data in schedules C, K, and R are identified by a line number that consists of a four-digit number and a two-digit suffix (xxxx–xx). The line number identifies data as investment or non-investment, and as grants or direct Federal programs.

Classify all investment activities in the 1xxx series and all non-investment activities in the 2xxx series. For credit program accounts, classify subsidies and subsidy reestimates for direct loans and loan guarantees and their administrative expenses according to the purpose of the program. For example, credit subsidies for construction should be in the character class for construction and rehabilitation, and credit subsidies for the conduct of education should be in the character class for the conduct of education and training.

The two-digit suffix differentiates among budget authority, outlays, and offsetting receipts, as follows:

- 01—Budget authority
- 02—Outlays
- 03—Offsetting receipts

Ensure that data are reported in the correct categories. For example, report data on R&D activities using the appropriate R&D character class entries. Report data on activities other than R&D in non-R&D character classes. Only some of the following codes apply to offsetting receipts; they are specifically noted below with an asterisk (*). All of the line numbers apply to budget authority and outlays.

The following table indicates the line numbers you use to report character classification. See exhibit 84 for a summary of the coding structure.

Entry	Description
1xxx INVESTMENT ACTIVITIES	Budget authority, outlays, or offsetting receipts for programs that yield benefits largely in the future.
13xx Physical assets:	Amounts for the purchase, construction, manufacture, rehabilitation, or major improvement of physical assets regardless of whether the assets are owned or operated by the Federal Government, States, municipalities, or private individuals. Physical assets are land, structures, equipment, and intellectual property (e.g., software) that have an estimated useful life of two years or more; and commodity inventories. The cost of the asset includes both its purchase price and all other costs incurred to bring it to a form and location suitable for its use.
131x Construction and rehabilitation:	Amounts for construction and rehabilitation, including both grants and direct Federal programs. Construction and rehabilitation means the design and production of fixed works and structures or substantial alterations to such structures or land. Includes new works and major additions, alterations, improvements to and replacements of existing works. Excludes preliminary surveys, maintenance, repair, administration of such facilities and other Federal operating expenses.
Research and development facilities: 1311–xx Grants to State and local governments 1312–xx Direct Federal programs	Amounts for the construction and rehabilitation of research and development facilities (see category 14xx for the definition of research and development). Includes the acquisition, design, and construction of, or major repairs or alterations to, all physical facilities for use in R&D activities. Facilities include land, buildings, and fixed capital equipment, regardless of whether the facilities are to be used by the Government or by a private organization, and regardless of where title to the property may rest. Includes fixed facilities such as reactors, wind tunnels, and particle accelerators. Include: • Construction of R&D facilities only. Exclude: • Other facility funding (show on line 1313–xx or 1314–xx). • Movable R&D equipment (show on line 132x–xx).
Other construction and rehabilitation: 1313–xx Grants to State and local governments	Amounts for all other construction and rehabilitation.

Entry	Description
1314–xx Direct Federal programs	
132x Major equipment:	Amounts for identifiable items of major equipment, including information technology (see section 55), vehicles, ships, machine tools, aircraft, tanks, satellites and other physical assets in space, and nuclear weapons. Excludes routine purchases of ordinary office equipment or furniture and fixtures. However, where there are major programs for acquisition of equipment, includes all equipment purchases.
Research and development equipment: 1321–xx Grants to State and local governments 1322–xx Direct Federal programs	Amounts for major equipment for research and development. (See category 14xx for the definition of research and development.) Includes acquisition or design and production of movable equipment, such as spectrometers, research satellites, detectors, and other instruments. At a minimum, this line should include programs devoted to the purchase or construction of R&D equipment.
Other major equipment: 1323–xx Grants to State and local governments 1324–xx Direct Federal programs	Amounts for all other major equipment.
Commodity inventories: 1330–xx* Direct Federal programs	Amounts for federally-owned commodities held for resale or in stockpiles.
Proceeds from the sale of commodities	Offsetting receipts collected from the sale of federally-owned commodities that were previously purchased by the Government or from reduction in stockpiles.
Purchases and sales of land and structures for Federal use: 1340–xx* Direct Federal programs	Amounts for purchase, including lease-purchases, of land and structures for use by the Federal Government and sales of such land and structures. Includes office buildings and park and forest lands. Does not include land or structures acquired as temporary inventory, such as collateral on defaulted loans.
Receipts from sales of property or assets	Offsetting receipts collected from sales of federally-owned property or assets used by the Federal Government. Includes office buildings and park and forest lands.
Other physical assets: 1351–xx Grants to State and local governments 1352–xx* Direct Federal programs	Amounts for all other physical assets, such as conservation, reforestation and range improvements; grants to State or local governments for the purchase of land or structures; and amounts for certain privately-held assets, including improvements to private farms, land and structures acquired as collateral on defaulted loans, and sales of such land and structures. Does not include operation and maintenance of land and structures.
Receipts from sales of other physical assets	Offsetting receipts collected from the sale of physical assets not used by the Federal Government. Includes sales of assets obtained by the Federal Government as collateral on defaulted loans.
14xx Conduct of research and development (R&D):	Research and development (R&D) activities comprise creative work undertaken on a systematic basis in order

Entry	Description
	to increase the stock of knowledge, including knowledge of man, culture, and society, and the use of this stock of knowledge to devise new applications. Include: • Administrative expenses for R&D, including the operating costs of research facilities and equipment. Exclude: • Physical assets for R&D such as R&D equipment and facilities (show on lines 13xx). • Routine product testing, quality control, mapping, collection of general-purpose statistics, experimental production, routine monitoring and evaluation of an operational program, and the training of scientific and technical personnel. Definitions of basic and applied research and development are provided below. You should be able to reconcile information reported in this schedule with information subsequently reported in the *National Science Foundation (NSF)* *Survey of Federal Funds for Research and Development*.
Basic research: 1411–xx Grants to State and local governments 1412–xx Direct Federal programs	Basic research is defined as systematic study directed toward fuller knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications towards processes or products in mind. Basic research, however, may include activities with broad applications in mind.
Applied research: 1421–xx Grants to State and local governments 1422–xx Direct Federal programs	Applied research is defined as systematic study to gain knowledge or understanding necessary to determine the means by which a recognized and specific need may be met.
Development: 1431–xx Grants to State and local governments 1432–xx Direct Federal programs	Development is defined as systematic application of knowledge or understanding, directed toward the production of useful materials, devices, and systems or methods, including design, development, and improvement of prototypes and new processes to meet specific requirements.
15xx Conduct of education and training: 1511–xx Grants to State and local governments 1512–xx* Direct Federal programs	Amounts for programs whose primary purpose is education, training, and vocational rehabilitation. Includes veterans' education and training; operating assistance for elementary, secondary, vocational, adult, and higher education; agricultural extension services; and income support activities directly contingent upon participating in such programs. Excludes training of military personnel or other persons in Government service. Also excludes amounts for physical assets, which are classified in 13xx, and amounts for the conduct of research and development, which are classified in 14xx.

Entry	Description
Receipts from education and training	Offsetting receipts for negative subsidies, and downward reestimates of loan subsidies that are associated with the conduct of education and training.
2xxx NON–INVESTMENT ACTIVITIES	Amounts that are not classified as investment activities.
Grants to State and local governments: 2001–xx Other than shared revenues 2003–xx Shared revenues	Grant amounts that are not classified as investment activities.
2004–xx* Direct Federal programs	Amounts for all other non-investment activities, including offsetting collections (see 84.3 (b) for exceptions). This is a residual balancing entry to ensure that the sum of all items in Schedule C equals total budget authority and outlays net of offsetting collections. Includes transactions related to credit liquidating accounts.
All other offsetting receipts	Offsetting receipts collected and deposited in receipt accounts that are not otherwise classified.

Summary of Character Classification Codes (Schedule C)

4 digit prefix	Standard titles
	INVESTMENT ACTIVITIES
	Physical assets:
	Construction and rehabilitation:
1311-xx[1]	Research and development facilities: Grants
1312-xx	Research and development facilities: Direct Federal programs
1313-xx[1]	Other construction and rehabilitation: Grants
1314-xx	Other construction and rehabilitation: Direct Federal program
	Major equipment:
1321-xx[1]	Research and development equipment: Grants
1322-xx	Research and development equipment: Direct Federal programs
1323-xx[1]	Other major equipment: Grants
1324-xx	Other major equipment: Direct Federal programs
1330-xx	Commodity inventories: Direct Federal programs
1340-xx	Purchases and sales of land and structures for Federal use: Direct Federal programs
1351-xx[1]	Other physical assets: Grants
1352-xx	Other physical assets: Direct Federal programs
	Conduct of research and development:
1411-xx[1]	Basic research: Grants
1412-xx	Basic research: Direct Federal programs
1421-xx[1]	Applied research: Grants
1422-xx	Applied research: Direct Federal programs
1431-xx[1]	Development: Grants
1432-xx	Development: Direct Federal programs
	Conduct of education and training:
1511-xx[1]	Grants
1512-xx	Direct Federal programs
	NON-INVESTMENT ACTIVITIES
2001-xx[1]	Grants-other than shared revenues
2003-xx[1]	Grants-shared revenues
2004-xx	Direct Federal programs (residual)

Schedule C's 6 digit line numbers are comprised of a 4 digit prefix and a 2 digit suffix.

2 digit suffix:
xxxx-01 Budget authority
xxxx-02 Outlays
xxxx-03 Offsetting receipts

Totals for budget authority and outlays reported in schedule C must equal those reported in schedule A net of offsetting collections.

The ten shaded categories should add to the agency's R&D total.

[1] You must report budget authority and outlays for grants by BEA subcategory (e.g. discretionary or mandatory).

SECTION 85—ESTIMATING EMPLOYMENT LEVELS AND THE EMPLOYMENT SUMMARY (SCHEDULE Q)

Table of Contents

85.1 How should my agency's budget address workforce planning and restructuring?
85.2 What terms do I need to know?
85.3 What should be the basis for my personnel estimates?
85.4 What is the requirement for reporting FTE data to OMB?
85.5 What do I need to know about FTE budgeted levels?
85.6 What do I need to know about the employment summary (schedule Q)?
85.7 Are allocation and reimbursable FTE presented differently in the Budget?
85.8 How does OMB check prior year civilian FTE totals (actuals) in the Budget?
85.9 How do I account for active duty military personnel in the Budget?
85.10 Are there other places in A–11 where I can find related guidance?

Summary of Changes

Requires agencies to report prior year FTE data directly to OMB instead of OPM (sections 85.4 and 85.8)

85.1 How should my agency's budget address workforce planning and restructuring?

Your budget submission must identify the human capital management and development objectives, key activities, and associated resources that are needed to support agency accomplishment of programmatic goals.

Furthermore, your budget submission should describe the specific activities and/or actions planned to meet the standards for success under human capital initiatives, the associated resources, the expected outcomes, and how performance will be measured. For example, you should:

Identify the organizational changes you are proposing to:

- Reduce the number of managers, reduce organizational layers, and reduce the time it takes to make decisions.

- Increase the span of control and redirect positions within the agency to ensure that the largest number of employees possible are in direct service delivery positions and retrain and/or redeploy employees as part of restructuring efforts to make the organization more citizen-centered.

Identify the training, development, leadership development, and staffing actions you propose to take to:

- Ensure continuity of leadership.
- Ensure that leaders and managers effectively manage people.
- Sustain a learning environment that drives continuous improvement in performance.
- Prepare for and respond to changes driven by e-Government.

Present agency competency and skill needs (or gaps) you identify as part of your workforce planning effort and how you plan to address those needs through recruitment, development, and related strategies.

85.2 What terms do I need to know?

Employee, as defined in 5 U.S.C. 2105, means an officer or individual who is appointed under a delegated authority, is engaged in the performance of a Federal function, and is subject to the supervision of an officer or employee of the Federal Government.

Full-time equivalent (FTE) employment means the total number of regular straight-time hours worked (i.e., not including overtime or holiday hours worked) by employees divided by the number of compensable hours applicable to each fiscal year. Annual leave, sick leave, compensatory time off and other approved leave categories are considered "hours worked" for purposes of defining full-time equivalent employment that is reported in the employment summary (see section 85.6). A list of compensable days (with associated hours) is provided in section 85.5(c).

85.3 What should be the basis for my personnel estimates?

(1) *Staffing requirements*. Base estimates for staffing requirements on the assumption that improvements in skills, organization, procedures, and supervision will produce a steady increase in productivity. Personnel should be reassigned, to the maximum extent, to meet new program requirements. Use personnel currently funded to the maximum extent in staffing new programs and expansions of existing programs. These actions should be part of your agency's overall human capital strategy, and reflected in the integrated performance plan (see section 220). Reductions generally should be planned where the workload is stable. Where information technology systems are installed or enhanced, gains in productivity should result in lower personnel requirements after the first year. You should be prepared to explain the assumptions underlying staffing requirement adjustment upon request.

Where appropriate, use calculations converting workload to required personnel that include an estimate of available workhours per employee. You should exclude annual leave, sick leave, administrative leave, training, and other non-work time from these calculations. Base estimates of available time on current data, reflect steps taken to improve the ratio of available time to total time, and recognize differences in available time by organization, location, or activity. Base exclusions for annual and sick leave on current experience of actual leave taken rather than leave earned. Employment levels should reflect budget proposals and assumptions with regard to workload, efficiency, proposed legislation, interagency reimbursable arrangements, and other special staffing methods. Employment intended for proposed legislation, or for carrying out proposed supplemental appropriations, cannot begin until the additional funds become available by congressional action. Employment proposed for activation of new facilities or start-up of new programs cannot begin until the new activity begins. Employment under estimated reimbursable arrangements also cannot begin until such arrangements have been negotiated and justified.

(2) *Personnel resources.* Base estimates of personnel resources on the total number of regularly scheduled straight-time hours (worked or to be worked) in the fiscal year (see section 85.5(c)). Note that, although budgetary resources must be sufficient to cover any extra compensable days in a fiscal year, some of the corresponding outlays may not occur until the following year.

(3) *Requirement for FTE data*. Wherever entries in schedules or materials required by this Circular pertain to personnel requirements or total employment levels, state such entries for all years in terms of FTEs, as defined in section 85.2, unless another measure is explicitly required. For military employment, see section 85.8.

85.4 What is the requirement for reporting FTE data to OMB?

With the exception of some national security functions, agencies will provide prior fiscal year civilian FTE data directly to OMB in response to a budget data request (BDR) each fall. In addition, OMB may also request current year and budget year estimates as addendums to this BDR. Therefore, agencies should maintain a system of accounting for their FTE on a regular basis.

85.5 What do I need to know about FTE budgeted levels?

(a) *Federal FTE requirements*

Agencies should take steps to assess and, as appropriate, restructure, retrain, and resize its FTE count to achieve its mission as effectively and efficiently as possible. Such steps should be consistent with all Human Capital Management Reports. All increases in FTEs should be accompanied by a detailed justification of its purpose and workload, and should be appropriately commensurate with changes in account funding levels. Generally, if agency account funding requests decrease from previous years, the agency should take appropriate steps to reduce FTE levels as necessary. Where agencies have proposed the termination, reduction, or consolidation of a program, agencies should take the appropriate steps to reduce FTE levels that correspond with the proposed program reductions. Agencies should not overstate FTE levels, and provide justification supporting the accuracy of FTE estimates.

(b) *Workforce conversions*

Consistent with the general policy of making the most effective use of Government resources, each agency head will ensure close management of budgeted FTE levels for their agency. Agencies should not convert the work of their employees to contractors unless they determine that the work is not inherently governmental (as defined in the Federal Activities Inventory Reform Act of 1998, P.L. 105-270), the agency has sufficient internal capability and capacity to maintain control of its mission and operations, and the agency undertakes cost comparisons that demonstrate that such a conversion is of financial advantage to the Government (see OMB Circular A-76). Pursuant to 41 U.S.C. 1710 and 10 U.S.C. 2461, agencies are precluded from converting, in whole or in part, functions performed by federal employees to contract performance absent a public-private competition (a practice known as "direct conversion"). The conversion of work from in-house to private sector performance may only occur through public-private competition. Appropriations acts since 2009, however, have prohibited agencies from using funds to "begin or announce a study or public-private competition regarding the conversion to contractor performance of any function performed by Federal employees pursuant to Office of Management and Budget Circular A-76 or any other administrative regulation, directive, or policy." The President's Budget has proposed continuing this moratorium in FY 2013.

(c) *Determining FTE usage*

You must prepare budget estimates relating to personnel requirements in terms of FTE employment as specified in this Circular.

To determine current year and budget year FTE employment estimates, divide the estimated total number of regular hours by the number of compensable hours in each fiscal year. The table below shows the number of compensable hours for the upcoming Budget. However, in order to take advantage of existing payroll data, agencies may compute prior year FTE actuals using the regular hours obtained from their pay systems (normally based on 26 bi-weekly pay periods) and divide by a constant 2,080 hours.

FTE employment levels apply to straight-time hours only. Include foreign national *direct* hire employees in your FTE employment totals. FTEs funded by allocations from other agencies will be included with the performing agency where the employees work and are paid (see section 85.7).

Be sure to include in FTE employment estimates for all Federal employees, including persons appointed under the Worker Trainee Opportunity Program, Presidential Management Fellows, Federal Cooperative Education Program, summer aids, Stay-in-School Program, and the Federal Junior Fellowship Program.

COMPENSABLE DAYS AND HOURS FOR CURRENT AND FUTURE FISCAL YEARS

Year	Days	Hours
2013	261	2,088
2014	261	2,088
2015	261	2,088

(d) *Justification and estimates of FTE usage*

The FTE estimates for each agency are determined at the time of the annual budget review, for the fiscal year in progress and for the succeeding fiscal year. In addition, you must ensure that the FTE estimates are consistent with all applicable laws. In particular, some statutes providing agencies with authority to use voluntary separation incentive proposals (or "buy-outs") stipulate that agency-wide FTE levels must be reduced one-for-one for each buy-out. Further, FTE estimates must represent an effective and efficient use of resources to meet program requirements.

Actual FTE usage reported in the PY column of the budget must equal the year-end FTE usage reported to OMB (see section 85.8).

Current year FTE estimates should be consistent with PY actuals, should be fully funded, and should be very close to the actual usage reported at the end of the fiscal year. For example, the 2013 estimate in the FY 2014 Budget should be very close to the 2013 actuals published in the 2015 Budget.

(e) *FTE transfers between agencies*

Prior to entering into new or expanded agreements to perform work for other agencies on a reimbursable basis, you must prepare a cost justification. As part of this agreement, you may transfer FTEs on a one-for-one basis, provided that you notify OMB prior to making such a transfer. You may proceed with the FTE transfer fifteen days after notification to OMB, unless OMB objects.

(f) *Adjustment requests*

Send all requests for adjustments in employment levels, including agreements to transfer FTEs between agencies, to your OMB representative.

85.6 What do I need to know about the employment summary (schedule Q)?

This schedule shows the total full-time equivalent (FTE) civilian employment of straight-time compensable workyears (i.e., not overtime) financed by an account for PY through BY. FTE employment excludes estimates for terminal leave and overtime hours. The method for calculating FTE employment is described in section 85.5. You must provide an employment summary when an account contains an entry for either direct or reimbursable personnel compensation in the object class schedule (i.e., object class entry 11.1 or 11.3 (see section 83.7)). You must also provide an employment summary when employees are compensated via an allocation account. For reimbursable and allocation FTE arrangements, see the discussion on their budget schedule treatment in section 85.7. This schedule also shows military average strength employment as discussed in section 85.9.

The definition of object class 11.1 stipulates that compensation must be included for all workdays in the fiscal year. You must ensure that FTE levels in the employment summary and funding for FTEs in the object class schedule are reported consistently.

You must also ensure that agency-wide FTE totals agree with the negotiated levels in the current and budget years. Prior year FTEs in the employment summary must equal the year-end FTE usage that your agency reported to OMB.

When entering FTE data in schedule Q, use the four-digit line numbering scheme described in the following table:

EMPLOYMENT SUMMARY (SCHEDULE Q)

Entry	Description
Xxxx	The first digit of the line number distinguishes between direct, reimbursable, and other categories, consistent with the reporting of data in the object classification schedule (see section 83.5). Use the following codes: 1—direct 2—reimbursable 3—allocation account
xXxx	The second digit of the line number distinguishes between civilian and military employment. Use the following codes: 0—civilian employment 1—military employment
xx0x	The third digit is 0.
xxx1	The fourth digit is 1.

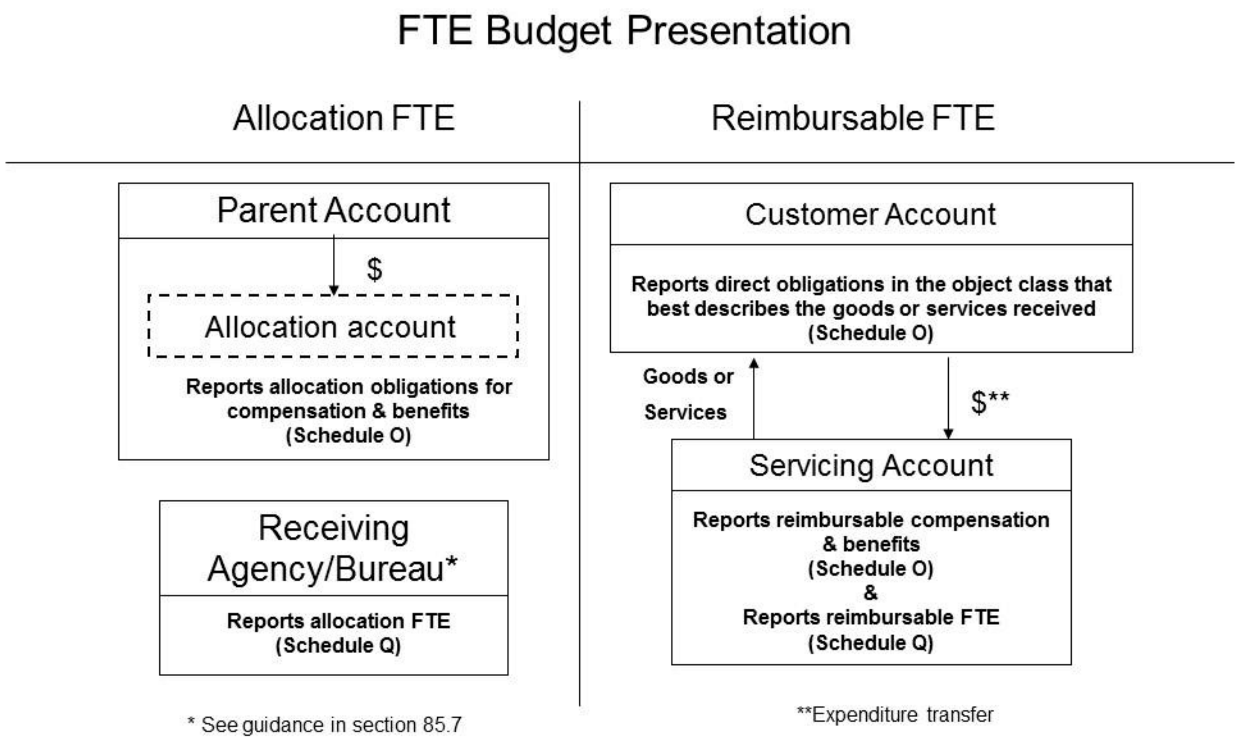
85.7 Are allocation and reimbursable FTE presented differently in the Budget?

Yes, FTE financed by allocation and reimbursements are presented differently as depicted in the diagram below. In an allocation arrangement, the "parent account" receives the initial budget authority and delegates its obligational authority to another organization or agency in the form of an "allocation account." See Sec. 20.4 (l). For Budget presentation, the parent and the receiving agency/bureau allocation account's obligations are all reported in the parent account, but on different Schedule O lines. The parent's obligations are reported on direct and/or reimbursable lines (i.e., 1XXX or 2XXX, respectively) and the receiving agency/bureau allocation account's obligations are reported on allocation lines (3XXX).

However, allocation FTE are presented differently in order to be consistent with agency personnel reporting systems. The parent account does not show the receiving agency/bureau allocation FTE. The parent account only shows its own direct/reimbursable FTE. The allocation FTE are shown by the "receiving agency/bureau" in an account of its choice. When applicable, show the allocation FTE in an account that funds FTE performing a similar activity as the allocation arrangement. Allocation FTE are shown in schedule Q on lines 3XXX.

For example, if legislation mandates that OMB allocate funds to the Government Printing Office (GPO) for printing requirements, then OMB will show allocation obligations in schedule O of the account that received the budget authority. The GPO will show the associated allocation FTE in schedule Q in an account that typically funds FTE involved in printing operations.

In a reimbursable arrangement, the customer account receives the services and reports direct obligations in the object class that best describes the services received (e.g., printing and reproduction). The transfer of funds to the servicing account is accomplished in the form of an expenditure transfer. The servicing account reports reimbursable compensation and benefit obligations in schedule O. Likewise, the reimbursable FTE are reported in schedule Q of the servicing account.



85.8 How does OMB check prior year civilian FTE totals (actuals) in the Budget?

Agencies submit their civilian FTE actuals data to OMB each fall via a budget data request (BDR). During budget season, OMB compares the agencies' BDR totals to the prior year FTE data that agencies enter in their MAX A–11 employment summaries (schedule Q). OMB provides a diagnostic report on our website showing the status of FTE data in MAX. For agency MAX users, the prior year lock will apply to schedule Q in accordance with the schedule included in section 25.

85.9 How do I account for active duty military personnel in the Budget?

Your budget submission should also account for all active duty personnel in the seven Uniformed Services. These Services include the Army, Air Force, Navy, Marines, Coast Guard, plus the NOAA and PHS Commissioned Corps. Since active duty personnel are always full-time employees, attempting to compute full-time equivalents is not appropriate. Therefore, for active duty personnel, "average strength" data is used in place of FTEs for the prior fiscal year. Estimate average strengths for current and budget years as well. For the non-DoD Uniformed Services, record military average strengths in the MAX A–11 employment summaries using the line designated for military (see section 85.6 regarding schedule Q line numbers). The Department of Defense will continue to provide military employment data directly to their OMB representative.

85.10 Are there other places in A–11 where I can find related guidance?

See the following table for additional guidance on Federal employment:

Other Federal employment guidance and A–11 links	Section
How should I estimate personnel compensation in my Budget request?	32.1
What FTE-related information should I provide in my justification materials?	51.4
Will OMB request FTE plans to support apportionment requests?	120.22
Should I address workforce plans in the Strategic Plan or Annual Performance Plans?	230 & 240

SECTION 86—SPECIAL SCHEDULES

Table of Contents

Special schedules requiring user input

86.1 What do I need to know about balance sheets (schedule F)?
86.2 What do I need to know about reporting budget year appropriations requests in thousands of dollars (schedule T)?

Special schedules automatically generated by MAX

86.3 What do I need to know about the schedule on the status of funds (schedule J)?
86.4 What do I need to know about the special and trust fund receipts schedule (schedule N)?
86.5 What do I need to know about the summary of budget authority and outlays?

Ex–86A Financial Statements Balance Sheet (schedule F)
Ex–86B Budget Year Appropriations Request in Thousands of Dollars (schedule T)

Summary of Changes

Adds memo lines to schedule J to compare against MAX calculated line 0100 ("Balance, start of year") (section 86.3).

86.1 What do I need to know about balance sheets (schedule F)?

(a) *General instructions*

- The balance sheet provides information on program assets, liabilities, and net position and is used to assess the resources available for Federal programs for PY–1 through PY.

You must submit balance sheets for:

- All Government-sponsored enterprise funds;
- All credit liquidating and financing accounts;
- Financing vehicles; and
- Revolving funds, when specifically required by OMB.

For budget presentation purposes, data in program and financing schedules (schedule P) fulfill the legal requirement in 31 U.S.C. 9103 for "business-type budget" information on wholly-owned Government corporations in the President's budget.

Amounts in schedule F for PY–1 should be consistent with your agency's audited financial statements.

Prepare balance sheets in the format of exhibit 86A with audited actual amounts as of the close of PY–1 and actual amounts as of the close of PY.

(b) *Balance sheet entries*

Use the entries listed below to prepare the balance sheets. These entries correspond to entries used in OMB Circular A-136, Financial Reporting Requirements which instructs agencies to prepare financial statements at the entity level. Use the terms, definitions, and instructions provided in that bulletin to prepare the balance sheets at the account level. MAX will automatically generate the line entries indicated in **boldface**.

If your agency is a Government-sponsored enterprise (GSE), you will need to modify line entries to reflect the non-Federal status of GSEs. Consult your OMB representative for additional guidance.

BALANCE SHEET

Entry	Description
ASSETS	
Federal assets:	
These assets arise from transactions among Federal agencies. Federal agency assets are claims of a Federal agency against other Federal agencies which, when collected, can be used in the agency's operations.	
1101 Fund balances with Treasury	The unobligated and obligated balances with Treasury from which you are authorized to make expenditures and pay liabilities, including clearing account balances and the dollar equivalent of foreign currency account balances. Your agency's fund balance with Treasury also includes the unobligated balances in guaranteed loan financing accounts, the obligated balances in direct loan financing accounts, and the unobligated and obligated balances in liquidating accounts.
Investments in Federal securities:	Total investments in Federal securities. These consist of securities issued by Federal agencies including non-marketable par value Treasury securities, market-based Treasury securities, marketable Treasury securities, and securities issued by other Federal agencies.
1102 Treasury securities, net	Net value of Treasury securities acquired—the par (face or nominal) value of a security minus the amount of any unamortized discounts or plus the amount of any unamortized premiums.
1104 Agency securities, net	Net value of agency securities acquired—the par (face or nominal) value of a security minus the amount of any unamortized discounts or plus the amount of any unamortized premiums.
1106 Receivables, net	Accounts receivable and interest receivable, net of uncollectible amounts. Interest receivable is the amount of interest income earned but not received for an accounting period. Report receivables from Federal agencies separately from receivables from non-Federal entities (on line 1206). Report interest receivable related to direct loans and acquired defaulted guaranteed loans separately below as a component of credit program receivables.
1107 Advances and prepayments	Advances are cash outlays made by a Federal agency to cover a part or all of the recipients' anticipated expenses or advance payments for the costs of goods and services the agency is to receive. Prepayments are payments made by a Federal agency to cover certain period expenses before those expenses are incurred. Advances and prepayments made to Federal agencies are intragovernmental and are accounted for and reported separately from those made to non-Federal entities.

Entry		Description
Non-Federal assets:		
These assets arise from transactions of the Federal Government with non-Federal entities. These entities include domestic and foreign persons and organizations outside the U.S. Government.		
1201	Investments in non-Federal securities, net	Securities issued by State and local governments, private corporations, and government-sponsored enterprises, net of premiums, discounts and allowances for losses. Securities are normally reported at acquisition cost or amortized acquisition cost. However, you should use market value when there is: • An intent to sell the securities prior to maturity; and • A reduction in the value of the securities that is more than temporary.
1206	Receivables, net	Accounts and interest receivable due from non-Federal entities, net of an allowance for estimated uncollectible amounts. Do not recognize interest as revenue on accounts receivable or investments that are determined to be uncollectible unless the interest is actually collected. Report interest receivable related to direct loans and acquired defaulted guaranteed loans as a component of credit program receivables.
1207	Advances and prepayments	Advances are cash outlays made by a Federal agency to its employees, contractors, grantees or others to cover a part or all of the recipients' anticipated expenses or advance payments for the costs of goods and services the agency receives. Prepayments are payments made by a Federal agency to cover certain periodic expenses before those expenses are incurred.
Credit program receivables and related foreclosed property:		
These items represent the net value of assets related to pre–1992 and post–1991 direct loans receivable and acquired defaulted guaranteed loans receivable.		
Net value of assets related to post–1991 direct loans receivable:		
1401	Direct loans receivable, gross	The face value of all direct loans outstanding excluding amounts repaid or written off.
1402	Interest receivable	Amount of interest receivable.
1403	Accounts receivable from foreclosed property	Amount of accounts receivable related to foreclosed property.
1404	Foreclosed property	Value of foreclosed property associated with post–1991 direct and acquired defaulted guaranteed loans at the net present value of the projected cash flows associated with the property. To practicably accomplish this requirement, you may record foreclosed property at the estimated net realizable value at the time of foreclosure. A portion of the related allowance for subsidy account will apply to the foreclosed property, but that amount need not be separately determined. Rather, subtract the allowance account from the sum of the credit program assets to determine the net present value of the assets.
1405	Allowance for subsidy cost (–)	The unamortized amount of subsidy expenses for the direct loan disbursements that the direct loan financing account has made in that year and all previous years, for all direct loans outstanding.

Entry		Description
		(The allowance for subsidy costs of a direct loan is the present value of estimated cash outflows over the life of the loan minus the present value of estimated cash inflows. It is due to defaults, delinquencies, lending at interest rates below the Treasury borrowing rate, etc., with an offset for fees, penalties, and recoveries.)
1499	Net present value of assets related to direct loans	The sum of lines 1401 through 1405.
Net value of assets related to post–1991 acquired defaulted guaranteed loans receivable:		
1501	Defaulted guaranteed loans receivable, gross	Amount of defaulted guaranteed loans that resulted in the acquisition of a loan receivable that is still outstanding.
1502	Interest receivable on defaulted guaranteed loans	Amount of interest receivable related to defaulted guaranteed loans.
1504	Foreclosed property related to defaulted guaranteed loans	The estimated net realizable value of related foreclosed property.
1505	Allowance for subsidy cost on defaulted guaranteed loans (–)	The unamortized amount of subsidy for those defaulted guaranteed loans that the guaranteed loan financing account has acquired in that year and all previous years, for all such loans outstanding that are still held by the financing account. (The subsidy of a defaulted guaranteed loan is the present value of estimated cash outflows over the life of the loan minus the present value of estimated cash inflows. It is due to defaults, delinquencies, interest subsidies, etc., with an offset for fees, penalties, and recoveries.)
1599	Net present value of assets related to defaulted guaranteed loans	The sum of lines 1501 through 1505.
Net value of assets related to pre–1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601	Direct loans, gross	For each pre–1992 direct loan program, report loans gross.
1602	Interest receivable	Amount of interest receivable.
1603	Allowance for estimated uncollectible loans and interest (–)	Estimated amount of loans and interest that will not be collected.
1604	Direct loans and interest receivable, net	The sum of lines 1601 through 1603.
1605	Accounts receivable from foreclosed property	Amount of accounts receivable related to foreclosed property.
1606	Foreclosed property	The estimated net realizable value of related foreclosed property.
1699	Value of assets related to direct loans	The sum of lines 1604 through 1606.
1701	Defaulted guaranteed loans, gross	For each pre–1992 loan guarantee program, report receivables as defaulted guaranteed loans acquired by the Government.

Entry		Description
1702	Interest receivable	Amount of interest receivable related to defaulted guaranteed loans.
1703	Allowance for estimated uncollectible loans and interest (–)	Estimated amount of defaults on loans, interest, and accounts receivable.
1704	Defaulted guaranteed loans and interest receivable, net	The gross amount of defaulted guaranteed loans that resulted in the acquisition of a loan receivable and interest receivable net of an allowance for uncollectible amounts. The sum of lines 1701 through 1703.
1705	Accounts receivable from foreclosed property	Amount of accounts receivable related to foreclosed property.
1706	Foreclosed property	The estimated net realizable value of related foreclosed property.
1799	Value of assets related to loan guarantees	The sum of lines 1704 through 1706.
Other Federal assets:		
1801	Cash and other monetary assets	The total of all cash resources and all other monetary assets. Cash consists of: • Coins, paper currency, and readily negotiable instruments, such as money orders, checks, and bank drafts on hand or in transit for deposit; • Amounts on demand deposit with banks or other financial institutions; • Cash held in imprest funds; and • Foreign currencies, which, for accounting purposes, should be translated into U.S. dollars at the exchange rate on the financial statement date. Other monetary assets include gold, special drawing rights, and U.S. Reserves in the International Monetary Fund. This category is principally for use by the Treasury.
1802	Inventories and related properties	Inventory is tangible personal property that is: • Held for sale; • In the process of production for sale; or • To be consumed in the production of goods for sale or in the provision of services for a fee. It includes inventory (i.e., items held for sale), operating materials and supplies, stockpile materials, seized and forfeited property, and goods held under price support and stabilization programs.
1803	Property, plant and equipment, net	The amount of real and personal property (i.e., land, structures and facilities, construction in progress, purchased and self-developed software, equipment and related improvements) that has been capitalized, net of accumulated depreciation if any. Also includes assets acquired by capital leases and leasehold improvements; and property owned by the agency in the hands of the agency or contractors.

Entry		Description
1901	Other assets	Other assets not included on the lines above.
1999	Total assets	The sum of lines 1101 through 1207, 1499, 1599, 1699, 1799, 1801 through 1901.

LIABILITIES

Recognize liabilities when they are incurred regardless of whether they are covered by available budgetary resources. This includes liabilities related to canceled appropriations.

Federal liabilities:

These liabilities arise from transactions among Federal agencies. Federal liabilities are claims against the agency by other Federal agencies.

2101	Accounts payable	The amounts owed by a Federal agency for goods and services received from, progress in contract performance made by, and rents due to other Federal agencies.
2102	Interest payable	The amount of interest expense incurred but unpaid on debts to other Federal agencies.
2103	Debt	The cumulative amounts of borrowing (less repayments) from the Treasury, the Federal Financing Bank, or other Federal agencies.
2104	Resources payable to Treasury	Amounts of collections or receivables that must be transferred to Treasury.
2105	Other	Use this item for other liabilities that are not recognized in specific categories or lines above. Include advances and prepayments received from other Federal agencies for goods to be delivered or services to be performed and deposit fund amounts held in escrow.

Non-Federal liabilities:

These liabilities arise from transactions of an agency of the Federal Government with non-Federal entities. Non-Federal liabilities are claims against the agency by non-Federal entities.

2201	Accounts payable	The amounts owed by a Federal agency for goods and services received from, progress in contract performance made by, and rents due to non-Federal entities.
2202	Interest payable	The amount of interest expense incurred but unpaid on debt owed to non-Federal entities.
2203	Debt	Debt issued to non-Federal entities under general or special financing authority (e.g., Treasury bills, notes, bonds and FHA debentures).
2204	Liabilities for loan guarantees	For guaranteed loan financing accounts, report the net present value of the estimated cash flows to be paid as a result of loan guarantees. For liquidating accounts, report the amount of known and estimated losses. (The net present value of estimated cash flows is the present value of estimated cash outflows over the life of the loan guarantee minus the present value of estimated cash inflows. It is due to defaults, interest subsidies, etc., with an offset for fees, penalties, and recoveries.)
2205	Lease liabilities, net	The present value of the liability for capital leases. A capital lease is one that transfers substantially all the benefits and risks inherent in the ownership of property. This transfer occurs if, at the inception of the lease, one or more of the following criteria exist:

<table>
<tr><th colspan="2">Entry</th><th>Description</th></tr>
<tr><td></td><td></td><td>

Ownership of the property is transferred to the lessee by the end of the lease term;
The lease contains a bargain purchase option;
The lease term is substantially (i.e., 75% or more) equal to the estimated useful life of the leased property; or
At the beginning of the lease term, the present value of the minimum lease payments, with certain adjustments, is 90% or more of the fair value of the property.

The lessee accounts for such a lease as the acquisition of an asset and the incurrence of a liability.</td></tr>
<tr><td>2206</td><td>Pension and other actuarial liabilities</td><td>For agency-administered pension, health insurance and similar plans requiring actuarial determinations. Report the actuarial accrued liability for pension, health insurance, and similar plans requiring actuarial determination using the aggregate entry age normal method.</td></tr>
<tr><td>2207</td><td>Other</td><td>Other liabilities that are not recognized in specific categories. Include in this line the total amount due non-Federal entities for other liabilities that are not included on other lines above.
This includes:

Entitlement benefits due and payable at the end of the year;
Advances and prepayments received from other non-Federal agencies or the public for goods to be delivered or services to be performed;
Deposit fund amounts held in escrow, estimated losses for commitments, and contingencies if:

Information available before the statements are issued indicates an asset probably has been impaired or a liability incurred as of the date of the statements; and
The amount can be reasonably estimated as a specific amount or range of amounts (e.g., the amount of employee accrued annual leave (i.e., earned but not used) that would be funded and paid from future years' appropriations).

Examples of commitments and contingencies for which you should report the estimated losses on this line are:

Insurance—insurance payments due for losses resulting from bank failures, crop failures, floods, expropriations, loss of life, and similar unplanned events.
Indemnity agreements—reimbursements due to licensees or contractors for losses incurred in support of Government activities.
Adjudicated claims—claims against the Government that are in the process of judicial proceedings.
Commitments to international institutions—payments due to international financial institutions.
</td></tr>
</table>

Entry		Description
2999	Total liabilities	The sum of lines 2101 through 2207.
NET POSITION		
The components of net position are classified as follows:		
3100	Unexpended appropriations	The portion of the agency's appropriations represented by undelivered orders and unobligated balances.
3300	Cumulative results of operations	The net results of operations since inception plus the cumulative amount of prior period adjustments, including the cumulative amount of donations and transfers of assets in and out without reimbursement.
3999	Total net position	The sum of lines 3100 through 3300.
4999	Total liabilities and net position	The sum of lines 2999 and 3999.

86.2 What do I need to know about reporting budget year appropriations requests in thousands of dollars (schedule T)?

Use MAX schedule T to report, in thousands of dollars, the net amount of budget year budgetary resources contained in the appropriations language request for your account (see exhibit 86B). If your account has appropriations language requesting new budget authority for the budget year, you are required to complete schedule T for amounts reported under transmittal code 0 (see section 79.2 for information about transmittal codes). For accounts with transfers specified in appropriations language, report amounts on a pre-transfer basis.

Include:

- Discretionary appropriations;
- Discretionary limitations on expenses;
- Appropriated entitlements;
- Changes in a mandatory program (either a cost or a savings) proposed in appropriations language (see the definition of CHIMP in section 20.3);
- Appropriations for the account included in a general provision or in an administrative provisions;
- Best estimates for indefinite appropriations; and
- Proposed cancellations.

Exclude:

- Spending authority from offsetting collections;
- Advance appropriations for any year;
- Amounts applied to repay debt; and
- Amounts applied to liquidate contract authority.

For the majority of budget accounts, only a single line is required. For merged accounts, use separate lines for each component account and identify all lines using the six-digit basic account symbol assigned by Treasury. Ensure that all amounts reported in MAX schedule T are consistent with the amounts in the program and financing schedule (MAX schedule P).

86.3 What do I need to know about the schedule on the status of funds (schedule J)?

This Appendix schedule presents cash flow data for certain special, trust, and other funds. The MAX database generates the data for the status of funds schedule from the receipt and expenditure accounts that make up the fund, storing it in the database as schedule J.

Starting in the FY 2015 Budget, MAX will generate schedule J for all special and revolving funds. Only the accounts listed in the following table have schedule J data presented in the Appendix.

STATUS OF FUNDS DATA PRESENTED FOR THE FOLLOWING ACCOUNTS

Agency	Account
HHS	Federal Hospital Insurance Trust Fund
	Federal Supplementary Medical Insurance Trust Fund
DHS	Oil Spill Liability Trust Fund
Interior	Abandoned Mine Reclamation Fund
Labor	Unemployment Trust Fund
	Black Lung Disability Trust Fund
State	Foreign Service Retirement and Disability Fund
Transportation	Highway Trust Fund
	Airport and Airways Trust Fund
Veterans Affairs	National Service Life Insurance Fund
	United States Government Life Insurance Fund
DOD-Civil	Military Retirement Fund
	Education Benefits Fund
	Uniformed Services Retiree Health Care Fund
EPA	Hazardous Substance Superfund
	Leaking Underground Storage Tank Trust Fund
IAP	Overseas Private Investment Corporation (noncredit)
OPM	Civil Service Retirement and Disability Fund
	Employees and Retired Employees Health Benefits Fund
SSA	Federal Old-Age and Survivors Insurance Trust Fund
	Federal Disability Insurance Trust Fund
RRB	National Railroad Retirement Investment Trust
	Rail Industry Pension Fund
	Railroad Social Security Equivalent Benefit Fund

The budget includes only *one* schedule J for each of the specified funds. The schedule covers all the collections in the receipt accounts and all the cash outlays from the various expenditure accounts that receive appropriations from the funds. It aggregates all the data reported under different transmittal codes to a single schedule presented under transmittal code 0. The CY and BY columns of schedule J include any effects of supplemental requests (transmittal code 1), rescission proposals (transmittal code 5), proposed legislation (transmittal codes 2 and 4), and appropriations language to be transmitted at a later date (transmittal code 3).

Schedule J includes several sets of adjustment lines. These include adjustments for start of year balances, cash income, and cash outgo. These lines will only be used by OMB if there is a compelling need to make an adjustment. The reason for the adjustment will be included in the stub description for each line.

You will not see schedule J as a MAX A-11 tab. You can run a report in MAX A-11 that shows what schedule J looks like "real time". However, you must upload all changes to the MAX schedules that affect schedule J to see the effect of the changes when you rerun the report. This applies to changes in the same account as well as changes to other accounts that feed into schedule J.

The receipt and expenditure accounts that make up schedule J can be seen in the Account Information Viewer (see schedule N in Other Account Relationships). Schedules N and J share the same relationships. The Account Information Viewer can be accessed in MAX (under the Reports menu, Account Info menu item) or directly at https://apps.max.gov/d/acm/.

The following table identifies the source for each line in MAX schedule J.

SCHEDULE ON THE STATUS OF FUNDS

Entry		Description and Source
Balances, start of year:		This section serves as a check against the start of year balance calculated on line 0100 (except for the Airport and airway trust fund and the Highway trust fund). It does not print in the Budget Appendix. The total in this section equals the sum of obligated balances, unobligated balances, and special or trust fund receipt balances that are available for new budget authority (e.g., new appropriations or contract authority).
0081	Obligated balances (net)	MAX calculates this amount as the sum of lines P 3000 and 3060 from all the accounts that receive budget authority from the special or trust fund.
0082	Unexpired unobligated balances	MAX calculates this amount as the sum of lines P 1000 from all the accounts that receive budget authority from the special or trust fund.
0083	Special or trust fund receipt balances	MAX copies this amount from line 0100 in schedule N.
0084	Unavailable balance: offsetting collections	MAX copies this amount from line 5090 in schedule X.
0085	Outstanding debt	MAX copies this amount from line 5080 in schedule X.
0090	Expired unobligated balance	MAX copies this amount from line 1952 in schedule X.
0091–0095	Other adjustments	These lines allow OMB to make additional miscellaneous adjustments.
0099	Total balance, start of year	MAX calculates this amount as the sum of lines 0081–0095. Except for the Airport and Airway Trust Fund and the Highway Trust Fund, the amount on this line should equal the amount on line 0100. If it does not, you will receive an error message.

Entry	Description and Source
Unexpended balance, start of year:	Start of year balances of budgetary resources and investments in Federal securities, net of amounts borrowed from the Treasury.
0100 Balance, start of year	MAX derives the PY amount from the PY amount reported on line 8799 in the previous year's *Budget Appendix*. If you believe the PY amount is incorrect, provide your OMB representative with a detailed written explanation of the difference. Any differences will be shown on adjustment lines 0190–0195. MAX copies CY and BY amounts from the end of year amounts reported on line 8799 for the previous year.
0110 Adjustment to unobligated balance carried forward	MAX copies this amount from line 1020 in schedule X where OMB determines appropriate.
0111 Adjustment to obligated balance carried forward	MAX copies this amount from line 3001 and 3061 in schedule X where OMB determines appropriate.
0190–0195 Other adjustments	These lines allow OMB to further adjust the initial balance.
0199 Total balance, start of year	MAX calculates this amount as the sum of lines 0100–0195.
Cash income during the year:	Collections deposited in special and trust fund receipt accounts and offsetting collections (cash) credited to expenditure accounts. MAX presents current law amounts (transmittal codes 0 and 3) separately from proposed legislation amounts (transmittal codes 1, 2, 4, and 5).
Current law:	
1200–1219 Receipts 1220–1239 Offsetting receipts (proprietary) 1240–1259 Offsetting receipts (intragovernmental) 1260–1279 Offsetting governmental receipts:	MAX copies the detail lines from receipts with transmittal codes 0 and 3 reported in schedule N on lines 0200–0279. MAX lists each receipt account separately by title.
1280–1289 Offsetting collections	MAX copies these amounts from schedule X, lines 4030–4034 and 4120-4124 under transmittal codes 0 and 3.
1290–1295 Adjustments	These lines allow OMB to adjust receipts and offsetting receipts under current law and are copied from schedule N lines 0290–0295, transmit 0.
1299 Income under current law	Subtotal for income under present law. MAX calculates this amount as the sum of lines J 1200–1295.
Proposed legislation:	MAX uses line serial numbers in the range 01–05 to identify different transmittal codes, as described in the MAX User's Guide.
2200–2219 Receipts 2220–2239 Offsetting receipts (proprietary) 2240–2259 Offsetting receipts (intragovernmental) 2260–2279 Offsetting governmental	MAX copies the detail lines from receipts with transmittal codes 1, 2, 4, and 5 reported in schedule N on lines 0200–0279. MAX lists each receipt account separately by title.
2280–2289 Offsetting collections	MAX copies these amounts from schedule X, lines 4030–4034 and 4120-4124 under transmittal codes 1, 2, 4, and 5.

Entry	Description and Source
2290–2295 Adjustments	These lines allow OMB to adjust receipts and offsetting receipts under proposed legislation and are copied from schedule N lines 0290–0295, transmits 2 and 4.
2299 Income under proposed legislation	Subtotal for income under proposed legislation. MAX calculates this amount as the sum of lines 2200–2295.
3299 Total cash income	MAX calculates this amount as the sum of lines 1299 and 2299.
Cash outgo during the year (–):	These entries present gross outlays from the fund. MAX presents current law amounts (transmittal codes 0 and 3) separately from proposed legislation amounts (transmittal codes 1, 2, 4, and 5).
4500–4525 Current law (–)	MAX automatically generates the detail lines from amounts in schedule X on line 3020 for transmittal codes 0 and 3.
4540–4545 Adjustments	These lines allow OMB to adjust cash outgo under current law.
4599 Outgo under current law (–)	Subtotal for outgo under current law. MAX calculates this amount as the sum of lines 4500–4545.
5500–5525 Proposed legislation	MAX automatically generates the detail lines from amounts in schedule X on line 3020 for transmittal codes 1, 2, 4, and 5.MAX uses line serial numbers in the range 01–05 to identify different transmittal codes, as described in the MAX User's Guide.
5540–5545 Adjustments	These lines allow OMB to adjust cash outgo under proposed legislation.
5599 Outgo under proposed legislation (–)	Subtotal for outgo under proposed legislation. MAX calculates this amount as the sum of lines 5500–5545.
6599 Total cash outgo (–)	MAX calculates this amount as the sum of lines 4599 and 5599.
Adjustments:	
7625 Permanently canceled balances (–)	Amount that is transferred from the expenditure account to the general fund of the Treasury as a result of a specific provision of law. MAX generates this amount from the "permanent" reductions of new budget authority in schedule X on lines1130, 1131, and 1230.
7645 Transfers, net	Net amount of transfers of budget authority and balances (obligated and unobligated). MAX generates this amount from the transfers in schedule X on lines 1010, 1011, 1012, 1120, 1121, 1220, 1221, 1710, 1711, 1810, 1811, 3030, 3031, 3080, and 3081.
7650 Other adjustments, net	Other adjustments that affect the fund balances, such as capital transfers to the general fund of the Treasury and repayment of debt. MAX generates this amount from the amounts in schedule X on lines 1022, 1235, 1720, 1820, and 1955.
7690–7695 Miscellaneous adjustments	These lines allow OMB to make additional miscellaneous adjustments, such as adjustments for expired/canceled unobligated balances.
7699 Total adjustments	MAX calculates this amount as the sum of amounts on lines 7625–7695.
Unexpended balance, end of year:	End of year balances of budgetary resources and investments in Federal securities.
8700 Uninvested balance (net), end of year	MAX calculates this as the difference of lines 8799–8701. This uninvested balance is net of unrealized discounts.

Entry		Description and Source
8701	Invested balance, end of year	MAX copies the invested balance from schedule X line 5001.
8799	Total balance, end of year	MAX calculates this amount as the sum of the start of year total balance, the cash income, the cash outflow, and the total adjustments.
Balances, end of year:		This section serves as a check against the total balance entered on line 8799 (except for the Airport and airway trust fund and the Highway trust fund). It does not print in the Budget Appendix. Line 8799 is calculated by beginning with the start of year balance, adding income, subtracting outflow, and adding adjustments. The total in this section equals the sum of obligated balances, unobligated balances, and special or trust fund receipt balances that are available for new budget authority (e.g., new appropriations or contract authority).
8801	Obligated balances (net)	MAX calculates this amount as the sum of lines P 3050 and 3090 from all the accounts that receive budget authority from the special or trust fund.
8802	Unexpired unobligated balances	MAX calculates this amount as the sum of lines P 1941 from all the accounts that receive budget authority from the special or trust fund.
8803	Special or trust fund receipt balances	MAX copies this amount from line 0799 in schedule N.
8804	Unavailable balance: offsetting collections and appropriations	MAX copies this amount from lines 5091 and 5093 in schedule X.
8805	Outstanding debt balance	MAX copies this amount from line 5081 in schedule X.
8890	Expired unobligated balance	MAX copies this amount from line 1953 in schedule X.
8891	Expiring unobligated balance	MAX copies this amount from Line 1951 in schedule X.
8892–8895	Other adjustments	These lines allow OMB to make additional miscellaneous adjustments.
8899	Total balance, end of year	MAX calculates this amount as the sum of lines 8801–8895. Except for the Airport and Airway Trust Fund and the Highway Trust Fund, the amount on this line should equal the amount on line 8799. If it does not, you will receive an error message.

86.4 What do I need to know about the special and trust fund receipts schedule (schedule N)?

Schedule N is an automatically generated schedule that shows the flow of funding into and out of special and non-revolving trust funds. It shows new receipts deposited into the fund, new appropriations taken out of the fund – including any amounts appropriated but precluded from obligation, and the remaining balances of unappropriated receipts (if any).

For budgetary purposes, receipts deposited into a special or non-revolving trust fund can be either "available" or "unavailable." If the amounts are unavailable for obligation, they are included in the balances shown in schedule N. Unavailable receipts require further congressional action to be available for obligation and may also be referred to as unappropriated receipts. Unavailable receipts also require a warrant to be processed by Treasury. As a point of clarification, Treasury considers available receipts to be any receipts that are authorized to be invested even if they require further congressional action before they can be obligated.

The balance in schedule N represents what remains to be appropriated by the Congress for the established purposes of the special or non-revolving trust fund or what is not yet available according to law (e.g., benefit formula limitations). The size of the remaining fund balance relative to the remaining program needs may guide future executive or congressional action. For example, if there are insufficient amounts in a fund, a change in fee rates or eligibility requirements may be necessary.

MAX generates schedule N from:

- Data reported in the previous year's *Budget Appendix*;
- Data in schedule R; and
- Data in schedule X.

MAX generates only *one* schedule N for each special or trust fund. If there are multiple expenditure accounts that receive an appropriation from a special or trust fund, only one expenditure account will display a schedule N. When requesting new special or non-revolving trust fund accounts, please specify whether the MAX database should include a *new* schedule N or use an *existing* schedule N to report the transactions related to the new account (see section 79.4).

The schedule includes all the receipts and offsetting receipts that pertain to a particular special or trust fund account. It aggregates all the data reported under different transmittal codes to a single schedule presented under transmittal code 0. The CY and BY columns of schedule N will include the effect of supplemental requests (transmittal code 1), rescission proposals (transmittal code 5), proposed legislation (transmittal codes 2 and 4), and appropriations language to be transmitted at a later date (transmittal code 3).

The related receipt and expenditure accounts for schedule N can be seen in the Account Information Viewer application (see Schedule N under Account Information - Other Account Relationships.) The Account Information Viewer can be accessed in MAX (see Account Info under Reports) or directly at https://apps.max.gov/d/acm/.

Schedule N includes of adjustment lines to correct start of year and/or end of year balances. These adjustment lines correct for rounding issues, timing of late surplus warrants, etc. OMB identifies needed adjustments by validating SOY balances against the reported balances in the Central Accounting Reporting System (CARS) or FACTS II. If agencies believe any SOY or EOY amount needs to be adjusted, they should provide their OMB program examiner the CARS or FACTS II data to support the requested change. The reason for the adjustment will be included in the stub description for each line.

Even though the schedule is automatically generated and you cannot change any amounts, line titles of the detail lines (lines 02xx, 05xx) can be changed by OMB. Contact your OMB representative to request a change to the line titles.

You can run a report in MAX A-11 that shows what schedule N looks like "real time". However, you must upload all changes to MAX schedules X and R that affect schedule N to see the effect of the changes when you rerun the report. This applies to changes in the same account as well as changes to other accounts that feed into schedule N.

The following table identifies the source for each line in MAX schedule N.

SPECIAL AND TRUST FUND RECEIPTS SCHEDULE

	Entry	Description
0100	Balance, start of year	MAX derives the PY amount from the PY amount reported on line 0799 in the previous year's *Budget Appendix*. If you believe the PY

Entry		Description
		amount is incorrect, provide your OMB representative with a detailed written explanation of the difference. Any differences will be shown on an adjustment line (0190–0195). MAX copies CY and BY amounts from the end of year amounts reported on line 0799 for the previous year.
0190–0195	Adjustments	These lines allow OMB to adjust the initial balance.
0199	Balance, start of year, total	MAX calculates this line as the sum of lines 0100 and 0195.
Receipts and offsetting receipts:		Amount of new collections deposited into special and non-revolving trust fund receipt accounts. Each receipt account will be listed separately by title and given a line number. MAX copies these amounts from schedule R. These lines are copied into schedule J.
0200–0219	Receipts	
0220–0239	Offsetting receipts (proprietary)	
0240–0259	Offsetting receipts (intragovernmental)	
0260–0279	Offsetting governmental receipts	
0290–0295	Adjustments	These lines allow OMB to adjust receipts and offsetting receipts.
0299	Total receipts	MAX calculates this amount as the sum of lines 0200 through 0295.
0400	Total: Balances and receipts	MAX calculates this amount as the sum of lines 0199 and 0299.
0500–0589	Appropriations, net (–)	MAX calculates this amount from schedule X. It consists of: • the appropriations (reported on lines 1101, 1171, 1201, and 1271); and • the amounts that become available for obligation from balances of receipts that were previously unavailable (reported on line 1203). • Minus: • the amounts precluded from obligation in a fiscal year because of provisions of law such as benefit formulas or limitations on obligations (reported on lines 1134 and 1234); and • the temporary reductions reported on lines 1132, 1133, 1174, 1232, and 1273. If more than one appropriation is made from the fund, each will be listed separately by title and given a line number.
0590–0595	Adjustments	These lines allow OMB to adjust appropriations.
0599	Total appropriations (–)	MAX calculates this amount as the sum of lines 0500–0595.
0610–0613	Special and trust fund receipts returned	MAX calculates this amount from amounts in schedule X on lines 1031, 1950, and 1954.

Entry		Description
		MAX includes the amounts of special and trust fund unobligated balances that are: • unexpired and written off; or • withdrawn by administrative action; or • expired (e.g. the fifth year that is canceling) and become available for subsequent appropriation action. Also, includes cash refunds or recoveries temporarily precluded from obligation that are available for a subsequent appropriation and are returned to unappropriated receipts. MAX excludes amounts that are permanently cancelled and rescinded or withdrawn in special or trust funds that are returned to the general fund of the Treasury.
0620	Adjustment for change in allocation	MAX copies PY amount from schedule X line 1026.
0621	Adjustment for change in investments in zero coupon bonds	MAX copies PY amount from schedule X line 1027, with the opposite sign.
0700	Balance, end of year	MAX calculates this amount as the sum of lines 0199, 0299, 0599 and 0610-0621.
0795	Rounding adjustment	This line allows OMB to adjust for rounding. The amount will not exceed +\- $2 million.
0799	Balance, end of year	MAX calculates this amount as the sum of lines 0700 and 0795. This line is copied as a memorandum entry into schedule J.

86.5 What do I need to know about the summary of budget authority and outlays?

If you have a regular account that has separate program and financing schedules for supplemental requests, legislative proposals, or rescission proposals, a summary will be printed in the Budget Appendix to report the totals for budget authority and outlays for PY through BY. MAX automatically generates the summary from data in schedule A. However, it is not a separate MAX schedule and cannot be viewed in the database. The summary normally will contain the following entries, as applicable, in the sequence shown:

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

Entry	Description
Enacted/requested: Budget authority Outlays	Total amount of budget authority and outlays for all years shown in the regular program and financing schedule under transmittal code 0.

Entry	Description
Supplemental: Budget authority Outlays	Total budget authority and outlays for all years shown in a separate program and financing schedule under transmittal code 1.
Legislative Proposal, Not subject to PAYGO: Budget authority Outlays	Total amount of budget authority and outlays for all years shown in a separate program and financing schedule under transmittal code 2.
Proposed for later transmittal: Budget authority Outlays	Total amount of budget authority and outlays for all years shown in a separate program and financing schedule under transmittal code 3.
Legislative Proposal, Subject to PAYGO: Budget authority Outlays	Total amount of budget authority and outlays for all years shown in a separate program and financing schedule under transmittal code 4.
Rescission proposal: Budget authority Outlays	Total amount of reduction of budget authority and outlays for all years shown in a separate program and financing schedule under transmittal code 5.
Amounts included in adjusted baseline: Budget authority Outlays	Total amount of budget authority and outlays for all years shown in a separate program and financing schedule under transmittal code 7. Used by OMB to produce the BBEDCA baseline.
Overseas contingency operations: Budget authority Outlays	Total amount of budget authority and outlays for all years shown in a separate program and financing schedule under transmittal code 8.
Total: Budget authority Outlays	Sum of all preceding entries.

Financial Statements
Balance Sheet (Schedule F)

Balance Sheet (in millions of dollars)

Identification code 16-4023-0-3-754		PY-1 act	PY act.
	ASSETS		
	Federal assets:		
	Investments in Federal securities:		
1102	Treasury securities, net	4	4
1104	Agency securities, net	1	2
1106	Receivables, net	1	1
	Non-Federal assets:		
1201	Investments in non-Federal securities, net	1	2
1999	Total assets	7	9
	LIABILITIES		
	Federal liabilities:		
2101	Accounts Payable	1	1
2103	Debt	1	1
	Non-Federal liabilities:		
2203	Debt	3	3
2999	Total liabilities	5	5
	NET POSITION		
3100	Unexpended appropriations	3	3
3999	Total net position	3	3
4999	Total liabilities and net position	8	8

Note: Additional information is required for direct and guaranteed loan financing accounts under the Federal Credit Reform Act (see section 86.2).

Budget Year Appropriations Requests in Thousands of Dollars (Schedule T)

OFFICE OF THE SECRETARY
Salaries and Expenses

For necessary expenses, including services authorized by 5 U.S.C. [$89,786,000] $100,788,000.

Use schedule T to report *in thousands of dollars* the net budgetary resources contained in the appropriations language request.

Account: 007-55-76-0030

Appropriations Requests in Thousanes of Dollars (T):	PY	CY	BY
1001 01 Budget year budgetary resources [Treasury Acct]……..			100,788

Amounts in schedule T must be consistent with amounts in schedule P.

Report amounts on a pre-transfer basis.

Exclude amounts applied to repay debt, liquidate contract authority.

Do not report advance appropriations or spending authority from offsetting collections.

Account: 007-55-76-0030

Program and Financing (P)	PY actual	CY	BY
New budget authority (gross), detail:			
Discretionary:			
1100 01 Appropriation……………………………………………	96	90	101
1121 01 Transferred from other accounts [75-1503]……………	1	…..	5
1160 01 Appropriation (total)……………………………………	97	90	106

For merged accounts, use separate line entries to report the budget year appropriation request. Include in each line the six-digit basic account symbol assigned by Treasury. You do not need to enter the Treasury code when only a single account is involved.

Account: 007-54-72-9915

Appropriations Requests in Thousands of Dollars (T)	PY	CY	BY
1000 01 Budget year budgetary resources [76-0819]……………			97,843
1000 02 Budget year budgetary resources [76-0820]……………			54,287
1000 03 Budget year budgetary resources [76-0824]……………			21,000
1000 04 Budget year budgetary resources [76-0825]……………			6,500

SECTION 95—BUDGET APPENDIX AND PRINT MATERIALS

Table of Contents

Appendix

95.1 What is the budget *Appendix*?
95.2 How is the *Appendix* organized?
95.3 How is the "Detailed Budget Estimates" section organized?
95.4 What is the process for getting print materials published in the *Appendix*?

Appropriations Language

95.5 What do I need to know about revising appropriations language?
95.6 What are the special appropriations language requirements for credit programs?
95.7 What are the special language requirements for programs that disburse over a period longer than five fiscal years?
95.8 What are the special language requirements for cancellations of unobligated balances?
95.9 What are the special language requirements for requests for emergencies, Overseas Contingency Operations/Global War on Terrorism, or disaster funding?

Narrative Statements, Footnotes, and Tables

95.10 How do I prepare narrative statements?
95.11 How should performance information be incorporated into the narrative statements?
95.12 Are there any special requirements for narrative statements?
95.13 What do I need to know about footnotes and tables?

Ex–95A General Style Guidelines
Ex–95B Additional Guidance for Making Technical Edits in Appropriations Language

Summary of Changes

To submit appropriations language or narrative text for the Appendix for the 2015 Budget, you will have the option of using either the web application or the software that you download and install on your computer (section 95.4).

95.1 What is the budget *Appendix*?

The *Appendix—Budget of the United States* is one of several volumes that constitute the President's Budget. Like the other volumes, the President transmits the *Appendix* to the Congress, and it is published through the Government Printing Office (GPO) and digitally on http://www.whitehouse.gov/omb/. The Appropriations Committees, in particular, use the *Appendix* because it contains the appropriations language proposed by the President for each account that requires such language. The *Appendix* contains other detailed information about each account, such as program and financing information, obligations by object class, narrative statements and data about the work performed, and employment data. The information printed in the *Appendix* is often referred to as *print materials*.

95.2 How is the *Appendix* organized?

The *Appendix* consists of these parts:

Detailed Budget Estimates by Agency—This part, the main part of the *Appendix,* contains general provisions of law that apply to all Government activities, and print materials for accounts organized by agency. Section 95.3 describes the organization of this part in more detail.

Other Materials—This part may contain:

- A summary of proposed changes to current year estimates through supplemental appropriations and rescissions;
- Detailed print materials for proposed supplemental appropriations and rescissions;
- A list of amendments and revisions to budget authority requested between transmittal of the previous and current budgets; and
- A list of advance appropriations.

Financing Vehicles and the Board of Governors of the Federal Reserve—Contains descriptions of and data on certain entities that are excluded from the main part of the *Appendix*.

Government-Sponsored Enterprises—Contains descriptions of and data on Government-sponsored enterprises (private corporations chartered by Federal law), such as Fannie Mae.

95.3 How is the "Detailed Budget Estimates" section organized?

This part of the *Appendix* presents materials in the following general order:

- Legislative Branch
- Judicial Branch
- Cabinet agencies in alphabetical order
- Large or prominent non-departmental agencies (for example, the Environmental Protection Agency and the Executive Office of the President) and accounts grouped under the heading, "Other Defense—Civil Programs"
- The remaining agencies, under the heading "Other Independent Agencies," in alphabetical order.

We use the term *chapter* to refer to the presentation of materials for a separate agency or group of agencies. Within the chapter for a department or large agency, the materials are organized by bureaus or other major subordinate organizations within the agency (for example, the Farm Service Agency in USDA) or by major program areas (for example, Community Planning and Development in HUD). When we establish a new account in the MAX database, we assign a bureau and account sequence code, which determines the order in which bureaus and accounts appear in the *Appendix* (see section 79). For the sake of convenience in these instructions, we refer to all equivalent subdivisions of a chapter as bureaus.

The *Appendix* presents accounts in a uniform, logical order in all bureaus, unless there is a compelling reason for an exception. Accounts normally appear as follows:

- General fund accounts
- Special fund accounts
- Public enterprise funds
- Intragovernmental revolving funds and management funds
- Credit reform accounts, with related accounts grouped together in the following order:
    - Program account

  - Financing accounts
  - Liquidating account
- Trust funds
- Trust revolving funds
- General fund receipt accounts

A heading and a note for allocations from other accounts is shown at the end of the bureau (see section 82.17).

Certain materials are required for each account. The following table shows the print requirements and print sequence for all materials that could be required for an account. Because not all materials apply to a given account, the second column describes the circumstances in which they apply. The fourth column tells you which materials are generated from MAX and which ones you must revise using the MAX A-11 software, as outlined in the User's Guide.

BUDGET APPENDIX PRINT MATERIALS

Type of material	Applicability	See A–11 section...	How generated?
Appropriations language	Required for each account with appropriations enacted for the current year (CY) or proposed for the budget year (BY). Language is usually not submitted for legislative or rescission proposals—transmittal codes 2, 4, or 5.	95.5	MAX edited directly
Special and trust fund receipts schedule	Required for all special and non-revolving trust fund accounts.	86.4	Generated from schedule N
Program and financing schedule	Required for all accounts.	82	Generated from schedule X
Summary of budget authority and outlays	Required for each regular account that also has a non-zero transmittal code.	86.5	Generated from schedule A for accounts reporting data under multiple transmittal codes
Status of direct loans	Required for all credit liquidating and financing accounts with direct loan activity, including Government-sponsored enterprises.	185.11	Generated from schedule G
Status of guaranteed loans	Required for all credit liquidating and financing accounts with guaranteed loan activity, including Government-sponsored enterprises.	185.11	Generated from schedule H
Summary of loan levels, subsidy budget authority, and outlays by program	Required for all credit program accounts with direct loan or loan guarantee subsidies.	185.10	Generated from schedule U
Narrative statement	Required for all accounts.	95.11	MAX edited directly
Schedule on the status of funds	Required for major trust funds and certain other accounts specified in section 86.5.	86.3	Generated from schedule J

Type of material	Applicability	See A–11 section...	How generated?
Balance sheet	Required for Government-sponsored enterprises and credit liquidating accounts. For noncredit revolving funds, optional at the discretion of OMB.	86.1	Generated from schedule F
Object classification	Required for all accounts.	83	Generated from schedule O
Employment summary	Required for each account that reports personnel compensation in object class 11.1 or 11.3. Also required when FTE are funded by allocations from other accounts.	85.5	Generated from schedule Q

95.4 What is the process for getting print materials published in the *Appendix*?

To submit appropriations language or narrative text for the Appendix during the preparation of the 2015 Budget, you will have the option of using either the web application or the software that you download and install on your computer per the Users' Guide, available at: https://max.omb.gov/maxportal/pdf/AutomatedAppendixTextUsersGuide.pdf. During the preparation of the 2016 Budget, you will be required to use the web application.

Appropriations language appears in the "PA20xx" exercises; narrative language appears in exercises under "PN20xx" and schedules under "PB20xx." When the MAX database opens in early November, you will be able to edit your narrative with the MAX A-11 software. In order to view and edit your data, you will need a MAX ID. For information about how to obtain a MAX ID, visit the MAX homepage: https://max.omb.gov/maxportal/

The process for getting print materials published includes these steps:

When Congress passes appropriations bills, OMB will load the appropriations language into the MAX database. You will then be notified that your appropriations language is ready to be edited. At this time, begin updating the appropriations language and narrative. For appropriations language, if your agency has outstanding funding decisions and not any outstanding policy decisions that require new language, you may use a funding placeholder that is $0,000,000.

When you have finished editing the appropriations language and narrative, you will mark it as complete. This notifies OMB that you are finished and gives editing permission to OMB. If you miss your deadline, OMB may move accounts from the agency editing stage to the OMB editing stage.

OMB will review the text and make changes as necessary. If funding placeholders were used, OMB will contact you, as needed, to update the funding request. At any time during the process, you can print out the latest text by account or (depending on your user permissions) for your whole Appendix chapter in draft form. OMB may also, from time to time during the process, provide a PDF of your chapter for your review. For detailed information on how to use the MAX A-11 software to edit and print your text, see the user's guide: https://max.omb.gov/maxportal/webPage/a11/maxA11UsersGuide

95.5 What do I need to know about revising appropriations language?

Appropriations language constitutes the President's request to the Congress for budget authority or other legislative authority (such as general provisions) to be provided through the annual appropriations process. The *Appendix* includes appropriations language for each account for which appropriations or limitation language was enacted in the CY or is proposed for the BY.

In most cases, you will submit proposed BY appropriations language by marking up language enacted as part of a regular CY appropriations act provided by OMB in the MAX A-11 software. However, if regular appropriations have not been enacted, OMB will provide you with special instructions.

If you propose new provisions or changes to enacted language (other than changes in amounts) for individual accounts or administrative and general provisions, include an explanation and justification. If you propose language that relates to employment of personnel without regard to civil service or classification laws, send a copy of the letter from the Office of Personnel Management approving the new provision(s) to your OMB contact. Submit this information separately from the language submissions; do not write any explanations in MAX. Whenever possible, try to include proposed substantive changes in appropriations language with the budget submission to provide adequate time for review by OMB. When you edit your appropriations language in MAX, do not provide additional parenthetical statutory references following the text of the appropriations language.

When making technical edits to appropriations language, follow the guidelines below (See exhibit 95B for illustrations of technical edits for appropriations language):

1. Inserting language.

   If you are inserting language to replace deleted language, insert such language *after* the deleted language; also, add new General Provisions at the very end of existing General Provisions.

2. Punctuation.

   a. Dollar Symbols. Include the $ dollar symbol for funding levels, whether you are inserting or deleting text. If funding levels are not yet available, use “$0,000,000” as a placeholder (not “$X,XXX,XXX” and not “$0”)

   b. Existing Punctuation. When inserting text, do so before existing punctuation (and, in so doing, *retain* existing punctuation).

3. Provisos.

   a. Use colons before provisos (not semi-colons or periods);

   b. Use “Provided” for the first proviso (capitalized), and “Provided further” for any subsequent proviso in the paragraph [note, new paragraphs begin this rule again];

   c. Place a comma after “Provided” or “Provided further” (as the case may be); and

   d. Capitalize “That”.

95.6 What are the special appropriations language requirements for credit programs?

The Federal Credit Reform Act imposes special appropriations language requirements for credit programs. (See section 185 for general guidance on credit programs.) Each program account for a direct loan or loan guarantee program must contain:

- A request for an appropriation for the subsidy costs on a net present value basis;
- A specification of the loan level supportable by the subsidy cost appropriation; and
- A request for an appropriation for the administrative expenses for operating the credit program.

Use the following standard subsidy appropriation language, using the bracketed elements as appropriate. If you need to transfer the amount for administrative expenses to a salaries and expenses account, modify the language as described below. Where loans are disbursed beyond the five year period after obligation, you need to add the proviso discussed in section 95.8.

> [For the cost of direct loans, $___,] [and] [for the cost of guaranteed loans, $___,] as authorized by [authorizing statute]: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize [gross obligations for the principal amount of direct loans not to exceed $___] [,and] [total loan principal, any part of which is to be guaranteed, not to exceed $___.] In addition, for administrative expenses to carry out the [direct] [and] [guaranteed] loan program[s], $___.

Where you propose to transfer administrative expenses to a salaries and expenses account, substitute the following for the last sentence above:

> In addition, for administrative expenses to carry out the [direct] [and] loan [guarantee] program[s], $___, which shall be [paid to appropriation for [name of account]] [or, to the extent necessary,] [used to reimburse the Federal Financing Bank as authorized in section 505(c) of the Congressional Budget Act of 1974].

If you believe that the nature of a program requires a modification of the specified language, you may request an exception (see section 25.2).

95.7 What are the special language requirements for programs that disburse over a period longer than five fiscal years?

Unless otherwise specified by law, budget authority is available for liquidating obligations (that is, outlays) for only five fiscal years after the authority expires. This could be problematic for programs funded by annual or multi-year budget authority where disbursements are expected to occur more than five fiscal years after the authority expires. Where loans or other costs (such as termination costs for some contracts and annual lease payments under operating leases, capital leases, or lease-purchase agreements) will be disbursed beyond the five-year period, use the following standard proviso, modified as appropriate, to ensure that the budget authority will remain available for disbursement over the full term of the contract:

> *Provided,* That such sums are to remain available through 20XX for the liquidation of valid obligations incurred fiscal year 20XX.

95.8 What are the special language requirements for cancellations of unobligated balances?

When developing legislative language for cancellations of unobligated balances, you must consider whether:

(1) the account contains funds that were designated as an emergency requirement, as overseas contingency operations/global war on terrorism (OCO), or as disaster funding; and

(2) the cancellation is permanent or temporary.

Each issue is discussed below.

(1) Appropriations language must be clear that the cancelled funds do not include funds that were designated pursuant to a Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended, as an emergency requirement, as OCO, or as disaster funding. This is important because cancellations of such funds are not counted as discretionary offsets for appropriations of non-emergency, non-OCO, or non-disaster funds (see section 20.4(i)).

Unless the appropriations language specifies to the contrary, cancellations may be executed from funding that was provided using either a congressional or statutory emergency, OCO, or disaster designation.

Include the following proviso whenever you are drafting language that would cancel funds from an account that has ever contained emergency or OCO funding:

> *Provided*, That no amounts may be cancelled from amounts that were designated by the Congress [as an emergency requirement] [for Overseas Contingency Operations/Global War on Terrorism] [for disaster funding] pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

(2) Appropriations language must specify whether or not the cancellation is intended to be permanent, meaning that the funds should be returned to the General Fund of the U.S. Treasury or temporary, meaning that the funds are not returned to the General Fund and could become available for obligation in the future depending on whether they are permanently appropriated or subject to appropriations. (see section 20.4(i)).

If you intend for a cancellation of funds to be *permanent*, use the following standard language, modified as appropriate. The phrase "hereby permanently cancelled" should be used for reductions of general fund appropriations and for reductions of contract or borrowing authority.

> Of the unobligated balances from prior year appropriations available under this heading, $____ are hereby permanently cancelled:

If you intend for a cancellation of funds from special or trust receipts or spending authority from offsetting collections to be *temporary*, use the following standard language, modified as appropriate.

> Of the unobligated balances from prior year appropriations available under this heading, $____ are hereby cancelled:.

Temporary and permanent reductions are recorded on distinct line numbers in the MAX database (see section 82).

95.9 What are the special language requirements for requests for emergencies, Overseas Contingency Operations/Global War on Terrorism (OCO), or disaster funding?

If your request includes amounts that the Administration intends the Congress to designate as an emergency requirement or for OCO as defined by the BBEDCA, use the following proviso, modified as appropriate:

> *Provided,* That such amount is designated by the Congress [as an emergency requirement] [for Overseas Contingency Operations/Global War on Terrorism] pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That such amount shall be available only if the President designates such amount [as an emergency requirement] [for Overseas Contingency Operations/Global War on Terrorism] pursuant to section 251(b)(2)(A).

If your request includes amounts that the Administration intends the Congress to designate as disaster funding as defined by the BBEDCA, use the following proviso, modified as appropriate:

> For [specify the type of expenses] resulting from major disasters declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $___: *Provided,* That such amount is designated by the Congress as being for disaster relief pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

If the Administration intends the Congress to designate only a portion of the amount being requested as disaster funding, use the following proviso, modified as appropriate:

> *Provided,* That, of the funds provided herein, $____ shall be for major disasters declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.): *Provided further,* That the amount for major disasters in the previous proviso is designated by the Congress as being for disaster relief pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

Use of any of these three designations is not permitted without the prior approval of your OMB Representative.

95.10 How do I prepare narrative statements?

Exhibit 95A provides general style guidance for use in preparing narrative statements. The exhibit also describes other conventions, such as those used for capitalizing account titles and program activities.

(a) *Active accounts.*

You must prepare a narrative statement (revising last year's statement, if there was one) for every active account, including supplemental requests, rescission proposals, and legislative proposals. An account is active if the program and financing schedule shows obligations in the CY or BY, or you estimate that the account will incur obligations in the outyears. Follow these guidelines when writing the narrative for an active account:

- Write the narrative statements in a concise and factual manner, avoiding hyperbole.
- Orient them toward the policies and objectives for the budget year.
- Include quantitative tables that match program performance and dollar data.
- Discuss performance goals and indicators and how the budget request supports them.
- Discuss efforts to improve program performance and efficiency.
- Discuss pertinent legislation enacted since the previous budget and legislative initiatives proposed in the budget.
- Do not discuss the history, authorizing statutes, and other legal references except in special cases, as explained below.

The separate activities (and any subactivities) listed in the obligations by program activity section of the program and financing schedule should present a meaningful breakdown of the total program (see section 82.5). Therefore, it usually makes sense to address them separately in the narrative statements. You should identify the activities in side headings by the title used in the program and financing schedule and present them in the same order.

(b) *Inactive accounts.*

An account is inactive if it shows no obligations in the CY or BY and you estimate that no obligations will be incurred in the outyears. The narrative for inactive accounts should explain why the account is inactive. For example, it may be that the account funded a temporary study commission that is no longer authorized, received no appropriation after the past year (PY), and simply spends out obligated balances.

If an inactive account shows any budgetary resources (budget authority or unobligated balances) in the CY, BY, or outyears, the narrative should explain the expected disposition of the budgetary resources.

95.11 How should performance information be incorporated into the narrative statements?

The statements should support the performance plan by explaining what outcomes the agency expects to achieve with the requested funding and how the agency is working to improve performance and efficiency. Statements should also highlight how quarterly assessments are used to inform funding allocations and what follow-up the agency is taking to improve program performance. Additionally, statements should describe, where appropriate, how implementation of the Priority Goals helps the agency improve its operations and make better use of taxpayer dollars.

95.12 Are there any special requirements for narrative statements?

In addition to the information required for active accounts, the narrative should include certain specific information, described in the following paragraphs, if the account involves any of the following:

(a) *Narrative statements for revolving funds.*

For revolving funds, the narrative statement should include the information required for active accounts in general (see section 95.11) using the side heading *Budget program.* In addition, the narrative statement should address the following topics, with the side headings shown:

Financing. Provide significant information on the fund's means of financing, such as sources of income and authority to borrow (including limits on such authority, amounts actually borrowed and repaid during the year). For funds with a statutory limit on the amount of borrowing or on the amount of debt that can be outstanding at any one time, indicate the amount of the limit and discuss the position of the fund with respect to the limit during the budget year. Include in the statement a discussion of how close to the limit the fund will approach during the year.

Operating results. Provide significant information relating to levels of revenue, expense, and net income or loss. Explain the steps being taken to dispose of any deficits and the planned disposition of net earnings. Include an analysis of retained income on a cumulative basis, disclosing any budget authority amounts used to offset deficits for non-revenue producing outlays since the inception of the fund.

For each fund covered by section 102 of the Government Corporation Control Act, include a specific recommendation on the application of the retained earnings or restoration of capital impairment at the end of the past year. The recommendation should indicate:

- The amount of retained income to be returned to the Treasury and the use to be made of the remainder, if any; and
- Whether restoration of any capital impairment is required and whether this should be done by appropriations or other means.

(b) *Narrative statements for Federal credit programs.*

Narrative statements for Federal credit programs should address these items:

- Significant factors in developing subsidy estimates, such as default rates and interest rates charged to borrowers.
- Where relevant, information about how risk categories are defined (see section 185.3).

- For loan guarantee programs, the percentage of the loan covered by the guarantee.

- Use the following paragraphs, modified as necessary, to describe each account for a credit program.

For liquidating accounts:

> As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from [direct loans obligated] [and] [loan guarantees committed] prior to 1992. All new activity in this program (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program accounts and financing accounts.

For program accounts:

> As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the [direct loans obligated] [and] [loan guarantees committed] in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

For direct loan financing accounts:

> As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

For guaranteed loan financing accounts:

> As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

(c) *Narrative statements in special cases.*

The narrative statement should explain any special circumstances affecting the means of financing the program. Cover the following cases in particular:

Mandatory spending. Indicate the legal basis for the budget authority (since no appropriations language is presented for such items).

Offsetting collections and receipts. When offsetting collections or receipts earmarked in a special or trust fund finance a significant portion of the obligations of the account, discuss the source of the collections or receipts and the purposes of and restrictions on their use. For example, discuss user charges to the public, reimbursable work performed for other organizations, and asset sales. The narrative should also discuss receipts generated by the program but deposited into the general fund of the Treasury, when pertinent to the operations of the program.

Agency debt issued and investments in agency debt. Unless the information is provided in a balance sheet for the account, the narrative statement should include the following information, as applicable, for the year before the past year (PY–1) through BY. For accounts that issue debt instruments to other Federal accounts (excluding debt issued to Treasury or to the Federal Financing Bank) or to non-Federal entities, indicate the par value of outstanding debt securities issued by the account to other Federal accounts (in total) and non-Federal entities (in total). For accounts that own securities issued by other Federal accounts (excluding securities issued by the Treasury or the Federal Financing Bank) or by non-Federal entities, indicate the par value of the securities owned that were issued by Federal accounts (in total) and non-Federal entities (in total).

Limitations on borrowing or debt. For accounts with a statutory limit on the amount of borrowing or on the amount of debt that can be outstanding at any one time, indicate the amount of the limit and discuss the position of the fund with respect to the limit during the budget year. Include in the statement a discussion of how close to the limit the fund will approach during the year.

95.13 What do I need to know about footnotes and tables?

Other sections of this Circular require footnotes and tables in certain circumstances (see below). In some cases, these footnotes and tables appear to be part of a MAX schedule or resemble a MAX schedule. Due to the limited column width of the page layout, narrative tables should be concise and only contain essential data.

To insert a footnote to a schedule, download the account from the PB exercise, highlight the cell where the footnote reference should be, then choose Edit/Footnote.

Transfer in the estimates. To add a footnote for an account with a transfer in the estimates, as defined in section 20.4(k), prepare a footnote in the format described in section 82.15 and insert it in MAX using the Edit>Footnote option (go to the Edit menu and select the Footnote option).

Transfer of resources. To add a footnote for an account with a transfer of resources as defined in section 20.4(j), prepare a footnote in the format described in section 82.14 and insert it in MAX using the Edit>Footnote option.

Allocation accounts. For each bureau (or agency if the agency has no bureaus) that receives an allocation as defined in 20.4(l), prepare a footnote in the format described in section 82.17 by downloading the appropriate account in MAX.

Merged accounts. For a program and financing schedule that contains data for accounts that have been merged (see sections 79.4(h)), it may be helpful to insert a table in the narrative distributing budget authority and outlays by underlying Treasury account.

GENERAL STYLE GUIDELINES

Word/Phrase	Usage
1970s, 1980s, 1950s, 2000s, etc.	no apostrophe before the letter "s"
2010–2011 school year	not 2010-11
2012 Budget	Budget has initial cap; do not use FY
2012 President's Budget or the President's Budget	President and Budget have initial caps
20th Century; 21st Century	Century has an initial cap.
Administration	initial cap when referring to the current Administration
America	initial cap
an FY	not a FY
Armed Forces	initial caps
biodefense	no hyphen
biosurveillance	no hyphen
bioterrorist	no hyphen
Budget	initial cap when referring to the FY 20XX Budget of the United States
budget	lowercase usage: for estimates, such as "budget totals"; or for departments, such as "the Department of Education's budget."
carry over	separate words, as in "to carry over"
carryover	as in "carryover" balances
clean up	when used as a verb (to clean up the beach)
clean-up	when used as a noun (as in "oil spill clean-up) or an adjective (as in "clean-up crew")
the Congress	use "the" in front of Congress
Congress's	possessive
congressional	lower case
counterterrorism	no hyphen
crosscut or crosscutting	no hyphen
D.C.	include periods when abbreviating District of Columbia
Department	initial cap if part of a name (Department of Defense), or if standing alone and referring to a Federal unit
DOD	Department of Defense abbreviation (all upper case); same for other departments/agencies.
e.g.,	means "for example"; comma follows abbreviation
E-Government	initial cap E and G with hyphen
Federal	initial cap

Word/Phrase	Usage
Federal Government	initial cap F and G
federally funded	all lower case; no hyphen
Government	initial cap when referring to the U.S.
Government-sponsored	initial cap G when referring to the U.S. and is hyphenated
Government-wide	initial cap G when referring to the U.S. and is hyphenated
i.e.,	means "that is"; comma follows abbreviation
Internet	initial cap
multiyear	one word
Nation	upper case when referring to the U.S.
nationwide	lower case
non-Defense	hyphenated, generally
nonsecurity	not hyphenated
online	one word
outyear	one word
percent	spell out; do not use % symbol except in tables
pro rata	two words
R&D	use an ampersand (&) instead of "and"
reestimate	no hyphen
repropose	no hyphen
rescission	note spelling
servicemember	one word
spring/summer	no initial caps for seasons
south; north; east; west; Northeast; Southwest, etc.	initial cap in reference to a proper name or region, e.g., the Southeast; lower case when identifying compass directions, e.g., southeastern United States.
State	initial cap when referring to one or more of the 50 United States
Tribes	initial cap T but lower case for "tribal"
U.S.	can abbreviate when used as an adjective, i.e., U.S. exports
United States	initial caps and spelled out when used as a proper noun, i.e., the United States will remain strong…
web-based	hyphenate
website	one word
workforce	one word
workplace	one word

Word/Phrase	Usage
worldwide	one word
year-over-year percent change	hyphen usage

Other Conventions	Description
account titles	initial caps, e.g., Salaries and Expenses. Do not apply initial caps to conjunctions, prepositions, or articles included in the account title (e.g., and, to, from, the).
all told	use "in total" rather than "all told"
* (asterisk) in tables	in Excel-based tables use an asterisk to indicate: an amount less than $500 million (thousand) or less than 0.5 percent. The corresponding footnote should read: "Less than $500 million (or thousand)" or "Less than 0.5 percent," as appropriate.
Budget volume names	italicize, such as *Budget* volume, *Appendix* or *Analytical Perspectives*.
the Budget not "this" Budget	general rule
colon	two spaces after a
colons and semi-colons are on outside of quotes	"sample": or "sample";
comma placement examples: "Imposes limits, or 'caps,' through 2012 on annual funding."	commas and periods should be placed inside quotation marks. Put a dash, question mark, or exclamation point within closing quotation marks when the punctuation applies to the quotation itself and outside when it applies to the whole sentence. Colons and semi-colons are outside closing quotation marks.
comma placement example (the "Oxford comma")	in a sequence of words separated by commas, with "and" linked to the last instance, use a comma before "and." (Example: "eat, drink, and be merry"; not "eat, drink and be merry.")
dates	dates generally get a comma after the year when used in a clause, e.g., "on December 12, 2011, we bought our Christmas tree"
finally and further	avoid use of "finally" instead use "also" or "further"
FY	use of "FY" is unnecessary in the various Budget volumes because "all years are fiscal unless stated otherwise" (typically noted at front of the volume)
initiative or program activity names	initial caps, e.g., American Competitiveness Initiative, or Cooperative Extension Systems (in narrative text/non-MAX schedules). Do not use quotation marks.
its or it's	"its" (with no apostrophe) is possessive, meaning "belonging to it." "It's" is a contraction that means *only* "it is."

Other Conventions	Description
law cases, citation of	italicize when citing law cases; use "*v.*" and not "*vs.*" e.g., *Olmstead v. L.C.*
M-dash (—)	frequent use of the M-dash, or long dash, within sentences is discouraged. *The Chicago Manual of Style* defines the M-dash as a device "to denote a sudden break in thought that causes an abrupt change in sentence structure." Thus, it should be used on the rare occasion when a tangential phrase within a sentence is absolutely unavoidable. To add a normal subordinate clause, use of a semi-colon is preferred.
numbers: listed as 1); 2); 3); etc.	use closed parenthesis only, i.e., not (1); (2); (3), etc.
numbers in text	spell out zero to nine; 10 and up use numerals, e.g., nine, 10
numbers: example of an exception in text referencing a range, e.g., 8 to 23	although the numbers zero through nine should be written out when standing alone, do not spell out numbers 0 through 9 when providing them in a range such as 2 to 11, or 9 to 24 (e.g., not two to 11 or nine to 24).
numbers: use numbers in tables	e.g., an increase of 3 percent
passive voice, use of	avoid use of the passive voice (not "use of the passive voice is to be avoided").
percent	adjective (use of hyphen), e.g., 65-percent response rate generally no more than one decimal place, e.g., 0.8 percent
possessives	most singular-case usages receive "'s" to create the possessive, including singular words ending in "s." Examples: Charles's; James's (see "Congress's," above). Plural words receive just an apostrophe where appropriate, e.g., States', when referring to more than one State. The possessive of "who" is "whose," not "who's." "Its" is also an exception, as noted above.
presently	means "in the near future" or "soon." To refer to the present, use "currently" or "at present."
narrative headers	initial caps, e.g., Interstate Maintenance
Report names	italicize
semi-colons	use semi-colon in series: ;
State names	in text passages, spell out State names, e.g., Louisiana, Michigan, Alabama, etc. in tables, use 2-letter Postal Service abbreviation for State names (due to space considerations), e.g., LA, MI, AL (no periods)
toward, not towards	do not use the "s"
web addresses	italicize web addresses, e.g., *www.net.gov*
~~the~~ DOD, ~~the~~ HHS	no "the" before department/agency acronym

Other Conventions	Description
14^{th}	use superscript for “th”
9/11	• Use “9/11” in reference to a specific thing such as *The 9/11 Commission Report*, or the “Post-9/11 G.I. Bill,” or as a passing reference to things related to the event. • When referring specifically to the date and its events, however, use either September 11^{th} (include superscript when used w/o citing 2001) or September 11, 2001, whenever possible.
use “provides” or “proposes”	not “the Budget seeks”
“slightly more than” rather than “over”	preferable

Additional Guidance for Making Technical Edits in Appropriations Language

1. Inserting language. If you are inserting language to replace deleted language, insert such language after the deleted language; also, add new General Provisions (GPs) at the very end of existing GPs:

LIKE THIS:

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, [$5,285,000] *$5,936,000*: *Provided*, That not to exceed $11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.
(FY 2011 Appendix to the President's Budget, p.65)

<u>NOT</u> LIKE THIS:

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, *$5,936,000* [$5,285,000]: *Provided*, That not to exceed $11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

LIKE THIS:

DEPARTMENT OF HEALTH AND HUMAN SERVICES
GENERAL PROVISIONS

SEC. [218]216. Of the amounts made available for the National Institutes of Health, 1 percent of the amount made available for National Research Service Awards ("NRSA") shall be made available to the Administrator of the Health Resources and Services Administration to make NRSA awards for research in primary medical care to individuals affiliated with entities who have received grants or contracts under section 747 of the Public Health Service Act, and 1 percent of the amount made available for NRSA shall be made available to the Director of the Agency for Healthcare Research and Quality to make NRSA awards for health service research.

[SEC. 219. By May 1, 2010, the Secretary of the Department of Health and Human Services shall amend regulations at 42 CFR Part 50 Subpart F for the purpose of strengthening Federal and institutional oversight and identifying enhancements, including requirements for financial disclosure to institutions, governing financial conflicts of interest among extramural investigators receiving grant support from the National Institutes of Health.]

SEC. 217. (a) IN GENERAL. The Health Education Assistance Loan (HEAL) program under title VII, part A, subpart 1 of the Public Health Service Act (42 U.S.C. 292-292p), and the authority to administer such program, including servicing, collecting, and enforcing any loans that were made under such program that remain outstanding, shall be permanently transferred from the Secretary of Health and Human Services to the Secretary of Education;…

(FY 2011 Appendix to the President's Budget, p. 511-512)

NOT LIKE THIS:

DEPARTMENT OF HEALTH AND HUMAN SERVICES
GENERAL PROVISIONS

SEC. 216. (a) IN GENERAL. The Health Education Assistance Loan (HEAL) program under title VII, part A, subpart 1 of the Public Health Service Act (42 U.S.C. 292-292p), and the authority to administer such program, including servicing, collecting, and enforcing any loans that were made under such program that remain outstanding, shall be permanently transferred from the Secretary of Health and Human Services to the Secretary of Education;

(b) TRANSFER OF FUNCTIONS, ASSETS, AND LIABILITIES. The functions, assets, and liabilities of the Secretary of Health and Human Services relating to such program shall be transferred to the Secretary of Education;

(c) USE OF AUTHORITIES UNDER HIGHER EDUCATION ACT OF 1965—In servicing, collecting, and enforcing the loans described in subsection (a), the Secretary of Education shall have available any and all authorities available to such Secretary in servicing, collecting, or enforcing a loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965;

(d) CONFORMING AMENDMENTS. Effective as of the date on which the transfer of the HEAL program under subsection (a) takes effect, section 719 of the Public Health Service Act (42 U.S.C. 292) is amended by adding at the end the following new paragraph: "(6) The term "Secretary" means the Secretary of Education."

SEC. [218]*217.* Of the amounts made available for the National Institutes of Health, 1 percent of the amount made available for National Research Service Awards ("NRSA") shall be made available to the Administrator of the Health Resources and Services Administration to make NRSA awards for research in primary medical care to individuals affiliated with entities who have received grants or contracts under section 747 of the Public Health Service Act, and 1 percent of the amount made available for NRSA shall be made available to the Director of the Agency for Healthcare Research and Quality to make NRSA awards for health service research.

[SEC. 219. By May 1, 2010, the Secretary of the Department of Health and Human Services shall amend regulations at 42 CFR Part 50 Subpart F for the purpose of strengthening Federal and institutional oversight and identifying enhancements, including requirements for financial disclosure to institutions, governing financial conflicts of interest among extramural investigators receiving grant support from the National Institutes of Health.]

2. Punctuation.

a. Dollar Symbols. Include the $ dollar symbol for funding levels, whether you are inserting or deleting text. If BY funding levels are not yet available, use "$0,000,000" as a placeholder (not "$X,XXX,XXX" and not "$0").

LIKE THIS:

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, [$5,285,000] *$5,936,000*: *Provided*, That not to exceed $11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.
(FY 2011 Appendix to the President's Budget, p.65)

<u>NOT</u> LIKE THIS:

> DEPARTMENT OF AGRICULTURE
> OFFICE OF THE SECRETARY
>
> For necessary expenses of the Office of the Secretary of Agriculture $[5,285,000] *5,936,000*: *Provided*, That not to exceed $11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

b. Existing Punctuation. When inserting text, do so before existing punctuation (and, in so doing, retain existing punctuation).

LIKE THIS:

> OFFICE OF THE CHIEF FINANCIAL OFFICER
>
> For necessary expenses of the Office of the Chief Financial Officer, [$6,566,000: *Provided*, That no funds made available by this appropriation may be obligated for FAIR Act of Circular A-76 activities until the Secretary has submitted to the Committees on Appropriations of both Houses of Congress and the Committee on Oversight and Government Reform of the House of Representatives a report on the Department's contracting out policies, including agency budgets for contracting out] *$6,632,000*.
> *(FY 2011 Appendix to the President's Budget, p.69)*

<u>NOT</u> LIKE THIS:

> OFFICE OF THE CHIEF FINANCIAL OFFICER
>
> For necessary expenses of the Office of the Chief Financial Officer, *$6,632,000*. [$6,566,000: *Provided*, That no funds made available by this appropriation may be obligated for FAIR Act of Circular A-76 activities until the Secretary has submitted to the Committees on Appropriations of both Houses of Congress and the Committee on Oversight and Government Reform of the House of Representatives a report on the Department's contracting out policies, including agency budgets for contracting out.]

LIKE THIS:

> DEPARTMENT OF AGRICULTURE
> OFFICE OF THE SECRETARY
>
> For necessary expenses of the Office of the Secretary of Agriculture, [$5,285,000] *$5,936,000*: *Provided*, That not to exceed $11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.
> *(FY 2011 Appendix to the President's Budget, p.65)*

NOT LIKE THIS:

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, [$5,285,000:] *$5,936,000: Provided*, That not to exceed $11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

3. Provisos.

Use colons before provisos (not semi-colons or periods);

Use “Provided” for the first proviso (capitalized), and “Provided further” for any subsequent proviso in the paragraph [note, new paragraphs begin this rule again];

Place a comma after “Provided” or “Provided further” (as the case may be); and

Capitalize “That”.

LIKE THIS:

DEPARTMENT OF AGRICULTURE
ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Funds appropriated to the Forest Service shall be available for interactions with and providing technical assistance to rural communities and natural resource-based businesses for sustainable rural development purposes*: Provided*, *That no more than 2 percent of any unit’s budget may be used for such purposes: Provided further, That no more than 5 percent of the funds in any budget line item may be used for such purposes.*

(FY 2011 Appendix to the President’s Budget, p. 194)

NOT LIKE THIS:

DEPARTMENT OF AGRICULTURE
ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Funds appropriated to the Forest Service shall be available for interactions with and providing technical assistance to rural communities and natural resource-based businesses for sustainable rural development purposes; *provided further, that no more than 2 percent of any unit’s budget may be used for such purpose. Provided that no more than 5 percent of the funds in any budget line item may be used for such purposes*.

CIRCULAR NO. A–11

PART 3

SELECTED ACTIONS FOLLOWING TRANSMITTAL OF THE BUDGET

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
JULY 2013

SECTION 110—SUPPLEMENTALS AND AMENDMENTS

Table of Contents

110.1	How does the President propose changes in the budget in between his annual transmittals of the budget?
110.2	What are supplementals and amendments?
110.3	What do I need to send to OMB?
Ex–110A	Supplemental requests—appropriations language examples
Ex–110B	Budget amendments—appropriations language examples

110.1 How does the President propose changes in the budget in between his annual transmittals of the budget?

After the President's Budget has been transmitted to the Congress, the President proposes changes in the budget by transmitting appropriations requests to revise the original budget request for the current year (supplemental) or budget year (amendment), including proposed appropriations language for legislative initiatives (e.g., items included in the budget as legislative proposals).

All Executive Branch proposed revisions to the Budget must conform to the policies of the President. The requests may be for additional amounts or proposed changes in appropriations language that do not affect amounts previously requested, such as technical corrections or changes in a limitation on the use of trust funds. These requests may be either supplementals or amendments, depending upon when they are transmitted (see section 110.2).

You should make every effort to postpone actions that require supplemental appropriations. However, submit proposals that decrease or eliminate amounts whenever such changes are warranted. When requesting supplementals and amendments that increase the amounts contained in the budget, provide proposals for reductions elsewhere in the agency.

OMB will only consider requests for supplementals and amendments when:

- Existing law requires payments within the fiscal year (e.g., pensions and entitlements);
- An unforeseen emergency situation occurs (e.g., natural disaster requiring expenditures for the preservation of life or property);
- New legislation enacted after the submission of the annual budget requires additional funds within the fiscal year;
- Increased workload is uncontrollable except by statutory change; or
- Liability accrues under the law and it is in the Government's interest to liquidate the liability as soon as possible (e.g., claims on which interest is payable).

It generally takes a minimum of three weeks for OMB and the White House to consider agency proposals for supplementals or amendments that are not transmitted in the annual budget. Allow for this timing when making requests.

See section 79.3 for instructions on supplementals and amendments that will be transmitted with the budget. If the Congress has not completed action on your appropriations bill for the current year before the President transmits his request for the budget year, OMB will issue guidance on the presentation of any amendments to the President's current year request.

110.2 What are supplementals and amendments?

Supplementals are appropriation requests that are transmitted after completion of action on an annual appropriations bill by the Appropriations Committees of both Houses. They may be transmitted prior to, with, or subsequent to transmittal of the succeeding annual budget document. Supplemental requests that are known at the time the budget is prepared are normally transmitted to the Congress with the budget, rather than later as separate transmittals. However, each case will be decided separately. OMB representatives will inform you which supplementals will be transmitted with the budget so you can submit the necessary information. These supplementals may be:

- requesting additional amounts not previously anticipated; or
- requesting changes in appropriations language that do not affect amounts previously appropriated.

Amendments are proposed actions that revise the President's Budget request and are transmitted prior to completion of action on the budget request by the Appropriations Committees of both Houses of the Congress. This includes appropriations language for activities authorized since transmittal of the President's Budget that were included in the budget as a legislative proposal.

110.3 What do I need to send to OMB?

You need to submit the materials below. Also, you should be prepared to revise the material, as appropriate, to reflect Presidential decisions.

(a) *Appropriations language*

OMB addresses supplemental and amendment requests for unforeseen and urgent requirements. See section 95.5 through 95.9 for a more detailed explanation of appropriations language requirements including how to develop language for emergencies, Overseas Contingency Operations/Global War on Terrorism (OCO), and disaster funding pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

(1) *Supplementals*. Utilize exhibit 110A to develop language for supplemental requests.

(2) *Amendments*. Prepare language for budget amendments in the format of exhibit 110B. Use the language proposed for the budget year in the President's Budget, not the current year appropriation as the base (i.e., make changes to the budget year proposed language).

(3) *Contingent funding previously appropriated*. For releases of previously appropriated funding made contingent on the President taking additional action, agencies should contact their OMB representative.

(b) *Justification*

Prepare a justification in accordance with applicable requirements of section 51. It should also include:

- The reason why additional funds are required in the fiscal year requested, identifying specifically which of the circumstances described in section 110.1 applies;

- An explanation of proposed language provisions, if necessary; and

- Pertinent data concerning the effect on Federal civilian employment.

For *supplemental requests* only, include the following:

- The date when requested funds are needed for obligation;
- A statement of actual and estimated obligations for the year, prepared on a quarterly basis; and
- A statement of actual obligations by month, for the previous three months.

(c) *Explanation of request*

Provide a short explanation, including the effect of the request on outlays. This explanation should be suitable for transmittal to the Congress as part of the President's proposal. If appropriate, the explanation may be a synopsis of the major points that appear in the justification.

If your request includes amounts for emergencies or for OCO, then the explanation should include the following Presidential designation, modified as appropriate, in order to allow for the release of the funds that are requested to only be made available pursuant to such a Presidential designation:

> [The entire amount requested] [Of the request, $___] has been designated by the President [as an emergency requirement] [for Overseas Contingency Operations/Global War on Terrorism] as defined by the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

(d) *Letter from agency head*

Provide a letter from the head of the agency that includes a statement concerning the validity of obligations, as required by 31 U.S.C. 1108.

Supplemental Requests
Appropriations Language Examples

DEPARTMENT OF GOVERNMENT
NATIONAL TECHNOLOGY FOUNDATION
International Geophysical Year

Headings will be identical with those used in the current year appropriations act.

For an additional amount for "International Geophysical Year", $28,000,000, to remain available until expended.

Additional amount for same purpose, subject to conditions set forth in original appropriation.

[Explanation, including the effect on outlays.]

NATIONAL MEDIATION COMMISSION
Salaries and Expenses

Additional amount for same purpose, but with an additional proviso not included in original appropriation text.

For an additional amount for "Salaries and Expenses", $3,000,000, to be derived by transfer from "Arbitration and emergency boards," fiscal year 20xx.

[Explanation, including the effect on outlays.]

FEDERAL TRADE ADMINISTRATION
Salaries and Expenses

No additional amount but conditions set forth in original appropriation text are altered.

In addition to the amount made available under this heading in the Independent Agencies Appropriations Act, 20xx, for expenses of travel, $2,000,000 shall be available in that appropriation for such expenses.

[Explanation, including the effect on outlays.]

New appropriation item.

For new appropriation items the account title is underscored.

LINCOLN SESQUICENTENNIAL COMMISSION
Salaries and Expenses

For expenses necessary to carry out the Act of August 5, 20xx, as amended (97 Stat. 366 and 69 Stat. 589), $759,000.

[Explanation, including the effect on outlays.]

All language is underscored.

Budget Amendments
Appropriations Language Examples

Agency:	DEPARTMENT OF GOVERNMENT	
Bureau:	AGRICULTURE UTILIZATION SERVICE	
Heading:	Salaries and Expenses	
FY BY Budget Appendix Page:	23	**[See Note 1]**
FY BY Pending Request:	$42,915,000	**[See Note 2]**
Proposed Amendment:	$7,057,000	**[See Note 3]**
Revised Request:	$49,972,000	**[See Note 4]**

Only total request amended.

[Explanation, including the effect on outlays]

Agency:	DEPARTMENT OF GOVERNMENT	
Bureau:	FARM SERVICE	
Heading:	Salaries and Expenses	
FY BY Budget Appendix Page:	142	**[See Note 1]**
FY BY Pending Request:	$795,098,000	**[See Note 2]**
Proposed Amendment:	$91,292,000	**[See Note 3]**
Revised Request:	$886,390,000	**[See Note 4]**

Change to total amount requested and other conditions.

(In the appropriations language under the above heading, delete "$796,752,000" and substitute <u>$888,044,000</u>; delete "$795,098,000" and substitute <u>$886,390,000</u>; and delete the entire second proviso beginning with ": Provided further, That beginning the fiscal year 20xx".)

[See Note 5]

[Explanation, including the effect on outlays]

Agency:	DEPARTMENT OF GOVERNMENT	
Bureau:	OFFICE OF THE SECRETARY	
Heading:	Salaries and Expenses	
FY BY Budget Appendix Page:	708	**[See Note 1]**
FY BY Pending Request:	---	
Proposed Amendment:	Language	
Revised Request:	---	

Appropriations language change only; no change to amount requested.

(In the appropriations language under the above heading, insert <u>and Hawaii</u> immediately following "forty-eight contiguous States".)

[See Note 5]

[Explanation, including the effect on outlays]

Budget Amendments
Appropriations Language Examples--Continued

Headings will be identical with the titles proposed in the President's Budget.

Agency:	DEPARTMENT OF GOVERNMENT	
Bureau:	RURAL HOUSING ADMINISTRATION	
Heading:	<u>Community Grants</u>	
FY BY Budget Appendix Page:	211	**[See Note 1]**
FY BY Pending Request:	---	
Proposed Amendment:	$10,000,000	
Revised Request:	$10,000,000	**[See Note 4]**

New appropriation item. (If the account appears in the BY Budget *Appendix* but includes no language request, the heading will not be underscored.)

(Insert the above heading and the appropriations language that follows immediately after the material under the heading "Rural Housing Grant":)

<u>For grants for essential community facilities in rural areas pursuant to section 763 of the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127), $10,000,000.</u>

[Explanation, including the effect on outlays]

Agency:	DEPARTMENT OF GOVERNMENT	
Bureau:	NATURAL RESOURCES CONSERVATION AGENCY	
Heading:	River Basin Salinity Control Program	
FY BY Budget Appendix Page:	187	**[See Note 1]**
FY BY Pending Request:	$2,681,000	**[See Note 2]**
Proposed Amendment:	-$2,681,000	**[See Note 3]**
Revised Request:	---	

Deletion of entire appropriations request.

(Delete the appropriations language under the above heading.)

[Explanation, including the effect on outlays]

Note 1: For revisions to transmitted amendments, this line will be entitled "House Doc. 11x-xx Page" or "Senate Doc. 11x-xx Page," as applicable.
Note 2: Amounts in this line should represent the estimates now pending congressional action. Do not include amounts that were included in the President's Budget as legislative proposals.
Note 3: Reductions in the estimates should be identified by a minus sign.
Note 4: Amounts in all lines should be shown in exact dollars.
Note 5: Language in the President's Budget proposed for the budget year will be the basis for the appropriations language, not the current year appropriation.

SECTION 112—DEFERRALS AND PRESIDENTIAL PROPOSALS TO RESCIND OR CANCEL FUNDS

Table of Contents

Before the President transmits a special message

112.1	What do I need to know about rescission proposals and deferrals (impoundments)?
112.2	What is the difference between an impoundment and a cancellation proposed by the President?
112.3	When are funds deferred or proposed by the President for rescission withheld from obligation?
112.4	What materials are sent to the Congress?
112.5	When do I need to submit material to OMB?
112.6	What materials do I submit for inclusion in a special message for a rescission proposal?
112.7	What materials do I submit for inclusion in a special message for a deferral?
112.8	What narrative information do I need to include with rescission or deferral reports?
112.9	What am I required to do when a previously reported deferral or rescission proposal changes?
112.10	What information is required for the supplementary report?
112.11	What are the responsibilities of OMB in preparing special messages?

After the President transmits a special message

112.12	What should I do to help OMB prepare cumulative reports?
112.13	What are my responsibilities after a deferral is reported to the Congress?
112.14	What apportionment action is required when a rescission is enacted?
112.15	What apportionment action is required when a rescission is not enacted?
112.16	What apportionment action is required when a deferral is disapproved?

Limitations on trust and special funds

112.17	How do I treat proposals to lower limitations on trust or revolving funds?

Preparing a rescission, deferral, or a supplementary report

112.18	What do I include on the different lines of the rescission, deferral, and supplementary reports?
112.19	How do I reflect the deferral or the proposed rescission on the apportionment?
Ex–112A	Rescission Report–Sample Rescission Proposal
Ex–112B	Apportionment Request for Rescission Proposal Illustrated in Exhibit 112A
Ex–112C	Deferral Report
Ex–112D	Apportionment Request for Deferral Proposal Illustrated in Exhibit 112C

112.1 What do I need to know about rescission proposals and deferrals (impoundments)?

Title X of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, requires the President to transmit a *special message* to the Congress whenever a permanent rescission of budgetary resources is proposed. It also requires that special messages be transmitted to the Congress when funds are withheld temporarily from obligation (i.e., deferred).

The President transmits *supplementary messages* to the Congress when information contained in a special message transmitted previously is revised. This section provides instructions on agency reporting procedures and required submissions to OMB.

112.2 What is the difference between an impoundment and a cancellation proposed by the President?

Impoundment means any Executive action or inaction that withholds or precludes the obligation or expenditure of budget authority. There are two types of impoundments:

- *Rescission* means enacted legislation that reduces budget authority previously provided by law, prior to the time when the authority would otherwise expire. See section 112.18 for detailed instructions on rescission proposals by the President.

- *Deferral* means any Executive action or inaction that temporarily withholds or effectively precludes the obligation or expenditure of budgetary resources with the intent of using the funds before they expire. Deferrals are permitted only to provide for contingencies, to achieve savings made possible by or through changes in requirements or greater efficiency of operations, or as specially provided by law. Deferrals are generally effected through the apportionment process. See section 112.4 for instructions on reports to the Congress.

- *Rescission proposals* and *deferrals* are subject to the requirements of Title X of the Congressional Budget and Impoundment Control Act, which require the President to transmit a *special message* to the Congress (see section 20.4(i)).

- In contrast, *cancellation proposals* are proposals by the President to reduce budgetary resources that are not subject to the requirements of Title X of the Congressional Budget and Impoundment Control Act. Amounts proposed for cancellation are not to be withheld from obligation. Such amounts are subject to the normal apportionment instructions (see section 120).

- The instructions provided in the remainder of this section apply only to rescission proposals and deferrals.

112.3 When are funds deferred or proposed by the President for rescission withheld from obligation?

Rescissions. Generally, amounts proposed for rescission will be withheld starting immediately after the President submits the Special Message to the Congress. The withholding continues during the time proposals are being considered by the Congress. This will be accomplished through apportionment action.

For amounts withheld through the apportionment process, see section 112.19 for instructions on completing the apportionment and SF 133 reports for enacted and proposed rescissions. (For timing of apportionment actions, see sections 120.23, 120.24, 120.40, 112.14, and 112.15.)

Deferrals. OMB may approve apportionments that reflect available budgetary resources temporarily withheld from obligation through the apportionment process. OMB may take such deferral action on its own initiative or at the request of an agency. Do not defer funds without prior approval of OMB.

112.4 What materials are sent to the Congress?

Title X of the Congressional Budget and Impoundment Control Act requires the President to transmit the following materials to the Congress:

- Special messages;
- Supplementary messages, whenever any information contained in a previous special message is revised; and
- Cumulative reports listing the status, as of the first day of the month, of all deferrals and rescission proposals previously included in special messages. The cumulative reports are to be transmitted to the Congress by the 10th day of each month.

Instructions on reporting procedures are provided in section 112.18.

112.5 When do I need to submit material to OMB?

For deferrals and proposed rescissions withheld through the apportionment process:

- Submit the required materials when the corresponding apportionment requests are made to OMB; or
- If OMB suggests changes in or initiates rescission proposals or deferrals, furnish requested materials expeditiously on a time schedule determined by OMB.

Submit a supplementary report to OMB, including a revised rescission proposal report and proposed rescission language, or deferral report, as appropriate, whenever you submit an apportionment request changing the amount of the rescission proposal or increasing the amount of the deferral, or making any substantial changes to information contained in a previous report.

OMB will report reductions in amounts deferred in cumulative reports based on approved apportionments. Contact OMB no later than the first day of the following month to report the release of all or portions of agency deferrals.

112.6 What materials do I submit for inclusion in a special message for a rescission proposal?

Submit the following materials to OMB for each rescission proposal:

- A proposed rescission report (see exhibit 112A);
- Proposed rescission appropriations language (see exhibit 112A); and
- An apportionment request that reflects the amount withheld pending rescission on line 6180 of the apportionment (see exhibit 112B).

For proposed rescissions that are transmitted on the same day (or shortly thereafter) as the budget, verify that amounts on the rescission report agree with the amounts printed in the budget *Appendix*. If accounts with amounts proposed for rescission are combined (or merged) with other accounts in the *Appendix*, the budgetary resources on the rescission report will agree with the combined (or merged) account in the *Appendix*, even if some of the combined accounts have no proposed rescission. Express all amounts in dollars (per the latest apportionment).

112.7 What materials do I submit for inclusion in a special message for a deferral?

Submit the following materials to OMB for each deferral:

- A deferral report (see exhibit 112C); and
- An apportionment request that reflects the amount deferred on line 6181. When a deferral is enacted, include the amount, as a negative on line 1134.

For deferrals that are transmitted on the same day (or shortly thereafter) as the budget, verify that amounts on the deferral report agree with the amounts printed in the *Appendix*. If accounts with amounts deferred are combined (or merged) with other accounts in the *Appendix*, the budgetary resources on the deferral report will agree with the combined (or merged) account in the *Appendix*, even if some of the combined accounts have no deferral. Express all amounts in dollars.

(For information on materials required for supplementary messages, see section 112.10.)

112.8 What narrative information do I need to include with rescission or deferral reports?

Include information in the rescission or deferral reports specifying:

- The amount proposed for rescission or deferral;
- The affected account and specific project or governmental functions involved;
- The reasons why the amount should be rescinded or deferred;
- The estimated fiscal, economic, and budgetary effects of the rescission proposal or deferral;
- The effect of the rescission proposal or deferral on the objects, purposes, and programs for which the amount was provided, to the maximum extent practicable; and
- Any other relevant facts, circumstances, and considerations.

Also specify in the deferral report the period of time the budget authority is to be deferred and any legal authority invoked to justify the deferral in addition to Title X of the Congressional Budget and Impoundment Control Act (2 U.S.C. 684).

The information you provide and that is incorporated into special messages constitutes formal notification to the Congress of rescission proposals and deferrals. As such, rescission and deferral reports that you prepare should set forth a brief description of the program; a justification that presents the reasons for the rescission proposal or deferral in a logical, clear, and concise fashion; a persuasive argument in support of each rescission proposal or deferral; and any other relevant information. Specifically address the estimated program and outlay effects.

For instructions on preparation of rescission and deferral reports, see section 112.18.

112.9 What am I required to do when a previously reported deferral or rescission proposal changes?

You are required to prepare a *supplementary report* whenever the purpose of the rescission proposal or deferral has not changed, but:

- The amount of the proposed rescission changes;
- The amount of the deferral increases; or
- Other substantial changes are made to the previous report.

Do not prepare a supplementary report when the amount of a deferral decreases. OMB reports reductions in deferrals to the Congress in monthly cumulative reports based on approved apportionments. When all or portions of agency deferrals are released, contact your OMB representative no later than the first day of the following month so that OMB can report these deferrals in the cumulative reports.

When the *purpose of a rescission or deferral changes*, OMB may determine that a *new rescission or deferral report* is required instead of a supplementary report.

112.10 What information is required for the supplementary report?

The supplementary report should specify:

- The amount of the initial proposed rescission or deferral reported in a special message or, when revised reports have been made previously, the amount of the latest revision;

- The amount currently being deferred or proposed for rescission;

- The amount of the increase in the deferral or change in proposed rescission; and

- The reason for the change.

Whenever you revise information on a rescission proposal or deferral previously included in a special message, submit:

- A supplementary report explaining the change;

- The corresponding revised rescission or deferral report;

- In the case of rescissions, revised proposed rescission language; and

- In some cases, an apportionment request.

(NOTE: Insert an asterisk (*) before revisions to information (e.g., amounts withheld or explanations) contained in rescission or deferral reports. Footnote the report "*Revised from previous report.")
The supplementary report, the revised rescission or deferral report, and revised rescission language will be included in a special message from the President to the Congress.

112.11 What are the responsibilities of OMB in preparing special messages?

OMB will compile and transmit the special and supplementary messages to the Congress and to the Comptroller General. After the special and supplementary messages are transmitted to the Congress and the Government Accountability Office (GAO), they are printed as House and Senate documents and in the Federal Register.

112.12 What should I do to help OMB prepare cumulative reports?

Notify OMB on the first day of each month when all or portions of agency deferrals are released. After the cumulative reports are transmitted to the Congress and GAO, they are printed as House and Senate documents and in the Federal Register.

112.13 What are my responsibilities after a deferral is reported to the Congress?

Review all deferrals periodically so that amounts deferred for only part of the year may be released in time to be used prudently before the year ends.

112.14 What apportionment action is required when a rescission is enacted?

If the Congress completes action on a Presidential rescission proposal within the 45–day period prescribed by law and rescinds the exact amount proposed by the President (and the amount is being withheld on line 6180 of the apportionment), a new apportionment action is not required to reflect the reduction in budget authority. Adjust the apportionment to reflect the enacted rescission on the appropriate reduction line (and remove it from line 6180) only if apportionment action is requested for other reasons.

In all other circumstances involving congressional rescission of amounts initially proposed for rescission by the President, submit apportionment requests to OMB promptly upon completion of congressional action. (This includes instances when the Congress rescinds an amount different from that proposed by the President within the prescribed 45 days or rescinds all or any portion of the amount proposed by the President subsequent to the expiration of the prescribed 45 days of continuous session.) In all cases, follow congressional action on proposed rescissions affecting your programs or activities to ensure accurate and timely apportionment action.

- Congressionally-initiated rescissions may occur as the result of the reconciliation process established by the Congressional Budget Act (2 U.S.C. 641) or due to changing priorities or economic conditions during the year. Submit apportionment requests after enactment of the statute in such cases and ensure that obligations do not exceed reduced appropriations.

112.15 What apportionment action is required when a rescission is not enacted?

According to law, funds withheld pending rescission must be released following expiration of the prescribed 45 days of continuous session without completion of action on the proposed rescission by both Houses of Congress.

When funds must be released because of congressional inaction on proposed rescissions, submit apportionment requests reflecting the release of the affected amounts to OMB before the end of the prescribed 45 days, as determined by OMB. If the Congress is in session, the 45–day period begins the first day after the Congress receives a special message. If the Congress is not in session at the time of the transmittal of a special message, the 45–day period begins the first day the Congress convenes. If the second session of a Congress adjourns *sine die* before the expiration of the 45 days, the special message is considered retransmitted on the first day of the succeeding Congress and the 45–day period begins the following day. If either House recesses during a session for more than three days to a day certain, the number of days in recess is excluded from the counting period. OMB, in consultation with GAO, will determine the day for the release of each proposed rescission and will notify agencies when funds should be released.

112.16 What apportionment action is required when a deferral is disapproved?

When legislation is enacted to disapprove an Executive deferral, you must take prompt action to ensure the release of the affected amounts. If funds have been deferred through the apportionment process, submit an apportionment request to OMB, reflecting release of amounts previously deferred not later than the day following enactment of the legislation.

112.17 How do I treat proposals to lower limitations on trust or revolving funds?

Statutory limitations on the availability of trust or revolving funds are a mechanism to control funds that would otherwise be available for obligation under broad authority. The limitations are generally not the source of authority to incur obligations; rather, they place a ceiling on the use of a portion of the obligational authority by limiting the amount that can be obligated or committed for a specific purpose or time. Generally, amounts in trust or revolving funds do not expire.

A proposal to lower a statutory limitation on funds that do not expire, by itself, will not result in a rescission. Even when the Congress enacts the lower limitation, the funds may continue to be available for other purposes in the same account.

Only careful programmatic and legal analyses of the account, the limitation, and the basic legislation authorizing the program will permit you to determine whether appropriations language to reduce the limitation is also required.

112.18 What do I include on the different lines of the rescission, deferral, and supplementary reports?

Prepare rescission, deferral, and supplementary reports in accordance with the following instructions: (Examples of these reports are illustrated in exhibits 112A and C.)

Entry	Description
Rescission proposal no. ……………	A number (RCY–XX) is used to identify each proposed rescission. Enter "R" to designate a proposed rescission and the last two digits of the fiscal year for which the rescission is proposed. OMB will assign a serial number to distinguish between individual reports. You may obtain the serial number from your OMB representative after the special message is transmitted to the Congress. If a revised rescission report is prepared, add an "A" to the OMB-assigned serial number (XX) of the initial rescission proposal to indicate the first revision, a "B" to indicate the second revision, etc.
Deferral no. …………………………	A number (DCY–XX) is used to identify each deferral. Enter a "D" to designate a deferral and the last two digits of the fiscal year for which the deferral action is taken. OMB will assign a serial number to distinguish between individual deferrals. You may obtain the serial number from your OMB representative after the special message is transmitted to the Congress. If a revised deferral report is prepared, add an "A" to the OMB-assigned serial number (XX) of the initial deferral to indicate the first revision, a "B" to indicate the second revision, etc.
Agency ………………………………	Enter the name of the department or agency for which the rescission is proposed or the deferral action is taken.

Entry	Description
Bureau …………………………………	Enter the name of the subordinate organization as shown in the most recent Budget.
Account ………………………………	Enter the title of the appropriation or fund account from which the funds are being proposed for rescission or are being deferred. Also include the Treasury account symbol(s) to indicate the coverage of the report. Enter the account symbols: • For the accounts affected by the rescission proposal or deferral; or • For all accounts that are included under the appropriation title ‣ not just those subject to the proposed rescission or deferral ‣ if the account affected by the proposed rescission or deferral is merged in the Budget. Footnote this line as follows: "Includes all accounts included under this appropriation title."
New budget authority ………………….	Enter the amount of new budget authority specified in appropriation or substantive acts that is available in the current year for the accounts covered by the rescission or deferral report. This amount should equal the sum of new budget authority shown on lines 1100-1105, 1150, 1170-1171, 1200-1204, 1250, 1270, 1271, 1300, 1400, 1500, 1600, 1700 and 1800 of the latest apportionment in exact dollars. For deferrals and proposed rescissions that are transmitted on the same day (or shortly thereafter) as the Budget, amounts should agree with the amounts printed in the *Appendix*. Thus, if accounts with amounts deferred or proposed for rescission are combined (or merged) with other accounts in the *Appendix*, the budgetary resources on the deferral or rescission report will agree with the combined (or merged) account in the *Appendix*, even if some of the combined accounts have no deferral or proposed rescission. Express amounts in dollars (per the latest apportionment).
Other budgetary resources ……………	Enter the amount of other budgetary resources. This amount is equal to the amount on line 1920 minus the sum of lines 1100-1105, 1150, 1170-1171, 1200-1204, 1250, 1270, 1271, 1300, 1400, 1500, 1600, 1700 and 1800 on the latest apportionment.
Total budgetary resources …..…………	Enter the total amount of budgetary resources. This should equal the amount on line 1920 of the latest apportionment.
Amount proposed for rescission ……...	On rescission reports, enter the amount of budgetary resources proposed for rescission.
Proposed appropriations language ……	Include proposed appropriations language (double-spaced and underlined) for rescission proposals.
Amount to be deferred ……………… Part of year …………………………	On deferral reports, enter the amount of budgetary resources to be deferred, as follows: • Report the amount to be deferred for part of the current year. Because you may not defer funds past the time that the funds would expire, you must report a part-year deferral when amounts to be deferred would expire at the end of the year (annual accounts and the last year of multiple-year accounts).

Entry	Description
Entire year …………………………	• Report the amount to be deferred for the entire current year. Use only when the funds remain available beyond the end of the fiscal year.
Justification ……………………………	Provide a justification that briefly describes: • The activities funded by the account. • The rationale for the deferral or the proposed rescission and the consequences of not expending the funds. • The authority for withholding the funds in addition to the Impoundment Control Act. • Any legal authority in addition to sections 1012 and 1013 of the Impoundment Control Act (2 U.S.C. 683–684) for a rescission proposal or deferral. • Whether a rescission proposal or a deferral action is taken pursuant to the Antideficiency Act. Since these reports are transmitted by the President to the Congress, they should be written in a clear, concise, and logical manner so that those who are not familiar with the program will be able to understand the proposal.
Estimated programmatic effect ……….	When there is no estimated program effect, enter "None." This will normally be the case for rescissions proposed and deferrals made pursuant to the Antideficiency Act. When there is an estimated program effect, include a brief, clear statement of the expected effect.
Effect on outlays ………………………	Show outlay savings for proposed rescissions for CY through BY+4 and the total for the five years, as appropriate. Do not show outlay savings for deferrals reported pursuant to the Antideficiency Act.
Footnotes ………………………………	For the account(s) covered by a deferral or rescission report, cite any past or current year rescission proposals or deferrals affecting the same account. For a revised rescission or deferral report, indicate all sections containing changes from the initial report with an asterisk (*) and provide the footnote "*Revised from previous report." Subsequent revisions to a report will also indicate changes from the previous report with the specified footnotes. When more than one Treasury account is affected by a proposed rescission or deferral, OMB may require that detail on budgetary resources and changes be supplied at the Treasury account level.

112.19 How do I reflect the deferral or the proposed rescission on the apportionment?

The following instructions will apply with respect to rescissions and deferrals (see Appendix F for a description of all entries on the apportionment):

EXPLANATION OF LINE ENTRIES ON THE APPORTIONMENT FOR RESCISSIONS AND DEFERRALS

BUDGETARY RESOURCES

Line Entry	Description
1130, 1173, 1272, 1320, 1420, 1520, 1620, 1722 [type of authority] permanently reduced (–) …………… 1131, 1230 unobligated balance permanently reduced (–)……………	Enter the amount of enacted rescissions, including rescissions of new appropriations, borrowing authority, contract authority, and prior year unobligated balances. These lines apply to only permanent reductions for budgetary resources returned to the general fund of the Treasury and not available for subsequent appropriation. Consult your OMB representative for temporary reductions of budgetary resources.

APPLICATION OF BUDGETARY RESOURCES

Line Entry	Description
6180 Budgetary Resources: Withheld pending rescission…………………	Enter the amount of budgetary resources to be withheld from availability pending congressional action on a presidential rescission proposal. Such amounts are subject to the Impoundment Control Act (2 U.S.C. 683). Include amounts proposed for rescission "to achieve savings made possible by or through changes in requirements or greater efficiency of operations," in accordance with 31 U.S.C. 1512. Also include amounts proposed for rescission for other reasons, as well as any unapportioned balances of revolving funds that are being proposed for rescission (amounts being proposed for rescission that could be effectively, efficiently, and legally obligated for the purposes appropriated).
6181 Budgetary Resources: Deferred……………………………	Enter the amount of budgetary resources being set aside for possible use at a later date, before the funds expire. Such amounts are subject to the Impoundment Control Act (2 U.S.C. 684). Include amounts deferred to meet future contingencies under authority of 31 U.S.C. 1512 and 2 U.S.C. 684. These entries will also include unapportioned balances of revolving funds that are temporarily withheld restrictively and funds withheld when the agency could effectively, efficiently, and legally obligate the funds for the purposes appropriated. Include amounts in annual accounts deferred for apportionment later in the year, as well as amounts in multiple- and no-year accounts.

Rescission Report—Sample Rescission Proposal

Rescission proposal no. RCY–XX

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Section 1012 of P.L. 93–344

Agency: DEPARTMENT OF GOVERNMENT
Bureau: Bureau of Statistics
Account: Salaries and expenses (80YY0200)

The YY represents the year of availability and therefore should be changed.

Annual Funds - last digit of the last year for availability. If 2010 change YY to 10, (80100200), if 2011 change YY to 11, (80110200), etc.

Multi-year Funds - change YY to last digit of the years involved and use a /. 2010-2011 is represented as (8010/110200).

No-year Funds – use X (80X0200)

New budget authority:	$744,605,000
Other budgetary resources:	42,000,000
Total budgetary resources:	786,605,000
Amount proposed for rescission:	$223,000

Proposed rescission appropriations language:

Of the funds made available under this heading in Public Law XXX–XXX, $223,000 are rescinded.

Justification: The proposal would rescind $223,000, thereby reducing the amount generally available in the Bureau of Statistics. The Bureau conducts research to provide the means for a safer, more economical supply of office supply products for the Nation and to provide producers with technologies to supply these products competitively. The proposed rescission is possible because applications for research efforts have fallen drastically from expected levels. This action is taken pursuant to the Antideficiency Act (31 U.S.C. 1512).

Estimated programmatic effect: As a result of the proposed rescission, Federal outlays will decrease, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy. These reductions can be absorbed within the available resources and would have a negligible impact on the program.

Effect on Outlays (in thousands of dollars)

FY 20CY	FY 20BY	FY 20BY+1	FY 20BY+2	FY 20BY+3	Total
–178	–45	----	----	----	–223

Apportionment Request for Rescission Proposal
Illustrated in Exhibit 112A

FY 20xx Apportionment
Funds provided by Public Law XXX-XXX

Identify in the header the law(s) providing the budget authority.

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government **Bureau: Office of Statistics** **Account: Salaries and expenses (003-04-0200)** **TAFS: 80-0200 /YY**							
IterNo	2	Last Approved Apportionment: M/D/CY							11/30/CY
RptCat	NO	Reporting Categories							
AdjAuth	NO	Adjustment Authority provided							
1100		BA: Disc: Appropriation	744,605,000		744,605,000				
1700		BA: Disc: Spending auth: Collected			5,000,000				
1740		BA: Disc: Spending auth:Antic colls, reimbs, other	42,000,000		37,000,000				
1920		**Total budgetary resources avail (disc. and mand.)**	**786,605,000**		**786,605,000**				
6001		1st quarter	200,000,000		200,000,000				198,601,325
6002		2nd quarter	200,000,000		200,000,000				
6003		3rd quarter	200,000,000		200,000,000				
6004		4th quarter	186,605,000		186,382,000				
6180		Withheld pending rescission			223,000				
6190		**Total budgetary resources available**	**786,605,000**		**786,605,000**				

Use this line to withhold funds pending rescission

Exhibit Note: Pursuant to 31 U.S.C. 1553(b), not to exceed one percent of the total appropriation for this account is apportioned for the purpose of paying legitimate obligations related to canceled accounts.

Deferral Report

Deferral No. DCY–XX

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93–344

Agency: DEPARTMENT OF GOVERNMENT
Bureau: Bureau of Statistics
Account: Foreign Assistance (80YY0300)

New budget authority:	$2,419,600,000
Other budgetary resources:	486,647,204
Total budgetary resources:	2,906,247,204
Amount deferred for entire year:	$2,330,097,776

> The YY represents the year of availability and therefore should be changed.
>
> Annual Funds - last digit of the last year for availability. If 2010 change YY to 10, (80100200), if 2011 change YY to 11, (80110200), etc.
>
> Multi-year Funds - change YY to last digit of the years involved and use a /. 2010-2011 is represented as (8010/110200).
>
> No-year Funds – use X (80X0200)

Justification: The deferral withholds all funds for which there are no approved country-by-country plans. The President is authorized by the Foreign Assistance Act of 1961, as amended, to furnish assistance to countries and organizations, on such terms and conditions as he may determine, in order to promote economic or political stability. Section 531(b) of the Act makes the Secretary of Government, in cooperation with the Administrator of the Bureau of Statistics, responsible for policy decisions and justifications for economic support programs, including whether to provide an economic support program for a country and the amount of the program for each country.

These funds have been deferred pending the development of country-specific plans that assure that aid is provided in an efficient manner and are reserved for unanticipated program needs. This action is taken pursuant to the Antideficiency Act (31 U.S.C. 1512).

Estimated programmatic effect: None.

Apportionment Request for Deferral Proposal Illustrated in Exhibit 112C

FY 2012 Apportionment
Funds provided by Public Law XXX-XXX

Identify in the header the law(s) providing the budget authority.

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government **Bureau: Bureau of Statistics** **Account: Foreign Assistance (003-04-0300)** **TAFS: 80-0300 /YY**							
IterNo	2	Last Approved Apportionment: M/D/CY							5/31/CY
RptCat	NO	Reporting Categories							
AdjAuth	NO	Adjustment Authority provided							
1100		BA: Disc: Appropriation	2,419,600,000		2,419,600,000				
1740		BA: Disc: Spending auth; Antic colls, reimbs, other	486,647,204		486,647,204				
1920		**Total budgetary resources avail (disc. and mand.)**	**2,906,247,204**		**2,906,247,204**				
6004		4th quarter: Country specific grants	2,330,097,776		0				
6011		Regional Grants - technical assistance	250,000,000		250,000,000				175,000,000
6012		Regional Grants - equipment	326,149,428		326,149,428				302,250,000
6181		Deferred			2,330,097,776				
6190		**Total budgetary resources available**	**2,906,247,204**		**2,906,247,204**				

Use this line to defer funds

Exhibit Notes:

1) Pursuant to 31 U.S.C. 1553(b), not to exceed one percent of the total appropriation for this account is apportioned for the purpose of paying legitimate obligations related to canceled accounts.

2) This apportionment reflects congressional-initiated deferral as contained in P.L. XXX-99 on July 28, CY.

SECTION 113—INVESTMENT TRANSACTIONS

Table of Contents

113.1	How do I record investment in securities, disinvestment, and earnings?
113.2	How do I treat an investment in a Federal security other than a zero coupon bond on an SF 133?
113.3	How do I treat the redemption of a Federal security other than a zero coupon bond on an SF 133?
113.4	How do I treat investments in securities issued by non-Federal entities on an SF 133?
113.5	How do I treat an investment in a zero coupon bond on an SF 133?
113.6	How do I treat the redemption of a zero coupon bond on an SF 133?
Ex–113A	Investment in Federal Securities at a Discount—All Accounts
Ex–113B	Investment in Federal Securities at a Premium—General Fund Appropriation or Revolving Fund Accounts
Ex–113C	Federal Security Purchased at a Discount and Sold or Redeemed at Par—General Fund Appropriation or Revolving Fund Accounts.
Ex–113D	Federal Security Purchased at a Discount and Sold or Redeemed at Par—Special or Trust Fund Accounts (excluding Trust Revolving Funds)

113.1 How do I record investment in securities, disinvestment, and earnings?

(a) *Overview.*

You may only invest funds in securities if you are authorized to do so by law. Authorizing laws usually specify investment in Federal securities; they rarely authorize investment in non-Federal securities (see the definitions below). The budget treatment of investment in non-Federal securities, described in subsection (c), differs from that of Federal securities, described in subsection (d).

The guidance in this section regarding purchase premiums and discounts doesn't apply to the Treasury Department's purchases of marketable Treasury securities from the public prior to their maturity (often referred to as "debt buybacks"). The budget records buyback premiums and discounts as means of financing a surplus or deficit, rather than as outlays or offsetting collections or receipts. The buyback premium or discount is the difference between the purchase price of a security and its book value. The book value can be expected to differ from the par value (face value) of the security.

(b) *Special terms for investment defined.*

(1) *Accrued interest purchase* means payments to the seller of a security, when a security is purchased, for interest that has accrued to the seller but that will be paid to the purchaser.

(2) *Amortization* means to record a portion of any purchase discount or purchase premium in each reporting period over the life of a security, or it means the amount so recorded.

(3) *Book value* means the *par value* of a security minus the amount of any unamortized discounts or plus the amount of any unamortized premiums.

(4) *Earnings* refer collectively to some or all of these components: interest, accrued interest purchases, the amortization of purchase premiums and discounts, and sales gains and losses.

(5) *Federal securities* consist of securities issued by Federal agencies, including nonmarketable par value Treasury securities, market-based Treasury securities, marketable Treasury securities, and securities issued by other Federal agencies. This includes investments in Federal securities through the secondary market by Federal agencies. (Compare this to *non-Federal securities*.)

(6) *Interest* means the nominal interest or stated amount of interest received on a security.

(7) *Marketable Treasury securities*, including Treasury bills, notes, and bonds, are types of securities that Treasury initially issues by sale to the marketplace and that can be bought and sold on securities exchange markets.

(8) *Market-based Treasury securities* are special series debt securities that the U.S. Treasury issues to Federal entities without statutorily determined interest rates. These securities are not offered to the marketplace and cannot be bought and sold on exchange markets, but Treasury sets their terms (prices and interest rates) to mirror the terms of marketable Treasury securities. Because they mirror market terms, the purchase price may reflect a premium or discount.

(9) *Net value*, for the purpose of budget schedules, means the par value of a security reduced by the amount of any purchase discount on a cash basis. This definition differs from the definition of "Treasury securities, net" as reported in balance sheets under section 86.2 (see *Differences between amounts recorded in budget schedules and financial statements* in subsection (d)).

(10) *Nonmarketable par value Treasury securities* are special series debt securities that the U.S. Treasury issues to federal entities at par value. These securities are not offered to the marketplace and cannot be bought and sold on exchange markets. As required by the authorizing laws, Treasury sets the interest rate on such securities taking into consideration current market yields on outstanding marketable Treasury securities of specified maturity. Because these securities are sold at par value, there is no purchase premium or discount.

(11) *Non-Federal securities* consist of securities issued by a non-Federal entity, including State and local governments, private corporations, and Government-sponsored enterprises, regardless of whether the securities are federally guaranteed. This includes investments by Federal agencies in money market as well as mutual funds, even if the money market or mutual fund's assets consist entirely of Federal securities.

(12) *Par value* is the amount of principal a security pays at maturity. It is the amount printed on the face of a Treasury security, which is why it is sometimes referred to as the face value, or the equivalent book-entry amount.

(13) *Purchase discount* means the excess of a security's par value over its purchase price.

(14) *Purchase premium* means the excess of a security's purchase price over its par value.

(15) *Sales gain* means the excess of the sales price over the purchase price of the security.

(16) *Sales loss* means the excess of the purchase price over the sales price at the time of the sale.

(c) *Non-Federal securities*

The budget treats an investment in a non-Federal security (equity or debt security) as a purchase of an asset, recording an obligation and an outlay in an amount equal to the purchase price in the year of the purchase. You cannot incur such an obligation unless budget authority (or unobligated balances of budget authority) is available for the purpose. If a law clearly requires such investment without requiring further action by Congress, we will generally construe that law as providing budget authority for the purpose.

Investment in non-Federal securities consumes budgetary resources, unlike investment in Federal securities. The purchase of non-Federal securities using unobligated balances reduces the balances. The balance doesn't include the value of non-Federal securities because the funds have been spent for the purchase of the assets.

When such securities are sold or redeemed at maturity, the budget records the proceeds as offsetting collections or receipts, which adds to the balances of the account.

You record interest and other earnings on such investments as described for earnings on Federal securities in the next subsection, except that you must account for such earnings separately from earnings on investments in Federal securities. You record earnings credited to a general fund appropriation account or revolving fund account as offsetting collections on line 4033 or 4123, Non-Federal sources, of the program and financing statement. You record earnings credited to a special or trust fund account as proprietary receipts in a separate receipt account for this purpose.

In a few cases, the budgetary treatments described in this subsection are superseded by statutory accounting requirements. For example, the Federal Credit Reform Act of 1990 accounts for the government's issuance of a direct loan (as defined in that Act), which is conceptually similar to the acquisition of a private debt security, on a present-value rather than a cash basis. Also see section 185, Federal Credit. Some other statutes, such as those governing the Troubled Asset Relief Program, prescribe accounting akin to that in FCRA for the acquisition by those programs of non-federal equity, debt, or analogous securities.

The Treasury Financial Manual (TFM) provides guidance to agencies for the accounting and reporting of cash not deposited in a Treasury General Account and investments in non-Federal securities. It specifically provides guidance on cash and investments held outside of the U.S. Treasury as they relate to budgetary funds and non-budgetary funds under the Federal Government's custodial responsibility. An electronic version of the TFM chapter can be found at:

http://www.fms.treas.gov/tfm/vol1/v1p2c340.html.

In addition to the Treasury guidance, please contact your OMB representative to establish the appropriate receipt accounts, where necessary, to properly report the non-Federal investment activity. Receipt accounts may include, but are not limited to, the following:

- Interest and dividends on non-Federal securities;
- Realized gains on non-Federal securities; and
- Proceeds from non-Federal securities not immediately reinvested.

(d) *Federal securities.*

Because Federal securities are the equivalent of cash for budget purposes, we treat investment in them as a change in the mix of assets held, rather than as a purchase of assets. The following bullets describe the treatment in general terms, and the following table explains how to record specific transactions in the budget. The purchase, sale, or redemption of an asset, or the earnings in a year, may combine several transactions.

- Principal. The investment reduces the cash balances by the purchase price and increases balances of Federal securities. How you report balances of Federal securities depends on which budget schedule you are working with.

- *Special and trust fund receipts schedule (schedule N).* This schedule doesn't divide the unavailable balances into cash and Federal securities. It presents the balances as a single amount (unless the balances are divided for other reasons). The amount equals the uninvested cash balance, plus the *net value* (as defined in subsection (b)) of Federal securities held. MAX generates schedule N automatically. (See section 86.4.)

- *Program and financing schedule (schedule P).* This schedule doesn't divide balances (unobligated or obligated balances) into cash and Federal securities. It presents the balances as a single amount (unless the balances are divided for other reasons). The amount equals the uninvested cash balance, plus the *net value* (as defined in subsection (b)) of Federal securities held. Enter the end of year unobligated and obligated balances in MAX as you would normally. In addition, you must enter memorandum entries for total investments at *par value* at the start and end of each year. MAX copies CY and BY from the end of year amounts reported on line 5001 for the previous year. (See section 82.18.)

- *Status of funds schedule (schedule J).* We require this schedule for certain accounts listed by agency in section 86.5. For unexpended balances at the start of the year, the schedule presents one amount. For unexpended balances at the end of the year, the uninvested amount plus unrealized discounts on shown on line 8700 and a separate amount for the Federal securities at *par value* on line 8701. The MAX database generates schedule J automatically. (See section 86.3.)

- Earnings. You record all earnings as net interest. Some components may be positive (such as interest and realized purchase discounts) and others negative (such as accrued interest purchases and purchase premiums). Record each component as an increase or decrease in the net interest for the year in which the transaction occurs. For investments from a general fund appropriation account or revolving fund account (including a trust revolving fund account), record interest as an offsetting collection credited to the account (line 4031or 4121 Interest on Federal securities) of the schedule P. For investments from a special or trust fund account (non-revolving), record interest in a receipt account for interest (usually one ending with the suffix .20). The Status of Funds schedule, if one is required for the account, records earnings on lines that correspond to the entries for offsetting collections in the schedule P or the receipts credited to receipt accounts, as appropriate.

We may specify an alternative treatment for certain accounts where these rules may result in significant distortions of amounts presented in the budget.

The following table lists the transactions associated with investments in Federal securities in the first column and explains how to record them in the budget schedules in columns 2 through 4. Please note these features of the table:

- The second column contains instructions for recording transactions in the schedule P. The instructions for recording principal transactions apply to all accounts investing or disinvesting in securities. The instructions for recording earnings apply only to investments from general fund appropriation accounts or revolving fund accounts (including trust revolving funds).

- The third column contains instructions for recording earnings in special and trust fund (except trust revolving fund) receipt accounts for interest.

- The fourth column contains instructions for recording transactions—both principal transactions and earnings transactions—in the Status of Funds schedule required for certain accounts listed in section 86.3.

- Although the instructions on balances specify end of year balances, they apply equally to start of year balances, because end of year balances are carried forward and become the start of year balances for the next year. MAX automatically generates the start of year balances in the Unavailable Collections schedule (MAX schedule N), the Program and Financing schedule (MAX schedule P), and the Status of Funds schedule (MAX schedule J).

- A negative sign "(–)" at the end of a stub label means that you normally report negative amounts on this line. A direction to increase the amount reported means you should report a larger negative amount, and a direction to decrease the amount means you should report a smaller negative amount. The absence of a sign means you normally report positive amounts on this line. It is possible for negative earnings (such as a sales loss) for an account for a year to produce a positive amount for offsetting collections, or a negative amount for receipts, if the amounts reported for other transactions during the year are not sufficient to offset the negative earnings. (No signs appear in the stub labels printed in the budget.)

If the transaction is...	In schedule P...	Or, in the special or trust fund receipt account for interest (usually suffix .20) ...	And, in the Status of Funds schedule...
(1) Principal, upon investment.	Increase the amount reported on line 5001, "Total investments, end of year; Federal securities: Par value," by the par value in the purchase year.	Not applicable.	Decrease the amount reported on line 8700, "Uninvested balance (net), end of year," by the purchase price in the purchase year. Increase the amount reported on line 8701, "Invested balance, end of year," by the par value in the purchase year.
(2) Purchase discount—the excess of a security's par value over the purchase price.	Not applicable.	Not applicable.	In the year of the purchase, increase the amount reported on line 8700, "Uninvested balance (net), end of year," by the discount amount. When the security matures: (1) Decrease the amount reported on line 8700, "Uninvested balance (net), end of year," by the amount of the purchase discount; and (2) increase the amount reported on the line corresponding to the offsetting collection or receipt, as appropriate, by the amount of the purchase discount.
(3) Purchase premium—the excess of a security's purchase price over its par value.	Decrease the amount reported on line 4031 or 4121, "Interest on Federal securities (–)," by the premium amount in the year of the purchase.	Decrease the amount reported as interest by the premium amount in the year of the purchase.	Decrease the amount reported on the line corresponding to the offsetting collection or receipt, as appropriate, by the amount of the purchase

If the transaction is...	In schedule P...	Or, in the special or trust fund receipt account for interest (usually suffix .20) ...	And, in the Status of Funds schedule...
			premium in the year of the purchase.
(4) Accrued interest purchase—a payment to the seller of a security, when a security is purchased, for interest that has accrued to the seller but that will be paid to the purchaser.	Decrease the amount reported on line 4031 or 4121, "Interest on Federal securities (–)," by the amount of the accrued interest purchase in the year of purchase.	Decrease the amount reported as interest by the amount of the accrued interest Purchase in the year of the purchase.	Decrease the amount reported on the line corresponding to the offsetting collection or receipt, as appropriate, by the amount of the accrued interest purchase in the year of purchase.
(5) Interest—the nominal or stated amount of interest received.	Increase the amount reported on line 4031 or 4121 "Interest on Federal securities (–)," by the amount of interest received each year.	Increase the amount reported for interest by the amount of interest received each year.	Increase the amount reported on the line corresponding to the offsetting collection or receipt, as appropriate, by the amount of interest received each year.
(6) Principal, upon redemption at maturity.	Decrease the amount reported on line 9202, "Total investments, end of year; Federal securities: Par value," by the par value in the year of redemption.	Not applicable.	Increase the amount reported on line 8700, "Uninvested balance (net), end of year," by the par value in the year of redemption. Decrease the amount reported on line 8701, "Invested balance, end of year" by the par value in the year of redemption.
(7) Principal, upon sale before maturity.	Decrease the amount reported on line 5001, "Total investments, end of year; Federal securities: Par value," by the par value in the year of sale.	Not applicable.	In the year of the sale: Increase the amount reported on line 8700, "Uninvested balance (net), end of year" by the sales price. Decrease the amount reported on line 8701, "Invested balance, end of year" by the par value. Decrease the amount reported on line 8700, "Uninvested balance (net), end of year," if the security was purchased at a discount.
(8) Sales gain—the excess of the sales price over the purchase price.	Increase the amount reported on line 4031 or 4121, "Interest on Federal securities (–)," by the	Increase the amount reported for interest by the amount of the gain in the year of the sale.	Increase the amount reported on the line corresponding to the offsetting collection or receipt, as appropriate, by

If the transaction is...	In schedule P...	Or, in the special or trust fund receipt account for interest (usually suffix .20) ...	And, in the Status of Funds schedule...
	amount of the gain in the year of the sale.		the amount of the gain in the year of the sale.
(9) Sales loss—the excess of the purchase price over the sales price.	Decrease the amount reported on line 4031 or 4121 "Interest on Federal securities (–)," by the amount of the loss in the year of the sale.	Decrease the amount reported for interest by the amount of the loss in the year of the sale.	Decrease the amount reported on the line corresponding to the offsetting collection or receipt, as appropriate, by the amount of the loss in the year of the sale.

Differences between amounts recorded in budget schedules and financial statements.

- Purchase discounts. Budget schedules record them when the security matures. In most cases, financial statements amortize them over the term of the security.

- Purchase premiums. Budget schedules record them at purchase. In most cases, financial statements amortize them over the term of the security.

- Net value. For budget schedules, the term means the par value of a security minus the amount of any purchase discount on a cash basis. Don't confuse it with the term *Treasury securities, net* used in financial statements, which means the par value of a security minus the amount of any unamortized discounts or plus the amount of any unamortized premiums.

- Signs. Earnings reported as offsetting collections in the program and financing schedule carry the opposite sign from income reported in financial statements. In the program and financing statement, increases in income are reported as negative amounts and decreases are reported as positive amounts.

Differences between amounts recorded by Treasury and the budget. You will encounter differences between Treasury records and the budget if a law authorizes you to invest special or trust funds in Federal securities but requires appropriations acts to determine the amount of receipts available to incur obligations. Treasury treats the authority to invest the receipts as an appropriation, recording the receipts as appropriated in the year received and subsequently as unexpended balances of appropriations (combined unobligated and obligated balances). Since such appropriations do not provide budget authority, do not record budget authority in the program and financing schedule. The MAX database will report these amounts, along with the other amounts reported as special and trust fund receipts, in the special schedule required under section 86.4 (without separate identification for the invested portion of the balances).

113.2 How do I treat an investment in a Federal security other than a zero coupon bond on an SF 133?

If you purchase a Federal security *at a discount*, the total balances on the SF 133 should not change. See exhibit 113A for all accounts. See section 130 for a discussion of the SF 133 Report on Budget Execution and Budgetary Resources.

If you purchase a Federal security *at a premium*:

- For a general fund appropriation account or a revolving fund (including a trust revolving fund), you reduce the collections on line 1700 or 1800 by the premium, i.e., the amount greater than par, or accrued interest. However, the amount recorded as a negative amount on line 1700 or 1800 must never result in an amount of less than zero on lines 1910 and 1920. See exhibit 113B.

- For a special or trust fund account (excluding a trust revolving fund), normally there will be no change on the SF 133 because the amount is only available for investment, but there will be a reduction in the special or trust fund receipt account. However, it is important to understand the budgetary and programmatic impacts of purchasing a Federal security other than a zero coupon with a premium or accrued interest. If you have a special or trust fund account (excluding a trust revolving fund) where only the interest and earnings are available for obligation, there will be a reduction in the special or trust receipt account that will then be shown as a reduction to an appropriation on line 1101 or 1201. However, the amount recorded as a negative amount on line 1101 or 1201 must never result in an amount of less than zero on lines 1910 and 1920. The SF 132 should also be consistent with the appropriate budgetary treatment.

113.3 How do I treat the redemption of a Federal security other than a zero coupon bond on an SF 133?

If the purchase was at a *discount* and if the redemption is at *par*:

- For a general fund appropriation account or a revolving fund (including a trust revolving fund), you show the discount realized on line 1700 or 1800. See exhibit 113C.

- For a special or trust fund account (excluding a trust revolving fund), you will show the discount realized when the amount is appropriated out of the special or trust fund receipt account. See exhibit 113D.

113.4 How do I treat investments in securities issued by non-Federal entities on an SF 133?

Treat investment in non-Federal securities (equity or debt securities) as the purchase of an asset. You must record an obligation and an outlay for the purchase in an amount equal to the purchase price.

113.5 How do I treat an investment in a zero coupon bond on an SF 133?

If you purchase a zero coupon bond *at a discount*, the total balances on the SF 133 should change. At the time the bond is purchased, record an amount equal to the purchase price (par value minus purchase discount) as precluded from obligation. As the discount is amortized and recorded as earnings, record the earnings as precluded from obligation. See appendix F and section 82.18 for treatment of investments in zero coupon bonds.

113.6 How do I treat the redemption of a zero coupon bond on an SF 133?

When the bond matures or is redeemed, all amounts previously precluded from obligation become available for obligation.

Investment in Federal Securities at a Discount
All Accounts

Illustration: An account with a cash balance of $1,500 invests in a $1,000 (par value) Federal security at a 10% discount.

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 9/30/CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL
BUREAU: Bureau of Central Services	80X1309 Research and development

		80-X-1309 Unexpired Account
	BUDGETARY RESOURCES	
1000	Unob Bal: Brought forward, Oct 1	1,500
1910	Total budgetary resources (disc. and mand.)	1,500
	STATUS OF BUDGETARY RESOURCES	
2001	Direct obs incurred: Category A (by quarter)	
2201	Unob Bal: Apportioned: Avail in the current period	1,500
2500	Total budgetary resources	1,500
	CHANGE IN OBLIGATED BALANCE	
3000	Ob Bal: SOY: Unpaid obs brought forwd, Oct 1	
3010	Ob Bal: Obligations incurred: Unexpired accounts	
3020	Ob Bal: Outlays (gross)	
3050	Ob Bal: EOY: Unpaid obligations	
3060	Ob Bal: SOY: Uncoll cust paymt brought forwd Oct 1	
3070	Ob Bal: Change, in uncoll cust paymt, Fed srcs, unexp	
3090	Ob Bal: EOY: Uncoll cust payments fm Fed srcs, EOY	
3100	Obligated balance, start of year (+ or -)	
3200	Obligated balance, end of year (+ or -)	
	BUDGET AUTHORITY AND OUTLAYS, NET	
4000	Disc: Budget authority, gross	
4010	Disc: Outlays from new authority	
4011	Disc: Outlays from balances	
4020	Disc: Total outlays, gross	
4030	Disc: Offsets, BA and OL: Collections fm Fed srcs	
4050	Disc: Offsets, BA: Change in uncol pay, Fed srcs, unex	
4053	Disc: Offsets, BA only: Antic offsetting collect	
4060	Disc: Additional offsets against BA only (total)	
4070	Disc: Budget authority, net	
4080	Disc: Outlays, net	
4180	Budget authority, net (disc. and mand.)	
4190	Outlays, net (disc. and mand.)	

The beginning balance is made up of $1,500 in cash.

To save space, several exhibits in this section do not display lines that do not contain amounts. Exhibits f-1 and f-2 contains all lines.

No obligation is recorded because the principal transaction is treated as a change in the mix of assets.

As a result of the investment:

o Cash………..	$600
o Federal securities at par)………..	$1,000
o Unrealized discounts	- $100
Net balances	$1,500

No gross outlays are recorded because the principal transaction is treated as a change in mix of assets.

Investment in Federal Securities at a Premium
General Fund Appropriations or Revolving Fund Accounts

Illustration: An account with a cash balance of $1,500 invests and pays a $100 premium for a Federal security with par value of $1,000.

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 9/30/CY

AGENCY: Department of Government
BUREAU: Bureau of Central Services

APPROPRIATION OR FUND TITLE AND SYMBOL
80X1309 Research and development

		80-X-1309 Unexpired Account
	BUDGETARY RESOURCES	
1000	Unob Bal: Brought forward, Oct 1	1,500
1700	BA: Disc: Spending auth: Collected	-100
1910	Total budgetary resources (disc. and mand.)	1,400
	STATUS OF BUDGETARY RESOURCES	
2201	Unob Bal: Apportioned: Avail in the current period	1,400
2500	Total budgetary resources	1,400
	CHANGE IN OBLIGATED BALANCE	
3000	Ob Bal: SOY: Unpaid obs brought forwd, Oct 1	
3010	Ob Bal: Obligations incurred: Unexpired accounts	
3020	Ob Bal: Outlays (gross)	
3050	Ob Bal: EOY: Unpaid obligations	
3060	Ob Bal: SOY: Uncoll cust paymt brought forwd Oct 1	
3070	Ob Bal: Change, in uncoll cust paymt, Fed srcs, unexp	
3090	Ob Bal: EOY: Uncoll cust payments fm Fed srcs, EOY	
3100	Obligated balance, start of year (+ or -)	
3200	Obligated balance, end of year (+ or -)	
	BUDGET AUTHORITY AND OUTLAYS, NET	
4000	Disc: Budget authority, gross	-100
4010	Disc: Outlays from new authority	
4011	Disc: Outlays from balances	
4020	Disc: Total outlays, gross	
4031	Disc: Offsets, BA and OL: Collect, int, Fed secur	100
4050	Disc: Offsets, BA: Change in uncol pay, Fed srcs, unex	
4053	Disc: Offsets, BA only: Antic offsetting collect	
4060	Disc: Additional offsets against BA only (total)	
4070	Disc: Budget authority, net	
4080	Disc: Outlays, net	
4180	Budget authority, net (disc. and mand.)	
4190	Outlays, net (disc. and mand.)	100

Beginning balance consists of:
o Cash……....... $1,500

Record the amount greater than par as a negative amount on line 1700 or 1800.

To save space, several exhibits in this section do not display lines that do not contain amounts. Exhibits f-1 and f-2 contains all lines.

The amount recorded as a negative amount on line 1700 or 1800 must never result in an amount of less than zero on line 1910.

The ending balance consists of $1,000 for the Federal securities at par, and $400 in cash (the $1,500 on line 1000 minus the $1,100 paid to purchase the security).

Record the amount on line 4031 or 4121 as an offset to gross budget authority and outlays.

Federal Securities Purchase at a Discount and Sold or Redeemed at Par
General Fund Appropriations or Revolving Fund Accounts

Illustration: This account redeems the security at par value and receives cash.
This means that the discount realized is authorized to be credited and used without further appropriation action.

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 9/30/CY

AGENCY: Department of Government BUREAU: Bureau of Central Services		APPROPRIATION OR FUND TITLE AND SYMBOL 80X1309 Research and development
		80-X-1309 Unexpired Account
	BUDGETARY RESOURCES	
1000	Unob Bal: Brought forward, Oct 1	1,500
1700	BA: Disc: Spending auth: Collected	100
1910	Total budgetary resources (disc. and mand.)	1,600
	STATUS OF BUDGETARY RESOURCES	
2201	Unob Bal: Apportioned: Avail in the current period	1,600
2500	Total budgetary resources	1,600
	CHANGE IN OBLIGATED BALANCE	
3000	Ob Bal: SOY: Unpaid obs brought forwd, Oct 1	
3010	Ob Bal: Obligations incurred: Unexpired accounts	
3020	Ob Bal: Outlays (gross)	
3050	Ob Bal: EOY: Unpaid obligations	
3060	Ob Bal: SOY: Uncoll cust paymt brought forwd Oct 1	
3070	Ob Bal: Change, in uncoll cust paymt, Fed srcs, unexp	
3090	Ob Bal: EOY: Uncoll cust payments fm Fed srcs, EOY	
3100	Obligated balance, start of year	
3200	Obligated balance, end of year	
	BUDGET AUTHORITY AND OUTLAYS, NET	
4000	Disc: Budget authority, gross	100
4010	Disc: Outlays from new authority	
4011	Disc: Outlays from balances	
4020	Disc: Total outlays, gross	
4031	Disc: Offsets, BA and OL: Collect, int, Fed secur	-100
4050	Disc: Offsets, BA: Change in uncol pay, Fed srcs, unex	
4053	Disc: Offsets, BA only: Antic offsetting collect	
4060	Disc: Additional offsets against BA only (total)	
4070	Disc: Budget authority, net	
4080	Disc: Outlays, net	
4180	Budget authority, net (disc. and mand.)	
4190	Outlays, net (disc. and mand.)	-100

When the cash for the discount is collected, record it on line 1700 or 1800.

To save space, several exhibits in this section do not display lines that do not contain amounts. Exhibits f-1 and f-2 contains all lines.

Record the amount on line 4031 or 4121 as an offset to gross budget

Federal Security Purchased at a Discount and Sold or Redeemed at Par
Special or Trust Fund Accounts (excluding Trust Revolving Funds)

Illustration: This is identicial to the circumstances in Exhibit 113C, except the account is a special or trust fund and the realized discount is automatically appropriated.

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 9/30/CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL
BUREAU: Bureau of Central Services	80X8309 Cetnral trust fund

		80-X-8309 Unexpired Account
	BUDGETARY RESOURCES	
1000	Unob Bal: Brought forward, Oct 1	1,500
1101	BA: Disc: Appropriation (special or trust fund)	100
1910	Total budgetary resources (disc. and mand.)	1,600
	STATUS OF BUDGETARY RESOURCES	
2201	Unob Bal: Apportioned: Avail in the current period	1,600
2500	Total budgetary resources	1,600
	CHANGE IN OBLIGATED BALANCE	
3000	Ob Bal: SOY: Unpaid obs brought forwd, Oct 1	
3010	Ob Bal: Obligations incurred: Unexpired accounts	
3020	Ob Bal: Outlays (gross)	
3050	Ob Bal: EOY: Unpaid obligations	
3060	Ob Bal: SOY: Uncoll cust paymt brought forwd Oct 1	
3070	Ob Bal: Change, in uncoll cust paymt, Fed srcs, unexp	
3090	Ob Bal: EOY: Uncoll cust payments fm Fed srcs, EOY	
3100	Obligated balance, start of year (+ or -)	
3200	Obligated balance, end of year (+ or -)	
	BUDGET AUTHORITY AND OUTLAYS, NET	
4000	Disc: Budget authority, gross	100
4010	Disc: Outlays from new authority	
4011	Disc: Outlays from balances	
4020	Disc: Total outlays, gross	
4031	Disc: Offsets, BA and OL: Collect, int, Fed secur	
4050	Disc: Offsets, BA: Change in uncol pay, Fed srcs, unex	
4053	Disc: Offsets, BA only: Antic offsetting collect	
4060	Disc: Additional offsets against BA only (total)	
4070	Disc: Budget authority, net	100
4080	Disc: Outlays, net	
4180	Budget authority, net (disc. and mand.)	100
4190	Outlays, net (disc. and mand.)	

Beginning balance consists of:
- o Cash………... $600
- o Federal securities at par)………... $1,000
- o Unrealized discounts - $100
- Net balances $1,500

When appropriated (together with other receipts), count the discount realized as budget authority on line 1101 or 1201 and reflect it in the balances on line 2201 below.

To save space, several exhibits in this section do not display lines that do not contain amounts. Exhibits f-1 and f-2 contains all lines.

The end of year balance is made up of $1,600 cash.

CIRCULAR NO. A–11

PART 4

INSTRUCTIONS ON BUDGET EXECUTION

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
JULY 2013

SECTION 120—APPORTIONMENT PROCESS

Table of Contents

Introduction to Apportionments

120.1 What is an apportionment?
120.2 What terms and concepts should I understand to work with apportionments?
120.3 Are apportionments made at the Treasury appropriation fund symbol (TAFS) level?
120.4 What TAFS are required to be apportioned?
120.5 What TAFS are exempt from apportionment?
120.6 Can a portion of my TAFS be exempt from apportionment?
120.7 Do I need to submit an apportionment every fiscal year for TAFS that are multi-year/no-year?
120.8 Can I incur obligations without an apportionment?
120.9 Can I use an apportionment to resolve legal issues about the availability of funds?

What is in an Apportionment

120.10 How is the apportionment organized?
120.11 Why is the Budgetary Resources section needed?
120.12 After OMB approves an apportionment, can I obligate against all budgetary resources?
120.13 What is the format of the Applications of Budgetary Resources section and what categories does OMB use to apportion funds?
120.14 What is the format of the Guaranteed Loan Levels and Applications section?
120.15 What other kinds of information may an apportionment include?

Preparing the Apportionment Request

120.16 How can I submit an apportionment request?
120.17 Is there a standard, set number of lines to show in an apportionment request?
120.18 What header information at the top of the apportionment must I complete?
120.19 What do I put in each column of the apportionment request?
120.20 Do I need to follow special conventions to show the portion of discretionary balances in split accounts (TAFS with both mandatory and discretionary funds)?
120.21 Can I use amounts that include decimal points or cents in an apportionment?
120.22 Should I use a specific numeric format in the Excel file that holds my request?
120.23 When are apportionments due at OMB for a new fiscal year?
120.24 When is the apportionment system open for a new fiscal year?
120.25 Can I combine TAFSs on the apportionment?
120.26 Should I assemble apportionment requests for multiple TAFSs in a single package or file?
120.27 Can I cross-check information in the Budgetary Resources section?
120.28 Who can approve the apportionment request for the agency?
120.29 Who is responsible for preparing the apportionment request for allocation (parent/child) accounts?

Submitting Apportionment Requests

120.30 How do I submit apportionment requests to OMB?
120.31 What functions will I perform using the apportionment system?
120.32 How do I gain access to the apportionment system?
120.33 Are there situations when I would not use the apportionment system?

Table of Contents—Continued

Footnotes to Apportionments

120.34 What are apportionment footnotes (and footnote indicators)?
120.35 Do footnotes starting with the letter A correspond to Category A apportioned amounts while those starting with the letter B relate to Category B apportioned amounts?
120.36 Will footnotes and attachments become part of the apportionment?
120.37 What footnotes are required for agencies to include in their apportionment requests?
120.38 What footnotes are recommended for agencies to include in their apportionment requests?

Approving Apportionment Requests

120.39 How will OMB indicate its approval of an apportionment?
120.40 When can I expect OMB to approve my first apportionment request for the fiscal year?
120.41 In the case of newly enacted full-year appropriations, am I under an automatic apportionment until OMB approves my first apportionment request?

After You Have Received Your Approved Apportionment

120.42 How should I execute the apportionment?
120.43 What if I think that I may have obligated more than the amounts apportioned?
120.44 Must I control funds below the apportionment level?
120.45 How should I allot once I receive an apportionment?
120.46 How do I treat anticipated budgetary resources that are apportioned but not yet realized?
120.47 What if I need to change my apportionment or request for additional resources?
120.48 What is the relationship between the apportionment and the Funds Control System?

Changes to Previously Approved Apportionments for the Current Fiscal Year

120.49 What types of situations could require me to request a new apportionment?
120.50 What adjustments can I make without submitting a reapportionment request?
120.51 What other types of adjustments can I request OMB to allow me to make without submitting a new apportionment request?

Apportionments by Time Period

120.52 Will OMB apportion funds into future fiscal years?
120.53 How do I present deferrals or proposed rescissions on my request?
120.54 Can my request include amounts exempt from apportionment?
120.55 Can OMB apportion a past period?
120.56 Do unobligated resources apportioned in earlier time periods of the same fiscal year remain available?
120.57 Must I request that funds apportioned in one fiscal year be apportioned in the next fiscal year if the funds were not obligated and remain available?
120.58 What is the status of previously approved apportionments when a new apportionment is approved in the same fiscal year?
120.59 What is the status of approved apportionments from a previous fiscal year on apportionments in the current fiscal year?
120.60 How does the last approved apportionment govern the actions a TAFS takes when the TAFS enters the expired phase?

Table of Contents—Continued

Apportionments Affected by the Continuing Resolution (CR)

120.61 During a CR, what happens to TAFS that were apportioned before the start of a fiscal year (e.g., no-year TAFS)?
120.62 After a CR has been replaced by a full-year enacted appropriation, what do I show in the previous approved column?'
120.63 After a short-term CR has been replaced by a full-year enacted appropriation, what do I show in the agency request column?

What Other Important Things Do I Need to Know About Apportionments

120.64 What types of resources are apportioned by OMB?
120.65 Are all apportionments based on authority to incur obligations?
120.66 How do I treat extensions of the availability of unobligated balances in an apportionment?

Handling Deficiencies in Apportionments

120.67 When do I submit requests anticipating the need for the Congress to enact supplemental budget authority?

Program Reporting Categories

120.68 What is the purpose of program reporting categories?
120.69 Do my estimates of program reporting category obligations limit the amount I can obligate?
120.70 What do OMB and the agency need to do to start using program reporting categories?
120.71 How do I fill in the program reporting category tab?
120.72 Why does OMB send the names of program reporting categories and Category B projects to Treasury for use in FACTS II?
120.73 Can agencies add new program reporting categories or Category B projects when reporting their FACTS II data?

Exhibits—Sample Formats

Ex–120A Apportionment Line Numbers
Ex–120B Program Reporting Categories Format

When Your Appropriations are Enacted in a Timely Manner

Ex–120C One-Year Appropriation—First Apportionment for the Current Fiscal Year
Ex–120D No-Year Appropriation—First Apportionment for the Current Fiscal Year
Ex–120E No-Year Appropriation—Reapportionment

When You Operate Under a Continuing Resolution

Ex–120F One-Year Appropriations under Continuing Resolution
Ex–120G Appropriations and Unobligated Balances under a Continuing Resolution
Ex–120H Apportionment Following a Continuing Resolution

When You Encounter Unusual Circumstances

Ex–120I Public Enterprise (Revolving) or Intragovernmental (Revolving) Fund—Reapportionment
Ex–120J Trust Fund Limitation
Ex–120K Negative Amount Due to Reduced Unobligated Balance
Ex–120L Apportionments in Future Fiscal Years for Multi-Year Accounts

Table of Contents—Continued

Ex–120M	Trust Fund with Contract Authority, Appropriation to Liquidate Contract Authority, and Obligation Limitation
Ex–120N	Trust Fund (or Special Fund) with Collections Precluded from Obligation
Ex-120O	Allocation Transfer Apportionment Format, Apportioning Programs
Ex-120P	Allocation Transfer Apportionment Format, Apportioning Parent and Child
Ex-120Q	Allocation Transfer Apportionment Format, Child Only
Ex-120R	Allocation Transfer Apportionment Format, Parent Only
Ex-120S	Allocation Accounts

Summary of Changes

Provides an email address for any apportionment system issues (section 120.16).

INTRODUCTION TO APPORTIONMENTS

120.1 What is an apportionment?

An ***apportionment*** is an OMB-approved plan to use budgetary resources (31 U.S.C. 1513(b); Executive Order 11541). It typically limits the obligations you may incur for specified time periods, programs, activities, projects, objects, or any combination thereof. It may also place limitations on the use of other resources, such as FTEs or property. An apportionment is legally binding, and obligations and expenditures (disbursements) that exceed an apportionment are a violation of, and are subject to reporting under, the Antideficiency Act (31 U.S.C. 1517(a)(1), (b)). See section 145 for more on reporting violations of the Antideficiency Act.

120.2 What terms and concepts should I understand to work with apportionments?

A Treasury Appropriation Fund Symbol (TAFS) has ***adjustment authority*** if OMB has approved an apportionment with a footnote describing what new or additional resources are automatically apportioned without the need for OMB to approve a new apportionment and a YES is in the Line Split column of the adjustment authority line (AdjAut). For instance, OMB may provide adjustment authority for cases where actual earned reimbursements exceed the estimate on the apportionment. For more on adjustment authority, see sections 120.49 and 120.50.

The ***Antideficiency Act*** prohibits Federal employees from obligating or disbursing amounts in excess of an appropriation, an apportionment (or in its absence), an allotment, a suballotment or any other subdivisions of funds that are identified in your agency's administrative control of funds. For more on the Antideficiency Act, see section 145.

An amount is ***apportioned*** for obligation in the current fiscal year when it appears on the Category A, Category B, or Category AB lines. Amounts apportioned for obligation in future fiscal years appear on the Category C lines. The Application of Budgetary Resources section also includes lines for amounts that are exempt from apportionment or not apportioned for either current or future fiscal years.

An ***automatic apportionment*** is approved by the OMB Director in the form of a Bulletin or provision in Circular A-11, and typically describes a formula that agencies will use to calculate apportioned amounts. An automatic apportionment is in contrast to the written apportionments, which typically include specific amounts, and which are approved by an OMB Deputy Associate Director (or designee).

Carryover amounts are unobligated balances that are available from the prior fiscal year(s) in multi-year and no-year accounts. See section 120.24 regarding the submission, for OMB approval, of requests for the apportionment of carryover amounts. Pursuant to sections 120.7 and 120.57, carryover amounts are automatically apportioned at zero until a written apportionment is issued for such amounts.

Category A, Category B, Category AB or Category C—Apportioned amounts appear on different groups of lines in the application of budgetary resources section of an apportionment. Amounts are identified in an apportionment-

- by time (Category A),
- project (Category B),
- a combination of project and time period (Category AB),
- for future years (only for multi-year/no-year accounts) (Category C).

You must report obligations to Treasury with the same categories as used on the apportionment.

Exception apportionment is a colloquial term that describes the written apportionment that is issued for operations under a continuing resolution (CR), in lieu of the OMB-issued automatic apportionment.

Footnotes provide additional information and direction beyond the line stubs and dollar amounts. See section 120.34 for more information.

Impoundment—Pursuant to the Impoundment Control Act, apportionments may also set aside all or a portion of the amounts available for obligation.

- Amounts *deferred* through the apportionment process are those portions of the total amounts available for obligation that are specifically set aside as temporarily not available until released by OMB.

- Amounts withheld pending *rescission* are those portions that are set aside pending the enactment of legislation reducing the authority to obligate such funds.

For further information on deferrals and rescissions, including the difference between an impoundment and a cancellation proposed by the President, see section 112.

The ***line split*** column allows you to provide information about a line or to distinguish between two or more budgetary resource amounts that you would otherwise put on a single line. For more details on line splits, see section 120.19.

Memo obligations are amounts obligated during the current fiscal year at the time the apportionment request is prepared. The date of the obligations is at the top of the column.

Program reporting category—Agencies and OMB will work together to determine the program reporting categories (if any) under which the agencies will report their obligations against in their SF 133 Reports on Budget Execution and Budgetary Resources (see section 130). Program reporting categories should be based on elements that agencies track in their financial systems. Though you are encouraged to use program reporting categories, there are some cases where OMB and agencies will choose not to use any.

The program reporting categories are not used to apportion funds and are not subject to the Antideficiency Act (Appendix G).

Reapportionments are made when you need to make changes to the previously approved apportionment for the current year. For example, you should request a reapportionment when approved apportionments are no longer appropriate or applicable because the amounts available for obligation have increased or unforeseen events have occurred.

The ***Treasury Appropriation Fund Symbol (TAFS)***, combines the Treasury agency or department code, the Federal account symbol, and the period of availability of the resources in the account. The period of availability may be annual, multi-year, or no-year. Annual TAFS have funds that are available for obligation for no longer than one fiscal year. Multi-year TAFS have funds that are available for a specified period of time in excess of one fiscal year. No-year TAFS have funds that are available until expended. See section 20.4 for more details.

The Department of Treasury's list of account symbols may be found here:

http://fms.treas.gov/fastbook/index.html

Written apportionment is a term you will see in continuing resolution (CR) automatic apportionment bulletins. Written apportionments are approved by an OMB Deputy Associate Director (or designee) that typically include specific amounts, and are in contrast to automatic apportionments under an OMB-issued CR bulletin or under a provision in Circular A-11.

120.3 Are apportionments made at the Treasury appropriation fund symbol (TAFS) level?

Yes, apportionments are made at the TAFS level. See section 20.12 for more details on TAFSs. For cases of allocation transfers, see section 120.29.

120.4 What TAFSs are required to be apportioned?

All TAFSs are required to be apportioned, except in the case of a TAFS that is exempt from apportionment.

120.5 What TAFSs are exempt from apportionment?

The following types of TAFSs are exempt from apportionment:

- TAFSs specifically exempted from apportionment by 31 U.S.C. 1511(b) or other laws.

- TAFSs for which budgetary resources:
  - are available only for transfer to other TAFSs (unless OMB determines otherwise);
  - have expired for obligational purposes (in this case, the last apportionment during the unexpired phase applies); or
  - have been fully obligated before the beginning of the fiscal year.

- TAFS of the following types, which the OMB Director may exempt from apportionment pursuant to 31 U.S.C. 1516:
  - Management funds (Treasury TAFSs with the symbols 3900–3999);
  - Payment of claims, judgments, refunds, and drawbacks;
  - Payment under private relief acts and other laws that require payment to a designated payee in the total amount provided in such acts;
  - Foreign currency fund TAFSs (unless OMB requests), section 120.64;
  - Interest on, or retirement of, the public debt; and
  - Items the President has determined to be of a confidential nature for apportionment and budget execution purposes.

To see a list of TAFS that are exempt from apportionment, a report is available through the apportionment system.

120.6 Can a portion of my TAFS be exempt from apportionment?

Yes, in a very limited number of cases, only a portion of the budgetary resources for a TAFS must be apportioned. In these cases, agencies must show the full amount of budgetary resources, show the amounts subject to apportionment on apportioned lines, and show the amounts not subject to apportionment on Line 6183, Exempt from apportionment.

120.7 Do I need to submit an apportionment every fiscal year for TAFS that are multi-year/no-year?

Yes. Multi-year/no-year TAFS with unexpired budgetary resources available for obligation MUST be apportioned every fiscal year, unless exempt under section 120.5. See also section 120.57.

120.8 Can I incur obligations without an apportionment?

No, an obligation cannot be incurred without an OMB approved apportionment (written or automatic), except when the relevant account, from which the amounts are being obligated, is exempt from apportionment. The Antideficiency Act (section 145) prohibits the incurring of obligations that exceed the approved apportionment amount (including, e.g., purchase services or merchandise). See section 145 for specifics on the Antideficiency Act.

120.9 Can I use an apportionment to resolve legal issues about the availability of funds?

No. The apportionment of funds is not a means for resolving any question dealing with the legality of the amounts available by law or the legality of using funds for the purpose for which they are apportioned. Any question as to the legality of the amounts available by law, or the legality of using funds for a particular purpose, must be resolved through legal channels.

WHAT IS IN AN APPORTIONMENT?

120.10 How is the apportionment organized?

The top of the apportionment shows the name and account number of the TAFS being apportioned, and often includes other descriptive information, e.g. agency name, bureau name, budget account name and number.

The apportionment always includes two sections: **Budgetary Resources** and **Application of Budgetary Resources**. The Budgetary Resources section always appears toward the top of the apportionment, and shows all budgetary resources, e.g., appropriations, reductions, non-expenditure transfers, in the TAFS. The Application of Budgetary Resources shows apportioned amounts, which are legal limits that restrict how much an agency can obligate, when it can obligate, and what projects, programs, and activities it can obligate for.

Apportionments for guaranteed loan accounts include a third section, **Guaranteed Loan Levels and Applications**.

Each section of an apportionment includes line numbers and descriptions of all pertinent amounts. See Exhibit 120A for a complete list of line numbers. Appendix F describes each line in detail.

120.11 Why is the Budgetary Resources section needed?

The budgetary resources section is necessary for several reasons.

- First, it provides sufficient detail for OMB to see what level of funding is coming into the TAFS and therefore available to be apportioned. In many cases, apportioned amounts tie back to amounts on specific budgetary resource lines.

- Second, budgetary resource lines on apportionments match the lines used in the President's Budget Program and Financing schedule and SF 133 Report on Budget Execution and Budgetary Resources. The reason that these three presentations use the same line numbers is to facilitate comparisons that provide agencies and OMB with a basis to know they are looking at the right numbers. In addition, the Budget Enforcement Act (BEA) category (i.e., discretionary or mandatory) information in this section is provided to the Treasury Department to facilitate agency reporting of BEA information in budget execution reports.

- Third, the apportionment is the first step in a fiscal year's budget execution process, and provides the basis for agencies to post information in their funds control and financial systems.

120.12 After OMB approves an apportionment, can I obligate against all budgetary resources?

Not necessarily. You should not obligate until apportioned amounts have been allotted in accordance with your agency's OMB-approved funds control regulations (see section 150, Administrative Control of Funds). There are other circumstances in which you cannot obligate funds following an apportionment. For example, you cannot obligate against anticipated resources. You must wait until the resources are realized before incurring obligations. Additionally, in some cases, a footnote to the apportionment will state that amounts are apportioned, but are only available for obligation when specified events occur (such as an agency taking certain action).

120.13 What is the format of the Applications of Budgetary Resources section and what categories does OMB use to apportion funds?

OMB usually uses one of four categories to apportion budgetary resources in a TAFS.

Category A apportions budgetary resources by fiscal quarters, e.g. quarter one (October 1 through December 31), quarter two (January 1 through March 31). Lines 6001 through 6004 are used for quarters one through four, respectively.

Category B apportions budgetary resources by activities, projects, objects or a combination of these categories. Lines 6011 through 6110 are used for Category B apportioned amounts. One TAFS can potentially have dozens of Category B apportionments, each pertaining to specific activities, projects, and so on. There are also cases when it makes programmatic sense for OMB to use a single, Category B apportionment for a given TAFS.

Category AB was effective FY 2012 and apportions budgetary resources by a combination of fiscal quarters and projects. You may use Lines 6111 through 6159 to apportion a maximum of 10 projects in this manner. The table below shows which lines are reserved for which quarters.

Lines\Quarters	
6111 – 6115 (Q1 thru Q4, respectively)	Project #1
6116 – 6119 (Q1 thru Q4, respectively)	Project #2

Lines\Quarters	
6121 – 6125 (Q1 thru Q4, respectively)	Project #3
6126 – 6129 (Q1 thru Q4, respectively)	Project #4
6131 – 6135 (Q1 thru Q4, respectively)	Project #5
6136 – 6139 (Q1 thru Q4, respectively)	Project #6
6141 – 6145 (Q1 thru Q4, respectively)	Project #7
6146 – 6149 (Q1 thru Q4, respectively)	Project #8
6151 – 6155 (Q1 thru Q4, respectively)	Project #9
6156 – 6159 (Q1 thru Q4, respectively)	Project #10

Category C apportions budgetary resources in multi-year and no-year TAFSs into future fiscal years. Lines 6170 thru 6173 are used for Category C apportioned amounts. (Note: Category C amounts that OMB apportions in one year are not available for you to obligate against in the following year. For these amounts to be available, OMB must approve a new request in the following year that apportions these amounts on Category A, B, or AB lines.) See section 120.51 for additional information.

Apportionments may include a combination of categories.

In some cases (uncommon), budgetary resources are not apportioned. In such cases, the non-apportioned budgetary resources are shown using one of four apportionment lines —

(1) Withheld pending rescission (rarely used),
(2) Deferred (rarely used),
(3) Unapportioned balance of a revolving fund, and
(4) Exempt from apportionment (uncommon, and used in TAFSs with both budgetary resources subject to and exempt from apportionment — at the bottom of the section on the **Application of Budgetary Resources**). See Appendix F for definitions of these lines.

Agencies must report obligations to Treasury (FACTS II) using the same level of specificity as appears on the apportioned section of your most recent approved apportionment. For instance, if OMB uses a single Category B project with five program reporting categories, you must report obligations for each program reporting category. Likewise, if OMB uses 10 Category B projects and you incur obligations for each of these projects, your FACTS II submission and SF 133 budget execution report must show obligations for each of these 10 Category B categories.

120.14 What is the format of the Guaranteed Loan Levels and Applications section?

An apportionment for guaranteed loan financing accounts can have a third section, **Guaranteed Loan Levels and Applications** section. This section shows limitations on loan levels by program level either from the current year and/or unused from prior year(s), and the application of the program level by quarter, risk category, or a combination. The total of the limitation on loan levels by program level should equal the total of the application of the program levels.

120.15 What other kinds of information may an apportionment include?

Many kinds of additional information can be integrated into an apportionment request. Here are some examples.

Allocations. The allocations tab includes a list of all transfer allocation (or children) accounts that are expected to receive a non-expenditure transfer of funds from the parent TAFS being apportioned. The allocation accounts are subject to the Antideficiency Act. Unless OMB separately apportions an allocation account after apportioning the parent account, the allocation account must follow all apportioned amounts, footnotes, and other guidance of the parent account (see section 120.29 for more details).

Cover Letter. OMB's apportionments are often accompanied by cover letters, which can be very brief or detailed depending on many factors. Cover letters are not subject to the Antideficiency Act.

Footnotes. Footnotes appear on one of three tabs: "Previously Approved Footnotes", "Agency Footnotes", and "OMB Footnotes." The OMB footnotes (application of budgetary resources section) are subject to the Antideficiency Act. See section 120.34 for additional information on footnotes.

Program Reporting Categories. When used these identify the level of detail that an agency must use in reporting its obligations on SF 133 budget execution reports. These appear on the PgmCat tab in the apportionment request. These are not subject to the Antideficiency Act. See section 120.67 for additional information program reporting categories.

System-generated reports. When agencies validate requests, the apportionment system sometimes creates reports showing latest SF 133 versus the apportionment request; warrants; and, non-expenditure transfers. These are not subject to the Antideficiency Act.

Additional tabs and Attachments. Apportionments are almost always prepared, submitted and approved in Excel files. Certain tabs in the Excel file house the apportionment request or footnotes. Others are reserved for other specific kinds of information. Tabs in the Excel file are subject to the Antideficiency Act unless clearly stated otherwise in the apportionment (e.g., "This attachment is not subject to 31 U.S.C. 1517") or in OMB Circular A-11 (e.g., program reporting categories).

Attachments may include Word, PDF, or Excel files with a wide range of information that pertains to the apportionment request, but is not included in the Excel file that contains the request.

PREPARING THE APPORTIONMENT REQUEST

120.16 How can I submit an apportionment request?

The vast majority of apportionments are submitted by agencies and approved by OMB using OMB's secure, web-based apportionment system. When questions or issues arise using the system, please send the Excel file you are working with and a brief description of the issue to "apportionment@omb.eop.gov". Please direct questions of a substantive nature to your OMB representative.

In a limited number of cases necessitated by extenuating circumstances, OMB may approve an apportionment by phone, fax, or other non-system methods. Once the extenuating circumstances have passed, agencies and OMB should process these same requests using the apportionment system.

120.17 Is there a standard, set number of lines to show in an apportionment request?

No. While the format of the request is fixed and uses specific columns to hold certain kinds of information, the number of lines used for a given TAFS varies considerably. In FY 2011, OMB made changes so agencies can pick from more than 125 different budgetary resource lines. At the same time, agencies will only show amounts on a few of these lines for any given TAFS. For example, a TAFS with only an annual appropriation may just use one budgetary resource line.

The system provides significant flexibility to allow agencies to put in other lines with zero amounts. For instance, an apportionment for a given TAFS might show all discretionary appropriations lines, but no mandatory appropriations lines. Agencies must work closely with their OMB representatives in determining which budgetary resource lines to show with zero amounts.

Exhibit 120A shows all possible line choices that are available in the apportionment system.

120.18 What header information at the top of the apportionment must I complete?

The header must provide the fiscal year for the apportionment and a public law. The public law reference may be descriptive if there are multiple public laws covered by the apportionment or if the annual appropriations act is not enacted. Some examples are:

- Funds provided by Public Law N/A – Carryover
- Funds provided by Public Law N/A – Multiple

120.19 What do I put in each column of the apportionment request?

Exhibit 120A shows all the columns used in an apportionment request. The columns show the TAFS; line number, description, and line split; previous approved, agency request, and OMB action amounts and footnotes; and, memo obligations. Each of these is described below.

TAFS. TAFS information appears in columns A through F of apportionment requests. The columns show: Treasury agency; period of availability (FY1 and FY2); and allocation account and sub-account, if applicable. For presentation purposes, these columns are often hidden. You can unhide these columns if necessary. As part of validating requests or sending requests, the system checks that these columns are filled out properly; if they are not, the system provides an error message.

Line numbers. Exhibit 120A shows a complete list of line numbers and descriptions.

Line splits. You must provide line split in the following cases:

- The IterNo (Iteration Number) line shows the number of times OMB has approved (apportioned) an apportionment for a given TAFS in a fiscal year. No action is necessary if you use Create Template as a starting point for preparing your requests. The apportionment system automatically puts in the Iteration Number in the line split column, as well as puts the last approval date in the line stub column.

- The RptCat line indicates whether the TAFS uses Program Reporting Categories. Use "YES" or "NO", as appropriate, for the line split column.

- The AdjAut line indicates whether OMB has approved specific types of adjustments to be made without submitting a reapportionment request. Use "Yes" or "No", as appropriate, for the line split column. (See Section 120.50.)

- Line 1000 shows unobligated balances. For unobligated balances in no-year and multi-year TAFSs with both mandatory and discretionary funding, you must use a line split that starts with the letter "D" to show the portion of the balances that are discretionary. For many years, agencies used line splits of "E" or "A" to distinguish Estimated from Actual balances, respectively. In these cases, you would use "DE" or "DA" to indicate estimated from actual discretionary balances, respectively (section 120.20).

You may use the line splits to distinguish between two or more amounts that you would otherwise put on a single line. For example, you may use line splits to distinguish between two or more sources of collections. Or, you may use line splits to distinguish between unobligated balances from reimbursable authority versus direct appropriations.

You cannot use line number splits for the **Application of Budgetary Resources** section.

Previous Approved Amount.

- Leave the column blank for the first request you submit for a given fiscal year. See Exhibits 120C, and 120D, and 120F for examples of an annual (one-year) appropriation, a no-year appropriation, and appropriations provided by a continuing resolution.

- Include amounts from the "OMB Action" column of the previously approved apportionment within the same fiscal year. This includes any adjustments under sections 120.50 or any other adjustment authority granted to you by OMB in writing (120.51).

- When appropriations are enacted following one or more CRs, include the amounts from the last CR in this column (see section 120.58).

Previous Approved Footnote Indicator. For reapportionment requests add the indicator, e.g., A1, B1\B2, which indicates that a footnote(s) appears on the previous approved footnote worksheet tab. If your earlier apportionment had footnotes, the worksheet tab will be automatically populated by the apportionment system.

Agency Request. Include the amounts you are requesting in this column.

Agency Footnote Indicator. Include an indicator, e.g., A1, B1, which indicates that a footnote appears on the agency footnote tab. See section 120.34 for more information on footnotes.

OMB Action. The apportionment system places formulas in the OMB Action column to set it equal to the Agency Request column. OMB will adjust the OMB Action values as necessary when reviewing and approving your request.

OMB Footnote Indicator. Include an indicator, e.g., A1, B1, which indicates that a footnote appears on the approved footnote tab. The footnotes in the OMB Footnote column override all other footnotes.

Memo obligations. Include memorandum obligations in this column. Also include the date of the obligations using the MM-DD-YYYY format on the RptCat row. The memo obligations support your reapportionment request.

120.20 Do I need to follow special conventions to show the portion of discretionary balances in split accounts (TAFS with both mandatory and discretionary funds)?

Yes. For unobligated balances in no-year and multi-year TAFSs with both mandatory and discretionary funding (split accounts), you must show the discretionary portion of the balances by using a line split that starts with the letter "D". You will do this solely on Line 1000, which is Unobligated balance, brought forward, Oct.1. You must also change the Line Stub to start with the word Discretionary, e.g., Discretionary Unobligated balance, brought forward, Oct.1. Many agencies use line splits of "E" or "A" to distinguish Estimated from Actual balances, respectively. In these cases, you would use "DE" or "DA" to indicate estimated from actual discretionary balances, respectively.

120.21 Can I use amounts that include decimal points or cents in an apportionment?

No. You must round all amounts to the nearest dollar in apportionment requests. In addition, you may not round amounts to thousands.

120.22 Should I use a specific numeric format in the Excel file that holds my request?

Yes. You must use the format described in the apportionment user guide (in the apportionment system, click on "Open Support \ Links").

120.23 When are apportionments due at OMB for a new fiscal year?

If ...	Then, submit your first apportionment request by...
Any part of the budgetary resources for a TAFS is not determined by current action of the Congress (such as permanent appropriations, public enterprise and other revolving funds subject to apportionment, reimbursements and other income, and balances of prior year budget authority)	August 21, as required by 31 U.S.C. 1513(b)
All or any part of the budgetary resources for a TAFS are determined by current action of the Congress	August 21, or within 10 calendar days after the enactment of the appropriation or substantive acts providing new budget authority (i.e., authorization bills), whichever is later

We encourage you to begin preparation of apportionments and related materials as soon as the House and Senate have reached agreement on funding levels. In this way, you can make a timely submission of your request to OMB, and OMB can have adequate time for its review.

120.24 When is the apportionment system open for a new fiscal year?

The apportionment system will open to agencies to start preparing requests on August 1 (or the following business day). Agencies can submit their requests starting August 13.

120.25 Can I combine TAFSs on the apportionment?

No. From time to time, agencies ask whether they can combine the amounts from two or more TAFS, and submit an apportionment for this single "combined" TAFS. Agencies may not do this because the apportionments must tie back to the statutory authority, which explicitly makes distinctions between accounts and defines the period of availability of the funds in the accounts. These are the same pieces of information that distinguish one TAFS from another.

120.26 Should I assemble apportionment requests for multiple TAFSs in a single package or file?

Yes. To the extent practical, submit apportionment requests for each independent agency, departmental bureau, or similar subdivision together.

120.27 Can I cross-check information in the Budgetary Resources section?

Yes. You can cross-check information in certain cases against the President's Budget or the most recent SF 133 Reports. In addition, for general fund TAFSs, you should check that appropriations and warrants by Treasury (if any) are consistent and you can check that actual non-expenditure transfers match transfers processed at Treasury. See https://max.omb.gov/community/x/HAAQAw.

120.28 Who can approve the apportionment request for the agency?

Agencies must use appropriate internal controls in preparing apportionment requests, and specifically ensure that the agency official with authority to review and approve the request has done so. The approving official at the agency is not required to sign the request that is sent to OMB, but may do so if required by the agency's internal controls or if requested by the OMB examining division. OMB's apportionment system does not accommodate electronic signatures of agency officials.

120.29 Who is responsible for preparing the apportionment request for allocation (parent/child) accounts?

Allocation accounts involve both a "parent" appropriation and a "child" recipient of budgetary resources via an allocation non-expenditure transfer. For instance, if an appropriation is enacted to the Funds Appropriated to the President's International Military Education and Training account (11-1081 /X), and a subsequent allocation is made to the Department of the Army (Treasury agency 21), then the allocation non-expenditure transfer from 11-1081 /X to Army would be as follows: 11-1081 /X transfer to 21-11-1081 /X.

Unless OMB determines otherwise, the agency that receives the appropriation to be allocated (the "parent") should submit a single, consolidated apportionment request that encompasses both the parent TAFS and all the allocated recipient "child" agencies and/or bureau TAFS (see Exhibit 120P). Additionally, allocation transfers are normally apportioned at the same category level as the parent account (e.g., category A, B, AB, or C). The agency administering the parent TAFS will indicate to the receiving agency what portion of the consolidated apportionment is transferred to the allocation TAFS.

Allocation account apportionments, however, can be done in different ways. See Exhibit 120R for an example of a "parent" only allocation apportionment and Exhibit 120Q for an example of a child only allocation transfer apportionment.

The "parent" agency must ensure that the recipients are provided the approved apportionment request on a timely basis. Obligations incurred for the program as a whole are limited by the approved apportionment. Receiving agencies will be responsible for keeping obligations within the amount so specified in the apportionment.

If you have an apportionment that includes allocations, you must include a worksheet, named Allocations, to show the required information. This information will enable OMB to send stubs to FACTS II for the allocation accounts, rather than just the parent accounts. **The name of the worksheet must be Allocations and cannot be changed.** (See Exhibit 120S.) You do not need to include an Allocations worksheet if you are not using allocations.

In order for the transfers to crosswalk correctly in the SF 133 and President's Budget, please ensure that both the parent and child use the appropriate USSGL for allocation transfers (http://www.fms.treas.gov/ussgl/index.html).

SUBMITTING APPORTIONMENT REQUESTS

120.30 How do I submit apportionment requests to OMB?

Agencies will typically use OMB's web-based system to submit their apportionment requests to OMB (see section 120.32 for getting permission in the system to send). In those circumstances when you are unable to use the web-based system, email the Excel file containing your request to your OMB contacts. You will almost always be required to send OMB an electronic copy of the apportionment request. In some cases, the OMB examining division may request you to provide a hard copy of the signed request.

120.31 What functions will I perform using the apportionment system?

OMB's web-based apportionment system is the primary system agencies will use to prepare, submit, and run reports on their apportionment requests. Staffers with authority to use the system may use the Support\Links tab to find detailed guidance on using the system.

Below is a brief overview of the major functions.

(a) *Create template*

Use the Create Template screen to get a starting point for your request. If the TAFS you are working with has already been apportioned in the fiscal year for which you are submitting a request, the system will create a properly formatted Excel file with the most recently approved information in the Previous Approved column. If the TAFS has not yet been apportioned or has never been apportioned, you can draw source data from a previous fiscal year and/or a different TAFS to provide a starting point for your request.

(b) *Validate*

After you have created a template and updated it to reflect the proper information for your request, use the Validate Request screen to do two things: check for any math or formatting errors, and if there are no errors, create a new file that is ready to be submitted to OMB. This file will have several Excel tabs that were not in your original template. It will have the tab called Appor_Req to OMB with the primary apportionment information. It will have a tab to hold any footnotes that OMB may wish to include with the apportionment. If any of the TAFSs in your file have warrants, transfers, or SF 133 data (excluding parent or child allocation accounts) for the fiscal year of your requests, the validated file will also have tabs to display these items. You will need to download and save this file wherever you keep your apportionment files.

(c) *Send*

If your agency administrator has given you the ability to send requests, you can use the Send tab to send files to OMB, or in some cases, to send files to a central office in your agency that will approve requests and send them to OMB.

(d) *Run reports*

At any time, you can go to the Run Reports tab to find information associated with your apportionment request, including the latest approved amounts, the latest submission and approval dates, etc.

120.32 How do I gain access to the apportionment system?

The apportionment system can be found here:

https://max.omb.gov/exercises/apportionment

In order to use the apportionment system to prepare requests and run reports, you must have a MAX User ID and your agency administrator must add you to one or more apportionment groups. Your administrator may also choose to give you the ability to submit requests to OMB.

You can register for a MAX User ID here:

https://max.omb.gov/maxportal/registrationForm.action

You can find your agency administrator here:

https://max.omb.gov/maxportal/sa/findAgencyAdminForm.do

120.33 Are there situations when I would not use the apportionment system?

In limited circumstances during a continuing resolution period, OMB will sometimes apportion certain types of budgetary resources, such as spending authority from offsetting collections, using a blanket written letter apportionment. Once appropriations are enacted, agencies must submit requests using the OMB apportionment system. Consult your RMO examiner for more information.

FOOTNOTES TO APPORTIONMENTS

120.34 What are apportionment footnotes (and footnote indicators)?

The request tab of an apportionment includes columns for previously approved amounts, agency request, and OMB action. Next to each of these columns, in turn, is a column for a footnote indicator. The use of a footnote indicator on the request tab, e.g., A1, B1, indicates that one or more footnotes are associated with that line.

Footnotes appear as textual descriptions on specific tabs in the apportionment file, and typically provide additional information or direction associated with one or more lines on the request. A request includes separate footnote tabs associated with amounts in the previously approved request column, agency requests column, and OMB Action column. Footnotes are divided into two basic groups: footnotes for apportioned amounts, and footnotes for budgetary resources.

Footnotes for Apportioned Amounts (Application of Budgetary Resources section). Each footnote in this section begins with the letter A. These footnotes are associated with one or more lines in the **Application of Budgetary Resources** section (the bottom section of the apportionment, OMB action column) and are subject to the Antideficiency Act. For example, a footnote may apportionment funds for a project only after the agency submits a financial plan for that project.

Footnotes for Budgetary Resources (Budgetary Resources section). Each footnote in this section begins with the letter B. These footnotes are typically informational and are associated with one or more lines in the **Budgetary Resources** section (the top section of the apportionment). For example, a footnote may identify the source of offsetting collections or explain the basis for amounts on a recovery line.

Indicators for footnotes. Footnotes are designated (indicated) through a letter/number combination. Each footnote indicator starts with a letter A or B (A for apportioned amounts; B for budgetary resource), which is followed by a one- or two-digit number: e.g., B1. If a single line has more than one footnote, separate the indicators with commas: A1, A2, A3.

You can find more detailed implementation guidance in OMB's secure, web-based apportionment system. Here is a link:

Apportionment system footnote guidance

120.35 Do footnotes starting with the letter A correspond to Category A apportioned amounts while those starting with the letter B relate to Category B apportioned amounts?

No. Footnotes associated with lines in the **Budgetary Resources** section start with the letter **B**. Footnotes associated with lines in the **Application of Budgetary Resources** section start with the letter A (irrespective of whether apportioned amounts are Category A, B, AB, or C).

120.36 Will footnotes and attachments become part of the apportionment?

Yes. Unless otherwise specified on the apportionment, the apportionment approved by an OMB official and all attachments transmitted to the agency become part of the apportionment. Any cover letter is not part of the apportionment.

120.37 What footnotes are required for agencies to include in their apportionment requests?

There is no universal requirement to include footnotes in an apportionment request. Many apportionments are approved without footnotes. Here are examples of cases where you use footnotes:

- If you submit an apportionment request and OMB included footnotes in the OMB Footnotes tab of the last approved apportionment, the previously approved footnote indicators must appear in the Prev Footnote column and the text must appear in the Previously Approved Footnotes tab.

- If a particular TAFS has a standard footnote year after year, retain it in your request unless you have consulted with OMB.

- Include any footnotes your OMB examining division has specifically directed you to include.

- Unless OMB determines otherwise, when amounts are automatically apportioned (as specified in sections 120.50, 120.51 (if applicable) or section 185.20) and there is a subsequent need for reapportionment, show automatically apportioned amounts in the previously approved column. Include a footnote noting where changes have been previously made as automatic apportionments.

120.38 What footnotes are recommended for agencies to include in their apportionment requests?

Agencies may footnote each apportionment for annual and/or multi-year TAFS only (not necessary for no-year TAFS) if you believe that the current TAFS will be needed to liquidate canceled appropriations. In those cases, use the following footnote:

"Pursuant to 31 U.S.C. 1553(b), not to exceed one percent of the total appropriations for this account is apportioned for the purpose of paying legitimate obligations related to canceled appropriations."

APPROVING APPORTIONMENT REQUESTS

120.39 How will OMB indicate its approval of an apportionment?

When OMB approves an apportionment through the apportionment system, you will receive an email with the approved Excel file attached. The email will be from 'FN-OMB-Apportionment', and the subject line will include the words 'Approved Apportionment'.

- The Excel file will include a tab called 'Approval Info', which shows the name, title, and digital signature imprint of the OMB official who approved the apportionment, as well as other pertinent information.
    - The official who approves the apportionment may affix her or his electronic signature to the request; or
    - The official approving a request may sign a paper copy in ink and instruct a staffer to put a digitized picture of the official's signature (along with a note saying which staffer affixed the signature) on the apportionment.

In some cases, the 'Approval Info' tab may not be present. In those cases, OMB will email or fax or hard copy of the apportionment that displays the signature of the approving OMB official.

The Excel file is locked, and should be opened in read-only mode. OMB maintains a copy of the approved apportionment in its secure, web-based system. OMB also maintains the signed-in-ink apportionment in those cases when a designated staffer affixes an official's digitized signature to the apportionment. As OMB continues to transition from using ink signatures to using digital authoritative marks, you may receive apportionments that have been approved using either method.

OMB may also choose to indicate its approval of an apportionment in other ways, including by letter, telephone, hard copy, or other method that is appropriate to the particular circumstance.

120.40 When can I expect OMB to approve my first apportionment request for the fiscal year?

If a TAFS has any budgetary resources that are not determined by current actions of the Congress (e.g., permanent appropriations, carry over of unobligated balances, anticipated collections), OMB will notify you of the action taken on your first apportionment request for the fiscal year by September 10, as required by law (for requests submitted by the August 21 deadline specified by law). For TAFSs that have budgetary resources solely as a result of current action by the Congress (e.g., TAFS where the only budgetary resource is a discretionary appropriation), OMB will notify you of the action taken on your request by September 10 for requests submitted by August 21 or within 30 calendar days after the approval of the act providing new budget authority, whichever is later.

120.41 In the case of newly enacted full-year appropriations, am I under an automatic apportionment until OMB approves my first apportionment request?

Yes. Under this section, newly enacted full-year appropriations are automatically apportioned the highest of:

- The pro-rata share (1/365th for each day) of last year's enacted appropriations level;
- The pro-rata share (1/365th for each day) of the current year's enacted appropriation level; or
- The historical seasonal level of obligations.

Agencies are automatically apportioned 30 days of funds calculated using the above rate pending OMB's approval of the agency's first apportionment request. The 30 days begin on the date of enactment of a full-year appropriation. If OMB has not approved a request on the 30th day after enactment, agencies are automatically apportioned another 30 days of funds using the above rate. Once a written apportionment is approved by OMB, the automatic apportionment ceases to remain in effect.

Under this automatic apportionment, all of the footnotes and conditions placed on prior year apportionments remain in effect. Unless OMB determines otherwise, agencies may not initiate new starts (e.g., programs, projects, grants) using this automatic authority. This guidance applies strictly to all budgetary resources provided by annual, full-year appropriations bills, and not other budgetary resources.

Additionally, pursuant to sections 120.7 and 120.57, carryover amounts are automatically apportioned at zero until a written apportionment is issued for such amounts

OMB may apportion differently for accounts that received OMB-approved exception apportionments under a short-term continuing resolution (CR). See OMB bulletin on the apportionment of the short-term CR and consult your OMB representative if your account received an exception apportionment under the CR for further guidance.

AFTER YOU HAVE RECEIVED YOUR APPROVED APPORTIONMENT

120.42 How should I execute the apportionment?

You must execute your programs as apportioned and in accordance with all applicable laws. The authorization and / or appropriation language describes the purpose of the program(s) the TAFS will carry out, and may include guidance for you to follow in executing these programs.

Your apportionment dictates how you must execute programs and control funds. You may only obligate funds within:

- budgetary resources apportioned and realized;
- amounts apportioned by fiscal quarter (Category A);
- amounts apportioned by project (Category B);
- amounts apportioned by fiscal quarters and projects (Category AB); and
- guidance provided in OMB approved footnotes.

120.43 What if I think that I may have obligated more than the amounts apportioned?

You may have violated the Antideficiency Act (31 U.S.C. 1517(a)(1), 31 U.S.C. 1341). See section 145.

120.44 Must I control funds below the apportionment level?

Yes. Your agency's fund control regulations, as approved by OMB, dictate how you must control funds. See section 150.

120.45 How should I allot once I receive an apportionment?

The agency system of administrative control of funds must be designed to keep obligations and expenditures from exceeding apportionments and allotments or from exceeding budgetary resources available for obligation, whichever is smaller, so as to avoid Antideficiency Act violations. See section 150.

120.46 How do I treat anticipated budgetary resources that are apportioned but not yet realized?

Even when anticipated budgetary resources have been apportioned, you may not obligate against these resources before the resources have been realized (and, thus, you may not obligate against the resources in an amount that exceeds the amount that has been realized). For example, if OMB has apportioned anticipated budget authority from the agency's collection of user fees, you may not obligate against those user fees until you have collected them (and, thus, you may not incur obligations that exceed the amounts that have been collected).

120.47 What if I need to change my apportionment or request for additional resources?

You may request OMB to approve a new apportionment (see section 120.49). Agencies should continually monitor their obligations against their apportioned amounts. If it appears that the obligations are cumulatively getting close to the apportioned amounts, agencies should request a new apportionment as soon as possible supported by a thorough explanation. Additionally, agencies should request a new apportionment when budgetary resources change significantly from earlier estimates and exceed the automatic adjustment authority granted in section 120.50.

120.48 What is the relationship between the apportionment and the Funds Control System?

The agency's system of administrative control of funds (see section 150 and Appendix H) should be designed to keep obligations from exceeding apportioned amounts, allotments, suballotments, and other administrative subdivisions of funds. This funds-control system also should be designed to keep obligations from exceeding budgetary resources that have been realized, and should be able to track obligations by program reporting categories used in the apportionment.

The funds-control system must track obligations to make sure apportioned levels do not exceed:

- budgetary resources apportioned; amounts provided by fiscal quarter in Category A;
- amounts provided by program in Category B;
- amounts provided by program in Category AB; and
- other restrictions placed in OMB approved footnotes.

If the funds-control system cannot provide this control, the agency must develop other methods to perform this function, e.g., developing monitoring reports.

Since footnotes are not often implemented in an agency's financial system, the agency's budget, finance, and procurement staff need to be aware of and understand the directions and restrictions provided in footnotes.

Your agency's accounting system must fully support the fund-control system (see Appendix H).

CHANGES TO PREVIOUSLY APPROVED APPORTIONMENTS FOR THE CURRENT FISCAL YEAR

120.49 What types of situations could require me to request a new apportionment?

Submit a reapportionment request to OMB when:

- Your budgetary resources have increased since your previous apportionment for the fiscal year (Examples: actual reimbursements differ significantly from estimates, newly enacted legislation provides more resources);
- You want to obligate against the increased resources in the same fiscal year;
- The increase is not covered by the exceptions in sections 120.50 or 120.51 (if applicable); or
- Programmatic changes result in a need for an adjustment in the apportionment.

In order to allow time for action by OMB, submit such requests well in advance of the time that the revised amounts, to be apportioned, are needed for obligation (an apportionment for a specific time period, such as for a specific quarter of the current fiscal year, may not be changed after the end of that period).

When emergencies, such as those involving the safety of human life or the protection of property, require immediate action, you may request, and OMB may approve, a reapportionment by telephone. As soon thereafter as it is practical, submit apportionment requests reflecting such action.

For credit program and financing TAFSs, submit an apportionment request for subsidy reestimates at the beginning of each fiscal year (starting with the fiscal year following the year in which a disbursement is made) as long as the loans are outstanding (see sections 185.17 and 185.18). Also submit an apportionment request for subsidy modifications when the modification is approved by OMB (see section 185.21). Credit program and financing TAFSs are also subject to the standard reapportionment requirements described above (see sections 185.14 through 185.21 for further guidance on apportioning credit accounts).

Submit an apportionment request within *10 calendar days* after approval of an appropriation or substantive act providing budget authority, where such authority is enacted after the first apportionment for the year has been made (except as specified in section 120.50). We encourage you to begin preparation of apportionments and related materials as soon as the House and Senate have reached agreement on funding levels.

In some cases, you will need to submit your first apportionment request before the unobligated balance brought forward has been precisely determined. If the unobligated balance brought forward, as shown on the latest approved apportionment schedule, is larger than the unobligated balance at the end of the preceding year, as reported on the final SF 133 for that year, and the difference is larger than the amount specified in section 120.50, OMB must approve the apportionment request before you can obligate the additional funds.

120.50 What adjustments can I make without submitting a reapportionment request?

After the first apportionment for the fiscal year, downward adjustments of any amount to budgetary resources do not need to be reapportioned, unless specifically required by OMB.

After the first apportionment for the fiscal year, unless OMB determines otherwise, you may adjust apportioned amounts upwards without submitting a reapportionment request by up to $400,000 or two percent of the amount of total budgetary resources, whichever is lower, to reflect:

- Upward adjustments in the amount of unobligated balances brought forward;
- Increases in amounts of budget authority transfers or balance transfers; or
- Increases in amounts of actual budgetary resources that are realized above anticipated amounts.

You may only adjust apportioned amounts when OMB apportions either a single project (Category B) or, if the total amount is apportioned, by quarter (Category A or Category AB). When amounts are apportioned by quarter, you must adjust the apportioned amounts in the quarter that is current when you record the resource. For example, if anticipated collections were apportioned in the third quarter but the increased amount above the anticipated collections (still within the lower of $400,000 or two percent) were not realized until the fourth quarter; record the resource in the fourth quarter, not the third.

In credit financing TAFSs, additional amounts for the payment of interest to Treasury are automatically apportioned (section 185.19).

You cannot make any adjustments under this section when OMB apportions funds for two or more categories, such as Category A and Category B, or Category A and Category AB. In these types of apportioned TAFS, you must submit a reapportionment request to OMB or otherwise have prior OMB approval (e.g., through a footnote) to adjust apportioned amounts.

120.51 What other types of adjustments can I request OMB to allow me to make without submitting a new apportionment request?

You may make other specific types of adjustments to apportionments without submitting a reapportionment request if specified on the most recently approved apportionment or otherwise approved in writing by OMB. For example, OMB may include on an approved apportionment a footnote (or a YES in the Line Split column of the Adjustment Authority Provided row) which states that, to the extent provided in law, actual earned reimbursements are automatically apportioned without further OMB action.

In order to facilitate OMB approval of your apportionment request, your apportionment request must indicate that you have previously received, or are requesting, OMB approval to use this authority.

APPORTIONMENTS BY TIME PERIOD

120.52 Will OMB apportion funds into future fiscal years?

Yes. OMB will sometimes apportion multi-year/no-year funds into future fiscal years (OMB cannot apportion one-year funds into a future fiscal year).

Congress appropriates funds on a multi-year and no-year basis with the expectation that the funds will be obligated over more than one fiscal year. OMB will apportion these TAFSs beyond the current fiscal year where financial requirements are known in advance and it makes programmatic sense to do so.

When you plan to obligate amounts appropriated in a no-year or multi-year TAFS over more than one fiscal year, make sure that the apportionment request shows the full amount appropriated and available for obligation in the current fiscal year. The request must also include planned obligations for the current year and amounts planned for obligation in future fiscal years.

Reminder, apportionments last no longer than one fiscal year. Funds must be apportioned at the beginning of each fiscal year in accordance with sections 120.7 and 120.57.

120.53 How do I present deferrals or proposed rescissions on my request?

If your request contains a proposed rescission or deferral, you must use Lines 6180 (Withheld pending rescission) or 6181 (Deferred). In addition, you must submit a rescission or deferral report that outlines the reasons for and the effects of the proposed action. (See section 112 for further information on amounts not apportioned and preparing rescission/deferral reports.) Do not use these lines on your apportionment without first consulting with your OMB representative.

120.54 Can my request include amounts exempt from apportionment?

Yes. If some budgetary resources in your TAFS are subject to apportionment but other resources are exempt, you must show the exempt resources on Line 6183 (Exempt from apportionment).

120.55 Can OMB apportion a past period?

No. Apportionments are never subject to change after the period for which the apportionment is made (e.g., a prior fiscal year or a past quarter time period in the current fiscal year).

120.56 Do unobligated resources apportioned in earlier time periods of the same fiscal year remain available?

Yes (but this only applies to full-year enacted appropriations, and not to amounts available under a short-term continuing resolution). When budgetary resources are apportioned for time periods of less than a fiscal year (for example, fiscal quarters), any apportioned amounts that have not been obligated at the end of any period will remain available for obligation through the remainder of the current fiscal year without being reapportioned, unless otherwise specified on the apportionment.

120.57 Must I request that funds apportioned in one fiscal year be apportioned in the next fiscal year if the funds were not obligated and remain available?

Yes. When budgetary resources remain available (unexpired) beyond the end of a fiscal year, you must submit a new apportionment request for the upcoming fiscal year. You cannot incur obligations in any year absent an approved apportionment for that year. For instance, if OMB apportioned $1 million for a no-year TAFS in FY 2012 and you obligated no funds, you must still submit an FY 2013 request and receive OMB approval of that request before incurring obligations in FY 2013. Until you receive a written apportionment from OMB, the amount of carryover apportioned is zero dollars. In addition, apportioned anticipated or estimated resources are not available for obligation until the resources are realized.

120.58 What is the status of previously approved apportionments when a new apportionment is approved in the same fiscal year?

Each new apportionment in a fiscal year supersedes previous apportionment action taken earlier that year.

120.59 What is the status of approved apportionments from a previous fiscal year on apportionments in the current fiscal year?

New apportionment action for a fiscal year is independent of all apportionment actions of the previous year (including the apportionment of amounts under Category C in the previous fiscal year).

120.60 How does the last approved apportionment govern the actions a TAFS takes when the TAFS enters the expired phase?

Every annual and multi-year TAFS, as well as some no-year TAFSs, have a finite period of time to incur an obligation; this is called the unexpired phase. OMB only apportions TAFSs when they are in the unexpired phase.

When shifting to the expired phase, a TAFS can only make adjustments to obligations made in the unexpired phase. Activity in the expired phase of a TAFS is governed by the last approved apportionment.

APPORTIONMENTS AFFECTED BY THE CONTINUING RESOLUTION (CR)

120.61 During a CR, what happens to TAFS that were apportioned before the start of a fiscal year (e.g., no-year TAFS)?

When budgetary resources (e.g., unobligated balances, spending authority from offsetting collections, anticipated transfers, etc.) are apportioned prior to the start of a fiscal year, those apportionments remain in effect even if a CR is enacted, unless otherwise directed by OMB.

However, you must submit a new apportionment request to OMB if:

- The CR changes the funding level or alters the program mix that OMB apportioned (e.g., the Congress rescinds unobligated balances during the CR period or zero-funds a program that OMB previously apportioned); or
- Changes occur that affect the budgetary resources apportioned as described in sections 120.49 through 120.50 (e.g., actual reimbursements differ significantly from estimates).

The automatic apportionment approved by OMB after enactment of a short-term CR covers only the budgetary resources provided by the short-term CR. Some TAFS may receive funds provided by the CR in addition to budgetary resources provided by other acts. These TAFS receive both the automatic apportionment for the CR funds and any budgetary resources apportioned before the start of the fiscal year (e.g., unobligated balance carried forward).

120.62 After a CR has been replaced by a full-year enacted appropriation, what do I show in the previous approved column?

In the **previous approved** column show all budgetary resources and apportioned amounts since the start of the fiscal year through the last day of the CR. For instance, if budgetary resources such as unobligated balances were apportioned by OMB and the TAFS also received automatically apportioned CR funds via OMB bulletin(s), you must show both types of budgetary resources on your apportionment request.

120.63 After a short-term CR has been replaced by a full-year enacted appropriation, what do I show in the agency request column?

In the **agency request** column show all budgetary resources and application of budgetary resources for the entire fiscal year, beginning from the start of the fiscal year.

WHAT OTHER IMPORTANT THINGS DO I NEED TO KNOW ABOUT APPORTIONMENTS?

120.64 What types of resources are apportioned by OMB?

The following resources are apportioned by OMB:

- Budgetary resources.
- Non-budgetary resources (such as foreign currency, quotas, etc.).
- Non-financial resources (such as personnel and motor vehicles).
- OMB may apportion an agency's other authority (pursuant to statutory authority) in whatever form it may take.

120.65 Are all apportionments based on authority to incur obligations?

OMB usually apportions the budgetary resources of a TAFS with respect to the authority to incur new obligations.

However, OMB may apportion budgetary resources on a pre-obligation basis, such as "commitments," which, if used, are made before obligations are incurred. If OMB apportions on a basis other than obligations, you should continue to include your usual obligations in the FACTS II system, but in addition, you must report a FACTS II footnote regarding the status of the non-obligation apportioned items, i.e., footnote the amount of "commitments" incurred against the amount shown on the apportionment.

120.66 How do I treat extensions of the availability of unobligated balances in an apportionment?

Reappropriations (see section 20.4(h)) are recorded on the **Discretionary Reappropriation** (line 1105) or **Mandatory Reappropriation** (line 1204) lines. For example, an apportionment for FY 2013 should reflect an estimate of the amount to be reappropriated from the estimated expiring FY 2012 balances. A reapportionment may be required after the actual amount of the expiring balances is known. You may wish to reflect these amounts on either **Discretionary appropriations precluded from obligation** (line

1134) or **Mandatory appropriations precluded from obligation** (line 1235), until an appropriate time after the required reprogramming notice has been transmitted to Congress.

Balance transfer amounts from expired to unexpired funds, are reflected on "Unobligated balance transfers between expired and unexpired accounts" (line 1012).

HANDLING DEFICIENCIES IN APPORTIONMENTS

120.67 When do I submit requests anticipating the need for the Congress to enact supplemental budget authority?

Submit requests anticipating the need for the Congress to enact supplemental budget authority only under exceptional circumstances as authorized by law. The Antideficiency Act (31 U.S.C. 1515) permits apportionments to be made on such a deficient-rate basis that indicates the need for the Congress to enact supplemental budget authority only when:

- Laws enacted after submission to Congress of the estimates for an appropriation that requires an expenditure beyond administrative control.
- Emergencies arise involving:
  - (1) the safety of human life,
  - (2) the protection of property, or
  - (3) the immediate welfare of individuals in cases where an appropriation that would allow the United States to pay, or contribute to, amounts required to be paid to individuals in specific amounts fixed by law or under formulas prescribed by law, is insufficient.

When you submit a requested apportionment that indicates a necessity for the enactment of supplemental appropriations, include the following notation on the apportionment request:

"This apportionment request indicates a necessity for a supplemental appropriation now estimated at $______________."

Submit the apportionment request to OMB along with your agency head's determination of the reasons for a deficiency apportionment, as required by law (31 U.S.C. 1515). The statement of necessity will read as follows:

"I hereby determine that it is necessary to request apportionment of the appropriation '(appropriation title)' on a basis that indicates the necessity for a supplemental estimate of appropriations, because .... [cite one of the allowable reasons mentioned above]."

Usually, you will reflect the need for a supplemental appropriation in quarterly apportionments by making the request for the fourth quarter less than the amount that will be required. For apportionments by activities, verify that the amount requested for each activity provides for continuing that activity until the supplemental appropriation is expected to be enacted and become available. OMB approval of requests for a deficiency apportionment allows the agency to operate at a deficient rate of operations, but does *not* authorize the agency to exceed the total amount of the existing appropriation and of the resources that OMB has apportioned within a TAFS.

Fully justify the amount of any anticipated supplemental appropriation. Action on the apportionment request does not commit OMB to the amount of the supplemental appropriation that will be recommended subsequently to the President or transmitted to the Congress.

PROGRAM REPORTING CATEGORIES

120.68 What is the purpose of program reporting categories?

Program reporting categories show how agencies will report obligations on their SF 133 Reports on Budget Execution and Budgetary Resources (see section 130). Absent program reporting categories, agencies report obligations on their SF 133 reports in accordance with their approved apportionments. For instance, if OMB uses a single Category B project on the apportionment and does not use program reporting categories, the SF 133 report will show obligations on a single line.

You should use program reporting categories when you want obligations reported at a more detailed and programmatically meaningful manner than the apportioned lines would otherwise result in. If program reporting categories were used in the case above, the SF 133 report would show obligations on two or (most likely) more lines. For instance, if a Department of the Interior account had a single Category B project but program categories for maintaining land resources and protecting endangered species, the SF 133 report would distinguish obligations by these categories. While program reporting categories result in more detailed reporting on obligations, they do not control what the agency can obligate for these categories.

Most TAFSs do not use program reporting categories.

120.69 Do my estimates of program reporting category obligations limit the amount I can obligate?

No. Program reporting categories are not used to apportion funds, and are not subject to the Antideficiency Act.

120.70 What do OMB and the agency need to do to start using program reporting categories?

OMB and agencies work together to determine what program reporting categories agencies will report upon. Program reporting categories should be based on elements that agencies track in their financial systems. In some cases, you may choose to report upon the same programs that appear in the Program and Financing Schedule of the President's Budget.

Program reporting categories must be identified well in advance of the beginning of a fiscal year, and in advance of the time that agencies produce their first apportionment requests for the year. The reason is that agencies need time to place entries in their financial systems to allow them to track these program categories throughout the year. Agencies may need considerable time (many months) to add new categories to their financial systems. One reason is that large numbers of staff including timekeepers, procurement staff, administrative officers, and others need to document the new program reporting categories, and train program office staff on how to use the new categories. In addition, agencies may need time to update their systems to extract the data.

120.71 How do I fill in the program reporting category tab?

The apportionment user's guide that appears on the support\links tab of the apportionment system describes how to fill in the program reporting category tab. The URL for the support\links page is:

https://max.omb.gov/apportionment

120.72 Why does OMB send the names of program reporting categories and Category B projects to Treasury for use in FACTS II?

OMB sends program reporting categories from approved apportionments to the Treasury Department's Financial Management Service (FMS), which operates the FACTS II system that agencies use to report their SF 133 budget execution information. When reporting their obligations, FACTS II provides agencies with the list of program reporting categories to report upon; these are the same program reporting categories that OMB provides from the apportionment attachments.

For those TAFSs that use Category B projects but do not use program reporting categories, OMB sends FMS the list of Category B projects for use in FACTS II reporting.

OMB sends this information to FMS so OMB can use automated tools to align program reporting categories and Category B projects on the apportionments to the budget execution reports.

120.73 Can agencies add new program reporting categories or Category B projects when reporting their FACTS II data?

Yes, but only when it makes sense to do so. Here are some examples.

First, if you are aware that OMB has apportioned funds using Category B projects that are not presented in FACTS II, then you must add the missing Category B projects names, and report your obligations for those projects.

Second, if you are aware that OMB has used program reporting categories that are not presented in FACTS II, then you should add the missing program reporting category names, and report the obligations for those program reporting categories.

Apportionment Line Numbers

FY 20xx Apportionment

Funds provided by Public Law XXX-XXX

Identify in the header the law(s), if any, providing the budget authority.

The apportionment system hides columns titled "Treasury Agency" through "Alloc Sub-Account" when you validate a file, but each row contains the proper TAFS. If you add rows or change the TAFS, you must update these columns. Therefore, all exhibits exclude these columns.

This information is automatically generated upon file validation. This must match TAFS information for each row. Further note that this note applies to each exhibit hereafter though the TAFS information is not shown for each row.

Treasury Agency	FY1	FY2	Treasury Account	Alloc Account	Alloc Sub-Account	Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footno	OMB Action	OMB Footnote	Memo Obligations
								Department of Government							
								Bureau: Office of the Secretary							
								Account: Salaries and Expenses (003-05-0100)							
								TAFS: 80-0100 /X							
						IterNo	1	Last Approved Apportionment: N/A, First Request of year							
						RptCat	NO	Reporting Categories							
						AdjAut	NO	Adjustment Authority provided							
								BUDGETARY RESOURCES							
								Unobligated balance:							
80		X	0100			1000		Unobligated balance brought forward, October 1							
								[line split = E for estimate]							
								[line split = A for actual balance]							
								Nonexpenditure transfers:							
80		X	0100			1010		Unobligated balance transferred to other accounts (-)							
80		X	0100			1011		Unobligated balance transferred from other accounts							
80		X	0100			1012		Unobligated balance transfers between expired and unexpired accounts							
80		X	0100			1013		Unobligated balance of contract authority transferred to or from other accounts (+/-) (net)							
								Adjustments:							
80		X	0100			1020		Adjustment of unobligated balance brought forward, October 1 (+ or -)							
80		X	0100			1021		Recoveries of prior year unpaid obligations							
80		X	0100			1022		Capital transfer of unobligated balances to general fund (-)							
80		X	0100			1023		Unobligated balances applied to repay debt (-)							
80		X	0100			1024		Unobligated balance of borrowing authority withdrawn (-)							
80		X	0100			1025		Unobligated balance of contract authority withdrawn (-)							
80		X	0100			1026		Adjustment for change in allocation of trust fund limitation or foreign exchange valuation							
80		X	0100			1027		Adjustment in unobligated balances for change in investments of zero coupon bonds (special and non-revolving trust funds)							
80		X	0100			1028		Adjustment in unobligated balances for change in investments of zero coupon bonds (revolving funds)							
80		X	0100			1029		Other balances withdrawn (-)							
80		X	0100			1031		Refunds and recoveries temporarily precluded from obligation (special and trust funds) (-)							
								Anticipated transfers and adjustments:							
80		X	0100			1040		Anticipated nonexpenditure transfers of unobligated balances (net) (+ or -)							
80		X	0100			1041		Anticipated recoveries of prior year unpaid obligations							
80		X	0100			1042		Anticipated capital transfers and redemption of debt (unobligated balances) (-)							
								Budget authority:							
								Appropriations:							
								Discretionary:							
80		X	0100			1100		Appropriation							
80		X	0100			1101		Appropriation (special or trust fund)							
80		X	0100			1102		Appropriation (previously unavailable)							
80		X	0100			1103		Appropriation available from subsequent year							
80		X	0100			1104		Appropriation available in prior year (-)							
80		X	0100			1105		Reappropriation							
								Nonexpenditure transfers:							
80		X	0100			1120		Appropriations transferred to other accounts (-)							
80		X	0100			1121		Appropriations transferred from other accounts							
								Adjustments:							
80		X	0100			1130		Appropriations permanently reduced (-)							
80		X	0100			1131		Unobligated balance of appropriations permanently reduced (-)							
80		X	0100			1132		Appropriations temporarily reduced (-)							
80		X	0100			1133		Unobligated balance of appropriations temporarily reduced (-)							
80		X	0100			1134		Appropriations precluded from obligation (-)							
80		X	0100			1135		Appropriations applied to repay debt (-)							
80		X	0100			1136		Appropriations applied to deficiency by law (-)							
80		X	0100			1137		Appropriations applied to liquidate contract authority (-)							
80		X	0100			1138		Appropriations applied to liquidate contract authority withdrawn (-)							
80		X	0100			1139		Appropriations substituted for borrowing authority (-)							
								Anticipated appropriations:							
80		X	0100			1150		Anticipated appropriation (+ or -)							
80		X	0100			1151		Anticipated nonexpenditure transfers of appropriations (net) (+ or -)							
80		X	0100			1152		Anticipated capital transfers and redemption of debt (appropriations) (-)							

Exhibit Notes:

Apportionment Line Numbers, cont.

Treasury Agency	FY1	FY2	Treasury Account	Alloc Account	Alloc Sub-Account	Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
								BUDGETARY RESOURCES							
								Advance appropriations:							
80		X	0100			1170		Advance appropriation							
80		X	0100			1171		Advance appropriation (special or trust fund)							
								Adjustments:							
80		X	0100			1173		Advance appropriations permanently reduced (-)							
80		X	0100			1174		Advance appropriations temporarily reduced (-)							
								Mandatory:							
80		X	0100			1200		Appropriation							
80		X	0100			1201		Appropriation (special or trust fund)							
80		X	0100			1203		Appropriation (previously unavailable)							
80		X	0100			1204		Reappropriation							
								Nonexpenditure transfers:							
80		X	0100			1220		Appropriations transferred to other accounts (-)							
80		X	0100			1221		Appropriations transferred from other accounts							
								Adjustments:							
80		X	0100			1230		Appropriations and/or unobligated balance of appropriations permanently reduced (-)							
80		X	0100			1232		Appropriations and/or unobligated balance of appropriations temporarily reduced (-)							
80		X	0100			1234		Appropriations precluded from obligation (-)							
80		X	0100			1235		Capital transfer of appropriations to general fund (-)							
80		X	0100			1236		Appropriations applied to repay debt (-)							
80		X	0100			1237		Appropriations applied to deficiency by law (-)							
80		X	0100			1238		Appropriations applied to liquidate contract authority (-)							
80		X	0100			1239		Appropriations substituted for borrowing authority (-)							
								Anticipated appropriations:							
80		X	0100			1250		Anticipated appropriation (+ or -)							
80		X	0100			1251		Anticipated nonexpenditure transfers of appropriations (net) (+ or -)							
80		X	0100			1252		Anticipated capital transfers and redemption of debt (appropriations) (-)							
								Advance appropriations:							
80		X	0100			1270		Advance appropriation							
80		X	0100			1271		Advance appropriation (special and trust fund)							
								Adjustments:							
80		X	0100			1272		Advance appropriations permanently reduced (-)							
80		X	0100			1273		Advance appropriations temporarily reduced (-)							
								Borrowing authority:							
								Discretionary:							
80		X	0100			1300		Borrowing authority							
								Adjustments:							
80		X	0100			1320		Borrowing authority permanently reduced (-)							
								Anticipated borrowing authority:							
80		X	0100			1330		Anticipated reductions to current fiscal year borrowing authority (-)							
								Mandatory:							
80		X	0100			1400		Borrowing authority							
								Adjustments:							
80		X	0100			1420		Borrowing authority permanently reduced (-)							
80		X	0100			1421		Borrowing authority temporarily reduced (-)							
80		X	0100			1422		Borrowing authority applied to repay debt (-)							
								Anticipated borrowing authority:							
80		X	0100			1430		Anticipated reductions to current fiscal year borrowing authority (-)							
								Contract authority:							
								Discretionary:							
80		X	0100			1500		Contract authority							
								Nonexpenditure transfers:							
80		X	0100			1510		Contract authority transferred to other accounts (-)							
80		X	0100			1511		Contract authority transferred from other accounts							
								Adjustments:							
80		X	0100			1520		Contract authority and/or unobligated balance of contract authority permanently reduced (-)							
80		X	0100			1522		Contract authority precluded from obligation (limitation on obligations) (-)							
								Anticipated contract authority:							
80		X	0100			1530		Anticipated nonexpenditure transfers of contract authority (net) (+ or -)							
80		X	0100			1531		Anticipated adjustments to current year contract authority (+ or -)							

Exhibit Notes:

Apportionment Line Numbers, cont.

Treasury Agency	FY1	FY2	Treasury Account	Alloc Account	Alloc Sub-Account	Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
								BUDGETARY RESOURCES							
								Mandatory:							
80		X	0100			1600		Contract authority							
80		X	0100			1603		Contract authority (previously unavailable)							
								Nonexpenditure transfers:							
80		X	0100			1610		Contract authority transferred to other accounts (-)							
80		X	0100			1611		Contract authority transferred from other accounts							
								Adjustments:							
80		X	0100			1620		Contract authority and/or unobligated balance of contract authority permanently reduced (-)							
80		X	0100			1621		Contract authority temporarily reduced (-)							
80		X	0100			1622		Contract authority precluded from obligation (limitation on obligations) (-)							
								Anticipated contract authority:							
80		X	0100			1630		Anticipated nonexpenditure transfers of contract authority (net) (+ or -)							
80		X	0100			1631		Anticipated adjustments to current year contract authority (+ or -)							
								Spending authority from offsetting collections:							
								Discretionary:							
80		X	0100			1700		Collected							
80		X	0100			1701		Change in uncollected customer payments from Federal sources (+ or -)							
80		X	0100			1702		Offsetting collections (previously unavailable)							
								Nonexpenditure transfers:							
80		X	0100			1710		Spending authority from offsetting collections transferred to other accounts (-)							
80		X	0100			1711		Spending authority from offsetting collections transferred from other accounts							
								Adjustments:							
80		X	0100			1720		Capital transfer of spending authority from offsetting collections to general fund (-)							
80		X	0100			1722		Spending authority from offsetting collections permanently reduced (-)							
80		X	0100			1723		New and/or unobligated balance of spending authority from offsetting collections temporarily reduced (-)							
80		X	0100			1725		Spending authority from offsetting collections precluded from obligation (limitation on obligations) (-)							
80		X	0100			1726		Spending authority from offsetting collections applied to repay debt (-)							
80		X	0100			1727		Spending authority from offsetting collections applied to liquidate contract authority (-)							
80		X	0100			1728		Spending authority from offsetting collections substituted for borrowing authority (-)							
								Anticipated spending authority from offsetting collections:							
80		X	0100			1740		Anticipated collections, reimbursements, and other income							
80		X	0100			1741		Anticipated nonexpenditure transfers of spending authority from offsetting collections (net) (+ or -)							
80		X	0100			1742		Anticipated capital transfers and redemption of debt (spending authority from offsetting collections) (-)							
								Mandatory:							
80		X	0100			1800		Collected							
80		X	0100			1801		Change in uncollected customer payments from Federal sources (+ or -)							
80		X	0100			1802		Offsetting collections (previously unavailable)							
								Nonexpenditure transfers:							
80		X	0100			1810		Spending authority from offsetting collections transferred to other accounts (-)							
80		X	0100			1811		Spending authority from offsetting collections transferred from other accounts							
								Adjustments:							
80		X	0100			1820		Capital transfer of spending authority from offsetting collections to general fund (-)							
80		X	0100			1823		New and/or unobligated balance of spending authority from offsetting collections temporarily reduced (-)							
80		X	0100			1824		Spending authority from offsetting collections precluded from obligation (limitation on obligations) (-)							
80		X	0100			1825		Spending authority from offsetting collections applied to repay debt (-)							
80		X	0100			1826		Spending authority from offsetting collections applied to liquidate contract authority (-)							
80		X	0100			1827		Spending authority from offsetting collections substituted for borrowing authority (-)							
								Anticipated spending authority from offsetting collections:							
80		X	0100			1840		Anticipated collections, reimbursements, and other income							
80		X	0100			1841		Anticipated nonexpenditure transfers of spending authority from offsetting collections (net) (+ or -)							
80		X	0100			1842		Anticipated capital transfers and redemption of debt (spending authority from offsetting collections) (-)							
80		X	0100			1901		Adjustment for new budget authority used to to liquidate deficiencies (-)							
80		X	0100			1920		Total budgetary resources available							

Exhibit Notes:

Apportionment Line Numbers, cont.

Treasury Agency	FY1	FY2	Treasury Account	Alloc Account	Alloc Sub-Account	Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
								APPLICATION OF BUDGETARY RESOURCES							
								Apportioned:							
								Category A (by quarter)							
80		X	0100			6001		1st quarter							
80		X	0100			6002		2nd quarter							
80		X	0100			6003		3rd quarter							
80		X	0100			6004		4th quarter							
								Category AB (Project by quarter)							
80		X	0100			6111		1st quarter, Project A							
80		X	0100			6112		2nd quarter, Project A							
80		X	0100			6113		3rd quarter, Project A							
80		X	0100			6114		4th quarter, Project A							
								Category B (by project)							
80		X	0100			6011		[Project label]							
80		X	0100												
80		X	0100												
80		X	0100			6110		[Project label]							
								Category C (for future years)							
80		X	0100			6170		[Designate 1st FY beyond current year]							
80		X	0100					[Designate 2nd FY beyond current year]							
80		X	0100					[Designate 3rd FY beyond current year]							
80		X	0100			6173		[Designate 4th FY beyond current year]							
								Unapportioned:							
80		X	0100			6180		Withheld pending rescission							
80		X	0100			6181		Deferred							
80		X	0100			6182		Unapportioned balance of revolving fund							
80		X	0100			6183		Exempt from apportionment							
80		X	0100			6190		Total budgetary resources available							
								GUARANTEED LOAN LEVELS AND APPLICATIONS							
								Guaranteed Loan Level							
80		X	0100			8100		Program Level, Current Year							
80		X	0100			8200		Program Level, Unused from prior years							
								Application of Guaranteed Loan Limitation							
80		X	0100			8201		Application, Category A, First quarter							
80		X	0100			8202		Application, Category A, Second quarter							
80		X	0100			8203		Application, Category A, Third quarter							
80		X	0100			8204		Application, Category A, Fourth quarter							
80		X	0100			8211		Application, Category B (by project) or Risk category							
80		X	0100												
80		X	0100												
80		X	0100			8235		Application, Category B (by project)							

Exhibit Notes:

PROGRAM REPORTING CATEGORIES FORMAT

Program Reporting Categories

Treasury Agency	FY 1	FY 2	Treasury Account	SF 132 Line	Report Cat No.	Program Reporting Category	Projected, Annual Obligations
80		X	1309	6001	1	Salaries	400,000
80		X	1309	6001	2	All Other	80,000
						Cat A, Sub-total	480,000
80		X	1309	6011	3	Research -- Air	8,880,000
80		X	1309	6011	4	Research -- Water	4,000,000
80		X	1309	6011	5	Research -- All Other	N/A
						Research, Sub-total	12,880,000
80		X	1309	6012	6	Development -- Air	5,600,000
80		X	1309	6012	7	Development -- Water	4,000,000
80		X	1309	6012	8	Development -- All Other	N/A
						Development, Sub-total	9,600,000

Note: Program reporting categories are not used to apportion funds, and are not subject to 31 USC 1517.

When the Report Cat No has a number between 1 - 100, the stub will be sent to the FACTS II system for use in budget execution reporting.

You may also include additional rows where the Report Cat No is blank. In this example, these rows serve as sub-totals.

Note how the program reporting categories relate to apportioned amounts in Exhibit 121G's Office of the Secretary apportionment.

Do not use program reporting categories that are identical to Category B projects. The simple rule is that you use two or more reporting categories for each Cat B project.

Check with OMB on whether you need to put in projected, annual obligations.

Note also that the amounts in this column do not need to add to the total amount on the apportioned lines.

One-Year Appropriation—First Apportionment for the Current Fiscal Year

FY 20xx Apportionment
Funds provided by Public Law XXX-XXX

Identify in the header the law(s) providing the budget authority.

Line No	Line Split		Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Department of Government **Bureau: Office of the Secretary** **Account: Salaries and Expenses (003-04-1109)** **TAFS: 80-0137 /20xx**							
IterNo	1	Last Approved Apportionment: N/A, First Request of year							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1100		BA: Disc: Appropriation			7,400,000		7,400,000		
1130		BA: Disc: Appropriations permanently reduced			-1,000		-1,000		
1840		BA: Mand: Spending auth:Antic colls, reimbs, other			403,000		403,000		
1920		**Total budgetary resources avail (disc. and mand.)**	**0**		**7,802,000**		**7,802,000**		
6001		1st quarter			1,952,000		1,952,000		
6002		2nd quarter			1,950,000		1,950,000		
6003		3rd quarter			1,950,000		1,950,000		
6004		4th quarter			1,825,000		1,825,000		
6011		Prairie Restoration Fund			125,000	A1	125,000	A1	
6190		**Total budgetary resources available**	**0**		**7,802,000**		**7,802,000**		

Leave the "Previous Approved" column blank on the first apportionment of the

On initial apportionment forms, this line entry represents the amount of appropriations becoming available on or after October 1 of the fiscal year for which the schedule is submitted.

Include an estimate of all amounts you anticipate will become available under existing law in the fiscal year for which the schedule is submitted. Do not include anticipated unenacted supplemental appropriations and recission proposals.

This entry includes any funds not available for obligation pursuant to a specific provision in law. Identify the public law containing the restriction in a footnote. 31 U.S.C 1512 and the Impoundment Control Act are not valid authorizing citations.

This inclusion of estimates in determining the amounts available for apportionment does not authorize you to obligate amounts anticipated for the rest of the year (see section 145.6).

The total amount on line 1920 must equal the total amount on line 6190.

Display the text of any footnotes in a separate tab in your Excel file.

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Exhibit 120A.

2) Per section 120.41, newly enacted appropriations are automatically apportioned for a temporary period.

No-Year Appropriation—First Apportionment for the Current Fiscal Year

FY 20xx Apportionment
Funds provided by Public Law XXX-XXX

Identify in the header the law(s) providing the budget authority.

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government **Bureau: Office of the Secretary** **Account: R & D (003-04-1109)** **TAFS: 80-1309 /X**							
IterNo	1	Last Approved Apportionment: N/A, First Request of year							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1000	E	Unob Bal: Brought forward, October 1 [line split = E for estimate] [line split = A for actual balance]			1,180,000		1,180,000		
1041		Unob Bal: Antic recov of prior year unpaid obl			150,000		150,000		
1100		BA: Disc: Appropriation			25,000,000	B1	25,000,000		
1740	1	BA: Disc: Spending auth:Antic colls, reimbs, other			300,000		300,000		
1740	2	BA: Disc: Spending auth:Antic colls, reimbs, other			100,000		100,000		
1920		**Total budgetary resources avail (disc. and mand.)**	**0**		**26,730,000**		**26,730,000**		
6001		1st quarter			120,000		120,000		
6002		2nd quarter			120,000		120,000		
6003		3rd quarter			120,000		120,000		
6004		4th quarter			120,000		120,000		
6011		Research			12,800,000		12,800,000		
6012		Development of Products			9,450,000		9,450,000		
6170		FY2015			4,000,000	A2	4,000,000	A2	
6190		**Total budgetary resources available**	**0**		**26,730,000**		**26,730,000**		

Leave the "Previous Approved" column blank on initial apportionments.

If the account must be apportioned before the actual unobligated balance is known, enter an estimated amount on this line. Type 'E' in the line split column. If adjustments are subsequently required, submit a reapportionment, except as provided in section 120.49.

Use this line to report expected cancellations or downward adjustments of unpaid obligations reported in prior years for unexpired accounts.

Include only amounts expected to be received and to become available without further congressional action.

No-year and multi-year TAFS can have apportioned amounts in future fiscal years. When using line 6170, provide the future fiscal years.

Display the text of any footnotes in a separate tab in your Excel file.

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Exhibit 120A.

2) Per section 120.40, newly enacted appropriations are automatically apportioned for a temporary period.

No-Year Appropriation—Reapportionment

FY 20xx Apportionment
Funds provided by Public Law XXX-XXX

Identify in the header the law(s) providing the budget authority.

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government							
		Bureau: Office of the Secretary							
		Account: R & D (003-04-1109)							
		TAFS: 80-1309 /X							
IterNo	2	Last Approved Apportionment: 9/10/CY							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1000	A	Unob Bal: Brought forward, October 1 [line split = E for estimate] [line split = A for actual balance]	1,298,000		1,610,000		1,610,000		
1041		Unob Bal: Antic recov of prior year unpaid obl	150,000		150,000		150,000		
1100		BA: Disc: Appropriation	25,000,000		25,000,000	B1	25,000,000		
1130		BA: Disc: Appropriations permanently reduced			-200,000		-200,000		
1700		BA: Disc: Spending auth: Collected			95,000		95,000		
1740	1	BA: Disc: Spending auth:Antic colls, reimbs, other	300,000		205,000		205,000		
1740	2	BA: Disc: Spending auth:Antic colls, reimbs, other	100,000		100,000		100,000		
1920		**Total budgetary resources avail (disc. and mand.)**	**26,848,000**		**26,960,000**		**26,960,000**		
6001		1st quarter	120,000		120,000		120,000		36,000
6002		2nd quarter	120,000		120,000		120,000		
6003		3rd quarter	120,000		120,000		120,000		
6004		4th quarter	120,000		120,000		120,000		
6011		Research	16,800,000		12,880,000		12,880,000		2,354,700
6012		Development of Products	9,568,000		9,600,000		9,600,000		1,348,250
6170		FY2015			4,000,000	A2	4,000,000	A2	
6190		**Total budgetary resources available**	**26,848,000**		**26,960,000**		**26,960,000**		

You must request a reapportionment whenever the actual balance brought forward differs from the estimate on the latest SF 132 by $400,000 or 2% of total budgetary resources, whichever is lower. Change the line split from E to A whenever you reapportion after the final determination of unobligated balance.

On reapportionment forms, this entry will include enacted appropriations, amounts certified by Treasury warrant of indefinite appropriations, any enacted supplemental appropriation, and any appropriated receipts in special and trust funds.

Anticipated resources should be adjusted to actual resources on subsequent apportionments.

No-year and multi-year TAFS can have apportioned amounts in future fiscal years. When using line 6170, provide the future fiscal years.

Display the text of any footnotes in a separate tab in your Excel file.

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Exhibit 120A.

2) Unless OMB determines otherwise, when amounts are automatically apportioned (see section 120.47), and there is a subsequent need for reapportionment, reflect adjustments previously made as automatic apportionments in the "Previous Approved" column. In such cases, footnote what changes were automatically apportioned.

3) Exhibit 130C illustrates the SF 133 for this account.

One-Year Appropriations Under Continuing Resolution

Identify in the header the law(s) providing the budget authority. If a continuing resolution (CR) is amended multiple times, always reference the first CR (not the subsequent amendments). However, if another CR is passed, cite the new CR as well as the first CR.

FY 20xx Apportionment
Funds provided by Public Law XXX-XXX

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Foot	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government **Bureau: Office of the Secretary** **Account: Salaries and Expenses (003-04-1109)** **TAFS: 80-0137 / 20xx**							
IterNo	1	Last Approved Apportionment: N/A, First Request of year							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1100		BA: Disc: Appropriation			24,000,000	B1	24,000,000		
1134		BA: Disc: Appropriations precluded from obligation			-22,030,000	B2	-22,030,000		
1740		BA: Disc: Spending auth:Antic colls, reimbs, other			1,348,260		1,348,260		
1920		**Total budgetary resources avail (disc. and mand.)**	**0**		**3,318,260**		**3,318,260**		
6001		1st quarter			1,348,260	A3	1,348,260	A3	
6002		2nd quarter			0		0		
6003		3rd quarter			0		0		
6004		4th quarter			0		0		
6011		Lump Sum			1,970,000		1,970,000		
6190		**Total budgetary resources available**	**0**		**3,318,260**		**3,318,260**		

Show the actual amount or the annual rate of operations included in the continuing resolution (CR) on line 1100. Even if the CR is for part of a fiscal year, you still show the total annual amount (e.g., rate of operations) of the CR on line 1100 (not the proportional share provided during the time period of the CR).

If the continuing resolution is for a part of the year, show the amount of BA that is currently not provided under the given time period of the CR as a negative on line 1134. (See section 123.2 for guidance.)

Note that funds made available by the continuing resolution ($24,000,000 - $22,030,000) are all apportioned as lump sum by the OMB short-term CR apportionment bulletin.

If, per the bulletin, you formally request to OMB and it is granted that you account for your short-term CR funds as quarterly, you would show all of the bulletin lump sum apportionment amount in the first quarter , line 6001 (not line 6011).

Display the text of any footnotes in a separate tab in your Excel file.

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Exhibit 120A.

2) Normally, OMB will issue a bulletin to automatically apportion funds made available by a continuing resolution without requiring you to submit an apportionment request (see section 123.2, 120.60). However, you may submit, or OMB may require you to submit a request.

Appropriations and Unobligated Balances Under a Continuing Resolution

FY 20xx Apportionment
Funds provided by Public Law XXX-XXX

Identify in the header the law(s) providing the budget authority.

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government **Bureau: Office of the Secretary** **Account: R & D (003-04-1109)** **TAFS: 80-1200/X**							
IterNo	2	Last Approved Apportionment: 9/10/CY							11/30/2012
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1000	A	Unob Bal: Brought forward, October 1 [line split = E for estimate] [line split = A for actual balance]	50,689,324		60,000,000		60,000,000		
1100		BA: Disc: Appropriation			24,000,000		24,000,000		
1134		BA: Disc: Appropriations precluded from obligation			-22,030,000		-22,030,000		
1700		BA: Disc: Spending auth: Collected			1,500		1,500		
1740	1	BA: Disc: Spending auth:Antic colls, reimbs, other	1,000,760		1,000,260		1,000,260		
1740	2	BA: Disc: Spending auth:Antic colls, reimbs, other	349,000		348,000		348,000		
1920		**Total budgetary resources avail (disc. and mand.)**	**52,039,084**		**63,319,760**		**63,319,760**		
6001		1st quarter	13,009,771		22,320,447		22,320,447		
6002		2nd quarter	13,009,771		13,009,771		13,009,771		
6003		3rd quarter	13,009,771		13,009,771		13,009,771		
6004		4th quarter	13,009,771		13,009,771		13,009,771		
6011		Lump Sum			1,970,000		1,970,000		1,425,555
6190		**Total budgetary resources available**	**52,039,084**		**63,319,760**		**63,319,760**		

Change the line split from E to A when the final determination of unobligated balances is reported. If the amount on this line does not agree with the amounts: (a) reported on the final SF 133 of the preceding year; (b) reported to the Treasury for inclusion in the *Treasury Combined Statement Appendix*; or (c) presented in the *Budget Appendix* as a past year actual amount, footnote line 1000 to explain the difference.

Amounts in the "Previous Approved" column are amounts from the first apportionment.

You must request a reapportionment whenever the actual balance brought forward differs from the estimate on the latest SF 132 by $400,000 or 2% of total budgetary resources, whichever is lower. Change the line split from E to A whenever you reapportion after the final determination of unobligated balance.

Show the actual amount or the annual rate of operations included in the continuing resolution (CR) on line 1100. Even if the CR is for part of a fiscal year, you still show the annual amount of the CR on line 1100 (not the proportional share provided during the time period of the CR).

Lines 1700 and 1740, as well as the memorandum entry on obligations, should reflect the amount shown on the latest SF133 if more recent figures are not available. The period covered by such amounts should be indicated in a footnote and the "Memo Obligations" column.

If the continuing resolution is for a part of the year, show the amount of BA that is currently not provided for obligation via the OMB short-term CR apportionment bulletin under the given time period of the CR as a negative on line 1134. (See section 123.2 for guidance.)

The four quarters are only reflecting the budgetary resources that are NOT provided by the short-term CR because the short-term CR expires at the end date specified in section 106 of the short-term CR.

Agency requested/OMB approved reapportionment of the increased unobligated balances (+$9,310,676) in the first quarter.

If the request/approval was in the second quarter, increase would have to show on line 6002 since OMB can never reapportion a past period.

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Exhibit 120A.

2) Normally, OMB will issue a bulletin to automatically apportion funds made available by a continuing resolution without requiring you to submit an apportionment request (see section 123.2, 120.60). However, you may submit, or OMB may require you to submit a request.

3) You must submit a reapportionment request showing the final determination of unobligated balances to OMB as soon as it becomes known unless the amount is automatically apportioned by section 120.49.

Apportionment Following a Continuing Resolution

FY 20xx Apportionment
Funds provided by Public Law XXX-XXX

Identify in the header the law(s) providing the budget authority. Note: you can choose to reference the CR PL number or both the CR and any appropriation laws.

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government **Bureau: Office of the Secretary** **Account: R & D (003-04-1109)** **TAFS: 80-1200 / X**							
IterNo	2	Last Approved Apportionment: 9/10/CY							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1000	A	Unob Bal: Brought forward, October 1 [line split = E for estimate] [line split = A for actual balance]	60,000,000		60,000,000		60,000,000		
1100		BA: Disc: Appropriation	24,000,000		25,000,000		25,000,000		
1134		BA: Disc: Appropriations precluded from obligation	-22,030,000		0		0		
1700		BA: Disc: Spending auth: Collected	1,500		2,000		2,000		
1740	1	BA: Disc: Spending auth:Antic colls, reimbs, other	1,000,260		1,000,260		1,000,260		
1740	2	BA: Disc: Spending auth:Antic colls, reimbs, other	348,000		178,000		178,000		
1920		**Total budgetary resources avail (disc. and mand.)**	**63,319,760**		**86,180,260**		**86,180,260**		
6001		1st quarter	22,320,447		22,320,447		22,320,447		
6002		2nd quarter	13,009,771		13,009,771		13,009,771		
6003		3rd quarter	13,009,771		13,009,771		13,009,771		
6004		4th quarter	13,009,771		13,009,771		13,009,771		
6011		Lump Sum	1,970,000		24,830,500		24,830,500		
6190		**Total budgetary resources available**	**63,319,760**		**86,180,260**		**86,180,260**		

<u>NOTE:</u>
This exhibit reflects the automatic apportionment bulletin of the short-term CR apportioning a lump sum (Category B) amount on October 1st.

If you had requested and OMB granted you the apportionment of the bulletin as quarterly, then the amount on line 6011 would have been shown as additive to line 6001.

If the full-year appropriation is enacted on March 26th (second quarter), then in this quarterly scenario the additoinal amount of $22,860,500 would be added to line 6002 (2nd quarter), not line 6011.

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Exhibit 120A.

Public Enterprise (Revolving) or Intragovernmental (Revolving) Fund - Reapportionment

FY 20xx Apportionment
Funds provided by Public Law XXX-XXX

Identify in the header the law(s) providing the budget authority.

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government **Bureau: Office of the Secretary** **Account: R & D (003-04-1109)** **TAFS: 80-4321/X**							
IterNo	2	Last Approved Apportionment: 9/10/CY							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1000	A	Unob Bal: Brought forward, October 1 [line split = E for estimate] [line split = A for actual balance]	83,584,884		83,583,738		83,583,738		
1023		Unob Bal: Applied to repay debt	-20,756,800		-20,756,800		-20,756,800		
1100		BA: Disc: Appropriation	4,100,000		4,100,000		4,100,000		
1700	1	BA: Disc: Spending auth: Collected			8,000,000		8,000,000		
1700	2	BA: Disc: Spending auth: Collected			8,189,500		8,189,500		
1740		BA: Disc: Spending auth:Antic colls, reimbs, other	69,806,300		54,616,800		54,616,800		
1920		**Total budgetary resources avail (disc. and mand.)**	**136,734,384**		**137,733,238**		**137,733,238**		
6001		1st quarter	550,000		550,000		550,000		1,965,425
6002		2nd quarter	650,000		650,000		650,000		
6003		3rd quarter	625,000		625,000		625,000		
6004		4th quarter	609,600		609,600		609,600		
6011		Management services	23,202,000		23,202,000		23,202,000		6,190,625
6012		Sales program	11,834,000		11,834,000		11,834,000		2,012,790
6013		Power program	20,980,600		20,980,600		20,980,600		5,125,630
6182		Unapportioned balance of revolving fund	78283184		79,282,038	A1	79,282,038	A1	
6190		**Total budgetary resources available**	**136,734,384**		**137,733,238**		**137,733,238**		

Change the line split from E to A whenever you reapportion after the final determination of unobligated

Display the text of any footnotes in a separate tab in your Excel file.

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Exhibit 120A.

2) If you don't know the amount of the unobligated balance brought forward at the time you must submit an apportionment request for an account, show an estimated amount on line 1000, and submit a reapportionment form if adjustments are required, except as specified in section 120.49.

3) For revolving funds with indefinite borrowing authority :
   - Line 1023 includes estimates for the year of repayments of principal.
   - Line 1740 includes any credits or payments anticipated to be received.

4) Exhibit 130E illustrates the SF 133 for this account.

Trust Fund Limitation

FY 20xx Apportionment
Funds provided by Public Law N/A

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government **Bureau: Office of the Secretary** **Account: R & D (003-04-8109)** **TAFS: 80-8004 /20xx**							
IterNo	2	Last Approved Apportionment: 9/10/CY							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1700		BA: Disc: Spending auth: Collected	9,000,000		9,000,000	B1	9,000,000	B1	
1920		**Total budgetary resources avail (disc. and mand.)**	**9,000,000**		**9,000,000**		**9,000,000**		
6011		Management services	1,500,000		1,500,000		1,500,000		500,000
6012		Sales program	7,500,000		7,500,000		7,500,000		2,003,456
6190		**Total budgetary resources available**	**9,000,000**		**9,000,000**		**9,000,000**		

Include reference to law(s) that establish the limitation authority in a footnote. Display the text of any footnotes in a separate tab in your Excel file.

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Exhibit 120A.

Negative Amount Due to Reduced Unobligated Balance

FY 20xx Apportionment
Funds provided by Public Law N/A

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government **Bureau: Office of the Secretary** **Account: R & D (003-04-1109)** **TAFS: 80-4321/X**							
IterNo	2	Last Approved Apportionment: 9/10/CY							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1000	A	Unob Bal: Brought forward, October 1 [line split = E for estimate] [line split = A for actual balance]	1,180,000		410,000		410,000		
1021		Unob Bal: Recov of prior year unpaid obligations	150,000		150,000		150,000		
1700		BA: Disc: Spending auth: Collected			86,000		86,000		
1701		BA: Disc: Spending auth: Chng uncoll paymt Fed src			9,000		9,000		
1740		BA: Disc: Spending auth:Antic colls, reimbs, other	400,000		145,000	B1	145,000	B1	
1920		**Total budgetary resources avail (disc. and mand.)**	**1,730,000**		**800,000**		**800,000**		
6001		1st quarter	432,500		432,500		432,500		250,000
6002		2nd quarter	432,500		-32,500		-32,500		
6003		3rd quarter	432,500		200,000		200,000		
6004		4th quarter	432,500		200,000		200,000		
6190		**Total budgetary resources available**	**1,730,000**		**800,000**		**800,000**		

Assuming that 1st quarter obligations were $250,000 in this example, then the 2nd quarter apportioned amount would be $150,000 (432,500 apportioned less 250,000 obligated plus -32,500 apportioned).

When you need to reduce the cumulative amount apportioned through the current period, revise the amount apportioned for the current period to a negative amount.

Exhibit Notes:
1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Exhibit 120A.
2) Apportionments previously established are not subject to change after the close of the period for which the apportionment is made (section 120.54).

Apportionments in Future Fiscal Years for Multi-Year Accounts

Current year's Apportionment:

FY 20xx Apportionment
Funds provided by Public Law N/A

Identify in the header the law(s) providing the budget authority.

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government **Bureau: Office of the Secretary** **Account: R & D (003-04-1109)** **TAFS: 80-4321 20xx/20xx+1**							
IterNo	1	Last Approved Apportionment: N/A, First Request of year							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1100		BA: Disc: Appropriation			100,000		100,000		
1920		**Total budgetary resources avail (disc. and mand.)**	**0**		**100,000**		**100,000**		
6001		1st quarter			12,500		12,500		
6002		2nd quarter			12,500		12,500		
6003		3rd quarter			12,500		12,500		
6004		4th quarter			12,500		12,500		
6170		FY 20xx+1			50,000		50,000		
6190		**Total budgetary resources available**	**0**		**100,000**		**100,000**		

Includes the full amount appropriated

The planned use of appropriations in year 1.

The planned use of appropriations in year 2.

Next year's apportionment:

FY 20xx+1 Apportionment
Funds provided by Public Law N/A

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government **Bureau: Office of the Secretary** **Account: R & D (003-04-1109)** **TAFS: 80-4321 20xx/20xx+1**							
IterNo	1	Last Approved Apportionment: N/A, First Request of year							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1000	A	Unob Bal: Brought forward, October 1 [line split = E for estimate] [line split = A for actual balance]			52,000		52,000		
1920		**Total budgetary resources avail (disc. and mand.)**	**0**		**52,000**		**52,000**		
6001		1st quarter			13,000		13,000		
6002		2nd quarter			13,000		13,000		
6003		3rd quarter			13,000		13,000		
6004		4th quarter			13,000		13,000		
6190		**Total budgetary resources available**	**0**		**52,000**		**52,000**		

Includes the $50,000 planned to be obligated in year 2 plus $2,000 not obligated in year 1.

The planned use of appropriations in year 2.

Exhibit Notes:
1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Exhibit 120A.
2) Apportionments previously established are not subject to change after the close of the period for which the apportionment is made (section 120.54).

Trust Fund with Contract Authority, Appropriation to Liquidate Contract Authority, and Obligation Limitation

FY 2011 Apportionment
Funds provided by Public Law N/A

Identify in the header the law(s) providing the budget authority.

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government							
		Bureau: Office of the Secretary							
		Account: R & D (003-04-8109)							
		TAFS: 80-8004 /X							
IterNo	2	Last Approved Apportionment: 9/10/CY							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1100		BA: Disc: Appropriation			90,000		90,000		
1137		BA: Disc: Approps applied to liq contract auth			-90,000		-90,000		
1600		BA: Mand: Contract authority	100,000		100,000		100,000		
1622		BA: Mand: Contract auth: Precluded from ob (lim)			-10,000		-10,000		
1920		**Total budgetary resources avail (disc. and mand.)**	**100,000**		**90,000**		**90,000**		
6001		1st quarter	25,000		25,000		25,000		
6002		2nd quarter	25,000		20,000		20,000		
6003		3rd quarter	25,000		25,000		25,000		
6004		4th quarter	25,000		20,000	A1	20,000		
6190		**Total budgetary resources available**	**100,000**		**90,000**		**90,000**		

The appropriation to liquidate contract authority is included on line 1100 and is subtracted on line 1137 because it cannot be used to make new obligations.

Display the text of any footnotes in a separate tab in your Excel file.

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Exhibit 120A.

2) This example assumes that the authorizing legislation provides $100,000 in contract authority that was apportioned in the initial apportionment for the year. Subsequently, the appropriation act provided $90,000 in an appropriation to liquidate contract authority and limited obligations from the contract authority to $90,000.

3) This example assumes that the contract authority that cannot be obligated is available to be obligated in the succeeding fiscal year. This is an obligation limitation.

Trust Fund (or Special Fund) with Collections Precluded from Obligation

FY 20xx Apportionment
Funds provided by Public Law N/A

Identify in the header the law(s) providing the budget authority.

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government							
		Bureau: Office of the Secretary							
		Account: R & D (003-04-8109)							
		TAFS: 80-8004 /X							
IterNo	1	Last Approved Apportionment: N/A, First Request of year							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1201		BA: Mand: Appropriation (special or trust fund)			30,000		30,000		
1234		BA: Mand: Appropriations precluded from obligation			-70,000		-70,000		
1250		BA: Mand: Anticipated appropriation			160,000		160,000		
1920		**Total budgetary resources avail (disc. and mand.)**			**120,000**		**120,000**		
6011		Payment of Benefits			120,000	A1	120,000		
6190		**Total budgetary resources available**			**120,000**		**120,000**		

In this example, the amount on line 1201 equals one-quarter of the estimated annual obligations. This amount is derived from prior year collections and is used to fund obligations and outlays until current year collections are received.

The amount on line 1234 equals the excess of current year receipts over the anticipated obligations ($40 thousand) plus the amount on line 1201 ($30 thousand).

Display the text of any footnotes in a separate tab in your Excel file.

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please Exhibit 120A.

2) This example assumes that the authorizing legislation makes all receipts available until expended. However, the same law permits obligations only for benefits. The estimate of benefits to be paid is less than the current receipts. In this case, include all estimated current receipts on line 1250 (include actual collections on line 1201). Include, as a negative, the amount not needed to cover current obligations on line 1234. Do not include prior year collections that are not needed to incur current obligations on the apportionment or the SF 133.

3) See exhibit 130J for a display of the treatment of this account on the SF 133 during the year and on September 30.

Allocation Transfer Apportionment Format, Apportioning Programs

FY 20xx Apportionment
Funds provided by Public Law N/A

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government **Bureau: Office of the Secretary** **Account: R & D (003-04-1309)** **TAFS: 80-1309 /X**							
IterNo	1	Last Approved Apportionment: N/A, First Request of year							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1100		BA: Disc: Appropriation			10,000,000		10,000,000		
1120	1	BA: Disc: Approps transferred to 19-80X1309			-1,000,000		-1,000,000		
1120	2	BA: Disc: Approps transferred to 20-80X1309			-2,000,000		-2,000,000		
1121	1	BA: Disc: Approps transferred from 19-80X1309)			1,000,000		1,000,000		
1121	2	BA: Disc: Approps transferred from (12-80X1309)			2,000,000		2,000,000		
1920		**Total budgetary resources avail (disc. and mand.)**			**10,000,000**		**10,000,000**		
6011		Program A			5,500,000		5,500,000		
6012		Program B			2,000,000		2,000,000		
6013		Program C			2,500,000		2,500,000		
6190		**Total budgetary resources available**			**10,000,000**		**10,000,000**		

The Budgetary Resources section reflects the accounting steps of both the parent an the children. The net effect is to show the resources available for obligation for the entire TAFS.

Note: In order for the transfers to crosswalk correctly in the SF 133 and President's Budget, please ensure that both the parent and child use the appropriate USSGL for allocation transfers http://www.fms.treas.gov/USSGL/.

Exhibit Notes:
1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Exhibit 120A.

Allocation Transfer Apportionment Format, Apportioning Parent and Child

Identify in the header the law(s) providing the budget authority.

FY 20xx Apportionment
Funds provided by Public Law N/A

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government **Bureau: Office of the Secretary** **Account: R & D (003-04-1309)** **TAFS: 80-1309 /X**							
IterNo	1	Last Approved Apportionment: N/A, First Request of year							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1100		BA: Disc: Appropriation			10,000,000		10,000,000		
1120	1	BA: Disc: Approps transferred to 19-80X1309			-1,000,000		-1,000,000		
1120	2	BA: Disc: Approps transferred to 12-80X1309			-2,000,000		-2,000,000		
1121	1	BA: Disc: Approps transferred from 19-80X1309)			1,000,000		1,000,000		
1121	2	BA: Disc: Approps transferred from (12-80X1309)			2,000,000		2,000,000		
1920		**Total budgetary resources avail (disc. and mand.)**			**10,000,000**		**10,000,000**		
6111		Parent - 1st quarter			3,000,000		3,000,000		
6111		State FA (19-80X1309) - 1st quarter			500,000		500,000		
6111		Agric. (12-80X1309) - 1st quarter			500,000		500,000		
6112		Parent - 2nd quarter			4,000,000		4,000,000		
6112		State FA (19-80X1309) - 2nd quarter			500,000		500,000		
6112		Agric. (12-80X1309) - 2nd quarter			1,500,000		1,500,000		
6190		**Total budgetary resources available**			**10,000,000**		**10,000,000**		

The Budgetary Resources section reflects the accounting steps of both the parent an the children. The net effect is to show the resources available for obligation for the entre TAFS.

Note: In order for the transfers to crosswalk correctly in the SF 133 and President's Budget, please ensure that both the parent and child use the appropriate USSGL for allocation transfers http://www.fms.treas.gov/USSGL/.

Exhibit Notes:
1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Exhibit 120A.

Allocation Transfer Apportionment Format, Child Only

Identify in the header the law(s) providing the budget authority.

FY 20xx Apportionment
Funds provided by Public Law N/A

For a few allocation arrangements, the Parent has delegated the apportionment responsibility to its children.
Note: In order for the transfers to crosswalk correctly in the SF 133 and President's Budget, please ensure that both the parent and child use the appropriate USSGL for allocation transfers http://www.fms.treas.gov/USSGL/.

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of State Affairs **Bureau: Office of the Comptroller** **Account: R & D (003-04-1309)** **TAFS: 19-80-1309 /X**							
IterNo	1	Last Approved Apportionment: N/A, First Request of year							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1121		BA: Disc: Approps transferred from 80X1309			12,000,000	B1	12,000,000	B1	
1920		**Total budgetary resources avail (disc. and mand.)**			**12,000,000**		**12,000,000**		
6011		Country A activities			3,000,000		3,000,000		
6012		Country B activities			1,500,000		1,500,000		
6014		Country C activities			3,500,000		3,500,000		
6170		Unallocated activities - available CY+1			4,000,000	A1	4,000,000	A1	
6190		**Total budgetary resources available**			**12,000,000**		**12,000,000**		

B1 footnote: Allocation transfer from parent agency, Department of Government.

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Exhibit 120A.

Allocation Transfer Apportionment, Parent Only

Identify in the header the law(s) providing the budget authority.

FY 20xx Apportionment
Funds provided by Public Law N/A

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Agency: Department of Government **Bureau: Office of the Secretary** **Account: R & D (003-04-1309)** **TAFS: 80-1309 /X**							
IterNo	1	Last Approved Apportionment: N/A, First Request of year							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1100		BA: Disc: Appropriation			10,000,000		10,000,000		
1120		BA: Disc: Approps transferred to other accounts			-3,000,000		-3,000,000		
1920		**Total budgetary resources avail (disc. and mand.)**			**7,000,000**		**7,000,000**		
6001		1st quarter			3,000,000		3,000,000		
6002		2nd quarter			4,000,000		4,000,000		
6190		**Total budgetary resources available**			**7,000,000**		**7,000,000**		

The Budgetary presentation reflects the accounting steps for the parent only so the net effect is to show the resources available for obligation for the parent.

Note: In order for the transfers to crosswalk correctly in the SF 133 and President's Budget, please ensure that both the parent and child use the appropriate USSGL for allocation transfers http://www.fms.treas.gov/USSGL/.

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Exhibit 120A.

Allocation Accounts

Notes: Each parent account on this tab must appear on the Request tab. You use the same Treasury agency and account for each parent and allocation.

Parent Account				Allocation(s)				
Treasury Agency	FY 1	FY 2	Treasury Account	Treasury Agency	Allocation Account	FY 1	FY 2	Treasury Account
80	X		1309	19	80	X		1309
80	X		1309	12	80	X		1309

SECTION 123—APPORTIONMENTS UNDER CONTINUING RESOLUTIONS

Table of Contents

123.1 What is a continuing resolution?
123.2 How do I determine the amount available for obligation under a continuing resolution?
123.3 What do I do if my account receives no funding in the House or Senate bill?
123.4 Do the amounts made available for obligation remain available after a continuing resolution expires?
123.5 Does the continuing resolution limit the purposes for which funds may be obligated?
123.6 Am I required to submit an apportionment request while I am funded by a continuing resolution?
123.7 If I am funded by a short-term continuing resolution and have received a written apportionment, will I have to submit written reapportionment requests for each extension of the CR?
123.8 Are my credit programs funded under a continuing resolution?
123.9 Do I have to request a warrant from Treasury while operating under a continuing resolution?
123.10 Do I need to request a reapportionment after my full-year appropriation is enacted?
123.11 Will my full-year enacted appropriations cover obligations made during the continuing resolution?
123.12 What if the full-year enacted appropriations subsequently provided less budget authority than obligations incurred under the CR?

Ex–123 How to calculate amounts available for credit programs under a continuing resolution

Summary of Changes

Modifies the rule regarding the historical seasonal rate of obligations under a continuing resolution (old section 123.9 and exhibit 123A).

123.1 What is a continuing resolution?

Continuing resolutions (also known as "CRs") are joint resolutions that provide continuing appropriations for a fiscal year. CRs are enacted when Congress has not yet passed new appropriations bills and a program's appropriations are about to or have expired, or when the President has vetoed congressionally passed appropriations bills. Because of the nature of CRs, you should operate at a minimal level until after your regular appropriation is enacted.

123.2 How do I determine the amount available for obligation under a continuing resolution?

Usually, CRs do not appropriate specific sums of money. Rather, they provide "formulas" for calculating the amounts available for continuing programs at minimal levels. This formula is applied by OMB in apportioning funds under the CR. Once the CR is enacted, OMB usually issues a bulletin to automatically apportion funds available under the CR. This automatic apportionment applies to most accounts, but not all. For particular accounts, OMB provides a separate written apportionment.

CRs provide funds for projects and activities. The phrase *projects and activities* has two meanings:

1. The phrase usually refers to the total appropriation for the account (the amount calculated by the formula) rather than to specific activities (when determining which government programs are covered by the CR and the rate for operations limit).

2. The phrase *sometimes* refers to the specific activity (when determining whether an activity was authorized or carried out in the preceding year).

You should carefully review each CR to determine the formula provided. Keep in mind that the amount available under a CR is the product of negotiations among the various factions in the Congress and the Administration. As a result, the formula provided in each CR will likely differ from the formula in previous CRs. For example, the formulas provided by the CRs for the past 10 years have been different. Click here for the formula provided by those CRs as well more detailed guidance on how to execute the CR:

- FY 2013 CR (OMB Bulletin 12-02)
- FY 2012 CR (OMB Bulletin 11-01)
- FY 2011 CR (OMB Bulletin 10-03)
- FY 2010 CR (OMB Bulletin 10-01)
- FY 2009 CR (OMB Bulletin 08-02)
- FY 2008 CR (OMB Bulletin 07-05)
- FY 2007 CR (OMB Bulletin 06-04)
- FY 2006 CR (OMB Bulletin 05-03)
- FY 2005 CR (OMB Bulletin 04-05)
- FY 2004 CR (OMB Bulletin 03-05)
- FY 2003 CR (OMB Bulletin 02-06)
- FY 2002 CR (OMB Bulletin 01-10)
- FY 2001 CR (OMB Bulletin 01-01)

Note that you may not obligate funds under the CR that would impinge on final funding prerogatives of the Congress. CRs usually include provisions directing agencies to execute programs using the most limited funding actions permitted in order to provide for continuing projects and activities. Agencies are also directed by the CR to not execute programs that would otherwise have high initial rates of operation or complete distribution of appropriations at the beginning of the year because of distribution of funds to States, foreign countries, grantees, or others.

123.3 What do I do if my account receives no funding in the House or Senate bill?

If either the House or Senate has reported out of committee or passed an appropriations bill that provides no funding for an account (as opposed to merely providing no funding for a project, program or activity within an account) at the time the CR is enacted, the CR automatic apportionment does not apply to that account, even if that account received funding during the prior year. You must submit a written apportionment request to OMB if you want to request funds for the account during the period of the CR. You must also submit justification for any such request. This restrictive funding action is to ensure that the agency does not impinge on final funding prerogatives of the Congress.

123.4 Do the amounts made available for obligation remain available after a continuing resolution expires?

No. CRs make amounts available for obligation only until a time specified by the CR or until the enactment of regular fiscal year appropriations, whichever is sooner. A CR normally provides temporary funding. As specified by the CR, it can last any period of time (one day, a few days, a few weeks, or a month). It is generally understood that the normal appropriations process will eventually produce appropriation acts to replace or terminate the CR. In relatively few cases, CRs have been in effect through the end of the fiscal year. In such cases, regular appropriations (full-year CR) language replaces the formula in the short-term CR, and you must submit a reapportionment request for the full-year appropriations (see section 123.10). For example, in FY 2011, 11 of the 12 regular annual appropriations bills were not enacted. Instead, all the appropriations normally provided in those bills were provided in one joint resolution making consolidated appropriations. Consolidated appropriations are also referred to as omnibus appropriations acts.

123.5 Does the continuing resolution limit the purposes for which funds may be obligated?

Normally, yes. A CR makes amounts available subject to the same terms and conditions specified in the enacted appropriations acts from the prior fiscal year. The CR may also establish additional terms and conditions. Normally, you are **not** permitted to start new projects or activities.

123.6 Am I required to submit an apportionment request while I am funded by a continuing resolution?

Normally, no. OMB will issue a bulletin to automatically apportion amounts made available by CRs. Links to the OMB bulletins that apportioned the CRs during the last 13 fiscal years are provided in section 123.2. You may request a written apportionments if you or OMB believes that one is necessary.

123.7 If I am funded by a short-term continuing resolution and have received a written apportionment, will I have to submit written reapportionment requests for each extension of the CR?

No. In the case of accounts that receive a written apportionment at any time during a short-term CR period, the automatic apportionment (via OMB bulletin) will apply to such accounts under any subsequent extensions of the CR, provided that the total amount apportioned during the short-term CR period does not exceed the annualized level of the CR. However, any footnotes on the written apportionment continue to apply to the account when subsequently operating under the automatic apportionment.

123.8 Are my credit programs funded under a continuing resolution?

Yes. CRs generally make budgetary resources available to support the costs (appropriations for subsidy cost amounts) associated with direct and guaranteed loan activities that were conducted in the prior fiscal year. Normally, the CR allows you to make new direct loans and new commitments to guarantee loans within the limitations on credit activity levels and subject to the terms and conditions specified in the prior fiscal year appropriations act(s).

Please see section 185.24 for further information regarding the subsidy rates to be used for loans or loan guarantees at execution. See Exhibit 123 for an example of how to calculate amounts available for credit programs under a CR.

123.9 Do I have to request a warrant from Treasury while operating under a continuing resolution?

Generally, no. Excluding a full-year CR, Treasury will not issue a warrant under a CR unless an agency explicitly requests one (see Treasury Financial Manual I TFM2–2000, section 2025.20). Exceptions may be made on a case by case basis if the CR extends beyond the second quarter of the fiscal year. Further Financial Management Service (FMS) Treasury guidance may be found on the USSGL website (http://www.fms.treas.gov/ussgl/index.html).

123.10 Do I need to request a reapportionment after my full-year appropriation is enacted?

Yes. You must request a reapportionment **within 10 days** of the enactment of your full-year appropriations act, even if the period covered by the CR has not expired. In the Previous Approved column, include the amounts apportioned under the CR (including automatic apportionment amounts as provided by the OMB Director's Bulletin). The total amount subject to reapportionment will equal the total amount made available for the fiscal year in the regular appropriation. Click below for further information on the following:

- Instructions on the apportionment process/format (see section 120)
- Detailed instructions for each line on the apportionment (see appendix F)

Until OMB approves your first apportionment request for the fiscal year, and unless otherwise determined by your OMB representative, you will be under an automatic apportionment. See section 120.41 for the formula of the automatic apportionment.

OMB may apportion differently from the automatic apportionment authority provided by section 120.41 for those accounts that received exception apportionments under the short-term CR. See the OMB bulletin on the apportionment of the short-term CR for guidance and consult your OMB representative to determine at what level you are automatically apportioned.

123.11 Will my full-year enacted appropriations cover obligations made during the continuing resolution?

Yes. Normally your full-year enacted appropriations will cover all obligations made during the CR. However, there could be exceptions. See section 123.12 for example of an exception.

123.12 What if the full-year enacted appropriations subsequently provided less budget authority than obligations incurred under the CR?

You must do everything possible to reduce the amount of your existing obligations so that the agency's obligations do not exceed the amounts provided in the full-year enacted appropriations. The agency must reduce obligations to the maximum extent possible— returning purchases received for a refund, canceling purchases of goods and services ordered but not yet received, and canceling grants.

For example, consider the following situation:

(1) There was no indication that the Congress would enact a regular annual appropriation less than the amount available under the CR; and

(2) The amount obligated was available under the CR; and

(3) The full-year enacted appropriation was subsequently less than the obligations incurred under the CR; and

(4) The agency reduced obligations to the maximum extent possible— returning purchases received for a refund, canceling purchases of goods and services ordered but not yet received, and canceling grants.

Contact your OMB examiner if you are in this situation and request an apportionment (if you are subject to apportionment) that specifically footnotes that all of the requirements of this section have been met.

In this circumstance, it is expected that an agency will normally be able to reduce its CR-incurred obligations by a sufficient amount so that the agency's obligations during that fiscal year will not exceed the level of the full-year enacted appropriation (and, thus, all of these obligations will be charged to the full-year enacted appropriation). However, in a case in which an agency is not able (after having de-obligated funds to the maximum extent possible) to reduce its CR-period obligations to the level of the full-year enacted appropriation, then the amount by which the full-year enacted appropriation has been exceeded will be charged to the CR.

How to Calculate Amounts Available for Credit Programs under a Continuing Resolution

Under recent Continuing Resolutions (CRs), OMB automatically apportions credit programs as follows: "If there is an enacted credit limitation (i.e., limitation on loan principal or commitment level) in the prior year, then the automatic apportionment is the pro-rata share of the credit limitation or the budget authority (i.e., for subsidy cost), whichever is less."

Section 185.24 further requires that in executing loans, agencies must use current subsidy rates equal to those calculated in the current President's Budget.

This exhibit shows you how to calculate amounts available under the CR given the above automatic apportionment and requirements. As CR formula sometime changes and OMB apportions according to the CR formula, refer to the latest OMB Bulletin on the CR for the current apportionment.

In the two examples below, the prior year enacted appropriations provides $5 million in budget authority (BA) for subsidy costs and $200 million in loan limitation for direct loans. The CR provides a pro-rata (daily) rate of 25.00%. Last year's subsidy rate is 5.00%. The current subsidy rate differs in each example. The examples show that along with other factors, the current subsidy rate impacts the amounts available under the automatic apportionment for credit programs.

Last year's enacted appropriations states "For the cost of direct loans, $5,000,000, as authorized by 7 U.S.C. 999: … Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $200,000,000."

To determine the amounts available under the CR for Example 1,with a current subsidy rate of 8.00%:

Step 1 - Calculate the pro-rata share of last year's enacted credit limitation: 25.00% x $200 million = $50 million. The pro-rata share of the credit limitation would support a loan level of $50 million.

Step 2 - Calculate the pro-rata share of last year's enacted budget authority (i.e., for the subsidy cost): 25.00% x $5 million = $1.25 million in BA.

Step 2A - Calculate the loan level that $1.25 million in BA would support:
- To calculate the loan level, take budget authority and divide by subsidy rate (BA/subsidy rate = loan level). Note that you must use the current subsidy rate and not last year's subsidy rate.
- $1.25 million / .0800 = $15.625 million. The pro-rata share of the budget authority would support a loan level of $15.625 million.

Step 3 – Determine the lesser of the pro-rata share of the credit limitation or the budget authority:
- Compare the results of steps 1 and 2A.
- Since the pro-rata share of the budget authority provides for a lower loan level ($15.625 million < $50 million), the pro-rata share of the budget authority is the amount automatically apportioned under the CR.
- Under the CR, this direct loans program may obligate up to $1.25 million in budget authority for subsidy costs which may support a loan level of $15.625 million.

Example 1: Current subsidy rate = 8.00%

		Pro-rata share (25.00%)	Pro-rata loan level	Amounts available under CR
Credit limitation	200,000,000	50,000,000	50,000,000	1,250,000 in BA for subsidy cost to
BA	5,000,000	**1,250,000**	**15,625,000**	support a loan level of 15,625,000

Example 2: Current subsidy rate = 1.00%

		Pro-rata share (25.00%)	Pro-rata loan level	Amounts available under CR
Credit limitation	200,000,000	**50,000,000**	**50,000,000**	50,000,000 loan level which requires
BA	5,000,000	1,250,000	125,000,000	500,000 in BA for subsidy cost

SECTION 124—AGENCY OPERATIONS IN THE ABSENCE OF APPROPRIATIONS

Table of Contents

124.1 What types of actions may my agency conduct during a funding hiatus?
124.2 What plans should my agency make in anticipation of a funding hiatus?
124.3 When should my agency's shutdown plans be implemented?

124.1 What types of actions may my agency conduct during a funding hiatus?

(a) *Background*.

The Attorney General issued two opinions in the early 1980s that the language and legislative history of the Antideficiency Act unambiguously prohibit agency officials from incurring obligations in the absence of appropriations ("Applicability of the Antideficiency Act Upon a Lapse in an Agency's Appropriations" (1980) and "Authority for the Continuance of Government Functions During a Temporary Lapse in Appropriations" (1981)). The Office of Legal Counsel of the Department of Justice issued an opinion dated August 16, 1995, that reaffirms and updates the 1981 opinion.

(b) *Policies*.

This section provides policy guidance and instructions for actions to be taken by Executive Branch agencies when Congress fails to enact regular appropriations, a continuing resolution, or needed supplementals, resulting in an interruption of fund availability.

This section does not apply to specific appropriations action by the Congress to deny program funding.

When the Congress fails to act on program supplementals and the result is partial funding interruptions, special procedures beyond those outlined in this section may be warranted. In such cases, you should consult your OMB representative.

In the absence of appropriations:

- Federal officers may not incur any obligations that cannot lawfully be funded from prior appropriations unless such obligations are otherwise authorized by law.
- Federal officers may incur obligations as necessary for orderly termination of an agency's functions, but funds may not be disbursed.

Within the guidance established by the opinions issued by the Department of Justice and this Circular, agency heads, in consultation with their general counsels, must decide what agency activities are excepted or otherwise legally authorized to continue during an appropriations hiatus. Agencies should address questions to OMB, including questions about the interpretation of the Antideficiency Act. OMB will engage with the agency and the Department of Justice's Office of Legal Counsel, as necessary and appropriate.

124.2 What plans should my agency make in anticipation of a funding hiatus?

Agency heads, in consultation with their general counsels, must develop and maintain plans for an orderly shutdown in the event of the absence of appropriations. Up-to-date plans must be on file with OMB. Whenever there is a change in the source of funding for an agency program or any significant modification, expansion, or reduction in agency program activities, the agency must submit an update to its plan to reflect this change. At a minimum, agencies should submit updated plans to OMB every four years, starting August 1, 2014.

Given that the duration of an appropriations hiatus is inherently uncertain, your plan should describe agency actions to be taken during a short hiatus (1-5 days). It also should identify anticipated changes if the hiatus extends beyond that time period. Your plan should also designate personnel responsible for implementing and adjusting the plan to respond to the length of the appropriations hiatus and changes in external circumstances.

Include the following information at the beginning of your plan:

- A brief summary of significant agency activities that will continue and those that will cease during an appropriations hiatus.

- An estimate of the time (to the nearest half-day) needed to complete shutdown activities. To the extent that specific shutdown activities will not be completed within one-half day, specify the nature of each such activity, together with the time and the number of employees necessary to complete the activity.

- A statement of the total number of agency employees expected to be on-board before implementation of the plan.

- A statement of the total number of employees to be retained under the plan for each of the following categories:

  - Their compensation is financed by a resource other than annual appropriations;
  - They are necessary to perform activities expressly authorized by law;
  - They are necessary to perform activities necessarily implied by law;
  - They are necessary to the discharge of the President's constitutional duties and powers;
  - They are necessary to protect life and property.

The plan should then proceed to describe in detail, for each component within your agency, the following:

- The total number of employees in the component to be on-board before implementation of the plan;

- The total number of employees to be retained in the component under the plan for each of the categories listed above (i.e., the employees' compensation is financed by a resource other than annual appropriations, they are necessary to perform activities expressly authorized by law, they are necessary to perform activities necessarily implied by law, they are necessary to the discharge of the President's constitutional duties and powers, or they are necessary to protect life and property); and

- The agency's legal basis for each of its determinations to retain categories of employees, including a description of the nature of the agency activities in which these employees will be engaged.

124.3 When should my agency's shutdown plans be implemented?

OMB will monitor the status of congressional actions on appropriations bills and will notify agencies if shutdown plans are to be implemented. Whenever it appears that a hiatus in appropriations might occur, you should review your shutdown plans, and, if revisions are required, promptly submit the revised plan to OMB.

After OMB has identified a hiatus in appropriations and all available funds (including realloted/reallocated funds) are exhausted, you must begin orderly shutdown activities. Each agency head must determine the specific actions that will be taken; however, all your actions must contribute to an orderly shutdown of the agency and give primary consideration to protecting life and safeguarding Government property and records. Agency heads will notify OMB immediately when shutdown activities are being initiated.

During an absence of appropriations, agencies should only engage in activities consistent with their shutdown plan.

Take necessary personnel actions to release employees in accordance with applicable law and regulations of the Office of Personnel Management. You must prepare employee notices of furlough and process personnel and pay records in connection with shutdown furlough actions. You should plan for these functions to be performed by employees who are retained for orderly termination of agency activities as long as those employees are available.

OMB will notify you when the hiatus of appropriations has ended.

SECTION 130—SF 133, REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Table of Contents

Overview

130.1	What is the purpose of the SF 133 and how is it organized?
130.2	What are the general requirements for submitting SF 133s?

Detailed Guidance

130.3	How do I report budgetary resources?
130.4	How do I report the status of budgetary resources?
130.5	How do I report obligations, and how are obligations shown on SF 133 reports?
130.6	How do I report the change in obligated balances?
130.7	How do I report budget authority and outlays, net?
130.8	What do I need to know about accounting adjustments under 31 U.S.C. 1534?
130.9	How is reimbursable work with Federal agencies under the Economy Act shown on SF 133 reports?
130.10	What should I report during the expired phase?
130.11	How do I report adjustments to expired TAFSs?
130.12	What must I do when I have extended disbursement authority?
130.13	How do I report expired TAFSs that are being closed?
130.14	What disbursements can I make during the canceled phase?

Special Requirements

130.15	How do I submit non-standard reports?
130.16	How do I report lower levels of detail?
130.17	How do I submit an SF 133 for allocation accounts?
130.18	How do I submit an SF 133 for credit TAFSs?
130.19	How do I ensure that my actuals are consistent?
130.20	What is the hierarchy of spending "mixed" funding?

Ex–130A	Annual Account—September 30 Report
Ex–130B	Annual Account with Reimbursements—September 30 Report
Ex–130C	No-Year Account—Quarterly Report
Ex–130D	Multi-year Account Apportioned for Two Fiscal Years
Ex–130E	Public Enterprise (Revolving) or Intragovernmental (Revolving) Fund—Quarterly Report
Ex–130F	Annual Account—Advance Appropriation
Ex–130G	Annual Account—Reappropriation
Ex–130H	SF 133 Net Outlay Formula
Ex–130I	Crosswalk from the SF 133 to the Treasury Combined Statement
Ex–130J	Trust Fund (or Special Fund) with Collections Precluded from Obligation
Ex–130K	Appropriation Reduced by Offsetting Collections and Receipts

Summary of Changes

Indicates that the FACTS II system satisfies the requirement of 31 USC 1554 for a report on unliquidated obligations, unobligated balances, canceled balances, and adjustments made to appropriation accounts during the completed fiscal year (section 130.1).

130.1 What is the purpose of the SF 133 and how is it organized?

The SF 133 Report on Budget Execution and Budgetary Resources:

- Fulfills the requirement in 31 U.S.C. 1511–1514 that the President review Federal expenditures at least four times a year.
- Fulfills the requirement in 31 USC 1554 to report on unliquidated obligations, unobligated balances, canceled balances, and adjustments made to appropriation accounts during the completed fiscal year.
- Allows the monitoring of the status of funds that were apportioned on the SF 132 Apportionment and Reapportionment Schedule and funds that were not apportioned.
- Provides a consistent presentation of information across programs within each agency, and across agencies, which helps program, budget, and accounting staffs to communicate.
- Provides historical reference that can be used to help prepare the President's Budget, program operating plans, and spend-out rate estimates.
- Provides a basis to determine obligation patterns when programs are required to operate under a continuing resolution.
- Ties an agency's financial statements to its budget execution. The compilation of an agency's SF 133s should generally agree with an agency's Statement of Budgetary Resources. The few differences are explained in section 130.19(e).

The SF 133 consists of the following sections:

Section...	shows whether....	and is described in:
Budgetary Resources	budgetary resources are available for obligation or not	Appendix F, Budgetary Resources
Status of Budgetary Resources	budgetary resources have been obligated or not	Appendix F, Status of Budgetary Resources
Change in Obligated Balance	obligated balances changed	Appendix F, Change in Obligated Balance
Budget Authority and Outlays, Net	obligated amounts have been outlayed or not	Appendix F, Budget Authority and Outlays, Net
Unfunded Deficiencies	a deficiency has been liquidated.	Appendix F, Unfunded Deficiencies

130.2 What are the general requirements for submitting SF 133s?

(a) *What accounts should I report*?

Unless otherwise specified by OMB, all Executive Branch agencies must electronically submit SF 133 information each quarter for each open Treasury appropriation fund symbol (TAFS).

Do submit SF 133 reports for:

- Unexpired (i.e. current) TAFSs;
- Expired TAFSs (including TAFSs about to be closed and annual TAFSs that are older than five years that have legally authorized extended disbursing authority);
- Both apportioned TAFSs and those that have not been apportioned; and
- Credit program, financing, and liquidating TAFSs (see section 185 for detailed information).

Do not submit SF 133 reports for:

- Deposit fund accounts;
- Receipt accounts (including clearing accounts and suspense accounts); and
- Closed TAFSs (i.e. TAFSs with canceled balances) unless required by OMB.

(b) *What level of detail should I report?*

Submit SF 133s for each expired and unexpired TAFS. Report amounts as cumulative from the beginning of the fiscal year to the end of the period.

Because one of the main purposes of the SF 133 is to monitor the use of the funds planned on the SF 132 Apportionment; in general, your SF 133 should contain the same level of detail as your SF 132 Apportionment.

(c) *How do I submit an SF 133?*

You must submit SF 133 budget execution information electronically through the Treasury's Federal Agencies' Centralized Trial-balance System II (FACTS II). This facilitates analysis and ensures consistent presentation of budget execution information so that Government-wide totals are meaningful. Electronic submission of the information also allows the SF 133 to be presented on the MAX Budget Community web pages at https://max.omb.gov/community/x/cwM to facilitate communication among accounting, budget, and audit staff. Those outside of the MAX Budget Community can access the budget execution information through OMB's public site, which shares the same reports as the MAX Budget Community.

You can find out more about FACTS II at http://www.fms.treas.gov/factsii/index.html or by calling the Budget Reports Division at (202) 874–8668. FACTS II does not replace the SF 133, but rather replaces previous systems used to collect SF 133 information.

(d) *Who can approve an SF 133 submission?*

SF 133 information submitted for each independent agency, departmental bureau, or similar subdivision will be certified by an officer duly authorized by the head of the agency to be responsible for the integrity of the submission.

Typically, one group within your agency (for example, the accounting office) reports amounts to Treasury while another group (for example, the budget office) prepares budget schedules (see section 82.12). Before the accounting office submits its actuals to Treasury in FACTS II, you must ensure that the amounts you are going to report are conceptually and numerically consistent with the amounts that your budget office is going to report in MAX A–11. In addition, GAO requires your auditors to determine whether controls exist to ensure that the amounts in your systems and the amounts submitted via FACTS II agree. See GAO–02–126G "Guide for Auditing the Statement of Budgetary Resources" (see section 82.12).

(e) *When do I submit an SF 133?*

You must submit SF 133 budget execution information at the end of November, January, February, April, May, July, August, and each quarter. However, submitting information on expired TAFSs is optional for the additional monthly reporting for November, January, February, April, May, July, and August. You can find out the reporting deadlines at http://www.fms.treas.gov/factsii/index.html or by calling the Budget Reports Division at (202) 874–8668. The FACTS II window opens approximately two weeks after the close of reporting month or each quarter. You must revise any material errors in previously reported information through FACTS II at this time as well. You also must be able to produce a monthly SF 133 when required by OMB.

(f) *What other budget execution reporting requirements must I meet?*

You must submit a copy of the SF 133 for November, January, February, March, April, July, August, and each quarter directly to the Committee on Appropriations, House of Representatives. To the extent practicable, you should submit all the reports for each independent agency, departmental bureau, or similar subdivision together and numbered consecutively. You may use printouts of SF 133s from FACTS II. You may also encourage or make arrangements with the Committee on Appropriations, House of Representatives to electronically retrieve the information through OMB's public site, which shares the same reports as the MAX Budget Community.

You should periodically compare the estimates of anticipated amounts (contained on SF 132 lines 1040, 1041, 1042, 1150, 1151, 1152, 1250, 1251, 1252, 1330, 1430, 1530, 1531, 1630, 1631, 1740, 1741, 1742, 1840, 1841, 1842, and line 2203) to actual results to improve future estimates.

130.3 How do I report budgetary resources?

To use the entries in this section of the SF 133, see Appendix F, Budgetary Resources. The Appendix F includes specific instructions for unexpired TAFSs, expired TAFSs, and expired TAFSs being closed. "Expired TAFSs being closed" refers to the final September 30 SF 133 that is submitted for a TAFS (e.g., the September 30 report for an annual TAFS that has been expired for five years).

For unobligated balance brought forward, do not include any amounts for (1) indefinite appropriations, except special and trust fund receipts; (2) indefinite borrowing authority; or indefinite contract authority. For adjustments to indefinite budget authority, refer to lines 1100, 1101, 1102, 1200, 1201, 1202, 1300, 1400, 1500, 1600 of Appendix F as well as http://www.fms.treas.gov/ussgl for the appropriate USSGL.

130.4 How do I report the status of budgetary resources?

To use the entries in this section of the SF 133, see Appendix F, Status of Budgetary Resources.

130.5 How do I report obligations, and how are obligations shown on SF 133 reports?

Agencies need to use the same descriptive stubs for Category B (by project) and Category AB (combination of fiscal quarters and projects) obligations as appear on their approved apportionment. For Category A, Category B, and Category AB obligations that use program reporting categories, agencies need to use the same stub description used on the apportionment.

OMB sends a list of program reporting category stubs, as well as Category B and AB stubs, from approved apportionments to the Department of the Treasury's Financial Management Service (FMS) for use in FACTS II budget execution reporting. See sections 120.68 through 120.73 for additional information. When reporting your obligations, FACTS II will present you with a list of program reporting categories, Category B projects and Category AB fiscal quarters/projects to report upon; these

Category B projects, Category AB fiscal quarters/projects, and reporting categories are taken from OMB's automated apportionment system.

OMB sends this information to FMS so OMB can use automated tools to align program report categories, Category B projects, and Category AB fiscal quarters/projects on the approved apportionments to the SF 133 reports. Prior to this change, OMB was unable to create automated reports that compare apportioned amounts (from the SF 132) and obligations (from the SF 133) by Category B project. The reason is that the SF 132s and SF 133s used different names for the Category B projects, so it was impossible to use a computer program to line up the projects by name.

When reporting your obligations to FACTS II, you must first report the same categories as used in the apportionment. If necessary, you may then add new Category B project, Category AB fiscal quarters/projects, and\or Categories A, B, or AB program reporting category stubs. Here are some reasons why you may need to add new Category B projects, Category AB fiscal quarters/projects, and\or Categories A, B, or AB program reporting categories:

- First, you must report all obligations that took place during the reporting period. You must add Category B projects, Category AB fiscal quarters/projects, and/or Categories A, B, or AB program reporting categories if FACTS II does not provide you with a comprehensive list of Category A, B, or AB program reporting categories and/or Category B projects or Category AB fiscal quarters/projects to report all your obligations.

- Second, if you are aware that OMB has apportioned funds using Category B projects or Category AB fiscal quarters/projects that are not presented in FACTS II, then you should add the missing Category B projects or Category AB fiscal quarters/projects names, and report your obligations for those projects.

- Third, if you are aware that OMB has used Category A, B, or AB program reporting categories that are not presented in FACTS II, then you should add the missing program reporting category names, and report our obligations for those categories.

The obligations submitted to FACTS II are presented in two ways on the SF 133 reports produced by FACTS II and OMB.

- First, obligations are summarized into the following categories: (1) Direct, Category A; (2) Direct, All Category B projects; (3) Direct, exempt from apportionment; (4) Reimbursable, Category A; (5) Reimbursable, All Category B projects; and (6) Reimbursable, exempt from apportionment.

- Second, the SF 133s show obligations by Apportionment Category (A, B, or AB), and then by Category B project (for Category B, only), Category AB fiscal quarters/projects (for Category AB, only) or program reporting category (Category A, Category B, and Category AB).

- Third, the SF 133s show funds apportioned for future fiscal years on line 2202.

Exhibit 130C shows how the obligations are reported for one TAFS.

130.6 How do I report the change in obligated balances?

To use the entries in this section of the SF 133, see Appendix F, Change in Obligated Balances. Lines 3000 through 3200 are required for all quarters.

130.7 How do I report budget authority and outlays, net?

To use the entries in this section of the SF 133, see Appendix F, Budget Authority and Outlays, Net. Lines 4180 and 4190 are required for all quarters.

130.8 What do I need to know about accounting adjustments under 31 U.S.C. 1534?

When an appropriation is available to an agency to pay a cost that benefits another appropriation that is also available to pay the cost, 31 U.S.C. 1534 permits the first appropriation to be charged initially, as long as the charge is moved to the appropriation benefited before the end of the fiscal year. Do not report the initial charge and succeeding adjustment.

130.9 How is reimbursable work with Federal agencies under the Economy Act shown on SF 133 reports?

When you anticipate but have not yet received an order, whether or not you received an advance, enter the amount on line 1740 or 1840 of the SF 133, "BA: Disc: Spending auth: Antic colls, reimbs, other."

When you receive the order, it moves the amount of the order from line 1740 or 1840 to line 1701 or 1801, "BA: Disc: Spending auth: Chng uncoll paymt Fed src." If the order is accompanied or preceded by an advance payment, move the advance payment (up to the amount of the order) to line 1700 or 1800, "Collected."

If you do not record valid obligations to cover all or part of an order before the period of availability to make obligations of the ordering account expires, then you may not fill that part of the order. You must send back any cash advances not covered by obligations back to the ordering account. If you are the ordering agency, deobligate funds not covered by obligations by the performing account and record the corresponding adjustments. Use line 1021 "Unob Bal: Recov of prior year unpaid obligations," for obligations incurred in prior fiscal years. For obligations incurred in the current fiscal year, net the amount against the appropriate detailed lines 2001 through 2103, "Obligations incurred." If a cash advance accompanied the order, use line 1700 or 1800 when you collect the refund. These will be start of year unobligated balances available for adjustments but not new obligations in the expired years.

When you fill the order, move the amounts earned and collected to line 1700 or 1800, "Collected." Move the amounts earned but *not* collected to line 1701 or 1801, "BA: Disc: Spending auth: Chng uncoll paymt Fed src."

If you receive payment for a filled order *after* the period of obligational authority of the performing appropriation has *expired,* credit the payment to the expired appropriation, unless the law expressly prescribes other procedures.

If you receive payment *after* your performing account has been *canceled*, you must send the amounts to miscellaneous receipts in the Treasury.

If the period of disbursement for your account is canceled before you reimburse the appropriation that performed the work, you can only make the repayment from an unexpired appropriation that is available for the same purpose as the closed account.

When the performing and ordering agency accounts have different periods of availability, the performing account may need to establish new TAFS, as described in the following table:

ECONOMY ACT ACTIVITIES BETWEEN FEDERAL ENTITIES

If the ordering agency account has…	And the performing agency account…	Then the performing agency account must…	Should the performing agency account TAFS show unobligated balances on the September 30th SF 133?
Annual TAFS	Has annual TAFS	Use existing annual TAFS	No.
	Does not have annual account but has multi-year and no-year TAFS	Ask Treasury to establish annual TAFS	No.
Multi-year TAFS	Has multi-year TAFS with the same period of availability as the ordering agency account (e.g., ordering agency account is XX-12/13-XXXX and performing agency account is YY-12/13-YYYY)	Use existing multi-year TAFS	It depends. **Yes**, for any year prior to the last year of the multi-year TAFS unless otherwise specified in the unfilled customer order. The amount will become part of line 1000 in the next fiscal year. **No**, for the last year of the multi-year TAFS.
	Has multi-year TAFS with different periods of availability than the ordering agency account (e.g., ordering agency account is XX-12/13-XXXX and the performing agency account is YY-11/12-YYYY)	Use existing annual TAFS or ask Treasury to establish annual TAFS	**No**, however, for the amount of unfilled customer order not obligated, agency would show new anticipated spending authority from offsetting collections on Line 1740 or 1840 in its annual year TAFS established for the next fiscal year.
	Has annual and no-year TAFSs	Use existing annual TAFS	**No**, however, for the amount of unfilled customer order not obligated, agency would show new anticipated spending authority from offsetting collections on Line 1740 or 1840 in its annual year TAFS established for the next fiscal year.
	Has no-year TAFS	Ask Treasury to establish annual TAFS	**No**, however, for the amount of unfilled customer order not obligated, agency would show new anticipated spending authority from offsetting collections on line 1740 or 1840 in its annual year TAFS established for the next fiscal year.

NOTE: For DoD where the ordering agency account is a multi-year account, DoD may use an existing multi-year account as long as it does not extend the period of availability beyond the originating ordering agency account's last fiscal year of the unexpired phase (e.g., the period of availability of the ordering agency account is XX-11/15-XXXX, then the performing DoD account would be YY-12/15-YYYY or YY-13/15-YYYY).

No-year TAFS	Has no-year TAFS	Use existing no-year TAFS	**Yes**, unless otherwise specified in the unfilled customer order. The amount will become part of line 1000 in the next fiscal year.

If the ordering agency account has…	And the performing agency account…	Then the performing agency account must…	Should the performing agency account TAFS show unobligated balances on the September 30th SF 133?
	Does not have no-year account but has annual and multi-year TAFS	Use existing annual or multi-year TAFS	It depends. **No**, for an annual or the last year of a multi-year TAFS. However, for the amount of unfilled customer order not obligated, agency would show new anticipated spending authority from offsetting collections on line 1740 or 1840 in its annual year TAFS established for the next fiscal year unless otherwise specified in the unfilled customer order. **Yes**, for any year prior to the last year of the multi-year TAFS unless otherwise specified in the unfilled customer order. The amount will become part of line 1000 in the next fiscal year.

130.10 What should I report during the expired phase?

Budget execution reporting procedures. Obligated and unobligated balances must be reported on the SF 133 for each expired TAFS that has not been canceled.

September 30 SF 133 reports for annual TAFSs and the last year of multi-year TAFSs that expire at midnight on September 30 should report these TAFSs as unexpired.

Expired unobligated balances.

At the beginning of the first expired year, place the expired unobligated balance on line 1000, "Unob Bal: Brought forward, October 1." This amount should equal the sum of the lines in the unobligated balances section of the final report of budget execution for the unexpired phase, i.e., the sum of lines 2201 through 2303, "Unob Bal: Apportioned/ Exempt from apportionment" and 2401 through 2403, "Unob Bal: Unapportioned." These unobligated balances are now expired budgetary resources. They are available for obligation only for valid upward adjustments of obligations that were properly incurred against the TAFS during the unexpired phase.

Since the expired resources are no longer available for new obligations, place the amounts not used for valid adjustments on line 2403, "Unob Bal: Unapportioned: Other." In each succeeding expired year, the amount on line 1000, "Unob Bal: Brought forward, October 1," should be the same as the amount on line 2403, Unob Bal: Unapportioned: Other," of the final report of budget execution for the prior year.

130.11 How do I report adjustments to expired TAFSs?

Downward adjustments. Place downward adjustments of unpaid obligations previously incurred on line 1021, "Unob Bal: Recov of prior year unpaid obligations." The amount should be included as a positive number because it increases the expired resources available only for future adjustments. Downward adjustments do not include previously paid obligations which require a refund. These refunds will be recorded on line 1700 or 1800, "Collected," when received.

Upward adjustments. Place upward adjustments of obligations previously incurred on detailed lines 2001 through 2103, "Obligations incurred." Upward adjustments of obligations reduce unobligated balances.

Subtract upward adjustments from the expired unobligated balances on line 2403, "Unob Bal: Unapportioned: Other"

The amount should represent the upward adjustments made during the fiscal year for which the report is submitted. Upward adjustments made during previous fiscal years should not be included because the amounts on line 2403, "Unob Bal: Unapportioned: Other," have already been adjusted downward.

Upward adjustments are limited in at least two ways:

- Upward adjustments are limited by the amount available for adjustments on line 2403, "Unob Bal: Unapportioned: Other," of the expired TAFS.
- No new obligations may be shown in the expired TAFS columns. Only upward adjustments of obligations that were incurred in the year in which the amount was available for obligation are valid, i.e., recording obligations that were incurred previously but reported in a different amount or erroneously not reported.

Obligation adjustments for contract changes. Upward adjustments to obligations in expired TAFSs, caused by "contract changes" that exceed certain cumulative thresholds, are subject to additional reporting and approval requirements as shown in the following table. A "contract change" means an order relating to an existing contract under which a contractor is required to perform additional work. A contract change does not include adjustments related to an escalation clause.

For the Department of Defense, obligational increases for contract changes are cumulative at the program, project, and activity level. For civilian agencies, such increases are cumulative at the appropriation level.

If the contract change will cause cumulative obligational increases to an appropriation to exceed...	**Then the agency head...**
$4 million during a fiscal year	(or a designated officer in his immediate office) must approve the contract change.
$25 million during a fiscal year	must report the contract change in writing to the appropriate authorizing committees in Congress and to the House and Senate Committees on Appropriations *before* the obligation is made. Include a description of the legal basis and policy reasons for the proposed obligation. Do *not* make or record the obligation in your accounting records until 30 days after submitting the report.

130.12 What must I do when I have extended disbursement authority?

The length of the expired phase of TAFSs may only be changed by law. You must prepare budget execution reports in accordance with Appendix F. Also, you must report such authority to Treasury's Financial Management Service to prevent premature, automatic cancellation of the TAFS.

The unobligated balance for TAFSs with extended disbursing authority will not be canceled at the end of the fifth expired year. The unobligated balance will remain in the expired phase until the TAFS is closed. For further guidance, you should consult the Treasury Financial Manual.

Normally, payment of canceled balances will not be eligible for funding from Treasury's general claims fund.

130.13 How do I report expired TAFSs that are being closed?

Expired obligated and unobligated balances must be reported as canceled on the final, September 30 SF 133 before you close the TAFS. Once an amount is reported as canceled, it should not be reported again. Note: Technically, TAFSs are "closed," while appropriations and balances are "canceled."

Cancellations of unobligated balances.

On the final, September 30 SF 133 before a TAFS will be closed, you must present all unobligated balances as canceled, i.e., as a negative (–) on line 1029, "Unob Bal: Other balances withdrawn."

On all SF 133s, other than the final, September 30 SF 133 before a TAFS will be closed, you should show recoveries of prior year unpaid obligations on line 1021, "Unob Bal: Recov of prior year unpaid obligations," as an expired resource. You should add any part of a recovery that is not used to adjust obligations to the expired unobligated balance shown on line 2403, "Unob Bal: Unapportioned: Other."

Cancellations of obligated balances.

When a TAFS is required to be closed, you must present any remaining obligated balance as canceled by doing the following:

- Include it as a cancellation (a positive number) on line 1021, "Unob Bal: Recov of prior year unpaid obligations;"

- Include it as a writeoff (a negative number) on line 1029, "Unob Bal: Other balances withdrawn;" and

- Reduce the uncollected payments, line 3090, "Ob Bal: EOY: Uncoll cust payments fm Fed srcs, EOY" to zero.

In addition to cancellations of unobligated and obligated balances, you must also address the cancellations of prepaid/advanced obligations. Because these amounts were previously reflected as disbursements, the amounts are not reflected in either of the unobligated and obligated balances.

130.14 What disbursements can I make during the canceled phase?

Legitimately incurred obligations that have not been disbursed (i.e., paid) at the time a TAFS is canceled cannot be disbursed from the canceled obligated or unobligated balances of the canceled TAFS.

After a TAFS is canceled, any obligations or adjustments to obligations that would have been properly chargeable to that TAFS may be disbursed from an unexpired TAFS that is available for obligation for the same purpose as the closed TAFS, provided that:

- The obligation or adjustment is not already chargeable to another unexpired TAFS.

- Payment of obligations against canceled TAFSs from unexpired TAFSs are limited to one percent of the appropriation in the unexpired TAFS. No more than one percent of an unexpired TAFS may be used to pay any combination of canceled obligations. This is a single, cumulative limit. It applies to one percent of the annual appropriation (not total budgetary resources) for annual TAFSs and to unexpired appropriations for multi-year TAFSs.

  For example, assume there is a multi-year TAFS with an appropriation of $10 million that covers fiscal years 1997 through 1999 that was enacted in fiscal year 1997. In fiscal year 1997, the one-percent limitation is equal to $100,000. At the end of fiscal year 1997, $90,000 was used. In fiscal year 1998, the unused, unexpired portion ($10,000) of the limitation is available for upward adjustment and disbursement of an obligation from a canceled predecessor TAFS.

- Antideficiency Act provisions continue to apply to canceled TAFSs. The authority to pay obligations against closed TAFSs from one percent of unexpired TAFSs cannot be used to exceed the original appropriation.

- When you cancel obligations under the provisions of Public Law 101–510 (31 U.S.C. 1551–1557), a tracking process should be maintained. You must maintain proper U.S. Standard General Ledger (USSGL) controls for obligations pertaining to canceled appropriations to prevent overpayment. Therefore, you must maintain accurate records of balances and control of adjustments for canceled TAFSs that (1) affect the appropriation of the unexpired TAFS or (2) do not affect the appropriation of the unexpired TAFS due to offsets between/among canceled TAFSs. The Treasury's Financial Management Service provides USSGL accounting instructions. See http://www.fms.treas.gov/ussgl for further information.

130.15 How do I submit non-standard reports?

You must submit additional *monthly* budget execution reports when required by OMB. Submit these directly to your OMB representative. Use the SF 133 format and lines described in Appendix F. Provide a separate column of information for each unexpired and expired TAFS. The columns should be formatted in the following order: unexpired, expired, and total. Report amounts in whole dollars. The submission of a monthly report does not relieve you of providing an electronic submission through FACTS II each quarter.

OMB's policy is to use existing agency internal reports to the greatest extent feasible to support required reports. When existing agency internal reports do not include the information necessary to provide complete information on the progress and status of programs, projects, or activities, supporting information may be required by OMB.

See section 20 on definitions, concepts, and terminology for additional guidance related to preparation of the SF 133.

130.16 How do I report lower levels of detail?

You can report lower levels of detail on the SF 133 in a variety of ways as follows:

Method	Description
Category B	If your SF 132 apportions funds on lines 6011 through 6169 "Category B" at a certain level, then you must provide the same level of detail on the lines 2002 or 2102.
Treasury Sub-account	You may need to report certain SF 133s by Treasury sub-account. OMB and you may decide that a Treasury sub-account be established to identify a certain level of detail not only on the SF 133 but also on other reports submitted to the Treasury. The establishment of a Treasury sub-account for an account may affect Treasury reporting requirements (such as the SF 224 Statement of Transactions).
Footnotes	For information that is integral to understanding the content of the SF 133 but cannot be reported in one of the more standardized methods described above, you may footnote any amount reported on the SF 133. If your OMB representative requires a footnote, then it must be provided.

Consult with your OMB representative to determine the best method for your situation.

130.17 How do I submit an SF 133 for allocation accounts?

The parent agency must ensure that a separate SF 133 is submitted for each allocation transfer account through FACTS II. When allocation transfers are made from a parent account to allocation accounts, then an SF 133 will be submitted for each allocation account to report its activities. The parent agency will determine who will submit the information through FACTS II and how. Regardless of who submits the information through FACTS II, the activity of both the parent account and the allocation accounts will be reported on the parent agency's Statement of Budgetary Resources.

The parent agency may choose to: (a) gather information from all of the agencies that have allocation accounts and enter the information into FACTS II, or (b) require each agency with an allocation account to enter information into FACTS II and provide a copy to the parent agency.

Agencies reporting these allocation accounts will furnish information to the other agency or agencies involved in the allocation in a timely manner. Receiving agencies with allocation accounts must submit the information required to the parent agency no later than 12 calendar days following the end of the reporting period or a date required by the parent to meet its reporting and auditing deadlines, whichever comes first.

130.18 How do I submit an SF 133 for credit TAFSs?

You should submit SF 133s for credit TAFSs at the TAFS level during quarters one through three, but at the cohort level in the fourth quarter. To determine the SF 133 aggregation of credit TAFS reporting that is required for your agency, consult your OMB representative. For additional instructions for preparing the SF 133 for credit programs, see section 185.

130.19 How do I ensure that my actuals are consistent?

Amounts reported on the fourth quarter SF 133 must be consistent with information reported to Treasury as part of year-end closing procedures and must be based on actual accounting information pursuant to 31 U.S.C. 3512. Actuals submitted to OMB for inclusion in the President's annual budget, which is submitted to the Congress, should agree with those submitted to Treasury and those submitted on the fourth quarter SF 133. If one group within your agency (for example, accounting) reports amounts to Treasury while another group (for example, the budget office) prepares budget schedules, then you must take action to ensure that the amounts reported are conceptually and numerically consistent. It may be advisable to allow the budget office to review your SF 133 information before it is submitted.

(a) *What reports of actuals should generally be the same?*

- September 30 SF 133 Report on Budget Execution and Budgetary Resources.
- Statement of Budgetary Resources (SBR) (if required).
- Budget Program and Financing Schedule (PY actual column).
- Treasury Combined Statement.
- FMS 2108 Year-end Closing Statement (used to generate Treasury Combined Statement).
- FMS 224 Statement of Transactions (used to generate Treasury Combined Statement).
- FMS 1219 Statement of Accountability(used to generate Treasury Combined Statement).
- FMS 1220: Statement of Transactions (According to Appropriations, Funds and Receipt Accounts) (used to generate Treasury Combined Statement).
- Your agency's accounting system.

(b) *What guidance is available to help me ensure that my actuals are reported consistently?*

- Section 82.12

- Treasury Financial Manual U.S. Government Standard General Ledger Supplement, which contains crosswalks from the USSGL to the SF 133/SBR, FMS 2108, and Program and Financing Schedule. It is available at http://www.fms.treas.gov/ussgl.

(c) *What differences should I expect between the September 30 SF 133 and the Budget Appendix?*

- The SF 133 is displayed at the TAFS level, while the *Appendix* presents consolidated information covering all TAFSs (annual, multiple-year, and no-year) with the same account title. Also, an account in the *Appendix* may contain multiple TAFSs with different titles.

- OMB Circular No. A–11 requires that allocation transfer accounts be consolidated and reported by the parent account for budget formulation purposes. OMB Circular No. A–11 requires that allocation accounts be reported separately for budget execution purposes (see section 130.17). The sum of the information on all the SF 133s with the same account title should be the same as the information required for the *Appendix*.

- The SF 133 is reported in dollars, while the Program and Financing schedule is in millions of dollars.

(d) *What differences should I expect among the September 30 SF 133, the Budget Appendix, and Treasury Combined Statement?*

- For trust or special funds where budget authority is limited by law, unobligated balances at the end of the fiscal year reported in the Treasury Combined Statement (column 6) may not agree with the unobligated balances reported on the SF 133 (lines 2201 through 2403) and the actual column of the Budget Program and Financing Schedule. The difference in the two amounts will represent the total end of year balance on the *Appendix*'s schedule on special and trust fund receipts (Schedule N).

(e) *What differences should I expect between the September 30 SF 133 and the Statement of Budgetary Resources?*

- The SF 133 is displayed at the TAFS level, while the Statement of Budgetary Resources is displayed at the agency level. The Statement of Budgetary Resources is displayed as a principal statement for the agency as a whole, and must be displayed as required supplementary information for major TAFSs.

- The SF 133 displays lines with zero dollars associated with them, while the Statement of Budgetary Resources does not display lines with zero dollars associated with them.

- The Statement of Budgetary Resources includes a separate column for credit financing TAFSs because they are non-budgetary.

- The Statement of Budgetary Resources includes separate lines for offsetting receipts and net outlays in order to derive the net outlays for the agency.

130.20 What is the hierarchy of spending "mixed" funding?

Where multiple types of funding are provided to a single TAFS, agencies must apply obligations, outlays, and reductions against budgetary resources in the following order:

1. Against amounts derived from special and trust fund receipts.

2. Against amounts derived from certain offsetting collections (including asset sales, interest on Federal securities, interest on uninvested funds, compulsory collections from the public or intragovernmental expenditure transfers with no benefit).

3. Against amounts derived from the general fund of the U.S. Treasury.

The hierarchy would not apply when a law requires that specific resources be spent for specific purposes. It would also not apply to the following types of offsetting collections since the resources are generally provided for a specific purpose and are not fungible with the other resources in the account:

1. Received in returns for goods or services provided, including
    a. Reimbursements under the IPA and
    b. Voluntary insurance premiums.

2. From other Federal government accounts where collections are for a jointly funded grant or project. This does not include intragovernmental expenditure transfers with no benefit.

Your accounting office will find the guidance related to the hierarchy of "mixed" funding in OMB Circular No. A-136 "Financial Reporting Requirements" section II.4.5.3.

Annual Account--September 30 Report

To save space, several exhibits in this section do not display lines that do not contain amounts. Exhibits f-1 and f-2 contains all lines.

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 9/30/CY

AGENCY: Department of Government BUREAU: Office of the Secretary	APPROPRIATION OR FUND TITLE AND SYMBOL 80Y0137 Salaries and expenses						
	FY 2014 Unexpired Account	FY 2013 Expired Account	FY 2012 Expired Account	FY 2011 Expired Account	FY 2010 Expired Account	FY 2009 Expired Account	Total
BUDGETARY RESOURCES							
1000 Unob Bal: Brought forward, October 1		110,000	205,000	75,000	87,000	10,000	487,000
1021 Unob Bal: Recov of prior year unpaid obligations						3,500	3,500
1029 Unob Bal: Other balances withdrawn						-11,000	-11,000
1050 Unob Bal: Unobligated balance (total)		110,000	205,000	75,000	87,000	2,500	479,500
1100 BA: Disc: Appropriation	7,400,000						7,400,000
1130 BA: Disc: Appropriations permanently reduced	-1,000						-1,000
1160 BA: Disc: Appropriation (total)	7,399,000						7,399,000
1700 BA: Disc: Spending auth: Collected	403,000						403,000
1910 Total budgetary resources (disc. and mand.)	7,802,000	110,000	205,000	75,000	87,000	2,500	8,281,500
STATUS OF BUDGETARY RESOURCES							
2001 Reimbursable obs incurred: Category A (by quarter)	7,601,315	50,000	85,000	45,000	27,000	2,500	7,810,815
2201 Unob Bal: Apportioned: Avail in the current period	200,685						200,685
2403 Unob Bal: Unapportioned: Other		60,000	120,000	30,000	60,000		270,000
2490 Unobligated balance, end of year	*200,685*	*60,000*	*120,000*	*30,000*	*60,000*		*470,685*
2500 Total budgetary resources	7,802,000	110,000	205,000	75,000	87,000	2,500	8,281,500
CHANGE IN OBLIGATED BALANCE							
3000 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1		100,000	365,000	40,000	7,000	5,000	517,000
3010 Ob Bal: Obligations incurred: Unexpired accounts	7,601,315						7,601,315
3011 Ob Bal: Obligations incurred: Expired accounts		50,000	85,000	45,000	27,000	2,500	209,500
3020 Ob Bal: Outlays (gross)	-7,476,850	-100,000	-170,000	-65,000	-32,000	-4,000	-7,847,850
3041 Ob Bal: Recov, prior year unpaid obs, exp accts						-3,500	-3,500
3050 Ob. Bal: EOY: Unpaid obligations	124,465	50,000	280,000	20,000	2,000		476,465
3100 Obligated balance, start of year (+ or -)		100,000	365,000	40,000	7,000	5,000	517,000
3200 Obligated balance, end of year (+ or -)	124,465	50,000	280,000	20,000	2,000		476,465
BUDGET AUTHORITY AND OUTLAYS, NET							
4000 Disc: Budget authority, gross	7,802,000						7,802,000
4010 Disc: Outlays from new authority	7,476,850						7,476,850
4011 Disc: Outlays from balances		100,000	170,000	65,000	32,000	4,000	371,000
4030 Disc: Offsets, BA and OL: Collections fm Fed srcs	-403,000						-403,000
4070 Disc: Budget authority, net	7,399,000						7,399,000
4080 Disc: Outlays, net	7,073,850	100,000	170,000	65,000	32,000	4,000	7,444,850
4180 Budget authority, net (disc. and mand.)	7,399,000						7,399,000
4190 Outlays, net (disc. and mand.)	7,073,850	100,000	170,000	65,000	32,000	4,000	7,444,850

The final September 30 SF 133 before an account will be closed will include these lines to indicate the amount to be canceled.

Amounts for lines 2401-2403 should be consistent with amounts on the latest SF 132.

Note: Exhibit 120C illustrates the apportionment of this account.

Annual Account with Reimbursements--September 30 Report

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 9/30/CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL			
BUREAU: Government Bureau	80Y0123 Salaries and expenses			
	Year 1 Unexpired Account	Year 2 Expired Account		
BUDGETARY RESOURCES				
1000 Unob Bal: Brought forward, October 1		200,000		
1100 BA: Disc: Appropriation	10,000,000			
1700 BA: Disc: Spending auth: Collected	1,000,000	130,000		
1701 BA: Disc: Spending auth: Chng uncoll paymt Fed src	130,000	-130,000		
1750 BA: Disc: Spending auth: Total	1,130,000			
1910 Total budgetary resources (disc. and mand.)	11,130,000	200,000		
STATUS OF BUDGETARY RESOURCES				
2001 Direct obs incurred: Category A (by quarter)	9,800,000	50,000		
2102 Reimbursable obs incurred: Category B	1,130,000			
2201 Unob Bal: Apportioned: Avail in the current period	200,000			
2403 Unob Bal: Unapportioned: Other		150,000		
2490 Unobligated balance, end of year	*200,000*	*150,000*		
2500 Total budgetary resources	11,130,000	200,000		
CHANGE IN OBLIGATED BALANCE				
3000 Ob Bal: Unpaid obs brought forwd, Oct 1		350,000		
3010 Ob Bal: Obligations incurred: Unexpired accounts	10,930,000			
3011 Ob Bal: Obligations incurred: Expired accounts		50,000		
3020 Ob Bal: Outlays (gross)	-10,580,000	-55,000		
3050 Ob Bal: EOY: Unpaid obligations	350,000	345,000		
3060 Ob Bal: SOY: Uncoll cust paymt brought forwd Oct 1		-130,000		
3070 Ob Bal: Change, uncoll cust paymt, Fed srcs, unexp	-130,000			
3071 Ob Bal: Change, uncoll cust paymt, Fed srcs, exp		130,000		
3090 Ob Bal: EOY: Uncoll cust payments fm Fed srcs, EOY	-130,000			
3100 Obligated balance, start of year (+ or -)		220,000		
3200 Obligated balance, end of year (+ or -)	220,000	345,000		
BUDGET AUTHORITY AND OUTLAYS, NET				
4000 Disc: Budget authority, gross	11,130,000			
4010 Disc: Outlays from new authority	10,580,000			
4011 Disc: Outlays from balances		55,000		
4030 Disc: Offsets, BA and OL: Collections fm Fed srcs	-1,000,000	-130,000		
4050 Disc: Offset, BA: Chng in uncol pay, Fed src, unex	-130,000	130,000		
4070 Disc: Budget authority, net	10,000,000			
4080 Disc: Outlays, net	9,450,000	55,000		
4180 Budget authority, net (disc. and mand.)	10,000,000	-		
4190 Outlays, net (disc. and mand.)	9,450,000	55,000		

Identify in a footnote the law(s) providing budget authority.

Collections of receivables from the prior year from Federal sources are entered as a positive amount on line 1700 and as a negative adjustment on line 1701.

Normally, amounts should reflect *obligated amounts only*on the September 30 report except for amounts in expired accounts that are offset by a reimbursable receivable or collection of an outstanding reimbursable receivable from the prior year.

Available only for upward adjustment of valid obligations incurred during the unexpired period.

To save space, several exhibits in this section do not display lines that do not contain amounts. Exhibits f-1 and f-2 contains all lines.

No-Year Account--Quarterly Report

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 6/30/CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL
BUREAU: Bureau of Central Services	80X1309 Research and development
	X Unexpired Account
BUDGETARY RESOURCES	
1000 Unob Bal: Brought forward, October 1	1,610,000
1021 Unob Bal: Recoveries of prior year unpaid obligations	76,000
1041 Unob Bal: Antic recov of prior year unpaid obl	74,000
1050 Unob Bal: Unobligated balance (total)	1,760,000
1100 BA: Disc: Appropriation	25,000,000
1130 BA: Disc: Appropriations permanently reduced	-200,000
1160 BA: Disc: Appropriation (total)	24,800,000
1700 BA: Disc: Spending auth: Collected	209,000
1740 BA: Spending auth: Anticipated collections, reimbursements, and other income	191,000
1750 BA: Disc: Spending auth: Total	400,000
1910 Total budgetary resources (disc. and mand.)	26,960,000
STATUS OF BUDGETARY RESOURCES	
2001 Direct obs incurred: Category A (by quarter) Salaries	294,320
2001 Direct obs incurred: Category A (by quarter) All Other	59,680
2002 Direct obs incurred: Category B Research -- Air	5,497,700
2002 Direct obs incurred: Category B Research -- Water	5,743,350
2002 Direct obs incurred: Category B Research -- All Other	788,750
2002 Direct obs incurred: Category B Development of products -- Air	3,890,250
2002 Direct obs incurred: Category B Development of products -- Water	3,093,750
2101 Reimbursable obs incurred: Category A (by quarter) Salaries	5,000
2102 Reimbursable obs incurred: Category B Development of products -- Air	98,000
2102 Reimbursable obs incurred: Category B Development of products -- Water	95,750
2102 Reimbursable obs incurred: Category B Development of products -- All Other	89,450
2201 Unob Bal: Apportioned: Avail in the current period	3,304,000
2202 Unob Bal: Apportioned: Avail in subsequent periods	4,000,000
2490 Unobligated balance, end of year	*7,304,000*
2500 Total budgetary resources	26,960,000
CHANGE IN OBLIGATED BALANCE	
3000 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1	407,500
3010 Ob Bal: Obligations incurred: Unexpired accounts	19,656,000
3020 Ob Bal: Outlays (gross)	-19,605,100
3040 Ob Bal: Recov, prior year unpaid obs, Unexp accts	-76,000
3050 Ob Bal: EOY: Unpaid obligations	382,400
3100 Obligated balance, start of year (+ or -)	407,500
3200 Obligated balance, end of year (+ or -)	382,400
BUDGET AUTHORITY AND OUTLAYS, NET	
4000 Disc: Budget authority, gross	25,200,000
4010 Disc: Outlays from new authority	17,995,100
4011 Disc: Outlays from balances	1,610,000
4020 Disc: Total outlays, gross	19,605,100
4030 Disc: Offsets, BA and OL: Collections fm Fed srcs	-209,000
4053 Disc: Offsets, BA only: Antic offsetting collect	-191,000
4070 Disc: Budget authority, net	24,800,000
4080 Disc: Outlays, net	19,396,100
4180 Budget authority, net (disc. and mand.)	24,800,000
4190 Outlays, net (disc. and mand.)	19,396,100

For unexpired accounts, these entries reflect estimated and anticipated downward adjustments of obligations reported in prior years.

Line 1910 should equal line 2500.

Note that the program reporting categories used in Exhibit 121O are re-printed on this portion of the SF 133.

This entry is the difference between apportionments through the end of the current quarter and the obligations incurred under those apportionments through the end of the reporting period.

Amounts for lines 2200 through 2202 should be consistent with amounts on the latest SF 132.

This amount must agree with the amount reported on line 3100 of the final SF 133 for the preceding year.

Note: Exhibit 120E illustrates the apportionment of this account.

Multi-Year Account Apportioned for Two Fiscal Years

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 6/30/CY

AGENCY: Department of Government

BUREAU: Bureau of Central Services

APPROPRIATION OR FUND TITLE AND SYMBOL

89-13/14-0100 Salaries and Expenses

		89-14/15-0100 Unexpired Account
	BUDGETARY RESOURCES	
1100	BA: Disc: Appropriation	100,000
1910	Total budgetary resources (disc. and mand.)	100,000
	STATUS OF BUDGETARY RESOURCES	
2001	Direct obs incurred: Category A (by quarter)	48,000
2201	Unob Bal: Apportioned: Avail in the current period	2,000
2202	Unob Bal: Apportioned: Avail in subsequent periods	50,000
2490	*Unobligated balance, end of year*	*52,000*
2500	Total budgetary resources	152,000
	CHANGE IN OBLIGATED BALANCE	
3010	Ob Bal: Obligations incurred: Unexpired accounts	48,000
3020	Ob Bal: Outlays (gross)	-20,000
3050	Ob Bal: EOY: Unpaid obligations	28,000
3200	Obligated balance, end of year (+ or -)	28,000
	BUDGET AUTHORITY AND OUTLAYS, NET	
4000	Disc: Budget authority, gross	100,000
4010	Disc: Outlays from new authority	20,000
4070	Disc: Budget authority, net	100,000
4080	Disc: Outlays, net	20,000
4180	Budget authority, net (disc. and mand.)	100,000
4190	Outlays, net (disc. and mand.)	20,000

To save space, several exhibits in this section do not display lines that do not contain amounts. Exhibits F-1 and F-2 contains all lines.

Public Enterprise (Revolving) or Intragovernmental (Revolving) Fund--Quarterly Report

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 3/31/CY

AGENCY: Department of Government		APPROPRIATION OR FUND TITLE AND SYMBOL
BUREAU: Government Enterprise Corp.		80X4321 Government Enterprise Corp. fund.
		X Unexpired Account
	BUDGETARY RESOURCES	
1000	Unob Bal: Brought forward, October 1	83,583,738
1022	Unob Bal: Capital transfer to general fund	-15,000,000
1023	Unob Bal: Applied to repay debt	-5,756,800
1050	Unob Bal: Unobligated balance (total)	62,826,938
1100	BA: Disc: Appropriation	4,100,000
1700	BA: Disc: Spending auth: Collected	33,250,500
1701	BA: Disc: Spending auth: Chng uncoll paymt Fed src	700,000
1740	BA: Disc: Spending auth: Antic colls, reimbs, other	36,855,800
1750	BA: Disc: Spending auth: Total	70,806,300
1910	Total budgetary resources (disc. and mand.)	137,733,238
	STATUS OF BUDGETARY RESOURCES	
2101	Reimbursable obs incurred: Category A (by quarter)	1,200,000
2102	Reimbursable obs incurred: Category B Management services	12,000,000
2102	Reimbursable obs incurred: Category B Sales program	5,000,000
2102	Reimbursable obs incurred: Category B Power program	10,000,000
2201	Unob Bal: Apportioned: Avail in the current period	29,016,600
2202	Unob Bal: Apportioned: Avail in subsequent periods	1,234,600
2403	Unob Bal: Unapportioned: Other	79,282,038
2490	*Unobligated balance, end of year*	*109,533,238*
2500	Total budgetary resources	137,733,238
	CHANGE IN OBLIGATED BALANCE	
3000	Ob Bal: SOY: Unpaid obs brought forwd, Oct 1	5,621,800
3010	Ob Bal: Obligations incurred: Unexpired accounts	28,200,000
3020	Ob Bal: Outlays (gross)	-27,384,596
3050	Ob Bal: EOY: Unpaid obligations	6,437,204
3070	Ob Bal: Change, in uncoll cust paymt, Fed srcs, unexp	-700,000
3090	Ob Bal: EOY: Uncoll cust payments fm Fed srcs, EOY	-700,000
3100	Obligated balance, start of year (+ or -)	5,621,800
3200	Obligated balance, end of year (+ or -)	5,737,204
	BUDGET AUTHORITY AND OUTLAYS, NET	
4000	Disc: Budget authority, gross	74,906,300
4010	Disc: Outlays from new authority	20,384,596
4011	Disc: Outlays from balances	7,000,000
4020	Disc: Total outlays, gross	27,384,596
4030	Disc: Offsets, BA and OL: Collections fm Fed srcs	-33,250,500
4050	Disc: Offsets, BA: Change in uncol pay, Fed srcs, unex	-700,000
4053	Disc: Offsets, BA only: Antic offsetting collect	-36,855,800
4060	Disc: Additional offsets against BA only (total)	-37,555,800
4070	Disc: Budget authority, net	4,100,000
4080	Disc: Outlays, net	-5,865,904
4180	Budget authority, net (disc. and mand.)	4,100,000
4190	Outlays, net (disc. and mand.)	-5,865,904

Lines 2002 and 2102 must be consistent with the Apportionment Category B detail amounts.

For revolving funds, this amount will agree with the amount reported on lines 6180, 6181, and 6182 of the latest approved SF 132 plus upward adjustments in income until a reapportionment request is approved.

Note: Exhibit 120I illustrates the apportionment of this account.

Annual Account - Advance Appropriation

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 6/30/11

AGENCY: Department of Government		APPROPRIATION OR FUND TITLE AND SYMBOL
BUREAU: Bureau of Central Services		80-14-1309 Research and development
		FY 2014 Unexpired Account
	BUDGETARY RESOURCES	
1170	BA: Disc: Advance appropriation	7,400,000
1910	Total budgetary resources (disc. and mand.)	7,400,000
	STATUS OF BUDGETARY RESOURCES	
2001	Direct obs incurred: Category A (by quarter)	7,000,000
2201	Unob Bal: Apportioned: Avail in the current period	400,000
2490	*Unobligated balance, end of year*	*400,000*
2500	Total budgetary resources	7,800,000
	CHANGE IN OBLIGATED BALANCE	
3010	Ob Bal: Obligations incurred: Unexpired accounts	7,000,000
3020	Ob Bal: Outlays (gross)	-5,000,000
3050	Ob Bal: EOY: Unpaid obligations	2,000,000
3200	Obligated balance, end of year (+ or -)	2,000,000
	BUDGET AUTHORITY AND OUTLAYS, NET	
4000	Disc: Budget authority, gross	7,400,000
4010	Disc: Outlays from new authority	5,000,000
4070	Disc: Budget authority, net	7,400,000
4080	Disc: Outlays, net	5,000,000
4180	Budget authority, net (disc. and mand.)	7,400,000
4190	Outlays, net (disc. and mand.)	5,000,000

Report advance appropriations in the period in which the funds become available for obligation and not before.

For example, an advance appropriation of 7,400,000 in fiscal year 2013 appropriations act that will become available for obligations in fiscal year 2014 should be included on line 1170 in the fiscal year 2014 SF 133.

To save space, several exhibits in this section do not display lines that do not contain amounts. Exhibits F-1 and F-2 contains all lines.

Annual Account--Reappropriation

When a law extends the period of availability of an amount that, in the absence of the law, would have expired, the amount is reappropriated.

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 9/30/CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL
BUREAU: Bureau of Central Services	80-13-1309 Research and development

	FY 2013 Unexpired
BUDGETARY RESOURCES	
1000 Unob Bal: Brought forward, October 1	
1100 BA: Disc: Appropriation	200
1131 BA: Disc: Appropriations permanently reduced	
1910 Total budgetary resources (disc. and mand.)	200
STATUS OF BUDGETARY RESOURCES	
2201 Unob Bal: Apportioned: Avail in the current period	200
2490 Unobligated balance, end of year	*200*
2500 Total budgetary resources	200

The amount that had been part of an unobligated balance (line 2490) in a previous period . . .

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 12/31/CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL
BUREAU: Bureau of Central Services	80Y1309 Research and development

	FY 2014 Unexpired	FY 2013 Expired
BUDGETARY RESOURCES		
1000 Unob Bal: Brought forward, October 1		100
1105 BA: Disc: Reappropriation	100	
1131 BA: Disc: Appropriations permanently reduced		-100
1910 Total budgetary resources (disc. and mand.)	100	-
STATUS OF BUDGETARY RESOURCES		
2001 Direct obs incurred: Category A (by quarter)		
2201 Unob Bal: Apportioned: Avail in the current period	100	
2500 Total budgetary resources	100	-

. . .should be reported as a new appropriation (line 1105) in the period in which it becomes available.

Report the reduction on line 1131.

SF 133 Net Outlay Formula

The following is the outlay formula to be used to check the internal consistency of the SF 133.

Net Outlays = Lines (2001 through 2003 + 2101 through 2103) - (1700+1701+1800+1801+1021) + 3000 ± 3001 - 3060 ± 3061 ± 3030 ± 3031 ± 3080 ± 3081- (3050-3090)

Step 1: Take the sum of the amounts on lines 2001 through 2003 plus 2101 through 2103 Obligations incurred ………….…………		19,656,000
Step 2: Subtract the sum of the following lines:		
Spending authority from offsetting collections (gross)		
Line 1700--Collected……	197,000	
Line 1701--Change in uncollected customer payments from Federal sources (+ or -)……	0	
Line 1800--Collected……	12,000	
Line 1801--Change in uncollected customer payments from Federal sources (+ or -)……	0	
Recoveries of prior year unpaid obligations		
Line 1021--Recoveries of prior year unpaid obligations……	76,000	
Sum……	285,000	-285,000
Step 3: Add the sum of the following lines:		
Unpaid obligations, start of year		
Line 3000--Unpaid obligations, brought forward, October 1 (gross)……	407,500	
Line 3001--Adjustments to unpaid obligations, brought forward, October 1 (+ or -)……	0	
Uncollected payments, start of year		
Line 3060--Uncollected customer payments from Federal sources, brought forward, October 1 (-)……	0	
Line 3061--Adjustments to uncollected customer payments from Federal sources, brought forward, October 1 (+ or -)……	0	
Sum……	407,500	407,500
Step 4: Add (if positive) or subtract (if negative) the sum of the following lines:		
Unpaid obligation transfers		
Line 3030--Unpaid obligations tranferred to other accounts (-)……	0	
Line 3031--Upaid obligations transferred from other accounts……	0	
Uncollected payment transfers		
Line 3080--Uncollected customer payments from Federal sources transferred to other accounts……	0	
Line 3081--Uncollected customer payments from Federal sources transferred from other accounts (-)……	0	
Sum……	0	0
Step 5: Subtract the sum of the following lines:		
Unpaid obligations, end of year		
Line 3050--Unpaid obligations, end of year ……	382,400	
Uncollected payments, end of year		
Line 3090--Uncollected customer payments from Federal sources, end of year (-)……	0	
Sum……	382,400	-382,400
Net Outlays:		
Line 4010--Outlays from new discetionary authority ……	19,605,100	
Line 4011--Outlays from discretionary balances……	0	
Line 4030--Federal sources (-)……	-197,000	
Line 4031--Interest on Federal securities (-)……	0	
Line 4032--Interest on uninvested funds (-)……	0	
Line 4033--Non-Federal sources (-)……	0	
Line 4034--Offsetting governmental collections (from non-Federal sources) (-)……	0	
Line 4110--Total outlays, gross……	0	
Line 4120--Federal sources (-)……	0	
Line 4121--Interest on Federal securities (-)……	0	
Line 4122--Interest on uninvested funds (-)……	0	
Line 4123--Non-Federal sources (-)……	-12,000	
Line 4124--Offsetting governmental collections (from non-Federal sources) (-)……	0	
Result: This should be the sum of lines 4010 + 4011+ (4030 through 4034) + 4110+ (4120 through 4124)……		19,396,100

Note: These amounts come from Exhibit 130C

Crosswalk from the SF 133 to the Treasury Combined Statement

SF 133 Report on Budget Execution and Budgetary Resources	Treasury Combined Statement
1000: Unob Bal: Brought forward, October 1	Column 1[a/]: Balances beginning of fiscal year, unobligated balance (unexpired) and unobligated balance (expired)
3100: Obligated balance, start of year	Column 1: Balances beginning of fiscal year, obligated balance: The sum of accounts payable and undelivered orders minus the sum of accounts receivable and unfilled customer orders
1100 through 1105: BA: Disc: Appropriations 1170 through 1171: BA: Disc: Advance appropriations 1200 through 1204: BA: Mand: Appropriations 1270 through 1271: BA: Mand: Advance appropriations	Column 2: Appropriations and other obligational authority: Total
1120 +1121+1173+1510+1511+1710+1711: Discretionary nonexpenditure transfers of appropriations, contract authority, and spending authority to or from other accounts 1220+1221+1272+1610+1611+1810+1811: Mandatory nonexpenditure transfers of appropriations, contract authority and spending authority to or from other accounts	Net effect shown, with a footnote in column 2 for transfers between annual accounts in the same fund group. All other transfers shown in Column 3
1130+1131+1320+1520+1722: Discretionary appropriations, borrowing authority, contract authority, and spending authority permanently reduced (disc.) 1230+1420+1620+1822: Mandatory appropriations, borrowing authority, contract authority, and spending authority permanently reduced	Column 2: Appropriations and other obligational authority: Total Column 5: Balances withdrawn and other transactions: The sum of the entries for undisbursed funds, unfunded contract authority, authority to borrow from Treasury, and authority to borrow from the public (plus increases in unobligated balances footnoted in columns 1 and 6 as unavailable for obligation)
Not applicable	Column 3: Transfers, borrowings, and investments (net)
1010 + 1011+1012+1013: Nonexpenditure transfers of unobligated balance to or from other accounts	Not applicable
3030+3031+3080+3081: Nonexpenditure transfers of obligated balance to or from other accounts	Not applicable
4190: Outlays, net (discretionary and mandatory)	Column 4: Outlays (net): Total
1700+1701: Discretionary spending authority from offsetting collections (gross) 1800+1801: Mandatory spending authority from offsetting collections (gross)	Not applicable
1021: Unob Bal: Recov of prior year unpaid obligations	Not applicable
1031: Unob Bal: Refunds/recov temp precl ob (spec/trust) 1132 through 1134: Discretionary appropriations temporarily reduced (total) 1174: BA: Disc: Advanced approps temporarily reduced 1232 through 1234: Mandatory appropriations temporarily reduced (total) 1273: BA: Mand: Advanced approps temporarily reduced	Not applicable
Not applicable	Column 5: Balances withdrawn and other transactions: The sum of the entries for undisbursed funds, unfunded contract authority, authority to borrow from Treasury, and authority to borrow from the public (plus increases in unobligated balances footnoted in columns 1 and 6 as unavailable for obligation)
2201+2202+2203+2301+2302+2303[b/]: Unobligated balance: Apportioned / exempt from apportionment 2401+2402+2403: Unobligated balance: Unapportioned	Column 6: Balances end of fiscal year, unobligated balance
3200: Obligated balance, end of period	Column 6: Balances end of fiscal year, obligated balance: The sum of accounts payable and undelivered orders minus the sum of accounts receivable and unfilled customer orders

[a/] Column 1 of the Treasury Combined Statement (previously known as the Treasury Annual Report) means the first column after the Account Symbol columns.
[b/] Some valid exceptions do exist, such as amounts temporarily precluded from obligation and temporary reductions.

Trust Fund (or Special Fund) with Collections Precluded from Obligation

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 9/30/CY

AGENCY: Department of Government — APPROPRIATION OR FUND TITLE AND SYMBOL

BUREAU: Program benefits trust fund — 80X8000 Payment of benefits

	DESCRIPTION	Dec. 31 SF 133	Jun. 30 SF 133	Sept. 30 SF 133
	BUDGETARY RESOURCES			
1201	BA: Mand: Appropriation (special or trust fund)	70,000	150,000	160,000
1234	BA: Mand: Appropriations precluded from obligation			-40,000
1250	BA: Mand: Anticipated appropriation	120,000	40,000	
1910	Total budgetary resources (disc. and mand.)	190,000	190,000	120,000
	STATUS OF BUDGETARY RESOURCES			
2002	Direct obligations incurred: Category B: Benefit payments	30,000	90,000	120,000
2201	Unob Bal: Apportioned: Available in the current period			
2203	Unob Bal: Apportioned: Anticipated			
2403	Unob Bal: Unapportioned: Other	160,000	100,000	
2490	*Unobligated balance, end of year*	*160,000*	*100,000*	
2500	Total budgetary resources	190,000	190,000	120,000
	CHANGE IN OBLIGATED BALANCE			
3010	Ob Bal: Obligations incurred: Unexpired accounts	30,000	90,000	120,000
3020	Ob Bal: Outlays (gross)	-30,000	-90,000	-120,000
	BUDGET AUTHORITY AND OUTLAYS, NET			
4090	Mand: Budget authority, gross	190,000	190,000	120,000
4100	Mand: Outlays from new authority	30,000	90,000	120,000
4160	Mand: Budget authority, net	70,000	150,000	120,000
4170	Mand: Outlays, net	30,000	90,000	120,000
4180	Budget authority, net (disc. and mand.)	190,000	190,000	120,000
4190	Outlays, net (disc. and mand.)	30,000	90,000	120,000

Includes $30 thousand apportioned (see exhibit 121P) of prior year collections plus $40 thousand collected in December.

Includes only new collections. Prior year collections are not needed to incur obligations and therefore are not shown as an appropriation. No anticipated amounts are shown on line 1250.

Includes $40 thousand to be collected in March, June, and September.

Excess of new collections over obligations.

Include amounts of budgetary resources in excess of apportioned amounts on line 2403. If the account is exempt from apportionment, include amounts in excess of obligations on line 2301.

Total budgetary resources equal obligations on line 2001-2104.

General Principles:
Under scoring rules established under the Balance Budget and Emergency Deficit Control Act of 1985 (BBEDCA), collections made available pursuant to law are shown as appropriations (line 1201 of the SF 132 and the SF 133). Amounts not needed to cover obligations are subtracted on line 1235.
For the September 30 SF 133, prior year collections are not shown unless current year collections are less than amounts needed to incur obligations. This will assure that the actual column in the Budget, derived from the same data as the SF 133, will reflect the scoring required by the BBEDCA.

Assumptions for this example:
Total annual benefit payments are $120 thousand ($10 thousand each month).
Total annual revenue is $160 thousand. $40 thousand is received in December, March, June, and September.
Pursuant to law, obligations may be made only for payment of benefits.
Accumulated, unused collections from prior years equal $750 thousand on October 1st of the fiscal year.

To save space, this exhibit does not display lines that do not contain amounts.

Generally applies to indefinite appropriations. If your agency has a Treasury Appropriation Fund Symbol with a definite appropriation, contact your OMB representative.

Appropriation Reduced by Offsetting Collections and Receipts

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 9/30/CY

AGENCY: Department of Government

BUREAU: Government Bureau

APPROPRIATION OR FUND TITLE AND SYMBOL

80Y2011 Salaries and expenses

		Dec. 31 SF 133 Unexpired Account	Jun. 30 SF 133 Unexpired Account	Sept. 30 SF 133 Unexpired Account
	BUDGETARY RESOURCES			
1100	BA: Disc: Appropriation	65,000,000	19,250,000	4,000,000
1134	BA: Disc: Appropriations precluded from obligation	-65,000,000	-19,250,000	
1700	BA: Disc: Spending auth: Collected		45,750,000	61,000,000
1740	BA: Disc: Spending auth: Antic colls, reimbs, other	65,000,000	19,250,000	
1750	BA: Disc: Spending auth: Total	65,000,000	65,000,000	65,000,000
1910	Total budgetary resources (disc. and mand.)	65,000,000	65,000,000	65,000,000
	STATUS OF BUDGETARY RESOURCES			
2001	Direct obligations incurred: Category A (by quarter)	16,350,000	49,050,000	64,688,000
2201	Unob Bal: Apportioned: Available in the current period	48,650,000	15,950,000	312,000
2490	*Unobligated balance, end of year*	*48,650,000*	*15,950,000*	*312,000*
2500	Total budgetary resources	65,000,000	65,000,000	65,000,000
	CHANGE IN OBLIGATED BALANCE			
3010	Ob Bal: Obligations incurred: Unexpired accounts	16,350,000	49,050,000	64,688,000
3020	Ob Bal: Outlays (gross)	-16,210,000	-49,010,000	-64,675,000
3050	Ob Bal: EOY: Unpaid obligations	140,000	40,000	13,000
3200	Obligated balance, end of year (+ or -)	140,000	40,000	13,000
	BUDGET AUTHORITY AND OUTLAYS, NET			
4000	Disc: Budget authority, gross	65,000,000	65,000,000	65,000,000
4010	Disc: Outlays from new authority	16,210,000	49,010,000	64,675,000
4020	Disc: Total outlays, gross	16,210,000	49,010,000	64,675,000
4030	Disc: Offsets, BA and OL: Collections fm Fed srcs		-45,750,000	-61,000,000
4053	Disc: Offsets, BA only: Antic offsetting collect	-65,000,000	-19,250,000	0
4070	Disc: Budget authority, net			4,000,000
4080	Disc: Outlays, net	16,210,000	3,260,000	3,675,000
4180	Budget authority, net (disc. and mand.)	-	-	4,000,000
4190	Outlays, net (disc. and mand.)	16,210,000	3,260,000	3,675,000

For the first three quarters, use line 1134 to reduce the total budgetary resources by the anticipated amount of collections whether credited to the expenditure account or deposited to a receipt account.

Since the amount appropriated 65,000,000 is initially derived from the General Fund of the U.S. Treasury, this mechanism is necessary in order to avoid double counting the total budgetary resources.

The amount appropriated 65,000,000 is reduced by the amount of actual offsetting collections 61,000,000 received during the fiscal year so as to result in a final fiscal year appropriation of 4,000,000. The amount derived from the General Fund of the U.S. Treasury 65,000,000 should be reduced by the amount of actual offsetting collections 61,000,000 received during the fiscal year on the September 30 SF 133.

The amount appropriated is reduced by an amount of collections whether credited to an expenditure account or deposited to a receipt account.

To save space, several exhibits in this section do not display lines that do not contain amounts. Exhibit 130H contains all lines.

SECTION 135—PROCEDURES FOR MONITORING FEDERAL OUTLAYS

Table of Contents

135.1 What is the purpose for these procedures?
135.2 Who is required to submit a plan?
135.3 What are the general reporting requirements?
135.4 What are the reporting requirements for large transactions?
135.5 What are the requirements for investment account reporting?
135.6 What are the requirements for credit financing account reporting?
135.7 What are the requirements for asset sale reporting?
135.8 What are the responsibilities of OMB and the Treasury Department?
135.9 When do I submit reports?

Ex–135A Reports on Outlays—Agency and Program Coverage
Ex–135B Reports on Outlays—Initial Report
Ex–135C Large Transactions Reporting Format
Ex–135D Investment Account Reporting Format
Ex–135E Financing Account Reporting Format
Ex–135F Asset Sales Reporting Format

135.1 What is the purpose for these procedures?

Cabinet departments and certain agencies submit reports on Federal outlays to assist in the monitoring of spending and to improve Treasury Department forecasts of the Government's daily cash operating balances, borrowing requirements, and debt subject to legal limits, including trust and special fund investment activity. Realistic estimates, particularly for the immediate six-month period, enable Treasury to borrow only amounts needed to finance Government activities, thus reducing interest costs and overall cash balances maintained in the Treasury.

OMB needs reports on Federal outlays to monitor the deficit/surplus and to assess the reliability of each agency's financial management system. Reports are also used by Treasury for its monthly review of "Statement of Transactions" (FMS 224 and FMS 1220) reporting, prior to publication of the *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government (MTS)*, and for periodic evaluations of the accuracy of the reports. These plans must be as accurate as possible—an inability to forecast spending with reasonable accuracy can be a weakness in program and financial management. Problems of this nature need the attention of OMB and the agencies alike.

135.2 Who is required to submit a plan?

If your department or agency is listed in exhibit 135A, prepare a monthly outlay plan for the current and budget years as required by OMB and Treasury and submit periodic reports on and revisions to that plan. Coverage of the reports should be identical to the coverage in the annual budget documents and should include outlay information for all appropriations and funds administered by your department or agency. OMB and/or Treasury may require a forecast of deposit fund activity for specific agencies and will notify you of this requirement.

OMB and Treasury have implemented a web-based system for collecting monthly outlay plan information, which can be found at https://max.omb.gov/mop. The historical database of outlay plan information that results from this effort can improve outlay forecasting abilities government-wide.

The system will preload and display actual outlays reported in the MTS and full fiscal year estimates from the most recent Budget or Mid-Session Review. Please reconcile any discrepancies between this data in the system and the data you expect with your OMB contact. Agencies should then enter estimates of expected outlays for months where actual outlays are not yet available.

135.3 What are the general reporting requirements?

Agencies must report their updated monthly outlay plans on a quarterly basis. Base estimates on your most realistic estimates of the amount to be spent by month in the period(s) covered by the report. Use the President's most recent annual Budget or Mid-Session Review estimates as a base, but update those estimates to reflect subsequent Congressional or administrative actions, including both completed actions and those that are almost certain to be completed. Plans should also reflect the latest economic trends and other expected events on a realistic basis.

Budget and Mid-Session Review estimates serve as reference points only, not as targeted fiscal year totals. <u>Do not force</u> estimated monthly totals to conform to the Budget or Mid-Session totals, but reflect your best information at the time the forecast is prepared. Accordingly, if realistic estimates yield differences between agency and official estimates, knowing this difference is critical to Treasury's general financing requirements and medium and long-term planning. The format for agency reports (exhibit 135B) includes columns for "OMB estimates" and "Differences" that will highlight changes from the most recent official estimates.

Between submission dates, you should provide updated plans to OMB and Treasury whenever there are significant changes in agency outlay totals ($500 million or more), large transactions ($50 million or more), or patterns (such as those that may be associated with an unanticipated increase in claims for an entitlement program or a change in the timing or amount of upward or downward credit reestimates between budgetary program and non-budgetary financing accounts). You should also cooperate with OMB and Treasury by providing additional details as requested.

You must submit with each outlay plan a brief summary explaining the assumptions used in developing the plan and any unusual or special circumstances affecting the plan. The summary is instrumental in Treasury's assessment of the reliability of the estimates and must be included with all outlay report submittals. The summary will, for example, enumerate expected Congressional actions that will raise or lower estimates, discuss any other events that have caused or are expected to cause significant fluctuations in the normal outlay pattern, and specify whether they have been included or excluded from the plan. Summaries are to be uploaded as attachments in the web-based system. A comment added to the plan in the system can be used in place of the summary in cases where the estimates are exclusively based on historical patterns and not on economic/legislative assumptions.

135.4 What are the reporting requirements for large transactions?

In order to improve Treasury's ability to manage the Government's daily cash position and to make more informed financing decisions, all agency financial officers are required to provide advance notice of all large deposits and withdrawals. "Large transaction" refers to a single payment or deposit or a group of payments or deposits of $50 million or more of a similar nature that occur, typically, on one day. You must identify large cash and non-cash payment and deposit transactions. (See *Treasury Financial Manual* (TFM), Volume 1, Part 6, Chapter 8500.) Large transactions may be recurring, i.e., monthly, quarterly, semi-annual, or annual. Cash transactions result in a decrease or increase in Treasury's operating cash balance. Non-cash transactions are typically transfers between general fund and trust fund, deposit fund, or financing accounts.

The amount of advance notice varies from two to five business days or more prior to the transaction date, depending on the size of the transaction. Many electronic transfers such as through the CA$H-LINK system require two business days to process. For further information regarding TFM Chapter 8500, contact the Cash Forecasting Division, Fiscal Service, Department of the Treasury, (202) 874–9790. Additionally, Treasury's Office of the Fiscal Assistant Secretary (OFAS)/Office of Fiscal Projections (OFP) must be notified of all large transactions that have a high probability of occurrence, even if not yet finalized. Association with other Treasury units does not replace the requirement of separate notification to OFAS by the agencies (outlays@treasury.gov or (202) 622–0580).

List large transactions in a separate spreadsheet or footnote the transaction in the investment account or financing account report. Exhibit 135C provides examples of how the following information should be presented:

- Description of payment or deposit;
- Appropriation account symbol;
- MTS line code;
- Dollar amount(s);
- Assumed date of transaction;
- Agency contact;
- Telephone number; and
- E-mail address.

The point of contact for a large transaction should be the individual who is responsible for ensuring that Treasury is informed *between submission dates* of revisions to dollar amount, transaction date, or any special circumstances related to the transaction. This individual is typically in your program and/or finance office.

Selected examples of large transactions:

- Department of Agriculture:
  - Federal Crop Insurance Corporation Fund Premium collections and disbursements
  - Commodity Credit Corporation payments and receipts

- Department of Defense—Military Programs:
  - International Restoration Payments and Receipts
  - Defense Vendor Payments
  - Tricare Payments
  - Military Active Duty Payments

- Defense Security Cooperation Agency:
  - Payments to Security Assistance

- Department of the Interior:
  - Bureau of Land Management:
    - Oregon and California Grant Lands Payments
  - Office of the Secretary:
    - Payments in Lieu of Taxes

- Department of Treasury:
  - Resolution Funding Corporation Collections and Disbursements
  - Comptroller of the Currency:
    - Assessment collections

- International Assistance Programs:
  - Agency for International Development:
    - Economic Support Fund Payments
    - Economic Assistance Loans and Repayments

135.5 What are the requirements for investment account reporting?

Departments that administer major investment accounts are required to submit reports of investment account income and outgo in the format of exhibit 135D. Reports are required for the following investment accounts:

- Department of Health and Human Services:
  - Federal Hospital Insurance Trust Fund
  - Federal Supplementary Medical Insurance Trust Fund
- Department of Housing and Urban Development:
  - FHA-Mutual Mortgage and Cooperative Housing Insurance Fund Liquidating Account
- Department of Labor:
  - Unemployment Trust Fund
  - Pension Benefit Guaranty Corporation Fund
- Department of State:
  - Foreign Service Retirement and Disability Fund
- Department of Transportation:
  - Highway Trust Fund
  - Airport and Airway Trust Fund
- Major Independent Agencies:
  - Environmental Protection Agency:
    - Hazardous Substance Superfund Trust Fund
- Office of Personnel Management:
  - Civil Service Retirement and Disability Fund
  - Federal Employees Life Insurance Fund
  - Federal Employees and Retired Employees Health Benefits Funds
  - Postal Service Retiree Health Benefits Fund
- Social Security Administration:
  - Federal Old-Age and Survivors Insurance Trust Fund
  - Federal Disability Insurance Trust Fund
- Other Defense—Civil Programs:
  - Military Retirement Fund
  - Department of Defense Medicare-Eligible Retiree Health Care Fund
- Other Independent Agencies:
  - Railroad Retirement Board:
    - Rail Industry Pension Fund
    - National Railroad Retirement Investment Trust
    - Railroad Social Security Equivalent Benefit Account

135.6 What are the requirements for credit financing account reporting?

All departments and agencies that administer financing accounts are required to report estimated and actual monthly net disbursements for all accounts as an attachment to the monthly outlay plan application.

The following agencies also are required to submit detailed financing account reports in the format of exhibit 135E:

- Department of Agriculture
- Department of Education
- Department of Energy
- Department of Health and Human Services
- Department of Housing and Urban Development
- Department of Transportation
- Department of the Treasury
- Department of Veterans Affairs
- Small Business Administration
- International Assistance Programs
- Other Independent Agencies:
  Export-Import Bank of the United States
  Federal Communications Commission

Include significant activities as shown in the Budget *Appendix* Program and Financing schedules in your detailed financing account reports.

Estimate monthly totals for non-budgetary cash transactions such as:

- Loan disbursements
- Collections for loan repayments
- Net proceeds of asset sales

Forecast all non-cash transactions between:

- Credit financing accounts
- Credit program, liquidating, governmental receipt, and Treasury interest accounts

Specify whether the timing for such transactions is monthly, quarterly, semiannual, or annual. Include the best available estimate of the dollar amount in the month or months during which you expect the transaction to be processed.

Actual data for credit financing accounts. As discussed in section 135.9 below, the *Monthly Treasury Statement* (*MTS*) is the source of actual data for outlay plans. However, the *MTS* and the FMS 224 reports may not provide the activity detail necessary for detailed financing account forecasting. Agency budget and accounting areas are expected to develop internal agency procedures that will produce the detail required for the plans.

Sales of loans. In general, cash proceeds from sales of loans are now being credited to non-budgetary financing accounts instead of to budgetary liquidating accounts. Exhibit 135E reflects the financing account presentation for loan sale proceeds. Detailed reporting for individual asset sales is required by Treasury offices under asset sale reporting (section 135.7) below.

Reporting format. Show both financing accounts and corresponding program and/or liquidating accounts on the report.

You must show activities as shown in the Budget *Appendix* (see section 185.10 for a description of the requirements for program accounts and section 185.11 for a description of the requirements for financing accounts) in order to:

- Improve Treasury's cash forecasting by identifying non-cash transactions and ensuring consistent treatment on "both sides" of the transaction, i.e., the same amount and timing for both budgetary and non-budgetary credit account entries.

- Ensure the integrity of the *MTS*, the Federal Government's monthly budget report. Treasury will use financing account reports to review and monitor the agency Statement of Transactions (FMS 224) reports, prior to publication of the *MTS*.

Forecasting methodology. For financing account reports:

- Non-cash transactions between financing and (1) program or liquidating accounts, or (2) Treasury interest accounts must reflect the best available dollar amount estimate, and timing must be based on actual due dates or past experience with the timing of the payments.

- If actual experience supports the method, you may estimate monthly amounts for some categories, such as loan disbursements and repayments, by pro-rating the estimated fiscal year total, based on recent monthly patterns.

135.7 What are the requirements for asset sale reporting?

Asset sales are a category of large transactions with additional reporting requirements due to their impact on financing needs. Departments and agencies that conduct asset sales must submit forecast reports in the format of exhibit 135F for each sale included in the agency report on outlays (exhibit 135B) or financing account report (exhibit 135E). These forecasts must be submitted in addition to the large transactions reporting forms that must be received by Treasury at least 48 hours in advance of the sale in accordance with the TFM.

Between submissions, the original report for each individual sale is to be updated by the agency and provided to Treasury offices as soon as new estimated and/or actual information is available, until the sale has been completed. Agency and OMB estimates provided for Treasury's budget, cash, and debt forecasting purposes are considered highly confidential and for internal Treasury use only. If unusual circumstances call for disclosure of additional detail, the estimates are characterized as Treasury Department estimates and not attributed to OMB or the agency.

Departments and agencies that currently must submit detailed asset sale reports are listed below:

- Department of Housing and Urban Development:
  - Federal Housing Administration
- Department of the Interior:
  - Minerals Management Service
- Small Business Administration
- Department of Veterans Affairs
- Other Independent Agencies:
  - Federal Communications Commission

Other departments or agencies should be prepared to provide asset sale reports and timely, on-going updates if asset sale transactions are assumed in official estimates.

135.8 What are the responsibilities of OMB and the Treasury Department?

Both OMB and Treasury will review the agency outlay plans for reasonableness in the light of experience, consistency with the President's policies and objectives, enacted appropriations and other legislation, and other factors. When circumstances warrant, OMB and/or Treasury may require you to make revisions in the outlay plans.

135.9 When do I submit reports?

Reports are due to OMB and to Treasury through the automated collection application as shown in the accompanying table. From time to time, it may be necessary for Treasury to request the reports in advance of this timeline in order to meet its internal cash and debt forecasting requirements.

Submit the initial report package to OMB and Treasury Office of the Fiscal Assistant Secretary/Office of Fiscal Projections) in the format of exhibits 135B, 135C, 135D, 135E, and 135F, as applicable. Plans are due throughout the year, and require monthly outlay estimates for the current and subsequent budget year as shown below.

The automated collection application (https://max.omb.gov/mop) will load actual data as reported by the *MTS* for all months available. The published *MTS* is subject to prior-month revisions for back-dated transactions. Such revisions will affect both the prior month (or months) and the published "Current Fiscal Year to Date" amounts shown in *MTS* Table 5. **It is imperative that actual data reflect amounts reported by the agency and recorded in the *MTS*.** Differences between actual data in the application and actual data reported in the *MTS* should be reconciled with your OMB contact. The actual data should be followed by updated monthly outlay estimates for the balance of the period(s).

Reports due	Current year actuals reported [1]	Estimates required	Explain full-year differences[2]
Late September to early October.	—	October – September (current year).	Agency estimates compared to amounts in the Mid-Session Review.
Early to mid-January.	October – November.	January – September (current year). October – September (budget year).	Agency estimates compared to amounts in the Mid-Session Review.
Late March to early April.	October – February.	April – September (current year). October – September (budget year).	Agency estimates compared to amounts in the President's Budget.
Late June to early July.	October – May.	June – September (current year). October – September (budget year).	Agency estimates compared to amounts in the President's Budget.

[1] The system will preload MTS data for actual outlays before the system opens for agency use. Agencies should enter MTS data that becomes available after the system opens for agency use. When the plans are due before MTS data becomes available, agencies should enter the best possible estimate of actual outlays.

[2] The current year totals should be compared to the latest public estimate, either in the most recent President's Budget or Mid-Session Review. Reconcile significant differences between previously reported estimated outlays and revised estimates or actual outlays and explain these changes in the accompanying statements. Additional updated reports may be requested at other times to better accommodate and support Treasury's quarterly borrowing announcements.

Reports on Outlays—Agency and Program Coverage

Legislative Branch

Judicial Branch

Department of Agriculture: [1]
- Farm Service Agency:
  - Commodity Credit Corporation
  - All other
- Federal Crop Insurance Corporation
- Foreign Agricultural Service
- Food and Nutrition Service:
  - Supplemental Nutrition Assistance Program
  - Child nutrition programs
  - All other
- Forest Service
- All other
- Deductions for offsetting receipts (-)
  - Total, Department of Agriculture

Department of Commerce

Department of Defense—Military Programs:
- Military Personnel
- Operation and Maintenance
- Procurement
- Research, Development, Test, and Evaluation
- Military Construction
- Family Housing
- Revolving and Management Funds
- All other
  - Total, Department of Defense—Military Programs

Department of Education:
- Elementary and Secondary Education:
  - Education for the Disadvantaged
  - State Fiscal Stabilization Fund
  - All other
- Special Education and Rehabilitative Services:
  - Special Education
  - All other
- Postsecondary Education
- Federal Student Aid:
  - Student financial assistance
  - All other
- All other
  - Total, Department of Education

Department of Energy:
- National Nuclear Security Administration
- Environmental and Other Defense Activities
- Energy Programs
- All other
  - Total, Department of Energy

Department of Health and Human Services:
- Public Health Service
  - National Institutes of Health
  - Indian Health Service
  - All other
- Centers for Medicare and Medicaid Services:
  - Grants to States for Medicaid
  - Payment to health care trust funds
  - Federal Hospital Insurance Trust Fund
  - Children's Health Insurance Program
  - Federal Supplementary Medical Insurance
- Trust funds
  - Health care fraud and abuse control
  - Medicare Prescription Drugs
  - All other
- Administration for Children and Families:
  - Temporary Assistance for Needy Families
  - Child Support Enforcement
  - Low Income Home Energy Assistance
  - Social Services Block Grant
  - All other
- All other
- Deductions for offsetting receipts (-)
  - Total, Department of Health and Human Services

Department of Homeland Security: [1]
- Citizenship and Immigration Services
- Transportation Security Administration
- Immigration and Customs Enforcement
- Customs and Border Protection
- United States Coast Guard
- Federal Emergency Management Administration:
  - Disaster relief
  - National Flood Insurance Fund
  - All other
- All other
  - United States Secret Service
  - All other
- Proprietary receipts from the public
- Deductions for offsetting receipts (-)
  - Total, Department of Homeland Security

Department of Housing and Urban Development: [1]
- Public and Indian Housing Programs:
  - Tenant-based rental assistance
  - Housing certificate fund
  - All other
- Community development fund
- Federal Housing Administration credit accounts
- All other
- Offsetting receipts, FHA credit accounts (-)
  - Total, Department of Housing and Urban Development

Reports on Outlays—Agency and Program Coverage—Continued

Department of the Interior: [3]
- Bureau of Land Management
- Minerals Management Service Office of Surface Mining and Enforcement
- Bureau of Reclamation
- Bureau of Indian Affairs
- Insular Affairs
- All other
- Deductions for offsetting receipts (-)
  - Total, Department of the Interior

Department of Justice:
- Federal Bureau of Investigation
- Federal Prison System
- All other
  - Total, Department of Justice

Department of Labor:
- Pension Benefit Guaranty Corporation
- Training and employment services
- Unemployment trust fund
- Black lung disability trust fund
- All other
- Deductions for offsetting receipts (-)
  - Total, Department of Labor

Department of State

Department of Transportation:
- Federal Aviation Administration
- Federal Highway Administration
- Federal Railroad Administration
- Federal Transit Administration
- All other
  - Total, Department of Transportation

Department of the Treasury:
- Departmental Offices:
  - Exchange Stabilization Fund
  - Troubled Asset Relief Program
  - Housing and Economic Recovery Programs
  - Other departmental offices
- Fiscal Service
- Federal Financing Bank
- Alcohol and Tobacco Tax and Trade
- Internal Revenue Collections for Puerto Rico
- Bureau of Engraving and Printing
- United States Mint
- Interest on the Public Debt
- Internal Revenue Service:
  - Earned Income Tax Credit
  - Child Tax Credit
  - Interest on Tax Refunds
  - All other
- Comptroller of the Currency
- All other
- Deductions for offsetting receipts (-)
  - Total, Department of the Treasury

Department of Veterans Affairs: [1]
- Medical care
- Compensation and pensions
- Readjustment benefits
- Insurance trust funds (both revolving and nonrevolving)
- All other
- Deductions for offsetting receipts (-)
  - Total, Department of Veterans Affairs

Major Independent Agencies:
- Corps of Engineers—Civil Works
- Environmental Protection Agency

Executive Office of the President

General Services Administration

National Aeronautics and Space Administration

National Science Foundation

Office of Personnel Management:
- Civil Service Retirement and Disability Fund
- Employee Life Insurance Trust Fund
- Other trust funds
- Postal Service contributions
- All other
  - Total, Office of Personnel Management

Small Business Administration [1]

Social Security Administration:
- Payment to social security trust funds
- Supplemental Security Income
- Federal Old-Age and Survivors Insurance Trust Fund
- Federal Disability Insurance Trust Fund
- All other
- Deductions for offsetting receipts (-)
  - Total, Social Security Administration

Other Defense—Civil Programs: [2]
- Military Retirement
- Uniformed services retiree health
- All other

International Assistance Programs:
- International Security Assistance:
  - Foreign military loan program
  - Foreign military financing program
- Economic support fund
  - All other
- Multilateral Assistance:
  - Contribution to the International Development Association

Reports on Outlays—Agency and Program Coverage—Continued

Deductions for offsetting receipts (-) and all other
International development assistance:
Agency for International Development:
Economic assistance loans
All other
All other
Military Sales Program:
Foreign military sales trust fund outlays
Foreign military sales trust fund proprietary receipts
All other
Other International Assistance Programs
All other

Other Independent Agencies:
Corporation for Public Broadcasting
District of Columbia Courts
Export-Import Bank of the United States[1]
Federal Communications Commission:
Universal Service Fund
Spectrum Auction Program Account
All other
Total, FCC
Federal Deposit Insurance Corporation:
Deposit Insurance Fund
FSLIC Resolution Fund (including RTC)
All other
Total, FDIC
National Credit Union Administration
Postal Service[4]
Railroad Retirement Board:
Federal Windfall subsidy
Benefit Payments
Administrative expenses
All other
Total, RRB
Tennessee Valley Authority
Rents and Royalties on the Outer Continental Shelf (Interior)
Spectrum Auction Receipts (Federal Communications Commission)

[1] Provide as a separate entry for monthly outlay amounts for sales of loans to the open market by attaching a spreadsheet to the application. Net cash proceeds of the sale should be reported.

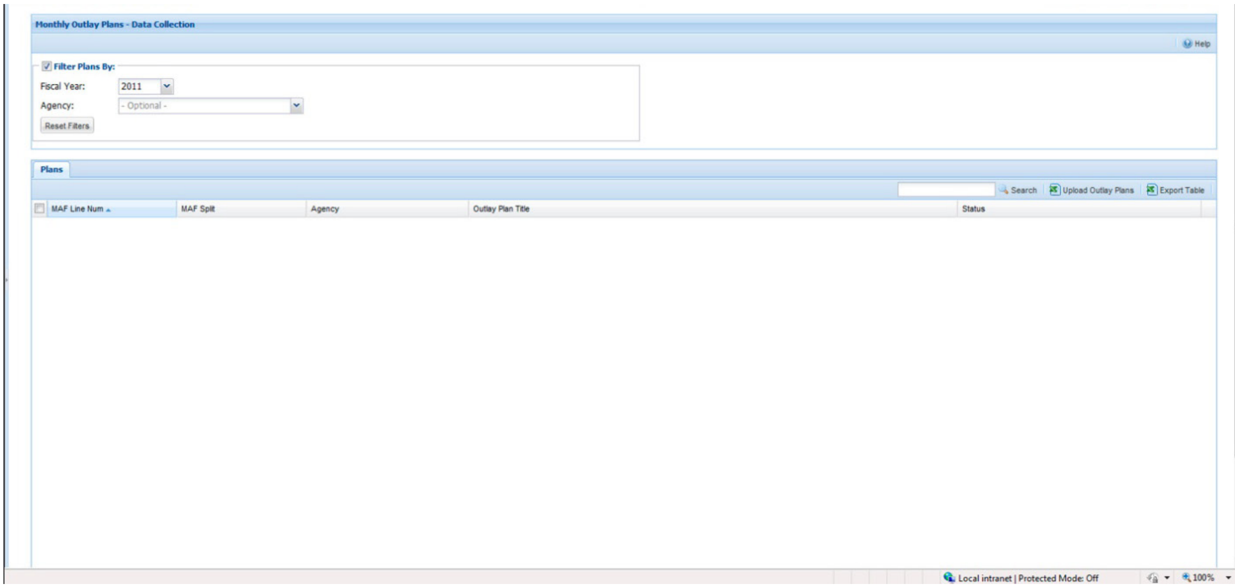
[2] Military retirement also reports receipts collected by them for employer share, employee retirement and health receipts.

[3] Interior also reports the outlays for rents and royalties on Outer Continental Shelf

[4] Postal Service also reports memorandum items for Workers Compensation to the Department of Labor and Payments to OPM Retiree Health Benefits per P.L. 109-435 by attaching a spreadsheet to the application.

Report on Outlays—Initial Report

The automated collection application is on the Internet at https://max.omb.gov/mop. Further instructions can be found on the MAX Federal Community at https://max.omb.gov/community/x/XIA5Bg.

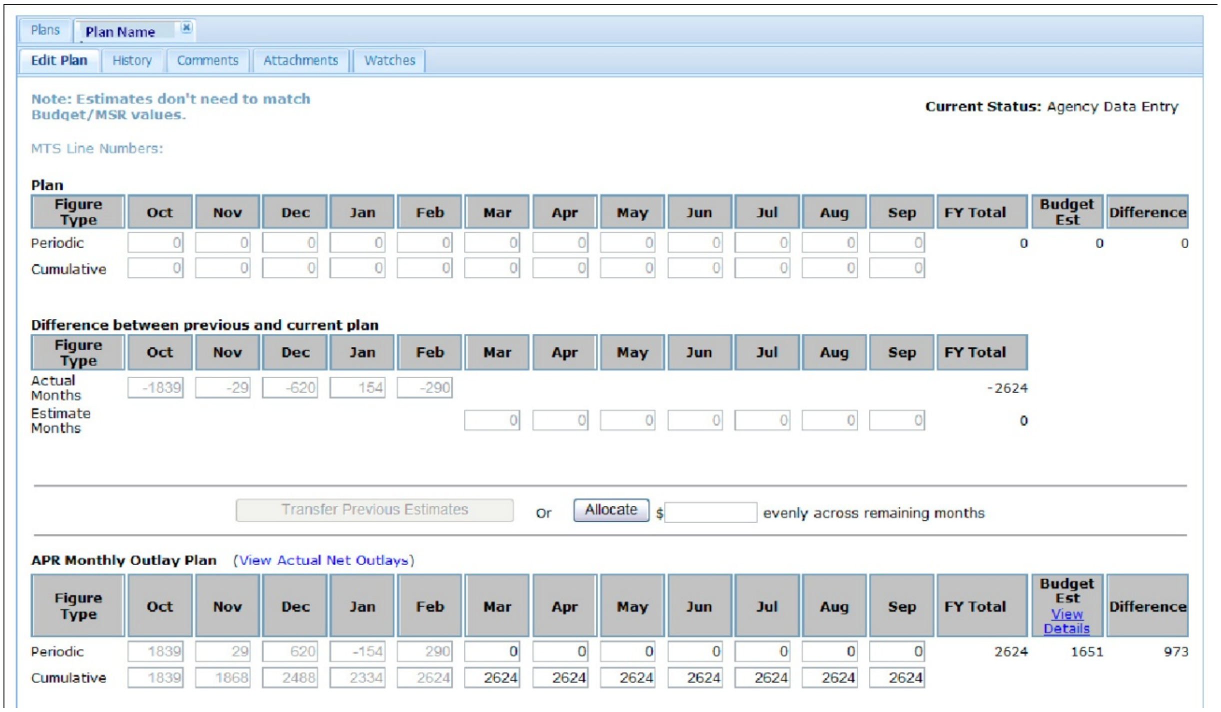


Choose fiscal year and agency.

Double-click on the plan name to edit a plan. Alternately, Click "Upload Outlay Plans" to use the spreadsheet feature.

Edit the plan by entering periodic or cumulative values for the estimate months for the reporting period (in this example, April). The changes will save automatically.

Report on Outlays—Initial Report—Continued



Plans | Plan Name

Edit Plan | History | Comments | Attachments | Watches

Note: Estimates don't need to match Budget/MSR values.

Current Status: Agency Data Entry

MTS Line Numbers:

Plan

Figure Type	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FY Total	Budget Est	Difference
Periodic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative	0	0	0	0	0	0	0	0	0	0	0	0			

Difference between previous and current plan

Figure Type	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FY Total
Actual Months	-1839	-29	-620	154	-290								-2624
Estimate Months						0	0	0	0	0	0	0	0

Transfer Previous Estimates or Allocate $ evenly across remaining months

APR Monthly Outlay Plan (View Actual Net Outlays)

Figure Type	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FY Total	Budget Est View Details	Difference
Periodic	1839	29	620	-154	290	0	0	0	0	0	0	0	2624	1651	973
Cumulative	1839	1868	2488	2334	2624	2624	2624	2624	2624	2624	2624	2624			

Click "Attachments" to add summaries, supporting documents, and exhibits 135 B, D, and E.

To submit the estimate to OMB and Treasury, change the status to *OMB/Treasury Review* before clicking "Update".

Large Transaction Reporting Format

AGENCY REPORT FOR TREASURY CASH FORECASTING
ADVANCE NOTICE OF LARGE DEPOSITS OR PAYMENTS OF
$50 MILLION OR MORE

Date of Report: ____________________

Email Address:
Funds.Control@FMS.Treas.Gov

To:
Cash Forecasting Division
Financial Management Service
Department of the Treasury
Prince George Metro Center II
3700 East West Highway, Rm 5A09
Hyattsville, MD 20782

Facsimile:
202-874-9945
202-874-9984

Telephone:
202-874-9790

From: ____________________

____

____

Agency Location Code or
Defense Station Symbol Number: ____________________

Contact Name: ____________________

Telephone: ____________________

Appropriation Account Title: ____________________

Appropriation Account Symbol: ____________________

Description of Transaction: ____________________
Payment ( ) Deposit ( )

Transaction Settlement Date: ____________________

Amount: ____________________

Payment or Deposit Mechanism: Wire Transfer ( ) ACH ( ) Check ( )

If Check Payment, Check Number: ____________________

If Payment, Payee Name: ____________________

Address: ____________________

If Deposit, Depositary Name: ____________________

Location: ____________________

Note to Agencies: Transmit report by 9:30 AM EST, Monday-Friday.
Cash flow projections updated daily by 9:45 AM.

Form FMS-187 Department of the Treasury

Investment Account Reporting Format

Categories shown here are illustrative only. Categories on your report should mirror the *Budget Appendix* Status of Funds schedule.

Footnote the OMB ESTIMATES column to indicate Budget or Mid-Session Review estimates and month of release.

REPORT CODE: XXXXXXXXXX
TO: OCDMA34@ocdm.Treas.gov
DATE PREPARED: 10/01/20CY
CONTACT: Salmon P. Chase
TELEPHONE: 202-622-1875
E-MAIL: Salmon.P.Chase@DO.Treas.gov

DEPARTMENT OF XXXXXXXXXXXX
(Investment Account title)
INCOME AND OUTGO REPORT
(In millions of dollars)

NOT FOR PUBLIC RELEASE
OMB CIRCULAR NO. A-11
PART 3, SECTION 135.5
EXHIBIT 135C

TIMING OF TRANS	MTS LINE CODE	APPROP ACCOUNT SYMBOL	CATEGORY	2007 OCT EST	2007 NOV EST	2007 DEC EST	2008 JAN EST	2008 FEB EST	2008 MAR EST	2008 APR EST	2008 MAY EST	2008 JUN EST	2008 JUL EST	2008 AUG EST	2008 SEP EST	FISCAL YEAR TOTAL (1)	OMB EST. 1 (2)	DIFFER-ENCE 2 (1-2)
			INCOME:															
			Governmental:															
FIRST DAY	XXXX	XX XXXX.XX	Taxes……………….														**5225**	
			Intergovernmental:															
BIWEEKLY 3	XXXX	XX XXXX.XX	Employer contributions	375	375	375	375	375	375	376	375	375	400	400	410	**4586**	**5000**	**-414**
1215	XXXX	XX XXXX.XX	Transfer from XXXX 4	0	0	650	0	0	0	0	0	0	0	0	0	**650**	**650**	**0**
1231; 0630	XXXX	XX XXXX.XX	Interest on investments	10	15	575	20	15	30	10	15	625	75	100	50	**1540**	**1540**	**0**
			Proprietary:															
DAILY	XXXX	XX XXXX.XX	Receipts from XXXXXXX	25	30	65	25	30	65	25	30	65	25	30	65	**480**	**480**	**0**
			TOTAL INCOME…														**12895**	
			OUTGO:															
DAILY	XXXX	XX XXXX.XX	Benefit payments 5….	675	675	675	650	675	675	650	625	625	625	625	625	**7800**	**7800**	**0**
15TH OF MO	XXXX	XX XXXX.XX	Administrative expenses	35	30	35	35	25	35	35	35	35	35	35	30	**400**	**400**	**0**
LAST DAY	XXXX	XX XXXX.XX	Transfers to XXXX 6	125	0	0	150	0	0	175	0	0	200	0	0	**650**	**650**	**0**
			TOTAL OUTGO……	**835**	**705**	**710**	**835**	**700**	**710**	**860**	**660**	**660**	**860**	**660**	**655**	**8850**	**8850**	**0**
			NET INC (+) OR OUTGO														**4045**	
			MEMORANDUM: (Non-add; included above)															
			Proposed legislation 5	0	0	0	0	0	0	-25	-50	-50	-50	-50	-50	-275	-275	0

ACT=Actual; EST= Estimate

1 Footnote should state "Budget" or "Mid-Session Review" and month/year of release.

2 Footnote differences and provide brief explanation.

3 Footnote descriptions that are larger than column. Provide speciific tiiming and amount information.

4 Date contingent on passage of annual authorizing legislation. Footnote (contact name and telephone number).

5 Footnote (contact name and telephone number).

6 Footnote (contact name and telephone number).

Timing of Transactions column shows illustrative examples of frequency of timing and transaction dates.

NOTE: You are **not** required to provide ***MONTHLY*** estimates for **Governmental receipts**. Monthly estimates are prepared by the Office of Tax Analysis, Department of the Treasury.

Financing Account Reporting Format

Categories will reflect activities shown in the Program and Financing Schedules of the Budget Appendix. Include both Financing and related Liquidating and Subsidy accounts in order to ensure consistency of estimated transactions between budgetary and non-budgetary accounts.

Footnote the OMB ESTIMATES column to indicate Budget or Mid-Session Review estimates and month of release.

REPORT CODE:	XXXXXXXXXX	DEPARTMENT OF XXXXXXXXXXXXX		NOT FOR PUBLIC RELEASE
TO:	OCDMA34@ocdm.Treas.gov	(Financing Account title)		OMB CIRCULAR NO. A-11
DATE PREPARED:	10/01/20CY			PART 3, SECTION 135.6
CONTACT:	Salmon P. Chase	(In millions of dollars)		EXHIBIT 135D
TELEPHONE:	202-622-1875			
E-MAIL:	Salmon.P.Chase@DO.Treas.gov			

TIMING OF TRANS	MTS LINE CODE	APPROP ACCOUNT SYMBOL	OBJECT CLASS CODE	ACCOUNT	2007 OCT EST	2007 NOV EST	2007 DEC EST	2008 JAN EST	2008 FEB EST	2008 MAR EST	2008 APR EST	2008 MAY EST	2008 JUN EST	2008 JUL EST	2008 AUG EST	2008 SEP EST	FISCAL YEAR TOTAL (1)	OMB ESTI-MATES1 (2)	DIFFER-ENCE 2 (1-2)
				FINANCING ACCOUNT:															
DAILY			??.??	Loan disbursements	250	365	450	1000	1265	750	370	300	450	600	950	1275	8025	8575	-550
0930			00.02	Interest paid to Treasury	0	0	0	0	0	0	0	0	0	0	0	150	150	150	0
ANNUAL			08.02	Downward reestimate of subsidy	0	0	0	0	0	0	0	0	0	0	0	531	531	531	0
ANNUAL			08.04	Interest on downward reestimate	0	0	0	0	0	0	0	0	0	0	0	147	147	147	0
				Collections:															
DAILY			??.??	Loan repayments **(P+1)**	-100	-125	-225	-100	-100	-100	-100	-125	-225	-100	-100	-100	-1500	-1500	0
3RD THURS			??.??	Sales of loans (net) 3	0	0	0	0	-400	0	0	0	-350	0	0	0	-750	-750	0
ANNUAL			88.00	Upward reest from program account	0	0	0	0	0	0	0	0	0	0	0	-1,085	-1085	-1,085	0
ANNUAL			88.00	Interest on upward reestimate	0	0	0	0	0	0	0	0	0	0	0	-74	-74	-74	0
FIRST DAY			??.??	Collected from liquidating acct.	0	0	-25	0	0	-25	0	0	-50	0	0	-25	-125	-125	0
FIRST DAY			??.??	Collected from subsidy account	0	0	-260	0	0	-545	0	-300	0	0	-830	0	-1935	-1,935	0
0930			88.25	Interest on uninvested funds	0	0	0	0	0	0	0	0	0	0	0	-495	-495	-495	0
DAILY				**All other**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	XXXX	XX XXXX	87.00	**FINANCING DISB (NET)**	150	240	-60	900	765	80	270	-125	-175	500	20	324	2889	3439	-550
				BUDGET ACCOUNTS:															
				SUBSIDY (Program) ACCOUNT:															
ANNUAL			??.??	Prior Subsidy	0	0	0	10	50	560	0	200	0	0	0	0	820	820	0
ANNUAL			??.??	Current Subsidy	0	0	260	0	0	545	0	300	0	0	830	0	1935	1935	0
ANNUAL			00.05	Upward reestimate of subsidy	0	0	0	0	0	0	0	0	0	0	0	1085	1085	1,085	0
ANNUAL			00.06	Interest on upward reestimate	0	0	0	0	0	0	0	0	0	0	0	74	74	74	0
LAST DAY			00.09	Administrative expenses	15	20	10	25	10	15	20	5	25	10	15	10	180	180	0
				Collections:															
ANNUAL			69.00	Downward reestimate of subsidy	0	0	0	0	0	0	0	0	0	0	0	-531	-531	-531	0
ANNUAL			69.00	Interest on downward reestimate	0	0	0	0	0	0	0	0	0	0	0	-147	-147	-147	0
	XXXX	XX XXXX	90.00	**TOTAL OUTLAYS (Net)**	15	20	270	35	60	1,120	20	505	25	10	845	491	4094	4,094	0
				LIQUIDATING ACCOUNT:															
			??.??	Payments to financing account	0	0	0	0	0	0	0	0	0	0	0	225	225	125	100
			??.??	Other	5	5	5	5	5	5	5	5	5	5	5	5	60	60	0
	XXXX	XX XXXX		**TOTAL LIQUIDATING**	5	5	5	5	5	5	5	5	5	5	5	230	285	185	100
				OFFSETTING RECEIPT ACCOUNTS:															
	XXXX	XX XXXX		Disaster loans, downward reest	0	0	0	0	0	0	0	0	0	0	0	-678	-678	-722	44
	XXXX	XX XXXX		Disaster loans, downward reest													0	0	0
				TOTAL OFFSETTING. RECEIPTS	0	0	0	0	0	0	0	0	0	0	0	-678	-678	-722	44
				MEMORANDUM:															
0930	4188	XX 1499		INTEREST TO TREASURY	0	0	0	0	0	0	0	0	0	0	0	-150	-150	-150	0
				TOTAL IMPACT, ALL ACCOUNTS	170	265	215	940	830	1,205	295	385	-145	515	870	217	5,762	7,568	-1,806

FOOTNOTES:

ACT=Actual; EST= Estimate

1 Footnote should state "Budget" or "Mid-Session Review" and month released.

2 Footnote differences and provide brief explanation.

3 Deposit date 022107 062007 091907

Asset Sales Reporting Format

The agency will adapt this format to its sale process.

Treasury will work with each agency to identify key events.

DATE OF REPORT:
TO: OUTLAYS@OCDM.Treas.gov
TO: FUNDS.CONTROL@FMS.Treas.gov
NOTE: E-MAIL AS AN ATTACHMENT (Excel97 or lower)

REPORT CODE:
AGENCY LOC CODE:
CONTACT:
TELEPHONE:
E-MAIL:
ALTERNATE:
TELEPHONE:
E-MAIL:

ASSET SALES REPORT
FOR CASH AND DEBT FORECASTING
DEPARTMENT OF XXXXXXXXXXXXX
(Amounts in Millions of Dollars)

NOT FOR PUBLIC RELEASE
OMB CIRCULAR NO. A-11
PART 3, SECTION 135.7
EXHIBIT 135E

Check Whichever is Applicable:

☐ **TWELVE-MONTH FORECAST: MONTHLY UPDATE (For Fiscal Projections Use Only)**

☐ **LARGE DOLLAR REPORT FOR INDIVIDUAL ASSET SALE**

SALE NUMBER AND/OR DESCRIPTION	FOR SMALL BUSINESS ADMIN USE ONLY				FOR USE BY ALL AGENCIES		
			REFUNDS OF DEPOSITS 1			SETTLEMENT(S) OR CLOSING(S)	
	DATE	BID DEPOSITS TO TREASURY	DATE	AMOUNT	TOTAL CASH PROCEEDS	DATE(S)	BALANCE DUE
TREASURY CASHTRACK CODE:	XXXXX		XXXXX			XXXXX	

1 If applicable to agency's process, estimate amounts and timing or provide actuals.

REFERENCE: OMB Circular No. A-11, Part 3, Section 135, Exhibit 135E; TREASURY FINANCIAL MANUAL, Volume I, Part 6--Chapter 8500.

SECTION 140—REPORTS ON UNVOUCHERED EXPENDITURES

Table of Contents

140.1 What are unvouchered expenditures?
140.2 Are there any exemptions?
140.3 What is the basis for coverage?
140.4 What are the requirements for submission?
140.5 What are OMB's responsibilities?

Ex–140 List of Accounts Containing Unvouchered Expenditures

140.1 What are unvouchered expenditures?

Unvouchered expenditures are any expenditure accounted for solely on the approval, authorization, or certificate of the President or an official of an executive agency.

Executive Branch agencies are required to submit information to OMB on unvouchered expenditures annually. OMB uses the information to prepare the annual report required by law (31 U.S.C. 3524) on accounts containing unvouchered expenditures that are potentially subject to audit by the Comptroller General.

140.2 Are there any exemptions?

The law provides for exemptions for individual financial transactions or for a class or category of financial transactions if they relate to:

- Sensitive foreign intelligence or counterintelligence activities, or
- Sensitive law enforcement investigations in which an audit proceeding would expose the identifying details of an active investigation or endanger the safety of investigative or domestic intelligence sources involved in such law enforcement investigations.

The law gives the President the authority to exempt these financial transactions from audit. You should make any requests for exemptions through the White House Counsel's office.

140.3 What is the basis for coverage?

Subject to 31 U.S.C. 3524(c) and (d), these instructions apply to the accounts of all executive agencies authorized to contain unvouchered expenditures. Funds used under Section 8(b) of the CIA Act of 1949 are exempt from this GAO audit and are not covered in the annual report to the Congress on unvouchered expenditures.

140.4 What are the requirements for submission?

By October 1st each executive department and agency will submit to OMB a list of all of the agency's accounts that contain unvouchered expenditures with an explanation of any additions to or deletions from the accounts listed in the previous year's report (see exhibit 140). OMB will issue a separate data request for this information at a later date.

In addition, if you are required to submit information on unvouchered expenditures, you must maintain records of these transactions in a manner similar to those maintained for regular financial transactions and accounts in order to insure proper accountability.

140.5 What are OMB's responsibilities?

The Director of OMB will prepare and submit the report to certain congressional committees and to the GAO before December 1 of each year, as required by law.

List of Accounts Containing Unvouchered Expenditures

List of CY Accounts Containing Unvouchered Expenditures that are Potentially Subject to Audit by GAO

Enter the date of submission, the name of the department or agency, and the name and phone number of a contact

Date: ____________________

Agency: Department of Government

Information Contact: John Brown

Telephone: 958–4237

Enter the titles of accounts in which unvouchered expenditures are permitted in the current fiscal year.

When the current year regular appropriations have not been enacted, provide information based on the enacted past year appropriations.

Account Titles:
Operation and Maintenance
Salaries and Expenses
Contingencies

Explanation of changes: The Salaries and Expenses account is authorized to contain unvouchered expenditures for the first time in CY pursuant to P.L. XXX–XX. Also as a result of this law, the Research and related activities account is no longer authorized to contain unvouchered expenditures and therefore is not included in this year's report.

Provide an explanation of any additions or deletions to the previous year's report.

SECTION 145—REQUIREMENTS FOR REPORTING ANTIDEFICIENCY ACT VIOLATIONS

Table of Contents

145.1 What is the Antideficiency Act?
145.2 What violations must I report?
145.3 How do the requirements for reporting violations differ for credit programs?
145.4 Do the requirements for reporting violations differ for revolving funds?
145.5 Do the requirements for reporting violations differ for closed and expired accounts?
145.6 How do I treat anticipated budgetary resources?
145.7 How do I report a violation?
145.8 What if the GAO reports a violation?
145.9 What if OMB suspects a violation?
145.10 What do I do if I think I may have obligated funds in violation of the Antideficiency Act and have not yet liquidated the obligation?
Ex–145A Antideficiency Act Violation Sample Letter to the Director
Ex–145B Antideficiency Act Violation Sample Letter to the President

Summary of Changes

Provides guidance regarding what to do if an agency's Antideficiency Act report involves a violation of a funding restriction in a non-appropriations statute (section 145.2).

Provides guidance regarding naming a responsible official in Antideficiency Act reports (section 145.7).

145.1 What is the Antideficiency Act?

The Antideficiency Act consists of provisions of law that were passed by Congress (beginning in the nineteenth century and later codified in Title 31 of the United States Code) to prevent departments and agencies from spending their entire appropriations during the first few months of the year. The Act *prohibits* you and any other Federal employee from:

- Entering into contracts that *exceed* the enacted appropriations for the year.
- Purchasing services and merchandise *before* appropriations are enacted.

The Act:

- Requires that OMB *apportion* the appropriations, that is, approve a plan that spreads out spending over the fiscal period for which the funds were made available.

- Requires, subject to the approval of OMB, the head of each executive agency to prescribe by regulation a system of administrative control of funds (31 U.S.C. 1514(a)).

- Restricts *deficiency apportionments* to amounts approved by the agency heads only for "extraordinary emergency or unusual circumstances."

- Establishes *penalties* for Antideficiency Act violations. Violations are obligations or expenditures in excess of the lower of the amount in the affected account, the amount apportioned, or any administrative subdivision of funds specified in your agency's fund control regulations as being subject to the Antideficiency Act. As specified in Appendix H, agency fund control regulations must specify that violations of allotments and suballotments are also violations of the Antideficiency Act. If the agency chooses to and OMB approves, the agency may also make allowances and allocations subject to the Antideficiency Act. In this case, obligations and expenditures that exceed allowances and allocations are violations of the Antideficiency Act.

- Requires the agency head to report any Antideficiency Act violations to the President, through the OMB Director; Congress; and the Comptroller General.

Under the Act, if you obligate or expend more than the amount in the Treasury Account Fund Symbol (TAFS) or the amount apportioned or the amount in any other subdivision of funds that are identified in your agency fund control regulations as being subject to the Antideficiency Act, you will be subject to appropriate administrative discipline, including—when circumstances warrant—a written reprimand, suspension from duty without pay, or removal from office.

In addition, if you are convicted of willfully and knowingly overobligating or overexpending the amount, then you shall be fined not more than $5,000, imprisoned for not more than 2 years, or both.

In 1982, Congress reworded and reorganized the language of the Antideficiency Act along with the rest of Title 31 of the United States Code. The intent of Congress was to modernize the language of the Act, without changing its meaning. You will find a crosswalk between the provisions of law that made up the Antideficiency Act before it was modernized and the current language in appendix G.

145.2 What violations must I report?

All Antideficiency Act violations must be reported. Here are some common examples:

If you . . .	The amount . . .	Then, you must report a violation of . . .
Authorize or make an obligation exceeding	In an appropriation or fund. This may include obligations for purchases of goods or items that are prohibited by statute.	31 U.S.C. 1341(a)
	In an apportionment or reapportionment (a type of administrative subdivision of funds), such as a category B apportionment. This also includes incorporated footnotes.	31 U.S.C. 1517(a)(1)
	In an allotment or a suballotment (a type of administrative subdivision of funds, see Appendix H, section 4).	31 U.S.C. 1517(a)(2)
	In any other administrative subdivision of funds, if the overobligation results in the overobligation of one of the previous amounts.	31 U.S.C. 1517(a)(2)
Authorize or make a disbursement exceeding	In an appropriation or fund.	31 U.S.C. 1341(a)
	In an apportionment or reapportionment (a type of administrative subdivision of funds). Includes the overobligation of a category B apportionment. This also includes incorporated footnotes.	31 U.S.C. 1517(a)(1)
	In an allotment or a suballotment (a type of administrative subdivision of funds, see Appendix H, section 4).	31 U.S.C. 1517(a)(2)

If you . . .	The amount . . .	Then, you must report a violation of . . .
	In any other administrative subdivision of funds if the overexpenditure results in the overexpenditure of one of the previous amounts.	31 U.S.C. 1517(a)(2)
Obligate or expend	Funds required to be sequestered.	31 U.S.C. 1341(a)
Involve the Government in a contract or obligation	Before you receive the appropriation, unless such contract or obligation is authorized by law.	31 U.S.C. 1341(a)
Sign a contract that obligates the Government to indemnify parties against losses ("open-ended indemnification" clause)	Indeterminate.	31 U.S.C. 1341(a)
Accept voluntary service	In excess of that authorized by law.	31 U.S.C. 1342

Consult your OMB representative if your violation involves the Purpose Statute (31 U.S.C. 1301) or a funding restriction in an Act other than an appropriations Act, and refer to the Memorandum for the General Counsel of the Environmental Protection Agency from C. Kevin Marshall, Deputy Assistant Attorney General, Office of Legal Counsel, *Re: Use of Appropriated Funds to Provide Light Refreshments to Non-Federal Participants at EPA Conferences* (April 5, 2007), available at http://www.justice.gov/olc/2007/epa-light-refreshments13.pdf.

145.3 How do the requirements for reporting violations differ for credit programs?

In addition to the violations specified in section 145.2, report overobligation or overexpenditure of:

- The subsidy—where an officer or employee of the United States has made or authorized a direct loan obligation or loan guarantee commitment that requires a subsidy cost obligation or expenditure in excess of amounts appropriated and/or apportioned for such purposes. Modifications of direct loans or loan guarantees (or of direct loan obligations or loan guarantee commitments), as defined in section 185, that result in obligations or expenditure in excess of apportioned unobligated balances of subsidy amounts are violations (31 U.S.C. 1341(a), 31 U.S.C. 1517(a)).

- The credit level supportable by the enacted subsidy—where an officer or employee of the United States has made or authorized a direct loan obligation or loan guarantee commitment, that is in excess of the level specified by law. This includes, for example, obligations or expenditures that exceed a limitation on direct loan obligations or guaranteed loan commitments (31 U.S.C. 1341(a)).

- The amount appropriated for administrative expenses—where an officer or employee of the United States has made or authorized an expenditure or created or authorized an obligation that is in excess of the amount appropriated for administrative expenses (31 U.S.C. 1341(a)).

- The expired unobligated balance of the subsidy—where an officer or employee of the United States has made or authorized an expenditure or created or authorized an obligation, including a commitment, against unobligated subsidy balances after the period of obligational authority has expired. Correction of mathematical or data input errors up to the amount of the expired unobligated balance of the subsidy are not violations. Corrections of these errors in excess of the amount of the expired unobligated balance of the subsidy are violations (31 U.S.C. 1341(a)).

- The apportioned borrowing authority in a financing account. Section 505(c) of the Federal Credit Reform Act subjects financing accounts to apportionment: "All of the transactions provided in this subsection shall be subject to the provisions of subchapter II of chapter 15 of title 31, United States Code."

145.4 Do the requirements for reporting violations differ for revolving funds?

No. The incurring of obligations in excess of apportioned budgetary resources in a revolving fund is a violation of the Antideficiency Act, whether or not a fund has unapportioned budgetary resources or non-budgetary assets greater than the amount apportioned.

145.5 Do the requirements for reporting violations differ for closed and expired accounts?

No. You are required to report violations when obligations and expenditures or adjustments to obligations and expenditures exceed the original appropriations in expired accounts as well as closed accounts. This also includes obligations and expenditures or adjustments to obligations and expenditures made before the account expired that exceed amounts apportioned or amounts in any other subdivision of funds that are identified in your agency's fund control regulations as being subject to the Antideficiency Act.

145.6 How do I treat anticipated budgetary resources?

You may not obligate against anticipated budgetary resources before they are realized even though the anticipated budgetary resources have been apportioned (see section 120.45). If you incur an obligation against an anticipated budgetary resource, such as anticipated spending authority from offsetting collections, then you will have a violation of the Antideficiency Act.

145.7 How do I report a violation?

In preparing your report on a violation, please consult your OMB representative. Below are the requirements for such a report.

Transmittal letter to the Director of OMB. You will transmit the letter from your agency head to the President through the Director of OMB. A sample transmittal letter is provided in exhibit 145A that shows the format that must be followed. Agencies must state whether or not their agency received a clean audit opinion during the fiscal year(s) in which the violation occurred. If it is suspected that the violation was knowing and willful, the letter must state the agency has submitted information to the Department of Justice. If the agency has determined that a violation was not knowing and willful, agencies must state this determination in the letter.

Letter to the President. You will report a violation of the Antideficiency Act in the form of a letter (original and three copies) from your agency head to the President. A sample letter is provided in exhibit 145B that shows the format that must be followed.

The letter will set forth all of the following information:

- The title and Treasury symbol (including the fiscal year) of the appropriation or fund account, the amount involved for each violation, and the date on which the violation occurred.

- The name and position of the officer(s) or employee(s) responsible for the violation. A responsible officer or employee is an individual who took, or failed to take, an action that was a proximate cause of the violation. For an individual to be a responsible official, there should be a direct, identifiable nexus between the action (or inaction) of the named individual and the corrective measures taken by the agency to prevent future violations.

- All facts pertaining to the violation, including the type of violation (for example, overobligation of an appropriation, overobligation of an apportionment, overobligation of any subdivision of funds, including an allotment or suballotment, identified in your agency's fund control regulations), the primary reason or cause, any statement from the responsible officer(s) or employee(s) with respect to any circumstances believed to be extenuating, and any germane report by the agency's Inspector General and/or the agency's counsel.

- A statement of the administrative discipline imposed and any further action(s) taken with respect to the officer(s) or employee(s) involved in the violation.

- In the case where an officer or employee is suspected of willfully and knowingly violating the Antideficiency Act, confirm that all information has been submitted to the Department of Justice for determination of whether further action is needed. If the agency has determined that a violation was not knowing and willful, agencies must state this determination in the letter.

- A statement regarding the adequacy of the system of administrative control prescribed by the head of the agency and approved by OMB, if such approval has been given. If the head of the agency determines a need for changes in the regulations, or your system of administrative controls has never been approved by OMB, such proposals will be submitted as provided in section 150.7.

- A statement of any additional action taken by, or at the direction of, the head of the agency, including any new safeguards provided to prevent recurrence of the same type of violation.

- If another agency is involved, a statement concerning the steps taken to coordinate the report with the other agency.

- Identical reports will be submitted to the presiding officer of each House of Congress and the Comptroller General. If identical to the report to the President, so state.

Letters to Congress. You will report identical letters to the Speaker of the House of Representatives and the President of the Senate.

Letters to the Comptroller General. You will report to the Comptroller General of the Government Accountability Office. Agencies may electronically send PDF (portable document format) copies of these reports to AntideficiencyActReports@gao.gov (for further information see OMB Memorandum M–05–09 dated March 11, 2005).

If the letters to Congress and the Comptroller General are identical to the letter to the President, include a statement to this effect in the letter to the President. If the letters to Congress and the Comptroller General are not identical to the letter to the President, you will submit a copy of the letter to Congress and the Comptroller General with your letter to the President and, moreover, you will submit to the Congress and the Comptroller General a copy of your letter to the President. Additionally, agencies are required to ensure that the entire violation package maintains consistency with regard to the type of Antideficiency Act violation that has occurred. If there is an inconsistency in the package, agencies are required to submit an explanation for the record (emails are acceptable).

145.8 What if the GAO reports a violation?

You should report to the President, Congress, and the Comptroller General on violations reported by the Government Accountability Office in connection with audits and investigations.

In these cases, the report to the President will indicate whether the agency agrees that a violation has occurred, and if so, it will contain an explanation as to why the violation was not discovered and previously reported by the agency. If the agency does not agree that a violation has occurred, the report to the President, Congress, and the Comptroller General will explain the agency's position.

145.9 What if OMB suspects a violation?

Whenever OMB determines that a violation of the Antideficiency Act may have occurred, OMB may request that an investigation or audit be undertaken or conducted by the agency. In such cases, a report describing the results of the investigation or audit will be submitted to OMB through the head of the agency. If the report indicates that no violation of the Antideficiency Act has occurred, the agency head will so inform OMB and forward a copy of the report to OMB. If the report indicates that a violation of the Antideficiency Act has occurred, the agency head will report to the President, Congress, and the Comptroller General in accordance with section 145.7 as soon as possible. If the agency head does not agree that a violation has occurred, the report to the President, Congress, and Comptroller General will explain the agency's position.

145.10 What do I do if I think I may have obligated funds in violation of the Antideficiency Act and have not yet liquidated the obligation?

The Antideficiency Act applies to expenditures as well as obligations, and thus an expenditure is a separate violation of the Antideficiency Act.

Accordingly, if you think that you may have obligated funds in violation of the Antideficiency Act, you should immediately contact your counsel’s office and budget office to discuss the situation and appropriate next steps, including contacting your agency’s OMB representative with budget responsibility for the account. Depending on the circumstances, an appropriate next step could include, in the case of an improperly-incurred obligation: a) deobligating the funds; b) identifying available budgetary resources to liquidate the obligation; or c) obtaining a deficiency appropriation. See sections 20.4(b) and 82.18 for additional information.

Antideficiency Act Violation
Sample Letter to the Director

> Note: If a violation occurred in section 1341 of Title 31, United States Code (U.S.C.), then it is required to be reported under section 1351 of Title 31, U.S.C.
>
> If a violation occurred in section 1517 of Title 31, U.S.C., then it is required to be reported under section 1517(b) of Title 31, U.S.C.

Honorable Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Director:

Enclosed is a letter transmitting a violation of section [1341 or 1517] of Title 31, United States Code to the President.

The Antideficiency Act violation totaled $XXXX.XX. This violation report is required by section [1351 or 1517(b)] of Title 31, United States Code, to be submitted to the President; it is being submitted through the Director of the Office of Management and Budget. The agency [did] [did not] receive a clean audit opinion during the fiscal year(s) in which the violation occurred. [The agency has determined that the violation contained no willful or knowing intent on the part of the responsible party/parties to violate the Antideficiency Act.]

To comply with the aforementioned provisions, copies of the report are also being submitted to the President of the Senate and the Speaker of the House of Representatives as well as the Comptroller General.

Sincerely,
Agency Head

Enclosure

Antideficiency Act Violation
Sample Letter to the President

Note: If a violation occurred in section 1341 of Title 31, United States Code (U.S.C.), then it is required to be reported under section 1351 of Title 31, U.S.C.

If a violation occurred in section 1517 of Title 31, U.S.C., then it is required to be reported under section 1517(b) of Title 31, U.S.C.

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

This letter is to report a violation of the Antideficiency Act, as required by section [1351 or 1517(b)] of Title 31, United States Code.

A violation of section [1341 or 1517] occurred in account [Treasury symbol and title] in the total amount of $X,XXX. The violation occurred on [date] in connection with [identify the affected program or activity] for FY XXXX. Mr./Ms. ______________ (rank/grade/title) was [were] the officer(s) responsible for the violation(s).

[Describe the nature of the violation (see section 145.2). Then state the primary reason or cause. Include any statement from the responsible officer(s) or employee(s) as to any circumstances believed to be extenuating. Include any germane report by the agency's Inspector General.]

[State which administrative discipline was imposed as well as any further action(s) taken with respect to the officer(s) or employee(s) involved. (see section 145.1)]

[In the case where an officer or employee is suspected of willfully and knowingly violating the Antideficiency Act, confirm that all information has been submitted to the Department of Justice. If the agency has determined that a violation was not knowing and willful, state such determination by including the following sentence, "The agency has determined that the violation contained no willful or knowing intent on the part of the responsible party/parties to violate the Antideficiency Act."]

[State whether the adequacy of the system of administrative control has been approved by OMB. (see section 150.7)]

[State whether any additional action need be taken to prevent recurrence of the same type of violation.]

[If another agency is involved, state what steps are being taken to coordinate the report with the other agency.]

[Identical reports will be submitted to the presiding officer of each House of Congress as well as the Comptroller General. If identical to the report to the President, so state. (see section 145.7)]

Respectfully,

Agency Head

SECTION 150—ADMINISTRATIVE CONTROL OF FUNDS

Table of Contents

150.1 Why must my agency have a fund control system?
150.2 What is the purpose of my agency's fund control system?
150.3 What is the relationship between my agency's internal controls and its fund controls?
150.4 What is the relationship between my agency's financial management system and its fund control system?
150.5 What is the U.S. Standard General Ledger (USSGL) and how does it relate to my agency's financial management system?
150.6 What are Federal Financial Management Systems requirements and how are they related to my agency's fund control systems?
150.7 When and how should I get OMB approval of my agency's fund control regulations (including updates)?

150.1 Why must my agency have a fund control system?

The Antideficiency Act requires that your agency head prescribe, by regulation, a system of *administrative control of funds*. The system is also called *the fund control system* and the regulations are called *fund control regulations*.

150.2 What is the purpose of my agency's fund control system?

The purpose of your agency's fund control system is to:

- Restrict *both* obligations and expenditures (also known as outlays or disbursements) from each appropriation or fund account to *the lower of* the amount apportioned by OMB or the amount available for obligation or expenditure in the appropriation or fund account.

- Enable the head of your agency to identify the person responsible for any obligation or expenditure exceeding the amount available in the appropriation or fund account, the OMB apportionment or reapportionment, the allotment or sub-allotments made by your agency, any statutory limitations, and any other administrative subdivision of funds made by your agency.

150.3 What is the relationship between my agency's internal controls and its fund controls?

Your agency's *internal controls* are the organization, policies, and procedures that your agency uses to reasonably ensure that:

- Programs achieve their intended results.
- Resources used are consistent with agency mission.
- Programs and resources are protected from waste, fraud, and mismanagement.
- Laws and regulations are followed.
- Reliable and timely information is obtained, maintained, reported and used for decision making.

For further guidance on your agency's internal controls, see OMB Circular No. A–123, *Management's Responsibility for Internal Control*.

Internal control requirements are one of the overarching requirements. This means that they apply to all financial management systems, including your agency's *fund control* system.

150.4 What is the relationship between my agency's financial management system and its fund control system?

Your agency's *financial management system* must support the preparation and execution of your agency's budget, among other things. Your agency's fund control system is part of your agency's budget execution process. Therefore, your agency's financial management system must support your agency's fund control system.

The policies and standards your agency must follow in developing, operating, evaluating, and reporting on financial management systems are in OMB Circular No. A–127, *Policies and Standards for Financial Management Systems*. For policies related to information technology that pertain to financial management systems, see OMB Circular No. A–130, *Management of Federal Information Resources*.

150.5 What is the U.S. Standard General Ledger (USSGL) and how does it relate to my agency's financial management system?

The USSGL includes a chart of accounts and technical guidance established to support the consistent recording of financial events as well as the preparation of standard external reports that are required by the central agencies, such as OMB and Treasury. The Treasury Financial Manual (TFM) USSGL Supplement provides:

- A list of the accounts (i.e., the chart of accounts).
- Descriptions of each account.
- A listing of transactions processed by Federal agencies.
- The posting models, including debit and credit pairs, for each type of transaction.
- The USSGL attributes that are an integral part of the USSGL.
- Crosswalks from the USSGL to various external reports, such as the SF 133 and the actual year column of the Program and Financing Schedule in the President's budget.

An electronic version of the TFM USSGL Supplement is available at:

http://www.fms.treas.gov/ussgl/index.html.

The OMB policies regarding the USSGL are in OMB Circular No. A–127, *Policies and Standards for Financial Management Systems.* Specifically, the A–127 requires that agencies record financial events throughout the financial management system using the USSGL at the transaction level. This is a legal requirement.

150.6 What are Federal Financial Management Systems requirements and how are they related to my agency's fund control system?

As defined in A-127, agencies must use a core financial system that has been certified as meeting the core financial system requirements. Please refer to Circular A-127 for guidance on the certification process.

Specific non-core financial system requirements, previously published by the Joint Financial Management Improvement Program (JFMIP) and known as the JFMIP Federal Financial Management System Requirements (FFMSR) series, should be regarded as guidance when defining system requirements for acquisition. Please refer to the Federal Financial System Requirements (FFSR) document for the applicable core financial system requirements for funds control.

150.7 When and how should I get OMB approval of my agency's fund control regulations (including updates)?

Use the checklist in Appendix H to prepare draft fund control regulations. Send your proposed draft (or updates to existing OMB-approved regulations) to OMB for approval. Approved fund control regulations shall be posted on the agency's website.

For newly established agencies, submit an original and three copies of the proposed fund control regulations to the Director of OMB within 90 days after the agency is established. The Director of OMB will respond within 90 days after receiving the draft regulations. Agency fund control regulations are in effect only to the extent approved by OMB.

To revise regulations previously approved by OMB, submit an original and three copies of the draft revised regulations to the Director of OMB for review and approval.

You should review your fund control regulations periodically to determine whether improvements should be made. At a minimum, review the system whenever:

- OMB issues revised guidance on budget execution.
- Your agency is reorganized.
- Staff from your agency has violated the Antideficiency Act.

CIRCULAR NO. A–11

PART 5

FEDERAL CREDIT

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
JULY 2013

SECTION 185—FEDERAL CREDIT

Table of Contents

General Information

185.1 Does this section apply to me?
185.2 What background information must I know?
185.3 What special terms must I know?
185.4 Are there special requirements for reporting Antideficiency Act violations?
185.5 How do I calculate the subsidy estimate?
185.6 How do I calculate reestimates?
185.7 How do I calculate and record modifications?
185.8 What must I know about the sale of loan assets?

Budget Formulation Reporting Requirements

185.9 What are the budget formulation reporting requirements for credit accounts?
185.10 What do I report for program accounts?
185.11 What do I report for financing accounts?
185.12 What do I report for liquidating accounts?
185.13 What do I report for receipt accounts?

Apportionment

185.14 Must credit accounts be apportioned?
185.15 When do I submit an apportionment request (SF 132)?
185.16 How do I fill out the SF 132?
185.17 Do amounts for an upward reestimate (and interest on reestimate) need to be apportioned?
185.18 Do amounts for a downward reestimate (and interest on reestimate) need to be apportioned?
185.19 Do amounts for interest payments to Treasury need to be apportioned?
185.20 Do amounts for transfers of unobligated balances to the general fund or debt repayments to Treasury need to be apportioned?
185.21 How do I handle modifications?

Budget Execution Reporting Requirements

185.22 Am I required to submit budget execution reports (SF 133)?
185.23 How do I fill out the SF 133?
185.24 How do I calculate the initial subsidy cost estimate for execution?
185.25 What transactions do I report when the Government incurs direct loan obligations or makes loan guarantee commitments?
185.26 What transactions do I report when the Government disburses a direct loan or a private lender disburses a guaranteed loan?
185.27 How do I handle non-subsidy cost collections?
185.28 What transactions do I report when a guaranteed loan defaults?
185.29 What should I do with unobligated balances in the liquidating account?
185.30 How do I report modifications of post–1991 direct loans and loan guarantees?
185.31 How do I report modifications of pre–1992 direct loans and loan guarantees?

Interest Expense and Income

185.32 Why do financing accounts borrow from Treasury?
185.33 Why do financing accounts earn interest?

Table of Contents—Continued

Interest Expense and Income—Continued

185.34 Who calculates interest expense and income?
185.35 When do I calculate interest expense and income?
185.36 What interest rate do I use to calculate interest expense and income?
185.37 What are the interest expense requirements for amounts treated as lending to financing accounts by the Federal Financing Bank?

MAX Schedules

Ex–185A Program Account, Program and Financing Schedule (Schedule P)
Ex–185B Program Account, Summary of Loan Levels and Subsidy Data (Schedule U)
Ex–185C Direct Loan Financing Account, Program and Financing Schedule (Schedule P)
Ex–185D Direct Loan Financing Account, Status of Direct Loans (Schedule G)
Ex–185E Direct Loan Financing Account, Balance Sheet (Schedule F)
Ex–185F Guaranteed Loan Financing Account, Program and Financing Schedule (Schedule P)
Ex–185G Guaranteed Loan Financing Account, Status of Guaranteed Loans (Schedule H)
Ex–185H Guaranteed Loan Financing Account, Balance Sheet (Schedule F)
Ex–185I Liquidating Account, Program and Financing Schedule (Schedule P)
Ex–185J Liquidating Account, Status of Direct Loans (Schedule G)
Ex–185K Liquidating Account, Status of Guaranteed Loans (Schedule H)
Ex–185L Liquidating Account, Balance Sheet (Schedule F)

Apportionment and Reapportionment

Ex–185M Standard Appropriations Language
Ex–185N Initial Apportionment Program Account
Ex–185O Initial Apportionment Direct Loan Financing Account
Ex–185P Initial Apportionment Guaranteed Loan Financing Account
Ex–185Q Initial Apportionment Side-by-Side Account Comparison
Ex–185R Reapportionment for Modification, Program Account
Ex–185S Reapportionment for Upward Reestimate, Program Account
Ex–185T Reapportionment for Downward Reestimate, Direct Loan Financing Account

Budget Execution Reporting

Ex–185U Apportionment for Liquidating Account
Ex–185V End of First Quarter-Program Account Report on Budget Execution
Ex–185W End of First Quarter-Direct Loan Financing Account Report on Budget Execution
Ex–185X End of First Quarter-Guaranteed Loan Financing Account Report on Budget Execution
Ex–185Y Budget Execution Reporting-End of First Quarter Side-by-Side Account Comparison
Ex–185Z End of Fiscal Year-Program Account Report on Budget Execution
Ex–185AA End of Fiscal Year-Direct Loan Financing Account Report on Budget Execution
Ex–185BB End of Fiscal Year-Guaranteed Loan Financing Account Report on Budget Execution
Ex–185CC Budget Execution Reporting-End of Fiscal Year Side-by-Side Account Comparison

Summary of Changes

Clarifies that, even in cases where OMB has agreed to a non-standard reestimate schedule, a technical reestimate must be performed the year a cohort reaches 90 percent disbursement in order to calculate the final cohort interest rate (section 185.6).

Clarifies that loan levels reported on schedule U must be the lower of the amount that can be obligated with available subsidy budget authority or under enacted and anticipated loan limitations (section 185.10).

185.1 Does this section apply to me?

These instructions apply to all programs that provide direct loans or loan guarantees (see sections 185.3(e) and 185.3(n) for definitions of these terms) to non-Federal entities and are subject to the Federal Credit Reform Act of 1990, as amended (FCRA). Even though section 506 of the FCRA exempts certain programs from credit reform budgeting, these programs are still required to report data in MAX schedules G and H (see section 185.11) and follow other instructions contained in this Circular.

This section answers frequently asked questions, defines credit terms and concepts, and illustrates how budget formulation, apportionment, and budget execution forms should be prepared. This section supplements other instructions in this Circular and should be used in conjunction with credit program guidance in Circular A–129, Policies for Federal Credit Programs and Non-Tax Receivables.

Section 504(b) of the FCRA provides that new direct loan obligations and new loan guarantee commitments may be made only to the extent that:

- New budget authority to cover their costs is provided in advance in an appropriations act;
- A limitation on the use of funds otherwise available for the cost of a direct loan or loan guarantee program is provided in advance in an appropriations act; or
- Authority is otherwise provided in an appropriations act.

These requirements also apply to modifications of direct loans (or direct loan obligations) or loan guarantees (or loan guarantee commitments) that increase the cost to Government, including modifications of pre–1992 direct loans and loan guarantees. OMB will specify exemptions from these requirements for mandatory programs pursuant to section 504(c) of the FCRA.

Unless otherwise specified by law, budget authority is available to liquidate obligations (i.e., outlays) for only five fiscal years after the authority expires. For credit subsidies financed by annual or multi-year budget authority, you must ensure that the budget authority obligated for the subsidy cost will remain available for disbursement over the full period in which loans will be disbursed. If you expect the disbursement period will be longer than five fiscal years after the budget authority expires, you must include a special provision in the appropriations language (see section 95).

185.2 What background information must I know?

The FCRA changed the budgetary measurement of cost for direct loans and loan guarantees from the cash flows into or out of the Treasury at the time such cash flows occurred, to the estimated long-term cost to the Government on a present value basis.

Only the unreimbursed costs of making or guaranteeing new loans (the subsidy cost, on a present value basis, and administrative expenses, on a cash basis) are included in the budget. Agencies must receive appropriations for the subsidy cost before they can enter into direct loan obligations or loan guarantee commitments. The actual cash flows are recorded as a means of financing (see section 20.7(h)) and are not included in the budget totals.

The subsidy cost is the estimated present value of the cash flows from the Government (excluding administrative expenses) less the estimated present value of the cash flows to the Government resulting from a direct loan or loan guarantee, discounted to the time when the loan is disbursed. The cash flows are the contractual cash flows adjusted for expected deviations from the contract terms (delinquencies, defaults, prepayments, and other factors). Present values must be calculated using the Credit Subsidy Calculator 2. The Credit Subsidy Calculator 2 discounts the cash flow that is estimated for each time period using the interest rate on a marketable zero-coupon Treasury security with the same maturity as that cash flow from the date of disbursement. A positive net present value means that the Government incurs a cost for extending a subsidy to borrowers; a negative present value means that the credit program generates a positive return to the Government, excluding administrative costs.

Appropriations for the subsidy cost are made to the program account and are recorded as budget authority. Obligations for the subsidy cost are recorded when the Government enters into a loan obligation or guarantee commitment. Outlays are recorded when the direct loan or guaranteed loan is disbursed to the public and simultaneously the subsidy is paid from the program account to the financing account. The program account also receives appropriations for the direct costs of administering the credit program.

The actual cash flows to and from the Government (e.g., loan disbursements, collections of principal and interest payments, and payment of guarantee claims) are recorded in separate financing accounts. There is at least one financing account associated with each program account. Separate financing accounts are required for direct loan cash flows and for loan guarantee cash flows. The transactions of the financing accounts are displayed in the Budget *Appendix* for informational and analytical purposes, together with the related program accounts, but are excluded from the budget totals because the net cash flows do not represent a cost to the Government. The direct loan financing account combines the subsidy payment from the program account with borrowing from Treasury to finance direct loans. It repays Treasury over time (with interest) using payments from the borrower. The loan guarantee financing account holds the subsidy payment from the program account as a reserve against default claims on loan guarantees. The reserve, together with interest earnings on this reserve from Treasury, is used to pay default claims over the life of the loans.

All cash flows resulting from direct loan obligations and loan guarantee commitments made prior to the effective date of the FCRA (in FY 1991 or previous years) are recorded in liquidating accounts. These accounts are recorded on a cash basis and are included in the budget totals. Liquidating account collections are available to pay obligations of the account, but they are not available to finance new direct loans or loan guarantees. If the collections are insufficient, the FCRA provides liquidating accounts with permanent indefinite authority to pay for losses and to repay any debt owed to Treasury or to other sources.

By focusing on the long-term costs of the program, credit budgeting meets the most fundamental goal of budgetary cost measurement: it provides decision makers with the information and the incentive to allocate resources efficiently. Unlike most budgetary transactions, the cash disbursements for a credit program are a poor measure of cost. Counting outlays for loan disbursements without taking into account probable repayments overstates the cost of direct loans. Loan guarantees appear costless initially because payments of guarantee claims generally occur several years after the decision to extend credit has been made. Credit budgeting places the cost of credit programs on a budgetary basis equivalent to other forms of Federal spending, allowing for better comparison of cost between direct loan and loan guarantee programs, and between credit and other programs. This improves the incentive to make good budgetary decisions.

Agencies are required to reestimate the subsidy cost throughout the life of each cohort of direct loans or loan guarantees to account for differences between the original assumptions of cash flow and actual cash flow or revised assumptions about future cash flow. These reestimates represent additional costs or savings to the Government and are recorded in the budget. Reestimates that indicate an increase in the subsidy cost are financed by permanent indefinite authority. There are two types of reestimates. Interest rate reestimates adjust for the effect on the subsidy of differences between actual interest rates and the discount rates assumed when estimates were made for budget formulation and obligation (the same discount rate assumptions must be used at formulation and obligation). These reestimates must be made when a cohort is at least 90 percent disbursed. Technical reestimates adjust for revised assumptions about loan performance, such as differences between assumed and actual default rates or new projections of prepayments. Technical reestimates must be made after the close of each fiscal year, unless an alternative plan has been approved by OMB.

Modifications of a direct loan or loan guarantee also change the subsidy cost. A modification is any Government action different from the baseline assumptions that affects the subsidy cost, such as a change in the terms of the loan contract or legislation that provides new collection tools. The cost of a modification is the difference between the present value of the cash flows before and after the modification. Before a direct loans or a loan guarantee can be modified, agencies must have budget authority available to cover the cost of a modification that increases the subsidy cost.

185.3 What special terms must I know?

The following are key terms used in credit budgeting. In these definitions, the term "post–1991" means direct loan obligations or loan guarantee commitments made on or after October 1, 1991, and the resulting direct loans or loan guarantees. The term "pre–1992" means direct loan obligations or loan guarantee commitments made prior to October 1, 1991, and the resulting direct loans or loan guarantees.

(a) ***Administrative expenses*** mean all costs that are directly related to credit program operations, including payments to contractors. The FCRA generally requires that administrative expenses for both pre–1992 and post–1991 direct loans and loan guarantees be included in program accounts. Administrative expenses are included in the liquidating accounts only if the amounts would have been available for administrative expenses under a provision of law in effect prior to October 1, 1991, and if no direct loan obligation or loan guarantee commitment has been made, or any modification of a direct loan or loan guarantee has been made, since September 30, 1991.

Administrative expenses that are tangentially related to the credit program should not be included in the program account. As an illustration, the cost of auditing credit programs that is financed in the accounts for Inspectors General should not be included. Administrative expenses include:

- The appropriate proportion of administrative expenses that are shared with non-credit programs;
- The cost of operating separate offices or units that make policy decisions for credit programs;
- The cost of loan systems development and maintenance, including information technology systems costs (under no circumstances should such costs be paid out of financing accounts);
- The cost of monitoring credit programs and private lenders for compliance with laws and regulations;
- The cost of all activities related to credit extension, loan servicing, write-off, and close out; and
- The cost of collecting delinquent loans, except for the costs of foreclosing, managing, and selling collateral that are capitalized or routinely deducted from the proceeds of sales.

The capitalized costs of foreclosing, managing, and selling collateral are those that add or maintain value to property prior to sale. These costs are part of the cash flows that must be taken into account in calculating the subsidy cost. They are financed by the subsidy cost payment from the program account to the financing account and paid out of the financing account. The cost of managing these functions must be paid from administrative expense appropriations in the program account.

Administrative expenses may be expended directly from the program account or, if authorized by appropriation language (see section 95), used to reimburse a salaries and expenses account or the Federal Financing Bank (FFB). If administrative appropriations are paid to a salaries and expenses account or the FFB, record the transfer as an expenditure transfer. Record an obligation and outlay in the program account and an offsetting collection in the salaries and expenses account. In the salaries and expenses account, obligations for administrative expenses may be recorded without necessarily identifying them as credit program expenses.

Administrative expenses are almost always provided by annual appropriations acts and, therefore, are discretionary spending. If such expenses are included in a program account that subsidizes a mandatory program, the account will be split between mandatory and discretionary spending.

(b) ***Claim payment*** means a payment made to private lenders when a guaranteed loan defaults.

(c) ***Cohort*** refers to the fiscal year of obligation for direct loan obligations, or loan guarantee commitments of a program (except as provided below for pre–1992 direct loans and loan guarantees that are modified). Even if the direct loans or guaranteed loans are funded in supplemental appropriations acts, or disbursed in subsequent years, the cohort is defined by the fiscal year of obligation.

Cohort accounting applies to post–1991 direct loans and loan guarantees and pre–1992 direct loans and loan guarantees that have been modified. Post–1991 direct loans or loan guarantees remain with their original cohort throughout the life of the loans, even if they are modified. Modified pre–1992 direct and guaranteed loans are assigned to a single cohort defined by the year of modification, program, and credit instrument, regardless of the fiscal year of the appropriation. For purposes of budget presentation, cohorts will be aggregated. However, accounting and other records must be maintained separately for each cohort.

(d) ***Credit Subsidy Calculator 2*** means the discounting tool issued by OMB for agencies to calculate credit subsidy costs and financing account interest for post-1991 direct loans and loan guarantees. Subsidy rates and reestimates, and actual interest income or expense for financing accounts, must be calculated with the Credit Subsidy Calculator 2.

(e) ***Direct loan*** means a disbursement of funds by the Government to a non-Federal borrower under a contract that requires repayment of such funds with or without interest. The term includes:

- The purchase of, or participation in, a loan made by another lender;
- Financing arrangements that defer payment for more than 90 days, including the sale of a Government asset on credit terms; and
- Loans financed by the Federal Financing Bank (FFB) pursuant to agency loan guarantee authority.

The term does not include the acquisition of federally-guaranteed loans in satisfaction of default or other guarantee claims or the price support loans of the Commodity Credit Corporation.

Pre–1992 loans made by the FFB on behalf of any agency continue to be recorded as direct loans of the agency. Agency guarantees of post–1991 loans that are financed by the FFB are treated as direct loans in the budget, but the intrabudgetary cash flows reflect elements of direct loans and loan guarantees insofar as the direct loan financing account for these loans will collect and hold the subsidy payment from the program account as a reserve to cover losses. This balance, together with interest earnings, will be available to pay the FFB in the event of default by the non-Federal borrower. All other intragovernmental transactions, including financing account interest income and expense, are treated as any other direct loan. Agencies with programs financed by the FFB should consult with the OMB representative with primary responsibility for the program to ensure correct treatment of these loans.

(f) ***Direct loan obligation*** means a binding agreement by a Federal agency to make a direct loan when specified conditions are fulfilled by the borrower.

(g) ***Direct loan subsidy cost*** means the estimated long-term cost to the Government of a direct loan, calculated on a net present value basis, excluding administrative costs. Specifically, the cost of a direct loan is the net present value, at the time when the direct loan is disbursed from the financing account, of the following estimated cash flows:

- Loan disbursements;

- Repayments of principal;
- Payments of interest;
- Recoveries or proceeds of asset sales; and
- Other payments by or to the Government over the life of the loan.

These estimated cash flows include the effects of estimated defaults, prepayments, fees, penalties, and expected actions by the Government and the borrower within the terms of the loan contract, such as the exercise by the borrower of an option included in the loan contract.

Obligations for the subsidy cost will be recorded against budget authority in the program account when the direct loan obligation is incurred. Accounts payable (to the direct loan financing account) will be recorded in the amount of the estimated obligation. The subsidy will be paid to the financing account for each disbursement when the loan is disbursed. (See section 185.5 and the Credit Subsidy Calculator 2 and accompanying documentation for information about estimating the subsidy.)

(h) ***Discount rates*** mean the collection of interest rates that are used to calculate the present value of the cash flows that are estimated over a period of years. The discount rates reflect the Treasury rates in the economic assumptions for the budget year of obligation. For direct loan obligations and loan guarantee commitments, and modifications made in or after 2001, the cash flow estimated for each year (or other time period) is discounted using the interest rate on a marketable zero-coupon Treasury security with the same maturity from the date of disbursement (or point of modification) as that cash flow. The discount rate assumptions for the budget are provided by OMB in a file for use with the Credit Subsidy Calculator 2. The rate at which interest will be paid on the amounts borrowed or held as an uninvested balance by a financing account for a particular cohort is a disbursement-weighted average discount rate (for cohorts before 2001) or single effective rate (for cohorts 2001 and after) derived from this collection of interest rates. For subsidy rate estimates beyond the budget year, please consult your OMB representative regarding the appropriate discount rates. Actual interest income or expense for financing accounts must be calculated with the Credit Subsidy Calculator 2.

(i) ***Economic assumptions*** include the interest rates used for discounting cash flows, the rate of inflation, and may include other assumptions as applicable to a particular program. They also include the interest rate charged to the borrower on the loan, if the rate is tied to a variable benchmark, such as the rate on specified Treasury securities. Agencies must use the appropriate President's Budget economic assumptions for credit subsidy calculations.

(j) ***Financing account*** means a non-budgetary account (i.e., its transactions are excluded from the budget totals) that records all of the cash flows resulting from post–1991 direct loans or loan guarantees. It disburses loans, collects repayments and fees, makes claim payments, holds balances, borrows from Treasury, earns or pays interest, and receives the subsidy cost payment from the credit program account. There is at least one financing account associated with each program account. Separate financing accounts are required for direct loan cash flows and for loan guarantee cash flows. Financing account schedules are printed in the Budget *Appendix* together with the program account.

(k) ***Forecast assumptions*** are factors that affect the expected cash flows of the direct loan or loan guarantee. They are factors which are estimated, but not actually observable, at the time of loan origination or modification. Forecast assumptions include: default rates, timing of defaults, delinquency rates, late fees, proceeds from the sale of collateral or acquired defaulted loans, income from (and costs of managing) foreclosed collateral and acquired defaulted guaranteed loans, reschedulings, prepayments, loan asset sales proceeds and costs, and disbursement rates.

(l) ***Liquidating account*** means a budget account that records all cash flows to and from the Government resulting from pre–1992 direct loan obligations or loan guarantee commitments (unless they have been modified and transferred to a financing account). Liquidating account collections in any year are available only for obligations incurred during that year or to repay debt. In general, all liquidating account transactions are classified as mandatory. Collections credited to a liquidating account include:

- Interest;
- Loan repayments and prepayments;
- Payments from financing accounts when required for modifications;
- Proceeds from the sales of loans; and
- Fees.

These collections are available only for:

- Interest payments and repayment of debt;
- Disbursements of loans;
- Default and other guarantee claim payments;
- Interest supplement payments;
- Cost of foreclosing, managing, and selling collateral that is capitalized or routinely deducted from the proceeds of sales;
- Payments to financing accounts when required for modifications;
- Administrative expenses, but only if (1) amounts credited to the liquidating accounts would have been available for administrative expenses under a provision of law in effect prior to October 1, 1991, and (2) no direct loan obligations or loan guarantee commitments have been made, or any modification of a direct loan or loan guarantee has been made, since September 30, 1991; and
- Other payments that are necessary for the liquidation of pre–1992 direct loan obligations and loan guarantee commitments.

Amounts credited to liquidating accounts in any year are only available for obligations that are incurred in that year (the outlay may occur in a subsequent year) and for repayment of debt. Any remaining unobligated balances at the end of the fiscal year are unavailable for obligation in subsequent fiscal years and must be transferred to the general fund at the end of the fiscal year unless an extension has been approved by OMB (see section 51.14). The FCRA provides permanent indefinite authority to cover obligations and commitments in the event that funds in liquidating accounts are otherwise insufficient. If the liquidating account's obligations will exceed its collections during the year, the agency must request an apportionment and warrant of permanent indefinite authority estimated to be needed for the fiscal year, before the beginning of the fiscal year.

The liquidating account status of direct and/or guaranteed loans schedule reflects disbursements and repayments of pre–1992 loans. Therefore, in the liquidating account status of direct and/or guaranteed loans:

- There will be no post–1991 direct loan obligations or loan guarantee commitments;
- Direct and guaranteed loan disbursements will be shown only for pre–1992 direct loans or loan guarantees; and
- Repayments and prepayments will reflect only pre–1992 direct loan obligations and loan guarantee commitments.

(m) ***Loan asset sale*** means a sale of one or more loans to a non-Federal buyer, individually, pooled, packaged, securitized, or as a joint venture, at a single point in time, subject to parties fulfilling the terms and conditions of the Government's offer. Loan assets consist of direct loans and loan receivables resulting from defaulted guaranteed loans.

(n) ***Loan guarantee*** means any guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender, except for the insurance of deposits, shares, or other withdrawable accounts in financial institutions. Loan guarantees do not include 100 percent guaranteed loans that are financed by the FFB pursuant to agency loan guarantee authority; these are treated as direct loans rather than loan guarantees.

(o) ***Loan guarantee commitment*** means a binding agreement by a Federal agency to make a loan guarantee when specified conditions are fulfilled by the borrower, the lender, or any other party to the guarantee agreement.

(p) ***Loan guarantee subsidy cost*** means the estimated long-term cost to the Government of a loan guarantee, calculated on a net present value basis, excluding administrative costs. Specifically, the cost of a loan guarantee is the net present value, at the time when the guaranteed loan is disbursed by the lender, of the following estimated cash flows:

- Payments by the Government to cover defaults and delinquencies, interest subsidies, and other requirements; and
- Payments to the Government, including origination and other fees, penalties, and recoveries.

These estimated cash flows include the effects of expected Government actions and the exercise by the guaranteed lender or the borrower of an option included in the loan guarantee contract.

Obligations for the subsidy cost are recorded against budget authority in the program account, and loan guarantee commitment authority is recorded in the guaranteed loan financing account, when the loan guarantee commitment is made. The subsidy for each disbursement is paid to the guaranteed loan financing account when the loan is disbursed by the private lender. (See section 185.5 and the Credit Subsidy Calculator 2 and accompanying documentation for information about estimating the subsidy.)

(q) ***Loan terms*** are those terms made explicit in the contract between the Government and the borrower or in the federally-guaranteed contract between a private lender and the borrower. These assumptions are forecast in the formulation subsidy cost estimate but are known at the time of loan origination. They may include: the interest rate charged on loans, the extent of a guarantee, fees, repayment terms, collateral held, grace periods, options, and other terms and conditions.

(r) ***Methodological assumptions*** are the technical practices used to develop subsidy cost estimates and loan modification cost estimates. These assumptions include methods and models or cash flow estimation, discounting methodology, and mathematical equations used in subsidy cost estimation. Agencies are required to use the same version of the Credit Subsidy Calculator 2 within risk categories and cohorts.

(s) ***Modification*** means a Government action that (1) differs from actions assumed in the baseline estimate of cash flows and (2) changes the estimated cost of an outstanding direct loan (or direct loan obligation) or an outstanding loan guarantee (or loan guarantee commitment). The modification may be for a single loan or loan guarantee as well as a group; it may be any size; and it may affect pre–1992 direct loans and loan guarantees or post–1991 direct loans or loan guarantees. New legislation that alters the baseline cash flow estimate for a loan or group of loans always results in a modification.

A Government action may change the cost directly by altering the terms of existing contracts, selling loan assets (with or without recourse) or converting guaranteed loans to direct loans by purchasing them from a private lender. It also may change the cost indirectly by legislatively changing the way in which a portfolio of direct loans or guaranteed loans is administered. Examples of changes in the terms of existing loan contracts are forgiveness, forbearance, interest rate reductions, extensions of maturity, and prepayments without penalty. Examples of changes in loan administration are new methods of debt collection, such as using tax refunds to repay loans and restrictions on debt collections. If the baseline cost estimate does not assume an action, and the cost would be increased or decreased as a result of that action, the action is a modification.

Modifications do not include a Government action that is assumed in the baseline cost estimate, as long as the assumption is documented and has been approved by OMB. For example, modifications would not include routine administrative workouts (see section 185.3(ab)) of troubled loans or loans in imminent default. They also would not include a borrower's or the Government's exercise of an option that is permitted within the terms of an existing contract, such as a borrower prepaying the loan. The baseline subsidy estimate must include all anticipated actions by the Government, lenders, and borrowers that are permissible under current law and that affect the cash flow. Subsequently, if the cost estimate of an action by the borrower, lender, or the Government differs from what is anticipated in the documented baseline subsidy estimate, then the difference in cost is included in a reestimate. Assumptions underlying the subsidy estimates must be documented to assist in determining whether an action is a modification or a reestimate.

Modifications do not include additional disbursements to borrowers that increase the amount of an outstanding direct loan or an outstanding loan guarantee. These are treated as new direct loans or loan guarantees in the amount of the additional disbursement.

There are situations where it is not clear whether a Government action constitutes a modification or a reestimate. These situations should be judged on a case-by-case basis by OMB in consultation with the agency. They could include actions by the Government that are not addressed in existing contracts, management changes that are within an agency's existing specific authority for the loan program, and broad changes in agency policy (e.g., loan sale policy). In general, if the possibility of the action was explicitly included in the cash flows for the baseline subsidy estimate, and this can be documented, it would most likely be a reestimate. If not, it would most likely be a modification.

Modifications produce a one-time change in the subsidy cost of *outstanding* direct loans (or direct loan obligations) and loan guarantees (or loan guarantee commitments). The effect of the Government action on the subsidy cost of new direct loan obligations and loan guarantee commitments made after the date of the modification, if there is any effect, is not a modification. Instead, the effects are incorporated in the initial cost estimates for subsequent direct loan obligations and loan guarantee commitments.

(t) ***Modification cost*** means the difference between the estimate of the net present value of the remaining cash flows assumed for the direct loan or loan guarantee contract before and after the modification. The estimate of the remaining cash flows before the modification must be the same as assumed in the baseline for the most recent President's Budget. The estimate of the remaining cash flows after the modification must be the pre-modification cash flows adjusted solely to reflect the effects of the modification.

An outstanding direct loan (or direct loan obligation) or loan guarantee (or loan guarantee commitment) cannot be modified in a manner that increases its cost, unless budget authority for the additional cost has been provided in advance in an appropriations act. If the modification is mandated in legislation, the legislation itself provides the budget authority to incur a subsidy cost obligation (whether explicitly stated or not).

Budget authority, an obligation, and an outlay will be recorded in the year in which the legislation is enacted or the administrative discretion is exercised, or in the case of appropriations acts enacted before the fiscal year to which they apply, the year for which appropriations are provided. See section 185.7 for guidance on calculating modification costs.

(u) ***Modification adjustment transfer*** means an adjusting entry to correct for differences between current discount rates and cohort discount rates**.** When a post–1991 direct loan or loan guarantee is modified, a modification adjustment transfer must be made between the financing account and the general fund. The modification adjustment transfer adjusts for the disconnect between the discount rate used to calculate the cost of the modification and the interest rate at which the cohort pays or earns interest. These calculations and the budgetary treatment are explained in section 185.7.

(v) ***Negative subsidies*** mean subsidy costs that are less than zero. They occur if the present value of cash inflows to the Government exceeds the present value of cash outflows. In such cases, appropriations bills must still provide specific authority before direct loans or loan guarantees can be made, generally in the form of a loan limitation.

When a direct loan obligation or loan guarantee commitment is made that has a negative subsidy, an amount equal to the negative subsidy will be obligated in the financing account. When the loan is disbursed, the financing account will pay the negative subsidy to the negative subsidy receipt account. The collections are recorded as offsetting receipts, and they offset the agency's budget authority and outlays. The accounting for negative subsidies is discussed in section 185.3(v) below.

(w) ***Negative subsidy receipt accounts*** mean budget accounts for the receipt of amounts paid from the financing account when there is a negative subsidy for the original estimate (see section 185.3(u)). The receipt account is a general fund receipt account and amounts are not earmarked for the credit program. They are available for appropriation only in the sense that all general fund receipts are available for appropriation. Separate downward reestimate receipt accounts are used to record amounts paid from the financing account for downward reestimates (see section 185.3(y)).

At the discretion of the OMB representative with primary responsibility for the program, a special fund receipt account may instead be established for the purpose of earmarking the receipts for appropriation to the program (in which case a special fund expenditure account also will be established and merged with the program account). If the program is a discretionary program, these receipts are available for obligation only to the extent provided in annual appropriations acts. For mandatory programs, the receipts usually are available for administrative expenses only to the extent provided in annual appropriations acts.

Obligations may not be incurred against appropriations of the negative subsidy receipts until they have been credited to the receipt account. Because negative subsidy receipts are not credited to the receipt account until the underlying direct loan or guaranteed loan is disbursed, they might not become available in time to fund expenditures in a timely manner. Such situations might require an appropriation from the general fund to permit obligations to be made until receipts are available for obligation.

(x) ***Net proceeds***, when used in the context of loan asset sales, mean the amounts paid by the purchasers less all seller transaction costs (such as underwriting, rating agency, legal, financial advisory, and due diligence fees) that are paid out of the gross sales proceeds rather than paid as direct obligations by the agency. The net proceeds from the sale of an equity partnership are the same as defined above plus an estimate of the net present value of future cash inflows to the Government from the sale.

(y) ***Program account*** means a budget account that receives and obligates appropriations to cover the subsidy cost of a direct loan or loan guarantee and disburses the subsidy cost to the financing account. Program accounts usually receive a separate appropriation for administrative expenses.

(z) ***Reestimates*** mean revisions of the subsidy cost estimate of a cohort (or risk category) based on information about the actual performance and/or estimated changes in future cash flows of the cohort. Reestimates must be made immediately after the end of each fiscal year, as long as any loans in the cohort are outstanding, unless a different plan is approved by OMB (see section 185.6). An upward reestimate indicates that insufficient funds had been paid to the financing account, so the increase (plus interest on reestimates) is paid from the program account to the financing account to make it whole. Permanent indefinite budget authority is available for this purpose pursuant to section 504(f) of the FCRA. A downward reestimate indicates that too much subsidy had been paid to the financing account. The excess (plus interest) is disbursed to a downward reestimate receipt account. See section 185.6 for guidance on calculating reestimates.

(aa) ***Risk categories*** mean subdivisions of a cohort of direct loans or loan guarantees into groups that are relatively homogeneous in cost, given the facts known at the time of obligation or commitment. They are developed by agencies in consultation with the OMB representative with primary budget responsibility for the credit account. The number will depend on the size of the difference in subsidy cost between categories and the ability to predict it statistically based on facts known at origination.

Risk categories will group all direct loans or loan guarantees within a cohort that share characteristics predictive of defaults and other costs. They may be defined by characteristics or combinations of characteristics of the loan, the project financed, and/or the borrower. Examples of characteristics or indicators that may predict cost include:

- The loan-to-value ratio;
- The relationship between the loan interest rate and relevant market rates;
- Type of school attended for education loans;
- Country risk categories for international loans; and
- Various asset or income ratios.

Statistical evidence must be presented, based on historical analysis of program data or comparable credit data, concerning the likely costs of defaults, other deviations from contract, or other costs that are expected to be associated with the loans in that category.

(ab) ***Subsidy estimates*** mean estimates of budget authority and outlays for direct loan and loan guarantee subsidy costs for a cohort or risk category of direct loans or loan guarantees. Like budget estimates for non-credit programs, the budget includes both Presidential policy subsidy estimates and baseline subsidy estimates. Baseline subsidy estimates project the current year (CY) levels of subsidy costs into the outyears based on laws already enacted. Presidential policy subsidy estimates reflect the effect on subsidy costs of policies included in the budget, including any proposed legislation that would affect subsidy costs. See section 185.5 for guidance on calculating subsidy estimates.

(ac) ***Work-outs*** mean plans that offer options short of default or foreclosure for resolving troubled loans or loans in imminent default, such as deferring or forgiving principal or interest, reducing the borrower's interest rate, extending the loan maturity, or postponing collection action. Work-outs are expected to minimize the cost to the Government of resolving troubled loans or loans in imminent default. They should only be utilized if it is likely that the borrower will be able to repay under the terms of the work-out and if the cost of the work-out is less than the cost of default or foreclosure. For post–1991 direct loans and loan guarantees, the expected effects of work-outs on cash flow are included in the original estimate of the subsidy cost. Therefore, to the extent that the effects of work-outs on cash flow are the same as originally estimated, they do not alter the subsidy cost. If the effects on cash flow are more or less than the original estimate, the differences are included in reestimates of the subsidy and are not a modification.

185.4 Are there special requirements for reporting Antideficiency Act violations?

Yes. The special requirements for credit programs are provided in section 145.3.

185.5 How do I calculate the subsidy estimate?

(a) *General*

You must provide subsidy estimates for both Presidential policy and the baseline for all budget accounts that have post–1991 direct loan obligations or loan guarantee commitments or that have modifications of pre–1992 direct loan or loan guarantee contracts. You must make subsidy estimates for each risk category. Under section 503(a) of the FCRA, OMB has the final responsibility for determining subsidy estimates, in consultation with the agencies.

Use the Credit Subsidy Calculator 2 to discount all agency-generated estimates of cash flows to and from the Government. The Credit Subsidy Calculator 2 and documentation provide explanation and examples of the discounting method and how the subsidy rate is calculated. All agencies must use the Credit Subsidy Calculator 2 and discount rates to ensure government-wide comparability and uniformity of discounting. These can be obtained from the OMB representative with primary budget responsibility for the credit account.

Direct loan and loan guarantee subsidy costs are defined in sections 185.3(g) and 185.3(p). The subsidy cost is the estimated long-term cost to the Government of direct loans or loan guarantees calculated on a net present value basis, excluding administrative costs. For budget formulation (and execution), subsidy estimates are to be based on the economic and technical assumptions underlying the President's Budget that is submitted for the fiscal year in which the funds will be obligated. For CY, this means using the economic and technical assumptions underlying the BY subsidy estimates contained in the President's Budget for the previous year (adjusted for changes in terms of the contract or legislation enacted since the budget was transmitted; see section 185.24). For BY through BY+9, this means using the economic and technical assumptions in the President's Budget that will be submitted for BY.

For loans made, guaranteed, or modified in FY 2001 and thereafter, the cash flow that is estimated for each year (or other time period) is discounted using the interest rate on a marketable zero-coupon Treasury security with the same maturity from the date of disbursement as that cash flow. For example, a cash flow expected to occur one year after the date of disbursement will be discounted at the one-year zero-coupon Treasury rate. The discount rate assumptions for the budget will be provided by OMB in a file for use with the Credit Subsidy Calculator 2. For estimates of credit subsidy cost in BY+1 through BY+9, please contact the OMB representative with primary responsibility for the account regarding the appropriate discount rates for these estimates.

For consistency between the projected cash flows and economic assumption discount rates in cost estimates for direct loan programs where the borrower interest rate is tied to Treasury rates at the time the loan is made, agencies must use the appropriate economic assumption interest rates derived from the Credit Subsidy Calculator 2 discount rates underlying the President's Budget for the fiscal year of obligation, incorporating any relevant contractual terms associated with the borrower's interest rate. A tool for deriving interest rate assumptions is available through the OMB representative with primary responsibility for the account.

For purposes of calculating loan guarantee subsidy estimates, the loan guarantee commitment is the full principal amount of the loan that is guaranteed, not just the portion guaranteed by the Government.

For revolving credit facilities, i.e., where a borrower may draw and repay multiple times under the same contract, agencies must record direct loan obligations or loan guarantee commitments for the cumulative face value of anticipated draws over the life of the loan. Agency credit subsidy cost models for these programs must reflect all cash flows associated with the cumulative anticipated obligations or commitments over the life of the cohort. For revolving credit facilities, or other non-standard terms, please contact your primary OMB representative for further guidance.

(b) *Presidential policy subsidy estimates*

Make separate subsidy estimates for all programs (discretionary and mandatory) for CY and BY. The steps for calculating the presidential policy estimates of subsidy budget authority and outlays (including negative subsidies) for a cohort (or risk category) of direct loans and loan guarantees are as follows:

- ***Step 1.*** Estimate the cash flows to and from the Government for the cohort of direct loans or loan guarantees obligated or committed in that year, for that year and each subsequent year for the life of the direct or guaranteed loan. If you have not finalized the requested amount of obligations or commitments, you may use any amount to calculate the subsidy estimate as long as the cash flows you have developed are based on that same amount. Discount these cash flows to the point of loan disbursement using the Credit Subsidy Calculator 2. The difference between the present value of the Government cash outflows and inflows is the total subsidy (i.e., the subsidy cost) for the obligations or commitments made in that year. For calculations of subsidy cost in BY+1 through BY+9, agencies with separate credit subsidy cost estimates for each cohort should contact their OMB representative for the appropriate discount rates.

- ***Step 2.*** (Performed automatically by the Credit Subsidy Calculator 2.) Calculate the subsidy rate for the cohort by dividing the subsidy cost by the direct loan obligations or loan guarantee commitments made in that year.

- ***Step 3.*** When the requested amount of direct loan obligations or loan guarantee commitments has been finalized, multiply the subsidy rate by the direct loan obligations or loan guarantee commitments to calculate budget authority (or offsetting receipts, in the case of negative subsidies) for the subsidy cost.

- ***Step 4.*** Subsidy outlays for each fiscal year are equal to the subsidy cost for all loans disbursed in that year, whether the loans or guarantees were obligated or committed in that year or in prior years.

(c) *Baseline subsidy estimates*

The steps for calculating the baseline estimates of subsidy budget authority and outlays (including negative subsidies) for a cohort (or risk category) of direct loans and loan guarantees are as follows:

- ***Step 1.*** For discretionary programs, inflate the subsidy budget authority enacted for CY (the base year) to calculate the subsidy budget authority for BY through BY+9. The inflator is the annual adjustment factor for non-pay costs (the gross domestic product chain-type price index) provided in the economic assumptions for the President's Budget that will be submitted for BY.

- ***Step 2.*** For mandatory programs, first calculate the subsidy rate as described above under "presidential policy estimates," excluding the effects of any legislative proposals. For cohorts BY+1 through BY+9, cash flows should be discounted using the appropriate out-year discount rates for each cohort. For each cohort year, multiply the subsidy rate by the baseline estimate of demand for loans to calculate the subsidy BA for that cohort.

- ***Step 3.*** For any programs with negative subsidies, first calculate the subsidy rate as described above under "presidential policy estimates," excluding the effects of any legislative proposals. Then multiply the subsidy rate by the baseline estimate of demand for loans, constrained by the estimated limitation, to calculate the amount of offsetting receipts. The limitation should be estimated by inflating the CY enacted limitation using the annual adjustment factor for non-pay costs (the gross domestic product chain-type price index) provided in the economic assumptions for the President's Budget that will be submitted for BY.

- ***Step 4.*** Subsidy outlays for each fiscal year are equal to the subsidy cost for all loans disbursed in that year, whether the loans or guarantees were obligated or committed in that year or in prior years. For CY only, the total also includes outlays for reestimates and interest on reestimates. First calculate outlays expected from disbursements of loans obligated or committed in prior fiscal years; for example, the subsidy cost of a direct loan obligated in CY that disburses equally over 2 years will outlay 50 percent in the first year (CY) and 50 percent in the second year (BY). Then add outlays from disbursements of loans obligated or committed in that year. For CY only, you should also add outlays for reestimates and (although it is not part of the subsidy as such) add outlays for interest on reestimates.

185.6 How do I calculate reestimates?

(a) *General*

Subsidy reestimates are made on direct loans and loan guarantees that have been disbursed. They are recorded in the current year column of the budget. (For example, the subsidy for direct or guaranteed loans disbursed during 2013 would be reestimated during 2014 and would be recorded in the 2014 column of the FY 2015 Budget.) A closing reestimate should be made once all the loans in the cohort have been repaid or written off.

Two different types of reestimates are made:

- Interest rate reestimates, for differences between discount rate assumptions at the time of formulation (the same assumption is used at the time of obligation or commitment) and the actual interest rate(s) for the year(s) of disbursement; and

- Technical reestimates, for changes in technical assumptions.

Interest rate reestimates of the subsidy cost of a cohort of direct loans or loan guarantees must be made when a cohort has substantially disbursed (i.e., when at least 90 percent of the direct loans or guaranteed loans have been disbursed). The computation should be made after the close of the fiscal year in which this criterion is met, unless a later time within the same fiscal year is approved by the OMB representative with primary budget responsibility for the credit account. You may calculate interest rate reestimates more frequently than under this requirement, including a final interest rate reestimate when the cohort has fully disbursed. If you decide to do so, consult with the OMB representative with primary responsibility for the account.

An interest rate reestimate will be made to adjust the subsidy estimate for the difference between the discount rates estimated at the time of formulation (the same assumptions are used at the time of obligation or commitment) and the actual interest rate(s) prevailing during the year(s) of disbursement. To calculate the size of this effect, all other assumptions (disbursement rates, default rates, etc.) must be identical to those used to calculate the original subsidy estimate. For those programs with variable interest rate supplements to the lender or with variable interest rates charged to the borrower, the original cash flow projections are adjusted to incorporate the actual interest rate(s) prevailing during the year(s) of disbursement and are subsequently adjusted after the end of each year so long as the loans are outstanding. Please contact the OMB representative with primary responsibility for the account for further guidance. Those programs that benchmark to Treasury rates for borrower's interest rates or interest subsidies to lenders will also update cash flow assumptions for the actual Treasury interest rates.

Technical reestimates of the subsidy cost of a cohort of direct loans or loan guarantees must be made after the close of each fiscal year as long as the loans are outstanding, unless a different plan is approved by the OMB representative with primary budget responsibility for the credit account. The different plan might be with regard to the time when reestimates are made within the year or the frequency of reestimates. If the plan allows reestimates to be made less frequently than every year, it should require reestimates to be made for any year when any one of the following five conditions is met:

(1) When required based on periodic schedules established in coordination with OMB, consistent with the unique attributes of each program (e.g., initially every two years after the cohort has been substantially disbursed, then every five years);

(2) When a major change in actual versus projected activity is detected (e.g., a loan that is large relative to the size of the portfolio goes into default or prepays substantially earlier than expected);

(3) When a material difference is detected through monitoring triggers developed in coordination with OMB. The triggers would focus on major data elements (e.g., total projected versus total actual cohort collections) rather than in-depth individual cohort analysis. Agencies should focus on a few major loan elements recognizing there are different key elements applicable to each program and different reporting problems;

(4) When a cohort reaches 90 percent disbursement. The final cohort interest rate is established from the first technical reestimate following the interest rate reestimate (see 185.36 below); and

(5) When a cohort is being closed out.

Technical reestimates are made for all changes in assumptions other than interest rates. This type of reestimate compares the subsidy estimate that already includes any reestimate for actual interest rates with a reestimated subsidy using updated technical information (for defaults, fees, recoveries, etc.) as well as actual interest rates.

The purpose of technical reestimates is to adjust the subsidy estimate for differences between the original projection of cash flows (as estimated at obligation) and the amount and timing of cash flows that are expected based on actual experience, new forecasts about future economic conditions, and other events and improvements in the methods used to estimate future cash flows. Because actual cash flows are experienced every year and the ability to forecast future years also changes, this reestimate must be done after the end of every fiscal year as long as any loans are outstanding (except as provided above).

Reestimates must be made separately for each cohort. If a cohort is divided into risk categories, each risk category within a cohort must be reestimated separately. The reestimate will then be compared with the previous estimate. For this purpose, all details of the previous subsidy estimates by risk category should be retained in program records.

The requirements for recording reestimates in the budget and the financial statements are not identical. For both interest rate and technical reestimates, you should record reestimates in the budget whenever they have been made for the financial statements even if they are not otherwise required for the budget under the criteria of this chapter (e.g., if interest rate reestimates are made before the cohort is substantially disbursed, or if technical reestimates are made more often than under a plan OMB has approved). You should also be sure to record reestimates in the budget whenever they are required for the budget under the criteria of this section, even if they are not required for the financial statements (e.g., if reestimates are not material for the financial statements). Whenever reestimates are made less frequently than every year, the reestimate should cover cumulatively the entire period since the last reestimate.

(b) *Calculating interest rate reestimates*

Use the following procedures to calculate interest rate reestimates, unless an alternative method has been approved by OMB. For further details, see the instructions accompanying the Credit Subsidy Calculator 2 (the Calculator), available from the OMB representative with primary budget responsibility for the credit account.

- ***Step 1.*** Start with the original cash flows used to estimate the subsidy at obligation (on a risk category basis), updated only for actual interest rate(s) as outlined above.

- ***Step 2***. Reestimate the subsidy rate using the Credit Subsidy Calculator 2. The Calculator will use the actual average annual interest rates for the year in which the loans were disbursed. For programs that disburse over more than one year, the Calculator will determine a disbursement-weighted average discount rate (for cohorts before 2001) or single effective rate (for cohorts 2001 and after) based on actual average annual interest rates for each year in which loans have disbursed using the original disbursement assumptions. The Calculator will calculate a revised subsidy rate for the entire cohort. This is the interest rate reestimated subsidy rate.

- ***Step 3.*** Calculate the percentage point difference between this revised subsidy rate and the subsidy rate estimated at the time of obligation. For example, if the subsidy rate estimated at the time of obligation is 7 percent and the revised subsidy rate is 9 percent, then this difference is 2 percentage points. The Credit Subsidy Calculator 2 can automatically perform this calculation when performing technical reestimates, please see accompanying documentation for the Calculator for more information.

- ***Step 4.*** Multiply the dollar value of actual loan disbursements to date by the percentage point difference in the subsidy rates. For example, using the case in step 3, if $100 million in loans have been disbursed, then this amount would be $2 million ($100 million multiplied by 2 percentage points). The product is the cumulative interest rate reestimate.

- ***Step 5.*** To derive the additional interest rate subsidy reestimate for the current year, deduct previous interest rate reestimates, if any (see 185.6 (d) below).

(c) *Calculating technical reestimates*

There are two methods for calculating technical reestimates: the traditional approach and the balances approach. Under the traditional approach, reestimates are performed by revising the original subsidy estimate cash flows to incorporate any available actual data and to update future year projected data for any changes in assumptions. Under the balances approach, reestimates are performed by comparing the net present value of projected future cash flows to the balance in the financing account. The Credit Subsidy Calculator 2 can calculate both traditional approach and balances approach reestimated subsidy rates. The dollar reestimate is calculated using the balances approach. Both traditional and balances approach reestimates are required for each risk category/cohort, unless otherwise approved by OMB.

Agencies are required to use the Credit Subsidy Calculator 2 for reestimate submissions for the President's Budget. The OMB Credit Calculator 2 is available from the OMB representative with primary budget responsibility for the credit account to assist with these calculations. For further details, see the documentation accompanying the Credit Subsidy Calculator 2.

(d) *Calculating interest on reestimates*

Interest on reestimates is the amount of interest that would have been earned or paid by each cohort on the subsidy reestimate, if that reestimate had been included as part of the original subsidy estimate. It is paid on the amount of the reestimate by the program account (for upward reestimates) or the financing account (for downward reestimates). The purpose is to put the financing account in the same position as if the subsidy cost had been estimated in the first place using the information that is incorporated in the reestimate. The interest rate to calculate the interest on reestimates is the same rate that is used to discount cash flows for the cohort. Interest on reestimates is calculated automatically by the Credit Subsidy Calculator 2.

(e) *Financing account interest adjustments*

The financing account interest adjustment corrects for the difference between the interest that should have been earned or paid on the financing account debt and cash balances, and the actual net financing account interest executed for the cohort. This allows agencies to correct for the period where interest was earned or paid using budget assumption interest rates before the actual rates were available.

Financing account interest adjustments are included in the interest on reestimate for reporting purposes. The Credit Subsidy Calculator 2 can automatically calculate the financing account interest adjustment for cohorts with historical data. This approach reduces the number of transactions required to adjust for changes in the financing account interest calculation, a non-Budgetary transaction. Please see the documentation accompanying the Credit Subsidy Calculator 2.

(f) *Reestimate increases/decreases*

All increases or decreases in subsidy cost for different risk categories within the same cohort will be netted against each other; that is, risk categories which require increased subsidies may first draw on the excess from any risk categories within the cohort where the reestimate shows a subsidy decrease. No such netting may occur between cohorts.

If the reestimate indicates a net increase in the subsidy cost of the cohort as a whole since the last estimate or reestimate, an obligation in the amount of the net increase (plus interest) must be recorded against permanent indefinite budget authority available to the program account for this purpose. The obligation must be recorded separately in the program and financing schedule as "reestimates of direct loan subsidy" or as "reestimates of loan guarantee subsidy" (and as "interest on reestimates of direct loan subsidy" or as "interest on reestimates of loan guarantee subsidy"), so that it can be distinguished from obligations for the subsidy cost of new loans and loan guarantees. An equal amount of outlays from the program account to the financing account will be recorded when the reestimate is made. The interest rate to calculate the interest on upward reestimates is the same rate that is used to discount cash flows for the cohort.

When outlays for reestimates are recorded in the credit program account, an equal amount of offsetting collections will be recorded in the appropriate risk categories in the financing account. In the case of direct loans, the offsetting collections from the program account, together with repayments from borrowers, will be used to pay interest and repay principal on borrowing from Treasury and for other expenses. In the case of loan guarantees, the offsetting collections will be retained as unobligated balances, together with the unobligated balances of the original subsidy payment, fees, and interest, until needed to pay default claims and other expenses. Any unused balances of collections due to the reestimate will earn interest at the same rate as is paid on other funds held by the financing account for the same cohort.

If the reestimate indicates a net decrease in the subsidy cost of the cohort as a whole since the last estimate or reestimate, there is a downward reestimate. To keep the correct amount of balances in the financing account, an obligation and a financing disbursement in the amount of the net decrease (plus interest on reestimate) must be recorded in the financing account. In the case of direct loans, the obligation will typically be financed with authority to borrow from the Treasury. In the case of loan guarantees, the obligation will typically be financed with unobligated balances. The obligation will be recorded in the program and financing schedule as "payment of downward reestimates" (and as "interest on downward reestimates"). The interest rate to calculate the interest on downward reestimates is the same rate that is used to discount cash flows for the cohort.

As a general rule, the financing disbursement for a downward reestimate (plus interest on reestimate) will be made from the financing account to a general fund downward reestimate receipt account established for each credit program. The receipts will be recorded as offsetting receipts, which will offset the total budget authority and outlays of the agency and the budget subfunction of the program. However, at the discretion of the OMB representative with primary responsibility for the program, a special fund receipt account may instead be established.

If a special fund receipt account is used for the credit program and already exists, the downward reestimates and interest on reestimates will be recorded in a subaccount rather than a new special fund receipt account. Schedule N is required for these special funds (see section 86.4). When a special fund receipt account is used, the receipts from downward reestimates and interest on reestimates, like those from negative subsidies, are only available for obligation to the extent provided in advance in appropriations acts (except for mandatory programs, where they are immediately available for obligation). The normal provisions still apply: discretionary appropriations are required for discretionary subsidy costs, modifications, and administrative costs; mandatory appropriations are available for upward reestimates and mandatory programs.

(g) *Closing reestimates*

Agencies will make a closing technical reestimate once all of the loans in a cohort have been either repaid or written off. This reestimate will be based on actual accounting systems data and will be used in closing the accounting books for the cohort. All the procedures that are described above for the technical reestimate and interest on reestimates are applied. Closing entries will be made in the accounting records.

The increases or decreases in subsidy cost for different risk categories within the same cohort will be netted against each other; that is, risk categories which require increased subsidies may first draw on the excess from any risk categories within the cohort where the reestimate shows a subsidy decrease. No such netting may occur between cohorts.

185.7 How do I calculate and record modifications?

When a direct loan or loan guarantee is modified, the subsidy cost of the modification must be calculated. The subsidy cost calculation will indicate whether the Government action changes the subsidy cost. If there is no change in cost, there will be no budgetary effect, and nothing needs to be recorded in the budget. If the modification will increase or decrease the cost, the budgetary effect must be recorded as described under modification cost increases/decreases below. Additional transfers to or from the financing account will be required, with the type of transfer depending on whether the modification affects pre–1992 or post–1991 direct loans and loan guarantees. These additional transfers are described in a separate subsection below.

The subsidy cost of the modification is the difference between the estimate of the net present value of the remaining cash flows for the direct loan or loan guarantee before and after the modification. The estimate of remaining cash flows before modification must be the same as assumed in the baseline for the most recent President's Budget. The estimate of remaining cash flows after modification must be the pre-modification cash flows adjusted solely to reflect the effects of the modification.

(a) *Estimating the modification subsidy cost*

The modification subsidy cost is calculated using the steps below (where cash flows to the Government have positive signs and cash flows from the Government have negative signs). Note: If you are using cash flows prepared for the Credit Subsidy Calculator 2, you may need to adjust the signs on some cash flows for the following modification calculation.). <u>These steps must be followed for each cohort affected by the modifying action.</u>

- ***Step 1*. Calculate the net present value of remaining pre-modification cash flows**. Use the reestimated cash flows from the most recent President’s Budget. If applicable, exclude prior year cash flow data; calculations should be made using only the estimated flows for the current and future years. Discount these cash flows using the discount rates assumed in formulating the subsidy estimates in the President’s Budget for the year in which the modification takes place. For example, if the modification will occur in 2014, then the discount rates used to discount the cash flows will be the interest rates used to formulate the 2014 President’s Budget.

- ***Step 2*. Calculate the net present value of remaining post-modification cash flows**. Use the same cash flows used in step 1 above, modified only to reflect the effect of the modification. Do not alter the cash flows to reflect any other changes that may have occurred between the most recent President’s Budget and the time of the modification. Use the same discount rates as in step 1 above to discount these post-modification cash flows. If a loan asset is sold, in most cases the post-modification cash flows will be the net proceeds expected from the sale (see section 185.8) and no discounting is necessary. Contact your OMB representative with questions on calculations for loan asset sales.

- ***Step 3*. Compute the cost of the modification.** This is equal to step 1 minus step 2. The results of this calculation will be positive, negative, or zero. A positive estimate indicates that the Government will incur an additional subsidy cost because of the modification. A negative estimate indicates that the Government is achieving savings.

(1) *Cost increases*. Modifications may be made only to the extent that budget authority for the additional cost has been provided in advance and is available in the program account. At the time that a modification is made, record an obligation in the amount of the estimated increase in subsidy cost against budget authority in the program account. At the same time, record an outlay in the amount of the increase in the subsidy cost from the program account to the appropriate direct loan or guaranteed loan financing account. Simultaneously, record an equal amount of offsetting collections in the financing account.

In the case of direct loans, the offsetting collections in the financing account will be credited to the cohort and risk category of the modified loan and will be used to pay interest and to repay debt owed to Treasury and for other expenses. In the case of loan guarantees, the offsetting collections will be credited to the cohort and risk category of the modified loan guarantee and will be retained as unobligated balances until needed to pay default claims and other expenses. The additional balances due to the modification will earn interest at the same rate as is paid on other funds held by the financing account for the same cohort.

(2) *Cost decreases.* At the time that a modification is made, record an obligation in the amount of the estimated decrease in subsidy cost in the financing account. In the case of a direct loan modification, record the obligation against authority to borrow from the Treasury. In the case of a loan guarantee, record the obligation against unobligated balances for the cohort, or if unobligated balances are insufficient, against authority to borrow. At the same time, record in the financing account an equal disbursement to the negative subsidy receipt account established for each credit program.

See sections 185.10, 185.11, and 185.30 for additional information on recording these transactions for budget formulation and execution.

(b) *Estimating the modification adjustment transfer*

The above calculation is the cost of the modification. However, for post–1991 direct loans or loan guarantees, an additional calculation must be accomplished to account for the difference between the discount rate used to calculate the cost of the modification and the interest rate at which the cohort pays or earns interest. If the only transfer made between the financing account and the general fund was for the change in the subsidy cost, the resources of the financing account would be out of balance because of this difference. This imbalance is corrected by a modification adjustment transfer between the financing account and the general fund. The transfer is not an outlay or an offsetting collection because it does not represent a cost to the Government of the loan or the guarantee. Instead, it is a facilitating adjustment to balance the present value of the assets and liabilities held by the financing account.

To compute the modification adjustment transfer, one needs to follow the following steps:

- ***Step 4*. Calculate the net present value of remaining pre-modification cash flows using cohort interest rates**. Take the pre-modification cash flows from step 1 and compute the net present value of these cash flows using the applicable cohort interest rate (as opposed to the President's Budget formulation discount rates used in step 1).

- ***Step 5*. Calculate the net present value of remaining post-modification cash flows using cohort interest rates.** Take the post-modification cash flows from step 2 and compute the net present value of these cash flows using the applicable cohort interest rate (as opposed to the President's Budget formulation discount rates used in step 2).

- ***Step 6.*** Compute the difference between step 4 and step 5. This is equal to step 4 minus step 5.

- ***Step 7.* Compute the modification adjustment transfer (MAT).** This is equal to step 6 minus step 3. If the MAT is negative, then the MAT should be transferred from the financing account to the general fund. If the MAT is positive, then the MAT should be transferred from the general fund to the financing account.

If the financing account makes a modification adjustment transfer to the general fund, this transfer is recorded on line 1820, Capital transfer from offsetting collections to general fund (-). The transfer and the modification subsidy cost together produce the following transactions with Treasury. All transactions noted below are recorded on the program and financing schedule.

- If a loan guarantee is modified, the financing account's offsetting collection for the modification cost increases the unobligated balance brought forward into the following fiscal year (line 1000 in the following fiscal year). The capital transfer to the general fund reduces the amount by which the unobligated balance is increased. (The amount of the increase shown on line 1000 is net of the capital transfer.) Subsequent interest earnings on the addition to the balance are lower than they would have been without the capital transfer.

- If a direct loan is modified, the financing account's offsetting collection for the modification cost is used to reduce debt owed to Treasury (line 1825, Spending authority from offsetting collections applied to repay debt). The capital transfer reduces the amount by which the debt is reduced. (The amount of the increase shown on line 1825 is net of the capital transfer.) Subsequent interest paid to Treasury is higher than it would have been without the capital transfer.

- For modification adjustment transfers to the general fund, the general fund will collect the modification adjustment transfer in a non-budgetary capital transfer receipt account. There is one receipt account to collect the modification adjustment transfers from all financing accounts. For more information about the appropriate receipt account for MATs to the general fund, see the Treasury Federal Account Symbols and Titles (FAST Book), available at https://www.fms.treas.gov/fastbook/index.html.

If the financing account receives a modification adjustment transfer from the general fund, this is recorded in the financing account as a permanent appropriation (line 1200, Appropriation). Cite the Federal Credit Reform Act (FCRA), P.L. 101-508, as the law providing budget authority for the modification adjustment transfer. The transfer and the modification subsidy cost together produce the following transactions with Treasury. All transactions noted below are recorded on the program and financing schedule.

- If a loan guarantee is modified, the financing account's offsetting collection for the modification cost increases the unobligated balance brought forward into the following fiscal year (line 1000). The modification adjustment transfer also increases the unobligated balance (line 1000). Subsequent interest on uninvested funds is higher than it would have been without the modification adjustment transfer.

- If a direct loan is modified, the offsetting collection for the modification cost is used to reduce debt owed to Treasury (line 1825, Spending authority from offsetting collections applied to repay debt). The modification adjustment transfer is also used to reduce debt owed to Treasury (line 1236, Appropriations applied to repay debt). Subsequent interest paid to Treasury is lower than it would have been without the modification adjustment transfer.

(c) *Additional financing account transfers for modifications of pre–1992 direct loans and loan guarantees*

When modifications are made to pre–1992 direct loans and loan guarantees, the immediately following approach (#1) should be used, unless the OMB representative for the credit program approves using the alternative approach (described in #2 below).

1) *Transfer of asset or liability to financing account*. Pre–1992 direct loans and loan guarantees are held in liquidating accounts until they are modified. When they are modified, they are "purchased" from the liquidating account by the financing account. The direct loan asset or loan guarantee liability will be transferred from the liquidating account to the financing account, and a one-time adjusting payment will be made between the two accounts. The adjusting payment will equal the estimated net present value of the pre-modification cash flows. At the same time, the cost (or savings) of the modification will flow to or from the financing account. When the transaction is complete, the newly modified loan or guarantee will reside in the financing account. This process is accomplished by the following steps:

- ***Step 1*. Calculate the net present value of remaining pre-modification cash flows**. Calculations should be made using only the baseline estimated net cash flows in the liquidating account from the most recent President's Budget for the current and future years. Discount these cash flows using the discount rates assumed in formulating the subsidy estimates in the President's Budget for the year in which the modification takes place. For example, if the modification will occur in 2014, then the discount rates used to discount the cash flows will be those used to formulate the 2014 President's Budget.

- ***Step 2*. Calculate the net present value of remaining post-modification cash flows**. Use the same cash flows as in step 1 above, modified only to reflect the effect of the modification. Do not alter the cash flows to reflect any other changes that may have occurred between the most recent President's Budget and the time of the modification. Use the same discount rates as in step 1 above to discount these post-modification cash flows. If a loan asset is sold, in most cases the post-modification cash flows will be the net proceeds expected from the sale (see section 185.8) and no discounting is necessary. Contact your OMB representative with questions on calculations for loan asset sales.

- ***Step 3.* Compute the adjusting payment.** If the net present value computed in step 1 above is positive (representing future collections to the government), then the adjusting payment for the purchase of the loan or guarantee will flow from the financing account to the liquidating account to compensate the liquidating account for this loss of expected inflow. An obligation and a disbursement will be recorded in the financing account in the amount of the adjusting payment. The liquidating account will record offsetting collections equal to the adjusting payment, which it will use to repay debt owed to Treasury or to transfer to the general fund as a capital transfer.

  If the net present value computed in step 1 above is negative (representing future claims on the government), then the adjusting payment will flow from the liquidating account to the financing account to compensate the financing account for its new burden of expected outflows. Unobligated balances and permanent indefinite appropriations to the liquidating account will be used to make the payment. Outlays will be recorded in the liquidating account in the amount of the payment when it is made. The financing account will record an equal amount of offsetting collections.

- ***Step 4.* Compute the cost of modification**. This is equal to step 1 minus step 2. The results of this calculation will be positive, negative or zero. If the cost is positive, this amount should be outlayed from the program account to the financing account. If the cost is negative (a savings), then this amount should be paid from the financing account to the negative receipt account. For information on recording these transactions, see section 185.7(a).

The adjusting payment computed in step 3 and the modification cost/savings computed in step 4 are moved simultaneously on the same governing apportionment. Either an adjusting payment or a modification savings (or both) may require the financing account to borrow funds from Treasury in order to accomplish the outflowing payment. If this occurs, collections from the assets purchased by the financing account will be used to pay interest and repay debt owed to Treasury.

2) *Assets retained by liquidating account.* Subject to the approval of the OMB representative for the credit program, some loans or guarantees may remain in the liquidating account after modification. This method might be used if a modification affects a large number of direct loans or loan guarantees and it would be less complicated for the liquidating account to retain the assets or liabilities. In these cases, the modification process is accomplished by the following steps:

- ***Step 1***. See step 1 in (c)(1) above.

- ***Step 2***. See step 2 in (c)(1) above.

- ***Step 3.*** **Compute the cost of modification**. This is equal to step 1 minus step 2. The result of this calculation will be positive, negative or zero. If the cost is positive, this amount should be outlayed from the program account to the financing account. The financing account will then obligate and disburse the same amount to the liquidating account to compensate it for the reduced asset or increased liability. The liquidating account will record offsetting collections, which it will use to pay current obligations or to repay debt. If the cost is negative (a savings), the liquidating account will use permanent indefinite authority to make a payment to the financing account equal to the modification savings. The financing account will consequently record offsetting collections, which it will pay to the negative subsidy receipt account for the credit program. Because both modification costs and savings result in equalizing flows among the program, financing, liquidating, and negative subsidy receipt accounts (as applicable), neither a modification cost nor savings directly causes a net change in the surplus or deficit. However, interest, repayments, default claims, and other loan cash flows may change both in that year and in future years.

See section 185.31 for specific guidance on reporting these transactions for budget execution.

(d) *Single cohort for modifications of pre–1992 direct loans or loan guarantees*

All modifications of pre–1992 direct loans and loan guarantees for a given program will be accounted for in a single direct loan cohort or a single loan guarantee cohort.

185.8 What must I know about the sale of loan assets?

(a) *General*

Under the Debt Collection Improvement Act of 1996, credit agencies with over $100 million in loan assets are expected to sell delinquent loan assets that meet the criteria described in (b). This applies to loan assets held by both liquidating and financing accounts. The cash flows used to calculate the baseline subsidy rates for existing cohorts should be adjusted to reflect this policy, as should the cash flows used to estimate the subsidy rates for future cohorts. Modifications of this policy that increase the cost will have to be covered by appropriations of subsidy budget authority. Differences between the estimated and actual sale proceeds due to market conditions will be treated as reestimates.

Agencies are also encouraged to explore selling performing loan assets to the extent such sales would benefit the Government. In such cases, the procedures, analysis, and methods for selling performing assets are the same for selling delinquent loan assets.

(b) *Loan asset sale criteria*

Loan assets that are more than one year delinquent should be sold, except for the following categories of loans:

- Loans to foreign countries or entities.

- Loans in structured forbearance, when conversion to repayment status is expected within 12 months or after statutory requirements are met.
- Loans that are written off as unenforceable due to death, disability, or bankruptcy.
- Loans that have been submitted to Treasury for offset and are expected to be extinguished within three years.
- Loans in adjudication or foreclosure.

Performing loan assets may be sold as well, either alone or in conjunction with delinquent loan assets, to the extent that such sales provide benefits to either the program or the Government as a whole.

Agencies should consult the OMB representative with primary responsibility for the account to determine which loan assets meet these criteria.

(c) *Justification for non-compliance*

If an agency can demonstrate that the present value of cash flows associated with continued Government ownership of the loan assets would exceed the expected sale proceeds, the agency may not be required to sell the loan assets. Also, if there is a serious conflict between selling loan assets and Administration policy for the program, and the agency can justify to the satisfaction of their OMB representative that the sale policy cannot be reconciled with the program policy, the agency may not be required to sell the loan assets. Agencies should consult with the OMB representative with primary responsibility for the program if they believe either of these tests would be met.

(d) *Cost of loan asset sales*

If the cash flows for existing loans do not incorporate an explicit assumption about the sale of loan assets, the sale is a modification, whether the loan assets are held by financing accounts or liquidating accounts. Otherwise, the sale is part of the subsidy estimates for Presidential policy and the baseline, and differences between the estimated and actual sale proceeds are a reestimate.

If the sale is a modification, the cost would equal the difference between the net sale proceeds and the estimated value to the Government, on a present value basis, of continuing to own the loan asset (the "hold value"). The method for calculating the hold value is the same as for calculating the net present value of cash flows before modification, as outlined in section 185.7(a).

The modification cost of multiple sales with closing dates in the same fiscal year is the sum of the cost or saving calculated for each sale of loans within the same cohort or risk category. The closing date of a sale is the date on which the seller and the buyer(s) close the transaction and title of the assets legally transfers to the buyer(s). Therefore, for loans within the same cohort or risk category, a modification cost for one sale can be offset by a modification saving for a different sale within the same fiscal year. For sales that include loans from more than one cohort or risk category, a single modification cost or savings is first calculated for all of the loans sold, and the cost or savings is subdivided among each of the cohorts or risk categories.

Loan assets that are sold with recourse are treated as a combination of a sale without recourse and a new loan guarantee. The cost of the provision for recourse is estimated separately from the cost of the loan asset sale, and the subsidy for its cost, as well as the cost of the implicit loan sale without recourse, must be appropriated in advance of the sale. Sales with recourse are not permitted except where they are specifically authorized by statute.

If the Government takes an equity stake (or participation) in the cash flow of the sold assets, such as a joint venture or equity-held sale, the net sale proceeds equal the actual cash proceeds plus an estimate of the present value of the proceeds from the Government's equity position, net of any transaction costs.

You may pay certain direct costs of loan asset sales from the gross proceeds of those sales. In general, the guidelines for whether an expense should be paid from the administrative expense appropriation or from asset sale proceeds are similar to those for determining whether an expense should be paid from the administrative expense appropriation to the program account or from the financing account (see section 185.3(a)). Generally, costs that may be paid from proceeds include:

- Underwriting;
- Rating agency;
- Due diligence;
- Legal; and
- Transaction financial advisory fees.

These costs are part of the cash flows used to calculate net sale proceeds to determine the modification cost of the sale (if the sale constitutes a modification) or to reestimate the subsidy cost on a cohort in which loan assets have been sold (if the sale is not a modification).

The costs of Government personnel, travel, computer systems, etc., associated with the development and execution of a loan asset sales program, as well as the cost of any contracts for asset sale program financial advisory services, should be paid from the agency's administrative expense appropriation. Questions about whether a specific cost should be paid from the administrative expense appropriation or sale proceeds should be directed to OMB.

(e) *OMB review of sales*

No sale may occur without the approval of the OMB representative. After identifying loans that meet the criteria described in (b), agencies must develop a plan for selling these loans in consultation with their OMB representative. In addition, at least 30 calendar days prior to the scheduled final bid day (the last date on which a buyer may submit a bid to the seller), the agency must submit for approval to the OMB representative with primary responsibility for the program the following information:

- The expected date of sale;
- A description of the loans to be sold (including balances, business program under which the loans were originated, and current payment status);
- The estimated hold value, with relevant supporting documents and analysis;
- The estimated net sale proceeds, with relevant supporting documents and analysis;
- The estimated modification cost, whether positive, negative, or zero; and
- An evaluation of relevant previous asset sales, including the hold values, net sale proceeds, and positive/negative subsidy generated from each, if applicable.

Three weeks after the sale, an agency must advise the OMB representative of the actual amount of the proceeds realized from the sale and the actual amount of the transaction costs that were paid from the proceeds.

185.9 What are the budget formulation reporting requirements for credit accounts?

Each program making or having outstanding post–1991 direct loans or loan guarantees will have at least two and as many as six types of accounts, even if the Administration is proposing to terminate the program or the program has been previously terminated. The accounts are:

- A program account.
- A financing account for direct loan obligations, if any.
- A financing account for loan guarantee commitments, if any.
- A negative subsidy receipt account for negative subsidies, if any.

- A downward reestimate receipt account for downward reestimates, if any.
- A liquidating account for pre–1992 direct loans and loan guarantees, if any.

Generally, the print materials and MAX schedules required for credit program, financing, liquidating, and negative subsidy receipt accounts are listed below. References to applicable A–11 sections are also provided.

SUMMARY OF REQUIREMENTS

Requirement	Program	Financing	Liquidating	Receipt
Appropriations language (section 95)	✓			
Narrative statement (section 95)		✓	✓	
Schedule P (PY-BY) (section 82)	✓	✓	✓	
Schedule O (PY-BY) (section 83)	✓		✓	
Schedule N (PY-BY) (section 86)	✓			
Schedule U (PY-BY) (section 185)	✓			
Schedule A (PY-BY+9) (section 81)	✓		✓	
Schedule S (CY-BY+9) (section 81)	✓		✓	
Schedule C (PY-BY) (section 84)	✓		✓	
Schedule G (PY-BY+4) (section 185)		✓	✓	
Schedule H (PY-BY+4) (section 185)		✓	✓	
Schedule R (PY-BY+9) (section 81)				✓
Schedule K (PY-BY+9) (section 81)				✓
Schedule Y (CY-BY+9) (section 185)		✓	✓	
Schedule F (PY-1-PY) (section 86)		✓	✓	

Separate schedules are required for supplemental requests and proposed legislation items for all credit accounts (see sections 79.2 and 82.10). These schedules show the effect of the supplemental request or proposed legislation on the information presented in the regular schedules for the program. For post-1991 credit programs, amounts reflected in related credit program accounts, financing accounts, and receipt accounts must agree. Cross-account edit checks and other credit-account edit checks are included in Appendix D.

A written justification is required for all new credit programs or for reauthorizing, expanding, or significantly increasing funding for existing credit programs. The justification must address the Federal credit policies and guidelines contained in OMB Circular No. A–129. For more information on required budget justification materials, see section 51.

185.10 What do I report for program accounts?

Program accounts are required for post–1991 direct loan obligations or loan guarantee commitments and for modifications of pre–1992 direct loans and loan guarantees. They record budget authority, obligations, and outlays for subsidy costs and the administrative expenses of a credit program (including administrative expenses for pre–1992 direct loans and loan guarantees). In most cases, current, definite budget authority is provided in appropriation acts for subsidy payments (except for entitlements, which have permanent indefinite budget authority) and administrative expenses. Permanent indefinite authority is available for reestimates and interest on reestimates.

(a) *Program and financing schedule (schedule P)*

Use the following line number scheme in the "obligations by program activity" section of the program and financing schedule (see exhibit 185A):

SELECTED P&F ENTRIES IN PROGRAM ACCOUNTS

Line number	Description
	OBLIGATIONS BY PROGRAM ACTIVITY:
0701	Direct loan subsidy
0702	Loan guarantee subsidy
0703	Subsidy for modifications of direct loans
0704	Subsidy for modifications of loan guarantees
0705	Reestimates of direct loan subsidy
0706	Interest on reestimates of direct loan subsidy
0707	Reestimates of loan guarantee subsidy
0708	Interest on reestimates of loan guarantee subsidy
0709	Administrative expenses

(b) *Object classification (schedule O)*

Record all direct expenses in the appropriate object class. To record subsidy obligations, use object class 41, Grants, subsidies, and contributions. For administrative expenses transferred to a salaries and expenses account, use object class 25.3, Other purchases of goods and services from Government accounts. In the salaries and expenses account receiving the transfer, record reimbursable obligations for administrative expenses using a "2" as the first digit of the line number. (See section 83 for more information about the classification of reimbursable programs in the object class schedule.)

(c) *Loan levels and subsidy (schedule U)*

Prepare a schedule of loan levels (see exhibit 185B), subsidy budget authority, subsidy rate, subsidy outlays, and reestimates for each program account. These data are displayed by program or by program and risk category. The titles of the stub entries should be tailored to identify the program to which each entry belongs. To add, delete, or modify a risk category, please contact your primary OMB representative.

Note that in each column, some entries are reported by cohort while others (reestimates) are reported for combined cohorts. Although no outyear data are collected in schedule U, you may be required to provide outyear data by your OMB representative. Schedule U data is identified by a four-digit line number and a two-digit suffix. The four-digit number identifies data by category (e.g., direct loan subsidy budget authority). The two-digit suffix differentiates between the various risk categories reported in the schedule unless the line is a total line. Subsidy rates and reestimates for direct loan and guaranteed loan programs entered into MAX are controlled by edit-checks based on calculations that have been reviewed and approved by OMB (see sections 185.5 and 185.6). If you have questions about the approved values, please contact your primary OMB representative. MAX will automatically generate the summary data for line entries indicated in **boldface** below.

DATA REQUIREMENTS FOR SCHEDULE U

Entry	Description
Direct loan levels supportable by subsidy budget authority**:**	
1150xx Direct loan levels	Equals the amount of direct loans that can be obligated with the subsidy budget authority requested or available in that year, except in cases where loan volume limitations would prevent the full obligation of available budget authority. In those cases enter the maximum amount that can be obligated under enacted and anticipated limitations. For revolving loans, include the cumulative anticipated face value drawn under the facilities. Include loan volume reestimates, if any, in PY. The loan volume should match schedule G in the financing account. For PY, enter the actual level of loans obligated, which may include limitation from carry forward or may be less than the full limitation appropriated. For CY and BY, enter the expected level of loans to be obligated, including the unused portion of multi-year loan limitations that are carried forward. In the PY and CY, loan levels may be less than enacted loan limitations, as Congress may enact limitations that are not achievable with the subsidy budget authority provided. However, in the BY, loan levels supportable by the subsidy requested must equal the direct loan limitation. These data are required even if the subsidy rate is zero or negative.
115999 Total direct loan levels	The sum of all lines 1150.
Direct loan subsidy (in percent):	
1320xx Subsidy rate (+ or –)	The 1320 data line series presents data in percentages on the subsidy costs inherent in making a cohort of direct loans. In the PY column, the rate should be the actual execution rate. In the CY column use the budget execution rate. Note that the subsidy rate (in percent) must be rounded to the nearest hundredth of one percent and entered into MAX with decimal points. For example, enter 10.503 percent as 10.50; 5.05 percent as 5.05; and 0.5 percent as 0.50. Amounts should be shown, even if zero or negative.
132999 Weighted average subsidy rate	The disbursement weighted average sum of all lines 1320 above is automatically calculated by multiplying each subsidy rate detail line (lines 1320) by a weighting factor. The weighting factor is calculated by dividing the corresponding direct loan level (lines 1150) by the total direct loan level (line 1159). A weighted average subsidy rate should not be zero when a positive subsidy program is included in the calculation. For non-zero transmittal codes, this is the change to the subsidy rates reported under transmittal code zero, not the new rates.
Direct loan subsidy budget authority:	
1330xx Subsidy budget authority	The 1330 data line series presents data in dollars on the subsidy costs inherent in making direct loans. For positive subsidy

Entry	Description
(+ or –)	programs, amounts reflect the budget authority obligated in the program account. For negative subsidy programs, amounts reflect financing authority obligated in the financing account—amounts must be reported even if the subsidy is negative. In the PY column, the amount is equal to subsidy obligated. In the CY column, the amount will equal the amount appropriated for subsidies plus unobligated balances eligible to be carried forward. The BY column will show the requested subsidy amount and must agree with amounts in appropriations language.
133999 Total subsidy budget authority	The sum of all lines 1330 above.
Direct loan subsidy outlays:	
1340xx Net subsidy outlays	The 1340 data line series presents data on the amount of subsidy outlays and negative subsidy receipts in a given year for new direct loans. An outlay or negative subsidy receipt is recorded at the time of disbursement of the loan to the borrower. This line shows the sum of lines 1341xx and 1342xx.
1341xx Negative subsidy outlays	Report negative subsidy receipts from both new budget authority and from balances on this line. Also, report modification savings on this line. Data on this line are used to calculate net subsidy outlays in line 1340.
1342xx Positive subsidy outlays	Report positive subsidy outlays from both new budget authority and from balances on this line. Also, report modification costs on this line. Data on this line are used to calculate net subsidy outlays in line 1340.
134999 Total subsidy outlays	The sum of all lines 1340 above.
Direct loan upward reestimate:	
1350xx Upward reestimate	The 1350 data line series presents data on the amount of upward reestimate paid to the financing account in any given year, including upward interest on reestimate. Report upward reestimates for all outstanding fiscal year cohorts for which upward reestimates are paid to the financing account. Report amounts in PY and CY only.
135999 Total upward reestimate	The sum of all lines 1350 above.
Direct loan downward reestimate:	
1370xx Downward reestimate (–)	The 1370 data line series presents data on the amount of downward reestimate paid out of the financing account in any given year, including downward interest on reestimate. Report downward reestimates for all outstanding fiscal year cohorts for which downward reestimates will be paid out of the financing account. Report amounts in PY and CY only.
137999 Total downward reestimate	The sum of all lines 1370 above.
Guaranteed loan levels supportable by subsidy budget authority:	
2150xx Loan guarantee levels	Equals the full principal amount, not just the portion guaranteed by the Government, of guaranteed loans that can be supported by the amount of subsidy budget authority requested or available in that year, except in cases where loan volume limitations would prevent

Entry	Description
	the full obligation of available budget authority. In those cases enter the maximum amount that can be obligated under enacted and anticipated limitations. For guarantees of revolving loans, include the cumulative anticipated face value drawn over the life of the loan. Include loan volume reestimates, if any, in PY. The loan volume should match schedule H in the financing account. For PY and CY, the level of guaranteed loan commitments may include limitation from carryforward or may be less than the full limitation appropriated. In the PY and CY, loan levels may be less than enacted loan guarantee limitations, as Congress may enact limitations that are not achievable with the subsidy budget authority provided. However, in the BY, loan levels supportable by the subsidy must equal the guaranteed loan limitation. These data are required even if the subsidy rate is zero or negative.
215999 Total loan guarantee levels	The sum of all lines 2150.
Guaranteed loan subsidy (in percent):	
2320xx Subsidy rate (+ or –)	The 2320 data line series presents data on the subsidy costs inherent in making a cohort of loan guarantees. In the PY, the rate should be the actual execution rate. In the CY column use the budget execution rate. Note that the subsidy rate (in percent) must be rounded to the nearest hundredth of one percent and entered into MAX with decimal points. For example, 50.503 percent will be entered as 10.50; 1.05 percent as 5.05; and 0.5 percent as 0.50. Amounts should be shown, even if zero or negative.
232999 Weighted average subsidy rate	The disbursement weighted average of all lines 2320 above is automatically calculated by multiplying each subsidy rate detail line (lines 2320) by a weighting factor. The weighting factor is calculated by dividing the corresponding guaranteed loan level (lines 2150) by the total guaranteed loan level (line 2159). For non-zero transmittal codes, enter the change to the subsidy rates reported under transmittal code zero due to legislation in schedule U, not the new subsidy rates.
Guaranteed loan subsidy budget authority:	
2330xx Subsidy budget authority (+ or –)	The 2330 data line series presents data in dollars on the subsidy costs inherent in making a cohort of guaranteed loans. For positive subsidy programs, amounts reflect the budget authority obligated in the program account. For negative subsidy programs, amounts reflect financing authority obligated in the financing account—amounts must be reported even if the subsidy is negative. For PY only, budget authority should reflect both new and carry forward used. In the CY column, the amount will equal the amount appropriated for subsidies plus unobligated balances eligible to be carried forward. The BY column will show the requested subsidy amount and must agree with amounts in appropriations language.
233999 Total subsidy budget authority	The sum of all lines 2330 above.
Guaranteed loan subsidy outlays:	
2340xx Net subsidy outlays (+ or –)	The 2340 data line series presents data on the amount of subsidy disbursed in a given year for new loan guarantees. An outlay or a negative subsidy receipt is recorded in the program account at the

Entry	Description
	time the lender disburses the loan to the borrower. Report outlays and receipts from both new budget authority and from balances on this line.
2341xx Negative subsidy receipts	Report negative subsidy receipts from both new budget authority and from balances on this line. Also, report modification savings on this line. Data on this line are used to calculate net subsidy outlays in line 2340.
2342xx Positive subsidy outlays	Report positive subsidy outlays from both new budget authority and from balances on this line. Also, report modification costs on this line. Data on this line are used to calculate net subsidy outlays in line 2340.
234999 Total subsidy outlays	The sum of all lines 2340 above.
Guaranteed loan upward reestimate:	
2350xx Upward reestimate	The 2350 data line series presents data on the amount of upward reestimate, including upward interest on reestimate, paid to the financing account in any given year. Report upward reestimates for all outstanding fiscal year cohorts for which upward reestimates are paid to the financing account. Report amounts in PY and CY only.
235999 Total upward reestimate	The sum of all lines 2350 above.
Guaranteed loan downward reestimate:	
2370xx Downward reestimate (–)	The 2370 data line series presents data on the amount of downward reestimate, including downward interest on reestimate, paid out of the financing account in any given year. Report downward reestimates for all outstanding fiscal year cohorts for which downward reestimates will be paid out of the financing account. Report amounts in PY and CY only.
237999 Total downward reestimate	The sum of all lines 2370 above.
Administrative expense data:	Report lines 3510–3590 for all program accounts.
351001 Budget authority	Budget authority provided or requested for administrative expenses for both direct and guaranteed loan programs.
358001 Outlays from balances	Outlays for administrative expenses from prior year obligated balances.
359001 Outlays from new authority	Outlays for administrative expenses from new budget authority.

185.11 What do I report for financing accounts?

Financing accounts record the cash flows associated with post–1991 direct loan obligations or loan guarantee commitments and for modifications of all direct loans and loan guarantees. These cash flows include loan disbursements, payments for guarantee claims, principal repayments, interest received from borrowers, interest paid on borrowing, interest earned on uninvested funds, interest supplements, fees and premiums received, and recoveries on defaults. Separate financing accounts are used for direct loan obligations and loan guarantee commitments. As for all other accounts, changes due to legislative proposals should be reflected in the appropriate transmittal code (see sections 79.2 and 82).

(a) *Program and financing schedules (schedule P)*

Use the following line number scheme in the "obligations by program activity" section of the program and financing schedule for financing accounts (see exhibits 185C and 185F). MAX will automatically generate the line entries indicated in **boldface**.

SELECTED P&F ENTRIES IN FINANCING ACCOUNTS

Entry	Description
Obligations by program activity:	
Stub entries should describe the transactions reported below.	
0710 Direct loan obligations	Obligations for post–1991 direct loan disbursements (equal to face value). Equal to the total direct loan obligations on line 1159 in schedule U of the program account.
0711 Default claim payments on principal	Obligations for default claim payments for principal on post–1991 loan guarantees. Equal to the sum of terminations for default in schedule H, lines 2261-2263.
0712 Default claim payments on interest	Obligations for default claim payments for interest on post–1991 loan guarantees.
0713 Payment of interest to Treasury	Interest on debt owed to Treasury (calculated at the same rate as the discount rate for the cohort). Tools are available from OMB to calculate interest income and interest expense.
0715 –0739	Other entries for obligations, such as interest supplements to lenders or other expenses.
0740 Negative subsidy obligations	Obligations for negative subsidies for new direct loan obligations or loan guarantee commitments, to be paid to the negative subsidy receipt account for the credit program. Equal to the sum of negative subsidy obligations on lines 1330 or 2330 in schedule U of the program account.
0741 Modification savings	Obligations for negative subsidies (savings) resulting from a modified direct loan or loan guarantee, to be paid to the negative subsidy receipt account.
0742 Downward reestimates paid to receipts accounts	Obligations for downward reestimates of the subsidy to be paid to the negative subsidy receipt account for the credit program.
0743 Interest on downward reestimates	Obligations for interest on the downward reestimate to be paid to the negative subsidy receipt account for the credit program.
0744 Adjusting payments to liquidating accounts	Obligations for payments to purchase liquidating account loan assets or to reimburse the liquidating account for modification cost increases for pre–1992 direct loans and loan guarantees.
Unobligated balance:	
1000 Unobligated balance brought forward, Oct 1	In the case of loan guarantees, unobligated balances of the original subsidy payment, fees, interest, and other offsetting collections will be retained until needed to pay default claims and other expenses. If a loan guarantee is modified, the unobligated balance brought forward into the *following fiscal year* is adjusted by the amount of the modification, net of the amount of the modification adjustment transfer.
New financing authority (gross), detail:	

Entry	Description
1200 Appropriation	Amount of authority becoming available as a result of a modification adjustment transfer from the general fund in the event that the modification cost estimate under-compensated the financing account.
1236 Appropriations applied to repay debt	If a direct loan financing account receives a modification adjustment transfer from the general fund, the amount is used to reduce debt owed to Treasury.
1400 Borrowing authority	Financing authority (authority to borrow from Treasury) for the part of direct loans not financed by subsidy and fees, and for any default claims that cannot be paid by unobligated balances.
Spending authority from offsetting collections:	
1800 Collected	Amount of offsetting collections (cash) credited to the account and refunds that pertain to obligations recorded in prior years.
1801 Change in uncollected customer payments from program account from Federal sources (+ or –)	Change in unpaid, unfilled orders from program account for subsidy cost. Report increases as positive entries (for expected future subsidy cost collections in future fiscal years); report decreases as negative entries (for received subsidy cost collections in prior fiscal years).
1820 Capital transfer of spending authority from offsetting collections to general fund (–)	Used for modification adjustment transfer to the general fund in the event that the modification cost estimate over compensated the financing account. See section 185.7(b).
1825 Spending authority from offsetting collections applied to repay debt (–)	Amount of offsetting collections used for repayments of outstanding borrowing.
Memorandum (non-add) entries:	
3020 Obligated balance, start of year	For PY, this amount must tie to the PY end of year amounts reported in FACTS II for PY-1, including any revisions made during the FACTS II revision window. CY and BY amounts automatically generated by MAX. Includes unpaid obligations, e.g., undisbursed direct loans, negative subsidies or other obligations.
3100 Obligated balance, end of year	Includes unpaid obligations, e.g., undisbursed direct loans, negative subsidies or other obligations. Automatically generated by MAX.
Offsets against budget authority and outlays:	
4120 Federal sources (–)	Collections of subsidy payments and upward reestimates from program accounts, and adjusting payments from liquidating accounts for pre–1992 direct loans and loan guarantees.
4122 Interest on uninvested funds (–)	Collections of interest on uninvested funds (financing account interest earned). Tools are available from OMB to calculate interest earned.
4123 Non-Federal sources (–)	Collections of principal repayments and interest payments on direct loans by borrowers, collections on defaulted direct loans or guaranteed loans, fees or premiums paid by non-Federal lenders or borrowers, prepayments of direct loans, proceeds from the sale of direct loans or collateral, or other collections from the public resulting from a direct loan or loan guarantee.

Note: MAX automatically modifies financing account line stubs from budget authority and outlays to financing authority and financing disbursements, respectively. Financing accounts do not have discretionary amounts, and therefore do not use lines 4010 through 4101. Further, Schedule P line 4142, Offsetting collections credited to expired accounts, is not valid in financing accounts. All cash collections are used to repay Treasury debt, pay obligations of the financing account, or execute downward reestimates. Do not use lines 1700 through 1742. Financing authority from offsetting collections in financing accounts must be recorded as mandatory, regardless of whether the authority for subsidy in the program account is mandatory or discretionary.

(b) *Direct loan data (schedule G)*

Prepare a Status of direct loans schedule (schedule G) (PY-BY+4) for all liquidating accounts and all direct loan financing accounts (see exhibits 185D and 185J). Each line entry is described in the table below. MAX will automatically generate the line entries indicated in **boldface**.

DATA REQUIREMENTS FOR SCHEDULE G

Entry	Description
Position with respect to appropriations act limitation on obligations:	Provide lines 1111–1150 for direct loan financing accounts only.
1111 Limitation on direct loans	Amount of limitation enacted or proposed to be enacted in appropriations acts. Do not use for programs without an explicit limitation in an appropriations act (see line 1131). For discretionary programs, the BY amount should be consistent with line 1159 in schedule U.
1121 Limitation available from carry-forward	Amount of limitation available from a multi-year limitation enacted in a previous year that was not obligated and is available for use. This amount should correspond to the previous year's amount of unobligated limitation carried forward (line 1143). For programs that do not have a fixed loan limitation, this amount should be equal to the direct loan level supportable with the budget authority that is carried forward.
1131 Direct loan obligations exempt from limitation	Amount of obligations for direct loans to the public not subject to a specific limitation in appropriations acts. Use this line for mandatory programs or for discretionary programs without a maximum loan volume specified in appropriations acts.
1142 Unobligated direct loan limitation (–)	Amount of limitation enacted in appropriations acts that is not obligated in the year it is enacted. Include only amounts that expire. Do not include multi-year limitation amounts that can be carried forward in a future fiscal year (see line 1143). Report amounts in PY and CY only unless specifically approved by OMB.
1143 Unobligated limitation carried forward (P.L. xx) (–)	Amount of multi-year limitation enacted in an appropriations act that was not obligated and is carried forward for use in a subsequent year.
1150 Total direct loan levels	The sum of lines 1111 through 1143. This is the direct loan portion of the credit budget. This amount should be consistent with direct loan obligations recorded on line 0710 in the program and financing schedule of the financing account and line 1159 in schedule U of the program account.
Cumulative balance of direct loans outstanding:	Provide lines 1210–1290 for liquidating and direct loan financing accounts. Do not report amounts reflecting defaulted guaranteed loans. Defaulted guaranteed loans are presented in schedule H 2310-2390.

Entry	Description
1210 Outstanding, start of year	Amount of direct loan principal outstanding at the beginning of the year. Amounts for PY are automatically generated from data reported in the previous year's *Budget Appendix*. If the number needs to be revised, use line 1264 "other adjustment" with explanatory comment.
1231 Direct loan disbursements	Amounts of disbursements of principal for direct loans and 100 percent guarantees financed by the Federal Financing Bank. This does not include amounts shown separately on line 1232.
1232 Purchase of loan assets from the public	Amount of loans purchased or repurchased by the account from non-Federal lenders.
1233 Purchase of loan assets from a liquidating account	Amount of direct loan assets transferred from liquidating account to a financing account as a result of a loan modification.
Repayments:	These entries must agree with amounts included for these transactions on line 4123 (offsetting collections from non-Federal sources) of the program and financing schedule for the account. The proceeds from discounted prepayment programs that were part of a loan asset sales program should be recorded together with the proceeds from loan asset sales to the public (line 1253). The discount (i.e., the difference between the face value of the loan and the proceeds received from discounted prepayments) should be recorded together with the discount on loan asset sales to the public (line 1262).
1251 Repayments and prepayments (–)	Amount of principal repayments or prepayments. In the liquidating account, this entry will include repayments on loans disbursed by the FFB.
1252 Proceeds from loan asset sales to the public or discounted prepayments without recourse (–)	Amount of gross proceeds received from the non-recourse sale of loans to non-Federal buyers or the discounted loan prepayments that were part of a loan asset sales program.
1253 Proceeds from loan asset sales to the public with recourse (–)	Amount of gross proceeds received from the sale of loans to non-Federal buyers when loans are sold with recourse to the Federal Government. The full principal of the loans is scored as a new guaranteed loan commitment (line 2132).
Adjustments:	
1261 Capitalized interest	Amount of interest due at the end of the year that is capitalized as part of the existing loan principal.
1262 Discount on loan asset sales to the public or discounted prepayments (–)	Difference between the face value of the loan and the proceeds received by the account from the sales of loans to non-Federal buyers or discounted loan prepayments that were part of a loan asset sales program.
1263 Write-offs for default: Direct loans (–)	Amount of direct loan principal reduced by write-offs for defaults. This line should only be used to indicate write-offs of loans that were initiated as direct loans. (Refer to the processes for write-offs in OMB Circular No. A–129.)
1264 Other adjustments, net (+ or –)	Proceeds from the sale of collateral acquired from the foreclosure of direct loans; amount of principal repayments waived as provided by statute, in the event of certain specified contingencies; outstanding balances of loans transferred to or received from other accounts amount of principal reduced or increased for other reasons. When this line is used, the adjustment must be explained in a comment.

Entry	Description
1290 Outstanding, end of year	Amount of direct loan principal outstanding at the end of the year. The sum of lines 1210 through 1264.

(c) *Guaranteed loan data (schedule H)*

Prepare a Status of guaranteed loans (schedule H) (PY-BY+4) for all liquidating and guaranteed loan financing accounts (see exhibits 185G and 185K). Report the full principal amounts of loans guaranteed, whether guaranteed in full or in part. Report principal only, even if the guarantee covers both the principal and interest. Do not count agency guarantees of loans disbursed by the FFB as guaranteed loans; treat such loans as direct loans of your agency financed by the FFB.

Each line entry is described in the table below. MAX will automatically generate the line entries indicated in **boldface**.

DATA REQUIREMENTS FOR SCHEDULE H

Entry	Description
Position with respect to appropriations act limitation on commitments:	Provide lines 2111–2199 for guaranteed loan financing accounts only.
2111 Limitation on guaranteed loans made by private lenders	Amount of limitation enacted or proposed to be enacted in appropriations acts on full principal of commitments to guarantee loans by private lenders. Do not use for programs without an explicit loan limitation (see line 2131). For discretionary programs, the BY amount is equal to line 2159 in schedule U.
2121 Limitation available from carry-forward	Amount of limitation on full principal of commitments to guarantee loans by private lenders that is available from a multi-year limitation enacted in a previous year that was not obligated and is available for use. This amount should correspond to the previous year's amount of unobligated limitation carried forward (line 2143). For programs that do not have a fixed loan limitation, this amount should be equal to the guaranteed loan level supportable with the budget authority that is carried forward.
2131 Guaranteed loan commitments exempt from limitation	Amount of full principal of commitments to guarantee loans by private lenders that is not subject to limitation. Use this line for mandatory programs and discretionary programs that do not have a loan limitation.
2132 Guaranteed loan commitments for loan asset sales to the public with recourse	Amount of full principal of guaranteed loan commitments made as a result of selling direct loans to non-Federal buyers with recourse to the Federal Government.
2142 Uncommitted loan guarantee limitation (–)	Amount of limitation enacted in appropriations acts on full principal of commitments to guarantee loans by private lenders that is not committed in the year it is enacted. Includes only amounts that expire. Do not include multi-year limitation amounts that can be carried forward in a future fiscal year (see line 2143). Report amounts for PY and CY only.
2143 Uncommitted limitation carried forward (P.L. xx) (–)	Amount of multi-year limitation enacted in an appropriations act that was not committed and is carried forward for use in a subsequent year.
2150 Total guaranteed loan levels	The sum of lines 2111 through 2143. This is the guaranteed loan portion of the credit budget. This amount should be consistent with line 2159 of schedule U in the program account.

Entry	Description
Memorandum: 2199 Guaranteed amount of guaranteed loan commitments	Amount of maximum potential Federal liability for the guaranteed loan principal associated with line 2150. To the extent the guarantee covers both principal and interest, this amount must exclude interest. This entry is required even though the amount may be the same as in line 2150.
Cumulative balance of guaranteed loans outstanding:	Provide lines 2210–2390 for liquidating and guaranteed loan financing accounts.
2210 Outstanding, start of year	Full face value of guaranteed loan principal outstanding at the beginning of the year. This includes the unguaranteed portion of the loan principal outstanding. Amounts for PY are automatically generated from data reported in the previous year's *Budget Appendix*. If the PY amount needs to be revised, use line 2264 and include an explanatory comment.
Disbursements:	
2231 Disbursements of new guaranteed loans	Amount of guaranteed loan principal disbursed. This includes the unguaranteed portion of the loan principal disbursed.
2232 Guarantees of loans sold to the public with recourse	Face value amount of guaranteed loan principal of loans sold to non-Federal buyers with recourse to the Federal government. This includes the unguaranteed portion of the loan principal disbursed.
Repayments:	
2251 Repayments and prepayments (–)	Amount of principal repayments and prepayments.
Adjustments:	
2261 Terminations for default that result in loans receivable (–)	Amount of loan principal reduced by terminations for default that subsequently become a loans receivable in which the formerly guaranteed borrower owes the agency for the amount of claims paid as a result of the borrower's default. (See lines 2310–2390.)
2262 Terminations for default that result in acquisition of property (–)	Amount of loan principal reduced by terminations for default that lead to the acquisition of physical property by the agency.
2263 Terminations for default that result in claim payments (–)	Amount of loan principal reduced by terminations for default that lead to claim payments by the agency that result in neither a loan receivable nor the acquisition of property.
2264 Other adjustments, net (+ or –)	Amount of loan principal reduced or increased for reasons other than those covered by the lines listed above; includes outstanding principal balances of guaranteed loans transferred to or received from other accounts. When this line is used, the adjustment must be explained in a comment.
2265 Capitalized Interest (+)	Amount of loan principal increased due to capitalized interest.
2290 Outstanding, end of year	Amount of guaranteed loan principal outstanding at the end of the year. The sum of lines 2210 through 2264.
Memorandum: 2299 Guaranteed amount of guaranteed loans outstanding, end of year	Amount of maximum potential Federal liability for the guaranteed loan principal associated with line 2290. To the extent the guarantee covers both principal and interest, this amount must exclude interest. This entry is required even though the amount may be the same as in line 2290.

Entry	Description
Addendum: Cumulative balance of defaulted guaranteed loans that results in loans receivable:	
2310 Outstanding, start of year	Amount of defaulted guaranteed loans that resulted in the acquisition of a loan receivable outstanding at the beginning of the year.
2331 Disbursements for guaranteed loan claims	Amount of disbursements for acquisition of defaulted loans that were previously guaranteed and result in loans receivable, where the borrower owes the account for the disbursement. These disbursements include past due interest amounts that were paid under the terms of the loan guarantee, if such amounts were capitalized as part of the loan principal.
2351 Repayments of loans receivable (–)	Proceeds received by the account from the settlement of claims on defaulted guaranteed loans that resulted in loans receivable to be applied to the reduction of the loans receivable outstanding. Exclude any premium realized.
2361 Write-offs of loans receivable (–)	Amount of loans receivable written-off for default that were initiated as guaranteed loans but were subsequently acquired as loans receivable. (Refer to the definitions for write-offs provided in OMB Circular No. A–129.)
2364 Other adjustments, net (+ or –)	Amount of loans receivable reduced or increased for reasons other than those covered by the lines listed above. When this line is used, the adjustment must be explained in a comment.
2390 Outstanding, end of year	Amount of defaulted guaranteed loans that resulted in loans receivable outstanding at the end of the year. The sum of lines 2310 through 2364.

(d) *Agency debt held by the FFB and net financing disbursements (schedules Y, G, and H)*

Baseline data on ***debt owed to the FFB*** must be reported by all financing and liquidating accounts and by programs that are not covered by the FCRA, such as the Tennessee Valley Authority and Federal Deposit Insurance Corporation (which assumed the responsibilities of the Resolution Trust Corporation). All FFB transactions are treated as means of financing to the agencies. In order to track old and new transactions, the lines should be coded with a two-digit suffix as follows, to identify the transactions:

- .01 FFB loan originations.
- .02 Sale of loan assets to the FFB.
- .03 Sale of debt securities to the FFB.

Report this data on the 3300 data line series in schedule Y (PY through BY+9). No policy estimates are required.

Baseline and policy data on ***net financing disbursements*** must be reported for all financing accounts. "Net financing disbursements" are analogous to net outlays reported on line 4170 in schedule P of the program account and consist of total financing disbursements (gross) less total offsetting collections in the financing account. Net financing disbursements are calculated by subtracting total cash inflows to the financing account from total cash outflows from the financing account. Cash inflows include subsidy and reestimate collections from the program account, borrower principal and interest payments, recoveries, fees, interest received from Treasury, and other inflows. Cash outflows include loan disbursements, default claim payments, negative subsidy and downward reestimate payments to the receipt account, interest paid to Treasury, and other outflows. In PY through BY, these amounts should equal the amount reported on line 4170 in schedule P of the financing account. These data are needed to estimate Federal borrowing and interest on the public debt.

Report this data in schedule Y for both baseline and policy estimates.

DATA REQUIREMENTS FOR SCHEDULE Y

Entry	Description
Agency debt held by the FFB	Provide lines 3310–3390 for liquidating and direct and guaranteed loan financing accounts. Report PY-BY+9.
3310 Outstanding agency debt, start of year	Amount of agency debt issues held by FFB at the beginning of the year.
3330 New agency borrowing	Amount of new borrowing from FFB.
3350 Repayments and prepayments (–)	Amount of repayments made to FFB.
3390 Outstanding agency debt, end of year	Amount of agency debt issued held by FFB at the end of the year. The sum of lines 3310 through 3350.
Net financing disbursements:	Provide lines 6200 and 6300 for direct and guaranteed loan financing accounts only. Report PY-BY+9.
6200 Net financing disbursements—policy	Net financing disbursements based on presidential policy. Policy net financing disbursements should equal line 4170 in schedule P of the financing account. See section 185.11(d).
6300 Net financing disbursements—baseline	Net financing disbursements based on current law. Enter data for CY-BY+9. Should equal line 6200 above unless there is a policy proposal that would affect the numbers in Y.

Note: Lines 3310–3390 do not print in the Budget Appendix. These data are used by OMB for reporting and analysis.

185.12 What do I report for liquidating accounts?

Reporting requirements for liquidating accounts are discussed in sections 185.9, 185.11(b), 185.11(c), and 185.11(d). An illustration of a typical liquidating account program and financing schedule can be found at exhibit 185I. Illustrations of typical liquidating account status of direct and guaranteed loans schedules can be found at exhibits 185J and 185K.

185.13 What do I report for receipt accounts?

Negative subsidy and downward reestimate receipt accounts record receipts of amounts paid from the financing account when there is a negative subsidy or downward reestimate. Usually, they are general fund receipt accounts, but with the permission of the OMB representative for the account, they can be special fund receipt accounts. If the program is discretionary, report negative subsidies as "discretionary." If the program is mandatory, report negative subsidies as "mandatory." Report downward reestimates for all credit programs as "mandatory, authorizing committee" in schedules R and K (see section 81).

185.14 Must credit accounts be apportioned?

Yes. The Antideficiency Act requires that all appropriation and fund accounts, including credit program accounts, financing accounts, and liquidating accounts, be apportioned unless exempted by OMB or a specific statute. OMB may grant exemptions from apportionment in the form of a letter to the head of the department or establishment.

185.15 When do I submit an apportionment request (SF 132)?

If budgetary resources...	For example ...	Then ...
Result from current action by Congress	The annual appropriation in the program account for the: • direct loan subsidy cost, • loan guarantee subsidy cost, • administrative expenses, or • modifications.	Submit the initial apportionment requests by August 21 or within 10 calendar days after the approval of the act providing the new budgetary resource, whichever is later. Apportionments for both the program and financing account must be submitted and approved prior to incurring direct loan obligations or loan guarantee commitments. Submit reapportionment requests whenever circumstances change. For example, if the subsidy cost appropriation was apportioned solely to make new loans, then you must submit a reapportionment request for both the program and financing accounts before you make a modification that will increase the cost.
Do not result from current action by Congress	The unobligated balances in the financing accounts. Permanent indefinite appropriation in the program account to cover an upward reestimate.	Submit the initial apportionment request by August 21 before the beginning of the fiscal year. Submit the request for anticipated reestimates with the initial apportionment. When the exact amount is calculated, submit a reapportionment to cover any increase over your initial approved amount.
	Permanent indefinite appropriation in the liquidating account.	Submit the initial apportionment request by August 21 before the beginning of the fiscal year. Submit reapportionments as needed.

185.16 How do I fill out the SF 132?

Section120 of this circular provide general apportionment guidance, including terminology, line descriptions, timing, and apportionment categories. As with other programs, you will need to locate and review the enacted appropriations language for your credit program. In some cases, you may also need to locate and review other authority in authorizing or substantive acts. An example of standard appropriations language for credit programs is provided in section 95.6, and illustrated in exhibit 185M. Standard appropriations language for credit programs consists of the following parts:

- Appropriation for the subsidy cost of the direct loan or guarantee program;
- Limitation on the loan program; and
- Appropriation for administrative expenses.

You need the appropriations language to verify that:

- Subsidy cost amounts and administrative expenses are shown correctly on your program account SF 132 (see exhibit 185N);

- Amounts apportioned to reimburse your salaries and expenses account, if any, are correct; and

- Program level portion for the guaranteed loan financing account SF 132 (see exhibit 185P) agrees with the limitation set in the appropriations language. For programs with subsidy budget authority but without an enacted loan limitation, reflect the program volume as the apportioned budget authority divided by the OMB-approved subsidy rate.

- For mandatory programs with indefinite subsidy budget authority, the program level will equal the amount of loan guarantees anticipated to be committed.

Instructions for filling out the SF 132 for liquidating accounts can be found in section 120 (see exhibit). Exhibit 185Q provides side-by-side, line-by-line instructions for completing the SF 132 for the program account, direct loan financing account, and guaranteed loan financing account. Exhibits 185M through 185CC are a simplified presentation highlighting the budget execution dynamics for interrelated credit accounts. The scenario begins with the program account receiving an appropriation for both direct loans and loan guarantees and concludes with preparing the last quarterly budget execution report for each account. Exhibits for modifications and reestimates are also provided. For this example, assume that this is a new credit program; 25 percent of the amounts appropriated for subsidy cost are obligated each quarter but only 80 percent is disbursed each quarter (with the remainder in the next quarter); 25 percent of the amount appropriated for administrative expenses is obligated and outlayed each quarter; no borrower fees are charged; and simplified interest and repayments calculations are used.

185.17 Do amounts for an upward reestimate (and interest on reestimate) need to be apportioned?

Yes. An upward reestimate indicates that insufficient funds were paid to the financing account. The reestimate amount (plus interest on reestimate) must be obligated and outlayed from the program account to the financing account to make sure it has sufficient assets to cover its liabilities. Before recording this obligation, ensure you have adequate resources apportioned. Section 504(f) of the FCRA provides permanent indefinite budget authority for this purpose. If you were unable to include the reestimate in your program account's initial apportionment or you requested too little, submit a reapportionment request for the additional permanent indefinite appropriation the program account needs to pay to the financing account. See exhibit 185S for a sample reapportionment for an upward reestimate of a program account.

You must make a reestimate immediately after the end of each fiscal year as long as any loans are outstanding, unless a different plan is approved by OMB. After you complete your reestimate, prepare and submit an SF 132 as needed.

185.18 Do amounts for a downward reestimate (and the interest on reestimate) need to be apportioned?

Yes. A downward reestimate indicates that the subsidy cost payment to the financing account by the program account was too large so that its assets exceed its liabilities. The reestimate amount (plus interest on reestimate) must be obligated and disbursed from the financing account. Before recording the obligation, ensure you have adequate resources apportioned. For direct loans only, if the downward reestimate is due to increased actual collections, use these amounts to cover the obligation. To the extent the reestimate is due to projected increased collections, request borrowing authority to cover the obligation. For loan guarantees only, to the extent the reestimate is due to lower default payments than initially estimated, either actual or projected, use your uninvested balance with Treasury to cover the obligation. In cases where amounts less than $1 need to be returned, do not include the amount on the face of the apportionment (SF 132 Category B lines 6011-6111). Instead, place a footnote on SF 132 Line 6190 that discusses the return of the amount.

For both discretionary and mandatory programs, disburse the excess (plus interest on reestimate) to a downward reestimate receipt account (see exhibit 185T).

185.19 Do amounts for interest payments to Treasury need to be apportioned?

Yes. For financing accounts, additional amounts (i.e., amounts exceeding your estimate on the most recent approved apportionment) are automatically apportioned. For liquidating accounts, you will need to submit a reapportionment for any additional amounts.

185.20 Do amounts for transfers of unobligated balances to the general fund or debt repayments to Treasury need to be apportioned?

No. Capital transfers, including transfers of unobligated balances in liquidating accounts to the general fund (i.e., liquidating account sweeps), and redemption of debt are not obligations and therefore do not need to be apportioned on lines 6001-6173. However, you do need to plan for such transfers or repayments and show your estimated debt repayments as a negative amount on line 1236 or 1252 (if anticipated) when you submit your SF 132.

185.21 How do I handle modifications?

Before you modify a direct loan or loan guarantee, you should take the following steps:

- **Step 1.** Estimate the cost of the modification (see section 185.7);
- **Step 2.** Request an apportionment, if necessary;
- **Step 3.** Receive an approved apportionment from OMB, if necessary;
- **Step 4.** Modify the direct loan or loan guarantee; and
- **Step 5.** Record the obligation (see sections 185.30 and 185.31).

To determine whether you need a reapportionment:

If ...	**Then ...**
The current apportionment allows the apportioned resources to be used for modifications and the cost of the modification is equal to or lower than the amount apportioned less any amounts already obligated.	No reapportionment is required.
The current apportionment does not allow the apportioned resources to be used for modifications.	Yes. See exhibit 185R for a sample reapportionment for a modification.
If the cost of the modification is higher than the amount apportioned less amounts already obligated.	Yes. See exhibit 185R for a sample reapportionment for a modification.

185.22 Am I required to submit budget execution reports (SF 133)?

Yes. Submit SF 133s on a quarterly basis for all accounts, including those that OMB has exempted from apportionment. The OMB representative with primary budget responsibility for the credit account may require budget execution reports more frequently, such as monthly. For credit financing accounts, submit the final SF 133 on a cohort basis unless OMB has approved reporting on a combined basis.

185.23 How do I fill out the SF 133?

Section 130 and appendix F of this circular provide general budget execution reporting guidance, including terminology, line descriptions, and timing. You prepare the SF 133 to show the extent that resources controlled by the SF 132 and other resources have been consumed. The relationship between program and financing accounts is dynamic, affecting different entries of the SF 132 and SF 133 at different stages of the process as transactions occur throughout the year. These complex relationships are illustrated in exhibit 185Y which provides side-by-side, line-by-line instructions for completing the first quarter SF 133 for the hypothetical credit program. Exhibits 185V through 185X illustrate the individual SF 133s for the program, direct loan financing, and guaranteed loan financing accounts, respectively, for the first quarter. Exhibit 185CC continues the presentation of exhibit 185Y by describing the entries for the SF 133 for the fourth quarter. Exhibits 185Z through 185BB illustrate the individual SF 133s for the program, direct loan financing, and guaranteed loan financing accounts, respectively, for the fourth quarter.

Because program accounts typically receive one-year budget authority, the SF 133 will have an unexpired account column as well as five expired account columns. Financing and liquidating accounts, however, have no-year authority so their SF 133s will have only an unexpired column (see section 20.4(c) for a discussion of period of availability).

185.24 How do I calculate the initial subsidy cost estimate for execution?

You are required to use the Credit Subsidy Calculator 2 to calculate subsidy cost estimates. The Credit Subsidy Calculator 2 and accompanying documentation are available from the OMB representative with primary responsibility for the credit account.

In most cases, you will use the same subsidy rate for execution as you calculated earlier for the Budget policy subsidy rate. However, if the loan contract terms have changed for any reason, then you must update the subsidy rate to reflect the actual terms at the time the loan contract is signed. For programs that calculate separate subsidy rates for each loan or loan guarantee, if the borrower's interest rate is benchmarked to a Treasury interest rate, then the borrower interest rate assumption should be consistent with the economic assumptions for that cohort. The default expectation associated with the risk rating is a forecast assumption and should match the President's Budget for the year of obligation. Please see your OMB contact for more information.

Do not change the forecast technical assumptions or the methodological assumptions.

For mandatory programs in the Mid-Session Review (MSR), consistent with MSR guidance you should update estimates of subsidy budget authority, outlays, receipts, and net financing disbursements for volume updates reflecting MSR economic assumptions. Do not update the execution subsidy rate for MSR economic assumptions.

185.25 What transactions do I report when the Government incurs direct loan obligations or makes loan guarantee commitments?

For the program account (see exhibit 185V):

- Include the estimated subsidy cost obligations on lines 2001-2102, Obligations incurred. If resources for the subsidy cost were apportioned in Category A, include the amount on line 2001. If the resources were apportioned in Category B, include the amount on lines 2002 in the appropriate category; and

- Include the amount on lines 3010, Obligations incurred: unexpired accounts and 3050, Unpaid obligations, end of year, since the amount is not yet outlayed to the financing account.

For the direct loan financing account (see exhibit 185W):

- Include the subsidy cost payment obligated in the program account but not yet paid on line 1801, Change in uncollected customer payments from Federal sources (mand.) (+or -) ; and
- Include the amount on lines 3070, Change in uncollected customer payments from Federal sources: Unexpired accounts (+ or –) (with the opposite sign as line 1801) and 3090, Uncollected customer payments from Federal sources, end of year (–), since the amounts have not been received from the program account.
- To show the borrowing component:
- Before signing the contract, verify that OMB has apportioned enough borrowing authority on line 1400 to cover the part of the direct loan obligation not covered by the subsidy cost payment and upfront fees;
- After you sign the contract, include the obligation on line 2101-2102, Obligations incurred. If the direct loan was apportioned in Category A, include the amount on line 2101. If the direct loan was apportioned in Category B, include it on line 2102 in the appropriate category; and
- Include the amount on lines 3010 Obligations incurred: unexpired accounts and 3050, Unpaid obligations, end of year.
- Record the face value of the direct loan obligation on line 1200 of schedule G, Total outstanding direct loan obligations EOY.

For the loan guarantee financing account (see exhibit 185X):

- Include the subsidy payment obligated in the program account but not yet paid on line 1801, Change in uncollected customer payments from Federal sources (mand.) (+ or -) ; and
- Include the amount on lines 3070, Change in uncollected customer payments from Federal sources: Unexpired accounts (+ or –) (with the opposite sign as line 1801) and 3090, Uncollected customer payments from Federal sources, end of year (–), since the amounts have not been received from the program account.
- Include the uncollected subsidy amount (as a negative amount) on line 3200, Obligated balance EOY until the amount is transferred from the program account via an expenditure transfer.
- Record the face value of the loan guarantee commitment on line 2200 of schedule H, Total outstanding loan guarantee commitments EOY.

It is conceptually possible that the line 1801 entries may result in a negative end of year obligated balance (Line 3200), particularly for programs that disburse slowly. The transactions are similar for a negative subsidy program except that the financing account will make a transaction with the negative subsidy receipt account rather than the program account (see section 185.3(v)).

185.26 What transactions do I report when the Government disburses a direct loan or a private lender disburses a guaranteed loan?

For the program account (see exhibit 185V), just before a loan is disbursed from the financing account:

- Pay the financing account and include the subsidy cost payment on lines 3020, Outlays (gross) (–) and 4010, Outlays from new discretionary authority. If the loan will be disbursed in multiple payments, transfer only the subsidy amount proportional to the amount of the disbursement; and
- Reduce line 3050, Unpaid obligations, end of year by the same amount.

For direct loan financing accounts:

- When the subsidy cost payment is received from the program account, reduce lines 1801, Change in uncollected customer payments from Federal sources (mand.) (+ or –), and 3070, Change in uncollected customer payments from Fed sources: Unexpired accounts (+ or –). Also, increase line 1800, Spending authority from offsetting collections (mand.): Collected, and line 4120, Offsetting collections from: Federal sources (mand.); and
- Once the loan is actually disbursed (see exhibit 185W), include the loan disbursement on lines 3020, Outlays (gross) (–) and 4110 Total outlays, gross (mand.), and reduce the amount of loans payable from line 3050, Unpaid obligations, end of year.

For loan guarantee financing accounts:

- When the subsidy cost payment is received from the program account, reduce lines 1801, Change in uncollected customer payments from Federal sources (mand.) (+ or –), and 3070, Change in uncollected customer payments from Federal sources: unexpired accounts (+ or –). Also, increase line 1800, Spending authority from offsetting collections (mand.): collected, and line 4120, Offsetting collections from Federal sources (mand.);
- Do not report any loan disbursement because the private lender disbursed the loan, not the Federal Government (see exhibit 185W). Include the budget authority on line 4000 or 4090, Budget authority (gross). The subsidy cost payment collected by the financing account is held as an uninvested balance that earns interest from Treasury until it is used, for example, to pay default claims; interest supplements; the capitalized costs of foreclosing, managing, and selling collateral assets acquired as a result of defaults; and the costs routinely deducted from the proceeds of sales. Until these resources are needed for such obligations and they are apportioned, include them on line 6182, Unapportioned—other.

185.27 How do I handle non-subsidy cost collections?

Report all collections of direct loan principal, interest on direct loans, fees, proceeds from the liquidation of collateral assets, as well as any other collections, to the appropriate cohort and risk category in the financing or liquidating account, as appropriate. Place the amount you anticipate collecting on line 1840, Anticipated collections, reimbursements, and other income (mand.). As collections are actually received throughout the year, report them on line 1800, Spending authority from offsetting collections (mand.): Collected with a corresponding reduction on line 1840, Anticipated offsetting collections and a negative amount on line 4120, Offsetting collections from Federal sources (mand.). Because these amounts in financing accounts earn interest, include them in the interest income calculations (see section 185.34).

In financing accounts, non-subsidy cost collections may be used only for the cohort that generated the collection. Except for fees collected, these amounts are not available to make new loans. These amounts are available to:

- Fund a portion of the direct loan, if the collection is a fee paid by the borrower;
- Pay the capitalized costs of foreclosing, managing, and selling collateral assets acquired as the result of defaults on direct or guaranteed loans and costs that are routinely deducted from the proceeds of sales (see section 185.8 for items that qualify);
- Make annual payments of interest to Treasury; and
- Make repayments of principal on amounts borrowed from Treasury using any remaining amounts.

Non-subsidy cost collections in guaranteed loan financing accounts are available to:

- Pay the capitalized costs of foreclosing, managing, and selling collateral assets acquired as the result of defaults on direct or guaranteed loans and costs that are routinely deducted from the proceeds of sales;
- Maintain an unobligated balance to pay such capitalized costs or routinely deducted costs, if any;
- Pay default claims and interest supplements on guaranteed loans;
- Make annual payments of interest to Treasury;
- Make repayments of principal on amounts borrowed from Treasury; and
- Add to the unobligated balance.

To the extent that there are insufficient collections to make timely payment of interest or principal on Treasury borrowings, the financing account must borrow to make such payments. If the cohort's expected future cash flows will not be sufficient to fully repay this additional borrowing plus the cohort's other expected obligations, you must calculate a reestimate and use the subsidy cost collections from this reestimate to repay the additional borrowing, with interest.

In liquidating accounts, these amounts may be used for similar expenses (see section 185.3(l)) without regard to cohort.

185.28 What transactions do I report when a guaranteed loan defaults?

Loan guarantee default claims are recorded in financing and liquidating accounts. When you receive a loan guarantee default claim:

- Verify that the amount of the default claim is apportioned;
- Include the obligation to pay the claim on line 2101-2102 , Obligations incurred (reimbursable) for the financing accounts and lines 2001-2002 for liquidating accounts (direct obligations). If defaults were apportioned in Category A, place the amount on line 2101 for financing accounts and 2001 for liquidating accounts. If defaults were apportioned in Category B, place it on lines 2102 for financing accounts and 2002 for liquidating accounts in the appropriate category; and
- Include the amount as payable to the private lender on lines 3010, Obligations incurred: unexpired accounts and 3050, Unpaid obligations, EOY.

When you disburse a payment for a loan guarantee default claim:

- Include the payment on lines 3020, Outlays (gross) (–), and 4110, Total outlays, gross (mand.); and
- Reduce the amounts payable on line 3050 by the amount reported on lines 3020 and 4110.

185.29 What should I do with unobligated balances in the liquidating account?

You must transfer any unobligated balance remaining at the end of the fiscal year to the general fund unless OMB has approved an extension. Include this transfer on line 1022, Capital transfer of unobligated balances to general fund (–) and line 1820, Capital transfer of spending authority from offsetting collections to general fund (mand.) (–). Additionally, unobligated balances may be applied to repay debt using line 1023, Unobligated balances applied to repay debt (–) and line 1825, Spending authority from offsetting collections applied to repay debt (mand.) (–).

Amounts credited to liquidating accounts in any year are available only for obligations that are incurred in that year and repaying debt owed to the Treasury (including the FFB).

185.30 How do I report modifications of post–1991 direct loans and loan guarantees?

A modification results in a subsidy cost increase or decrease which must be recorded on the SF 133 as follows:

<table>
<tr><th>If Modification...</th><th>Then...</th></tr>
<tr><td>Increases cost</td><td>In the program account, include:
The increase on lines 2001-2002 and 3010, Obligations incurred; Unexpired accounts. If the resources for subsidy cost were apportioned in Category A, include the amount on line 2001. If the resources were apportioned in Category B, include the amount on lines 2002 in the appropriate category; and
The payment to the financing account on lines 3020, Outlays (gross) (–) and 4020, Total outlays, gross (disc.).
Note: You cannot incur subsidy cost obligations for modifications unless budgetary resources are available in the program account and have been apportioned for modifications.
In the financing account, include:
The collection from the program account on lines 1800, Spending authority from offsetting collections (mand.): Collected and 4120, Offsetting collections from Federal sources (mand.). Credit this amount to the cohort and risk category of the modified loan. Decrease the estimated collection on line 1840 Anticipated collections, if appropriate;
For a direct loan modification, use these amounts to pay interest and other expenses and to repay debt owed to Treasury; and
For a loan guarantee modification, use these amounts as needed to pay default claims and other expenses. Remaining balances will be held as uninvested balances with Treasury and will earn interest at the same rate as is paid on other funds held by the financing account for the same cohort.</td></tr>
<tr><td>Decreases cost</td><td>In the financing account include:
The estimated decrease on lines 2001-2002 Obligations incurred and 3010, Obligations incurred: unexpired accounts. If the resources for the subsidy cost were apportioned in Category A, include the amount on line 2001. If the resources were apportioned in Category B, include the amount on line 2002 in the appropriate category); and
The payment of the amount transferred to the appropriate account on lines 3020, Outlays (gross) (–) and 4110, Total outlays, gross (mand.). Include the collection in a negative subsidy receipt account.</td></tr>
</table>

For additional transactions, see section 185.7(b).

185.31 How do I report modifications of pre–1992 direct loans and loan guarantees?

You estimate and account for the increase or decrease in cost in the same way as modifications of post-1991 loans. In addition to the steps enumerated in section 185.30, normally you must transfer the direct loan assets or loan guarantee liabilities to be modified from the liquidating account to the financing account. As part of the transfer, you must make a payment from the financing account to the liquidating account, in the case of direct loans, or from the liquidating account to the financing account, in the case of loan guarantees. In exceptional cases, subject to the approval of the OMB representative with responsibility for the credit program, the modified loans may be retained in the liquidating account. In each case, fill out the budget execution report as follows:

If Asset or Liability will be	Then...
Transferred to the financing account	For direct loans, report an obligation in the financing account that is equal to the payment amount on lines 3010 Obligations incurred: Unexpired accounts and 2102, Reimbursable Obligations, Category B, and a disbursement in the same amount on line 3020, Outlays (gross) (–) and 4010/4011, Outlays from new discretionary authority / Outlays from discretionary balances. Include the receipt of the payment in the liquidating account on line 1800, Spending authority from offsetting collections, collected (mand) and 4033 Offsetting collections from non-Federal sources. For loan guarantees, include the obligation and outlay in the liquidating account and the offsetting collection in the financing account.
Retained by the liquidating account	Where the modification increases the cost: • For the program account, report an obligation for the appropriate subsidy cost amount on lines 3010, Obligations incurred: unexpired accounts and 2102, Obligations incurred, Category B, Modifications and an outlay in the same amount on lines 3020, Outlays (gross) (–) and 4010/4011, Outlays from new discretionary authority / Outlays from discretionary balances. • For the financing account, include the corresponding transaction on lines 1800, Spending authority from offsetting collections (mand.): Collected, 4120, Offsetting collections from: Federal sources (mand.) and obligation on lines 2000 and 3010, and a disbursement on lines 3020 and 4110.For the liquidating account, include the payment on lines 1800, Spending authority from offsetting collections (mand.): collected and 4120, Offsetting collections from Federal sources (mand.). • This payment compensates this account for the reduction in its assets (direct loan) or its increased liability (loan guarantee). Where the modification decreases the cost: • For the liquidating account, include permanent indefinite authority to make the payment to the financing account on line 1200, Appropriation (mand.). • For the financing account, include this receipt on lines 1800, Collected (mand.) and 4120, Offsetting collections from: Federal sources (mand.) and include the subsequent payment to the negative subsidy receipt account on lines 3020, Outlays (gross)(–) and 4110, Total outlays, gross (mand.).

See section 185.7 for additional discussion about modification transactions.

185.32 Why do financing accounts borrow from Treasury?

The FCRA provides indefinite borrowing authority to financing accounts to fund the unsubsidized portion of direct loans and to satisfy obligations in the event the financing account's resources are insufficient. For direct loan financing accounts, each loan disbursement is financed by the subsidy cost payment from the program account, fees where applicable, and borrowing from Treasury. The financing account makes a single borrowing from Treasury at the beginning of each fiscal year for each cohort based on the estimated net loan disbursements for the cohort in that fiscal year. For loans financed through the FFB (FFB-financed loans), the financing account effectively borrows the full face value of the loans made to the public.

For loan guarantees, the financing account may borrow from Treasury when balances in the financing account are insufficient to pay claims. These borrowings generally occur on an as-needed basis.

If a direct loan or loan guarantee program or risk category generates negative subsidy cost, the financing account must borrow from Treasury to cover the payment to the negative subsidy receipt account. For FFB-financed loans with negative subsidy costs, borrowing for negative subsidy or other obligations in excess of financing account resources is through the Fiscal Service, as with any other direct loans or loan guarantees.

For intragovernmental transactions, all borrowing, including amounts treated as financing account lending by the FFB, but excluding amounts borrowed for financing account interest, is dated October 1 regardless of whether it is the original amount borrowed at the beginning of the year or a supplementary amount borrowed later in the year. As a result of treating the entire amount as a single borrowing, net interest expense is not affected by whether all borrowed funds were disbursed or whether the original borrowing had to be supplemented later in the year (see 185.33).

You may only carry forward obligated indefinite borrowing authority into the next fiscal year. At the end of each fiscal year, you must return unobligated indefinite borrowing authority or make an adjustment during the FACTS II year-end preliminary or revision windows.

Specifically, if the indefinite borrowing authority is apportioned and exercised in a given fiscal year, the indefinite borrowing authority must be recorded as borrowing authority applied to repay debt if cash resulting from exercise of the borrowing authority is unobligated as of September 30th in the same fiscal year. If the exercised but unobligated indefinite borrowing authority is not recorded as borrowing authority applied to repay debt as of September 30th in the same fiscal year, then show the amount as a negative amount on line 1020, Adjustment to unobligated balance brought forward, October 1 (+ or -) in the subsequent fiscal year."

If the indefinite borrowing authority is apportioned and is not exercised in a given fiscal year, the indefinite borrowing authority must be recorded as decrease to the borrowing authority if it is unobligated as of September 30th in the same fiscal year. If the indefinite borrowing authority is not recorded as an adjustment to borrowing authority as of September 30th in the same fiscal year, then show the amount as a negative amount on line 1020, Adjustment to unobligated balance brought forward, October 1 (+ or –) in the subsequent fiscal year.

185.33 Why do financing accounts earn interest?

The basic purpose of a guaranteed loan financing account is to accumulate funds to finance future default costs. Subsidy cost payments to the account, fees collected, and other collections are retained in the financing account as an uninvested balance and earn interest at the same rate as the discount rate used to calculate the subsidy cost. The subsidy cost payments, fees, other collections, and interest earnings will be sufficient to finance the net default costs if the initial estimate of subsidy cost is correct.

In direct loan financing accounts, undisbursed Treasury borrowings, including amounts treated as financing account lending by the FFB, earn interest at the same rate as the financing account pays on its debt owed to Treasury so that borrowing from Treasury for subsequent disbursements during the year does not have any effect on the results of operations or net financial position of the financing account.

185.34 Who calculates interest expense and income?

You do, using the guidance and Credit Subsidy Calculator 2 provided by OMB. Staff at the Fiscal Service may also perform the calculations to ensure agreement between Treasury and your agency. For amounts treated as financing account lending by the FFB, please contact the OMB representative with primary responsibility for the program to ensure correct treatment of interest expense and income.

185.35 When do I calculate interest expense and income?

You must make the calculations to provide an estimate for the initial SF 132. You also will make these calculations again at the end of the year based on actual data to determine the payment amounts. Financing account interest adjustments are calculated by the Credit Subsidy Calculator 2 with the reestimate and interest on reestimate.

185.36 What interest rate do I use to calculate interest expense and income?

The FCRA requires that the rates for discounting cash flows, financing account borrowing (including amounts treated as financing account lending by the FFB), and financing account interest earnings be identical and based on the Treasury rates in effect during the period of loan disbursement. The correct discount rates for generating the cohort interest rate are provided for you in the Credit Subsidy Calculator 2, available from the OMB representative with the primary responsibility for the account. For cohorts before 2001, the Credit Subsidy Calculator 2 will generate a disbursement-weighted average discount rate (DWADR). For cohorts 2001 and after, the Credit Subsidy Calculator 2 will generate a single effective rate (SER). The cohort interest rate (whether DWADR or SER) is used for both technical reestimates and calculating financing account interest expense and income. Cohort interest rates reflect budget estimate discount rates, until the final cohort rate is established from the first technical reestimate following the interest rate reestimate.

185.37 What are the interest expense requirements for amounts treated as lending to financing accounts by the Federal Financing Bank?

The requirements are the same as any other financing account borrowing, and have no impacts on the terms and conditions of the loan with the public, including the borrower's interest rate. Regardless of whether the FFB collects borrower payments, or the credit agency processes payments and separately repays principal and interest owed on financing account borrowing to the FFB, the FFB can only be credited with interest on amounts treated as financing account lending at the appropriate cohort discount rate and under the same terms as any other financing account borrowing. Likewise, to finance amounts treated as lending to financing accounts, the FFB must keep a matched book, borrowing the full principal amount from Fiscal Service on the same terms and conditions as the financing account borrowing from the FFB, including the cohort interest rate. This makes sure that all amounts collected from the public are appropriately credited to the financing account and reflected in the credit subsidy cost as required under the FCRA, and that the FFB bears no risk on the amounts treated as lending to financing accounts.

Program Account
Program and Financing Schedule (Schedule P)

Program and Financing (in millions of dollars)

		PY actual	CY est.	BY est.
OBLIGATIONS BY PROGRAM ACTIVITY:				
Credit program obligations:				
0701	Direct loan subsidy	23	26	20
0702	Loan guarantee subsidy	128	125	129
0705	Reestimates of direct loan subsidy	88	20	----
0706	Interest on reestimates of direct loan subsidy	29	35	----
0707	Reestimates of loan guarantee subsidy	----	----	----
0708	Interest on reestimates of loan guarantee subsidy	----	----	----
0709	Administrative expenses	48	49	55
0900	Total new obligations	316	255	204
BUDGETARY RESOURCES:				
Unobligated balance:				
1000	Unobligated balance, brought forward, October 1	23	140	172
Budget authority:				
Appropriation:				
Discretionary:				
1100	Appropriation	316	255	204
Nonexpenditure transfers:				
1121	Appropriations transferred from other accounts	----	----	----
Adjustments:				
1130	Appropriations permanently reduced	----	----	----
1160	Appropriation (total)	316	255	204
Mandatory:				
1200	Appropriation	117	55	0
1260	Appropriation (total)	117	55	0
1900	Budget authority total (discretionary and mandatory)	433	310	204
1930	Total budgetary resources available	456	450	376
Memorandum (non-add) entries:				
1940	Unobligated balances expiring	----	-23	----
1941	Unexpired unobligated balance, end of year	140	172	172
CHANGE IN OBLIGATED BALANCE:				
Obligated balance, start of year (net)				
3000	Unpaid obligations brought forward, October 1 (gross)	10	-109	-172
3020	Obligated balance, start of year (net)	10	-109	-172
Changes in obligated balance during the year:				
3100	Obligations incurred, unexpired accounts	316	255	204
3011	Obligations incurred, expired accounts	----	----	----
3020	Outlays (gross) (-)	-435	-318	-204
3040	Recoveries of prior year unpaid obligations, unexpired accounts	----	----	----
3041	Recoveries of prior year unpaid obligations, expired accounts	----	----	----
Obligated balance, end of year (net)				
3050	Unpaid obligations, end of year (gross)	-109	-172	-172
3200	Obligated balance, end of year (net)	-109	-172	-172
FINANCING AUTHORITY AND DISBURSEMENTS, NET:				
Discretionary:				
Gross budget authority and outlays:				
4000	Budget authority, gross	316	255	204
4010	Outlays from new discretionary authority	316	255	204
4011	Outlays from discretionary balances	2	8	----
4020	Total outlays, gross	318	263	204
4070	Budget authority, net (discretionary)	316	255	204
4080	Outlays, net (discretionary)	318	263	204
Mandatory:				
Gross budget authority and outlays:				
4090	Budget authority, gross	117	55	----
4100	Outlays from new mandatory authority	117	55	----
4110	Total outlays, gross	117	55	----
4160	Budget authority, net (mandatory)	117	55	----
4170	Outlays, net (mandatory)	117	55	----
Budget authority and outlays, net (total):				
4180	Budget authority, net (discretionary and mandatory)	433	310	204
4190	Outlays, net (discretionary and mandatory)	435	318	204

You must use special line coding for lines 0701 - 0709. See section 185.10 (a) for a complete list.

Shaded entries are automatically calculated by MAX.

The FCRA provides permanent authority to finance reestimates (line 1200). Show reestimates in PY and CY only.

Program Account
Summary of Loan Levels and Subsidy Data (Schedule U)

Summary of Loan Levels and Subsidy Data (in millions of dollars)

Identification code 73-1154-0-1-376		PY actual	CY est.	BY est.
	Direct loan levels supportable by subsidy budget authority:			
115001	Risk category A	500	500	500
115999	Total direct loan levels	500	500	500
	Direct loan subsidy (in percent):			
132001	Risk category A	4.57	5.23	4.03
132999	Weighted average subsidy rate	4.57	5.23	4.03
	Direct loan subsidy budget authority:			
133001	Risk category A	23	26	20
133999	Total subsidy budget authority	23	26	20
	Direct loan subsidy outlays:			
134001	Risk category A net subsidy outlays	23	26	10
134999	Total subsidy outlays	23	26	10
	Direct loan upward reestimate:			
135001	Risk category A	117	55	----
135999	Total upward reestimate	7	55	-----
	Direct loan downward reestimate:			
137001	Risk category A	----	----	----
137999	Total upward reestimate	-----	-----	-----
	Guaranteed loan levels supportable by subsidy budget authority:			
215001	Risk category B	3,000	3,000	300
215999	Total loan guarantee levels	3,000	3,000	300
	Guaranteed loan subsidy (in percent):			
232001	Risk category B	4.25	4.17	4.29
232999	Weighted average subsidy rate	2.93	0.35	0.26
	Guaranteed loan subsidy budget authority:			
233001	Risk category B	128	125	13
233999	Total subsidy budget authority	128	125	13
	Guaranteed loan subsidy outlays:			
234001	Risk category B	128	125	13
234999	Total subsidy outlays	128	125	13
	Guaranteed loan upward reestimate:			
235001	Risk category B			
235999	Total upward reestimate:	0	0	-----
	Guaranteed loan downward reestimate:			
237001	Risk category B	4	2	----
237999	Total downward reestimate	4	2	-----
	Administrative expense data:			
351000	Budget authority	48	49	55
359000	Outlays from new authority	48	49	55

Shaded entries are automatically calculated by MAX.

Contact the OMB representative with primary responsibility for the account to add or modify risk categories.

Enter reestimate budget authority in the appropriate lines (1350xx and 1370xx for direct loans, 2350xx and 2370xx for loan guarantees).

For risk categories with negative subsidy, report lines as negative amounts (1320xx and 1340xx for direct loan risk categories, 2320xx through 2340xx for loan guarantee risk categories.)

Direct Loan Financing Account
Program and Financing Schedule (Schedule P)

Identification code 73-4148-0-3-376		PY actual	CY est.	BY est.
OBLIGATIONS BY PROGRAM ACTIVITY:				
Credit program obligations:				
0710	Direct loan obligations	500 #	500	500
0713	Payment of interest to Treasury	----	20	20
0742	Downward reestimate paid to receipt account	----	----	----
0743	Interest on downward reestimates	----	----	----
0900	Total new obligations	500	520	520
BUDGETARY RESOURCES:				
Unobligated balance:				
1000	Unobligated balance brought forward, October 1	----	0 #	0
1021	Recoveries of prior year unpaid obligations	----	0	0
1023	Unobligated balances applied to repay debt	----	0	0
1050	Unobligated balance (total)	----	0 #	0
New financing authority (gross)				
Borrowing authority:				
Mandatory:				
1400	Borrowing authority	478	494	500
1440	Borrowing authority (total)	478	494	500
Spending authority from offsetting collections:				
Mandatory:				
1800	Collected	41 #	242	426
1801	Change in uncollected customer payments from program account	----	----	----
1825	Spending authority from offsetting collections applied to repay debt	-19	-216	-406
1850	Spending authority from offsetting collections (total)	22 #	26	20
1900	Total new financing authority	500	520	520
1930	Total budgetary resources available (gross)	500	520	520
CHANGE IN OBLIGATED BALANCE:				
Obligated balance, start of year (net)				
3000	Unpaid obligations brought forward, October 1 (gross)	----	1	21
3060	Uncollected payments, Fed sources, brought forward Oct. 1	----	----	----
3100	Obligated balance, start of year (net)	----	1	21
Changes in obligated balance during the year:				
3010	Obligations incurred, unexpired accounts	501	520	520
3020	Total financing disbursements (gross)	-500	-500	-500
3070	Uncollected customer payments from program account	----	----	----
3040	Recoveries of prior year unpaid obligations, unexpired	----	----	----
Obligated balance, end of year (net)				
3050	Unpaid obligations, end of year (gross)	1	21	41
3090	Uncollected customer payments from program account	0	0	0
3200	Obligated balance, end of year (net)	1	21	41
FINANCING AUTHORITY AND DISBURSEMENTS, NET:				
Mandatory:				
Gross budget authority and outlays:				
4090	Budget authority, gross	500	520	520
4110	Total financing disbursements (gross)	500	500	500
Offsets agains gross budget authority and outlays:				
Offsetting collections (collected) from:				
	FEDERAL SOURCES			
4120	Payment from program account	-23	-26	-20
4120	Upward reestimate	88	20	----
4120	Interest on upward reestimate	29	35	----
	NON-FEDERAL SOURCES			
4123	Repayments of principal, net	-123	-247	-373
4123	Other income	-12	-24	-33
4130	Offsets against gross budget authority and outlays (total)	-41	-242	-426
Additional offsets against gross budget authority only:				
4140	Change in uncollected customer payments from Federal sources, unexpired accounts	----	----	----
4150	Additional offsets against budget authority only (total)	----	----	----
4160	Budget authority, net (mandatory)	459	278	94
4170	Outlays, net (mandatory)	459	258	74
Budget authority and outlays, net (total):				
4180	Financing authority, net	459	278	94
4190	Financing disbursements, net	459	258	74

Shaded entries are automatically calculated by MAX.

You must use special coding for lines 0701-0709. See section 185.11(a) for a complete list.

Line 3050 is automatically copied from line 1801 but with the opposite sign. Update the line stub to be consistent with line 1801.

Line 4140 is automatically copied from line 1801 but with the opposite sign.

Direct Loan Financing Account
Status of Direct Loans (Schedule G)

Status of Direct Loans (in millions of dollars)

Identification code 73-4148-0-3-376	PY actual	CY est.	BY est.
Position with respect to appropriations act limitation on obligation:			
1111 Limitation on direct loans	500	500	500
1131 Direct loan obligations exempt from limitation	----	----	----
1142 Unobligated direct loan limitations (-)	----	----	----
1150 Total direct loan obligations	0	0	0
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	0	377	630
Disbursements:			
1231 Direct loan disbursements	500	500	500
1232 Purchase of loan assets from the public			
1251 Repayments: Repayments and prepayments	-123	-247	-373
1263 Write-offs for default: Direct loans	0	0	0
1290 Outstanding, end of year	377	630	757

Shaded entries are automatically calculated by MAX.

Include line 1111-1131 even if the value is zero.

Direct Loan Financing Account
Balance Sheet (Schedule F)

Balance Sheet (in millions of dollars)

Identification code 73-4148-0-3-376		PY-1 actual	PY actual
	ASSETS:		
	Federal assets:		
1101	Fund balances with Treasury	0	54
1106	Receivables, net	0	0
	Net value of assets related to post-1991 direct loans receivable:		
1401	Direct loans receivable, gross	0	377
1405	Allowance for subsidy cost (-)	0	-23
1499	Net present value of assets related to direct loans	0	354
1999	Total assets	0	408
	LIABILITIES		
	Federal liabilities:		
2103	Debt payable to Treasury	0	378
2999	Total liabilities	0	378
4999	Total liabilities and net position	0	378

Shaded entries are automatically calculated by MAX.

Line 1101 equals obligated and unobligated balances.

See Section 86.1 for detailed information about balance sheets.

Line 1106 includes only undisbursed upward reestimates and interest on such reestimates. Do not report amounts for CY or BY. Do not include undisbursed subsidy from the program account even if it has been obligated.

Include undisbursed downward reestimates and interest on such reestimates on line 2101.

The financing account is designed to break even and thus have a zero results of operation.

Guaranteed Loan Financing Account
Program and Financing Schedule (Schedule P)

Identification code 73-4149-0-3-376		PY actual	CY est.	BY est.
OBLIGATIONS BY PROGRAM ACTIVITY:				
Credit program obligations:				
0711	Default claim payments on principal	221	300	300
0712	Default claim payments on interest	27	31	31
0742	Downward reestimate paid to receipt account	3	1	----
0743	Interest on downward reestimates	1	1	----
0900	Total new obligations	252	333	331
BUDGETARY RESOURCES:				
Unobligated balance:				
1000	Unobligated balance brought forward, October 1	100	130	0
New financing authority (gross)				
Borrowing Authority:				
Mandatory:				
1400	Borrowing authority	----	----	----
Spending authority from offsetting collections:				
Mandatory:				
1800	Collected (mandatory)	282	318	323
1825	Spending authority from offsetting collections applied to repay debt	----	-115	----
1850	Spending authority from offsetting collections (total)	282	203	323
1900	Total new financing authority	282	203	323
1930	Total budgetary resources available (gross)	382	333	323
Memorandum (non-add) entries:				
1941	Unexpired unobligated balances, end of year	130	----	----
CHANGE IN OBLIGATED BALANCE:				
Obligated balance, start of year (net)				
3000	Unpaid obligations brought forward, October 1 (gross)	----	----	----
3060	Uncollected payments, Fed sources, brought forward, Oct 1	----	----	----
3100	Obligated balance, start of year (net)	----	----	----
Changes in obligated balance during the year:				
3010	Obligations incurred, unexpired accounts	252	333	331
3020	Total financing disbursements (gross)	-252	-333	-331
Obligated balance, end of year (net)				
3050	Unpaid obligations, end of year (gross)	----	----	----
3090	Uncollected customer payments from program account	----	----	----
3200	Obligated balance, end of year (net)	----	----	----
FINANCING AUTHORITY AND DISBURSEMENTS, NET:				
Mandatory:				
Gross budget authority and outlays:				
4090	Budget authority, gross	282	203	323
4110	Total financing disbursements (mandatory)	252	333 #	331
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
	FEDERAL SOURCES			
4120	Payment from program account	-128	-125	-129
4122	Interest on uninvested funds	----	2	1
	NON-FEDERAL SOURCES			
4123	Fees	-30	-30	-30
4123	Recoveries	-124	-165	-165
4130	Offsets against gross budget authority and outlays (total)	-282	-318	-323
Additional offsets against gross budget authority only:				
4140	Uncollected customer payments from program account	----	----	----
4160	Financing authority, net (mandatory)	----	-115	8
4170	Outlays, net (mandatory)	-30	15	8
Budget authority and outlays, net (total):				
4180	Financing authority, net	0	-115	8
4190	Financing disbursements, net	-30	15	8

Shaded entries are automatically calculated by MAX.

Shaded entries are automatically calculaed by MAX.

Line 3050 is automatically copied from line 1801 but with the opposite sign. Update the line stub to be consistent with 1801.

Line 4140 is automatically copied from line 3050 but will appear in the Budget Appendix with the opposite sign.

Guaranteed Loan Financing Account
Status of Guaranteed Loans (Schedule H)

Status of Guaranteed Loans (in millions of dollars)

Identification code 73-4149-0-3-376		PY actual	CY est.	BY est.
	Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders	3,000	3,000	3,000
2150	Total guaranteed loan commitments	3,000	3,000	3,000
	Memorandum:			
2199	Guaranteed amount of guaranteed loan commitments	3,000	3,000	3,000
	Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year	5,821	7,326	8,804
2231	Disbursements of new guaranteed loans	3,000	3,000	3,000
2251	Repayments and prepayments	-985	-1,000	-1,000
	Adjustments			
2261	Terminations for default that result in loans receivable	-485 #	-500	-500
2263	Terminations for default that result in claim payments	-25	-22	-22
2290	Outstanding, end of year	7,326	8,804	10,282
	Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year	5,821	7,326	8,804
	Addendum:			
	Cumulative balance of defaulted guaranteed loans that result in loans receivable			
2310	Outstanding, start of year	3,450	4,866	5,718
2331	Disbursements for guaranteed loan claims	1,452	980	980
2351	Repayments of loans receivable	-24	-48	-48
2361	Write-offs of loans receivable	-68	-80 #	-80
2364	Other adjustments, net	56	----	----
2390	Outstanding, end of year	4,866	5,718	6,570

Shaded entries are automatically calculated by MAX.

Include line 2111 even if the value is zero.

Line 2199 is required even if the value is the same as line 2150.

Guaranteed Loan Financing Account
Balance Sheet (Schedule F)

Balance Sheet (in millions of dollars)

Identification code 73-4149-0-3-376		PY-1 actual	PY actual
	ASSETS:		
	Federal assets:		
1101	Fund balances with Treasury	165	130
1106	Receivables, net	1,674	1,521
1206	Non-Federal assets: Receivables, net	7	11
	Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:		
1501	Defaulted guaranteed loans receivable	6,426	8,396
1504	Foreclosed property	2	12
1505	Allowance for subsidy cost (-)	-4,342	-6,204
1599	Net present value of assets related to defaulted guaranteed loans	2,086	2,204
1999	Total assets	3,932	3,866
	LIABILITIES		
	Federal liabilities:		
2101	Accounts Payable	50	123
2103	Debt	1,692	1,409
2105	Other	2	6
	Non-Federal liabilities:		
2201	Accounts Payable	265	354
2204	Liabilities for loan guarantees	1,923	1,974
2999	Total liabilities	3,932	3,866
	NET POSITION		
4999	Total liabilities and net position	3,932	3,866

Shaded entries are automatically calculated by MAX.

Line 1101 equals obligated and unobligated balances.

Line 1106 includes only undisbursed upward reestimates and interest on such reestimates. Do not report amounts for CY or BY. Do not include undisbursed subsidy from the program account even if it has been obligated.

Include undisbursed downward reestimates and interest on such estimates on line 2101.

See section 86.2 for detailed information about balance sheets.

The financing account is designed to break even and thus have a zero results of operation.

Liquidating Account
Program and Financing Schedule (Schedule P)

Identification code 73-4154-0-3-376		PY actual	CY est.	BY est.
OBLIGATIONS BY PROGRAM ACTIVITY:				
Credit program obligations:				
0005	Guaranteed loan default claims	1	1	1
0709	Administrative expenses	2	1	1
0711	Default claim payments on principal	1	0	0
0791	Direct program activities, subtotal	3	1	1
0900	Total new obligations	4	2	2
BUDGETARY RESOURCES:				
Unobligated balance:				
1000	Unobligated balance, brought forward, October 1	6	5	0
1022	Capital transfer of unobligated balances to general fund	-6	-5	----
1050	Unobligated balance (total)	0	0	0
New financing authority (gross)				
Budget Authority:				
Mandatory:				
1200	Appropriation (mandatory)	2	2	1
Spending authority from offsetting collections:				
Mandatory:				
1800	Collected (mandatory)	10	6	4
1820	Capital transfer of spending authority to general fund	----	-5	-2
1825	Spending authority from offsetting collections applied to repay debt	-3	-1	-1
1850	Spending authority from offsetting collections (total)	7	----	1
1900	Budget authority (discretionary and mandatory)	9	2	2
1930	Total budgetary resources available	9	2	2
CHANGE IN OBLIGATED BALANCE:				
Obligated balance, start of year (net)				
3000	Unpaid obligations brought forward, October 1 (gross)	3	3	5
3100	Obligated balance, start of year (net)	3	3	5
Changes in obligated balance during the year:				
3010	Obligations incurred, unexpired accounts	4	2	2
3020	Outlays (gross)	-4	----	-1
Obligated balance, end of year (net)				
3050	Unpaid obligations, end of year (gross)	3	5	6
3200	Obligated balance, end of year (net)	3	5	6
FINANCING AUTHORITY AND DISBURSEMENTS, NET:				
Mandatory:				
Gross budget authority and outlays:				
4090	Mandatory budget authority, gross	9	2	2
4100	Outlays from new mandatory authority	4	0	1
4110	Total outlays, gross	4	0 #	1
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
	NON-FEDERAL SOURCES			
4123	Principal	-10	-6	-4
4130	Offsets against gross budget authority and outlays (total)	-10	-6	-4
4160	Budget authority, net (mandatory)	-1	-4	-2
4170	Outlays, net (mandatory)	-6	-6	-3
Budget authority and outlays, net (total):				
4180	Budget authority, net	-1	-4	-2
4190	Outlays, net	-6	-6	-3

Shaded entries are automatically calculated by MAX.

There should be no unobligated balance (line 1000) unless an extension has been approved by OMB. Excess amounts should be used to repay debt or transferred to the general fund.

Liquidating Account
Status of Direct Loans (Schedule G)

Status of Direct Loans (in millions of dollars)

Identification code 73-4154-0-3-376		PY actual	CY est.	BY est.
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	25	21	16
1251	Repayments and prepayments	----	-1	-1
	Write-offs for default:			
1263	Direct loans	-2	-2	-2
1264	Other adjustments, net (+ or -)	-2	-2	-1
1290	Outstanding, end of year	21	16	12

Shaded entries are automatically calculated by MAX.

For liquidating accounts, do not use lines 1111-1150. Most liquidating accounts should not use line 1231. Liquidating accounts should not use schedule Y lines 6200 or 6300 (net financing disbursements).

Liquidating Account
Status of Guaranteed Loans (Schedule H)

Status of Guaranteed Loans (in millions of dollars)

Identification code 73-4154-0-3-376	PY actual	CY est.	BY est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	74	52	33
2251 Repayments and prepayments	-20	-18	-15
Adjustments:			
2263 Terminations for default that result in claim payments	-2	-1	-1
2290 Outstanding, end of year	52	33	17
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	43	18	10
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	45	42	29
2331 Disbursements for guaranteed loan claims	----	1	1
2361 Write-offs of loans receivable	-7	-14	-14
2364 Other adjustments, net	4	----	----
2390 Outstanding, end of year	42	29	16

Shaded entries are automatically calculated by MAX.

For liquidating accounts, do not use lines 2111-2150 or 6300. Most liquidating accounts should not use line 2231. Liquidating accounts should not use schedule Y lines 6200 or 6300 (net financing disbursements).

Liquidating Account
Balance Sheet (Schedule F)

Balance Sheet (in millions of dollars)

Identification code 73-4154-0-3-376		PY-1 actual	PY actual
	ASSETS:		
	Federal assets:		
1101	Fund balances with Treasury	8	8
	Non-Federal Assets		
1206	Receivables, net	3	3
	Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601	Direct loans, gross	25	21
1603	Allowance for estimated uncollectible loans and interest (-)	-1	----
1604	Direct loans and interest receiveable, net	24	21
1699	Value of assets related to direct loans	24	21
1701	Defaulted guaranteed loans, gross	45	42
1703	Allowance for estimated uncollectible loans and interest (-)	-23	-24
1799	Value of assets related to loan guarantees	22	18
1901	Other Federal assets: Other assets	7	6
1999	Total assets	64	56
	LIABILITIES		
	Federal liabilities:		
2101	Accounts payable	1	1
2103	Debt to the FFB	6	2
2104	Resources payable to Treasury	55	50
	Non-Federal liabilities:		
2201	Accounts payable	1	2
2207	Other liabilities	1	1
2999	Total liabilities	64	56
	NET POSITION		
4999	Total liabilities and net position	64	56

Shaded entries are automatically calculated by MAX.

See section 86.2 for detailed information

Standard Appropriations Language

Subsidy cost of the direct loan program

Subsidy cost of the loan guarantee program

For the cost of direct loans, $20,000,000, and for the cost of loan guarantees, $129,000,000, as authorized by 7 U.S.C. 999: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $500,000,000 and total loan principal, any part of which is to be guaranteed, not to exceed $3,000,000,000. In addition, for administrative expenses to carry out direct and loan guarantee programs, $55,000,000.

Authorizing statute

Limitation on direct loan program

Limitation on loan guarantee program

Administrative expenses

Please see section 95.6 for more information on appropriations language for credit programs.

Initial Apportionment
Program Account
Funds Provided by Public Law XXX-XXX

SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

Line No.	Line Split	Bureau / Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote
		Department of Government						
		Bureau: Office of the Secretary						
		Account : Credit Program Account (001-23-4567)						
		TAFS: 99-0001 /20xx						
Rprt Cat	NO	Reporting Categories					From exhibit 185A	
AdjAuth	NO	Adjustment Authority provided						
1000		Unobligated balance, brought forward, Oct. 1 …………….			246,000,000		Subsidy ($3,765,000 + $211,600,000) + administrative expenses ($147,958,000).	
1100		BA: Disc: Appropriation………………………………………			363,323,000			
1920		**Total budgetary resources avail (disc. and mand.)**			609,323,000			
6011		Direct loan subsidy……………………………………………			18,000,000		These two entries must be equal.	
6012		Guaranteed loan subsidy………………………………………			443,365,000			
6013		Administrative expenses………………………………………			147,958,000			
6190		**Total budgetary resources available**			609,323,000			

Approval By:______________________

Approval On:______________________

NOTE. Pursuant to 31 U.S.C. 1553(b), not to exceed one percent of the total appropriation for this account is apportioned for the purpose of paying legitimate obligations related to canceled accounts.

Initial Apportionment
Direct Loan Financing Account
Funds Provided by Public Law XXX-XXX

SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

Line No.	Line Split	Bureau / Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote
		Department of Government						
		Bureau: Office of the Secretary						
		Account : Direct Loan Financing Account (003-04-4147)						
		TAFS 80-4147 /X						
Rprt Cat	NO	Reporting Categories						
AdjAuth	NO	Adjustment Authority provided						
1400		BA: Mand: Borrowing authority..			44,000,000			
1840		BA: Mand: Spending auth: Antic colls, reimbs, other……………………………………			41,000,000			
1842		BA: Mand: Spending auth: Antic cap tran, red debt..			-34,000,000			
1920		**Total budgetary resources avail (disc. and mand.)**			51,000,000			
6001		First quarter..			11,500,000			
6002		Second quarter..			11,500,000			
6003		Third quarter...			11,500,000			
6004		Fourth quarter..			11,500,000			
6011		Interest paid to Treasury...			5,000,000			
6190		**Total budgetary resources available**			51,000,000			

Direct loan limitation ($45,000,000) minus subsidy ($9,000,000).

Subsidy from the program account ($9,000,000) + repayments from borrower ($24,000,000). 100% of the subsidy is recorded because the spending plan assumes that all loans will be obligated in the first year.

Anticipated principal repayments to Treasury.

These two entries must be equal.

Approval By:______________________

Approval On:______________________

NOTE. Pursuant to 31 U.S.C. 1553(b), not to exceed one percent of the total appropriation for this account is apportioned for the purpose of paying legitimate obligations related to canceled accounts.

Initial Apportionment
Guaranteed Loan Financing Account
Funds Provided by Public Law XXX-XXX

SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

Line No.	Line Split	Bureau / Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote
		Department of Government						
		Bureau: Office of the Secretary						
		Account: Guaranteed Loan Financing Account (003-04-4148)						
		TAFS 80-4148 /X						
Rprt Cat	NO	Reporting Categories						
AdjAuth	NO	Adjustment Authority provided						
1000		Unobligated balance, brought forward, Oct. 1 …………….			3,050,000,000		Subsidy from the program account ($6,000,000) + interest from Treasury ($360,000).	
1840		BA: Mand: Spending auth:Antic colls, reimbs, other………………			2,183,000,000			
1920		**Total budgetary resources avail (disc. and mand.)**			5,233,000,000		These two entries must be equal.	
6182		Budgetary Resources: Unappor bal, revolving fnd….…...…………			5,233,000,000			
6190		**Total budgetary resources available**		`	5,233,000,000			
8100		Program Level, Current Year…….…….…………			250,000,000,000		Limitation on loan guarantees. For those programs without an enacted loan limitation, estimate program volume based on the subsidy rate and appropriations level.	
8200		Program Level, Unused from prior years…..……..	Lines 8100 and 8200 are only used on the SF 132 for guaranteed loan financing accounts.		193,365,000,000			
8201		Application, Category A, First quarter…………………….……..						
8202		Application, Category A, Second quarter…………………...…						
8203		Application, Category A, Third quarter…………………..……						
8204		Application, Category A, Fourth quarter………………………						
8211		Category B: Guaranteed loan program……….…………………			443,365,000,000			

Application, Category A, First quarter
Approval By:______________________

Approval On:______________________

NOTE. Pursuant to 31 U.S.C. 1553(b), not to exceed one percent of the total appropriation for this account is apportioned for the purpose of paying legitimate obligations related to canceled accounts.

INITIAL APPORTIONMENT SIDE-BY-SIDE-ACCOUNT COMPARISON

Line Entry	Program Account	Financing Account: Direct	Financing Account: Guaranteed
Budgetary Resources			
Budget authority Appropriations 1100 Disc: appropriation 1200 Mand: appropriation	The total amount specified in the appropriations language and becoming available on or after October 1 of the fiscal year. It is composed of amounts to cover direct and guaranteed loan subsidy costs and administrative expenses ($11,530,000 +$6,000,000 + $1,000,000).		
Borrowing authority 1300 Disc: borrowing authority 1400 Mand: borrowing authority		The amount of borrowing authority anticipated to be used to cover obligations during the year that are not covered by subsidy cost payments or fees. Usually, assume direct loan obligations equal to the direct loan limitation and subtract corresponding estimates of subsidy cost payments and any fees paid by the borrower ($100,000,000–$11,530,000). (This example assumes borrowers are not charged any fees.)	
Spending authority from offsetting collections (Gross) 1840 Anticipated collections, reimbursements, and other income		The expected collections of credit subsidy cost payments from the program account, plus expected repayments from borrowers ($11,530,000 + $10,243,000).	The expected collections of credit subsidy cost payments from the program account plus interest earned from Treasury ($6,000,000 + $360,000).
Permanently not available 1842 Anticipated capital transfers and redemption of debt		Repayments of Treasury debt are shown as a reduction in resources rather than as obligations and disbursements. Does not include interest payments made on debt owed to Treasury, which are treated as an obligation and an outlay. To calculate principal	

Line Entry	Program Account	Financing Account: Direct	Financing Account: Guaranteed
		repayments to Treasury, contact your OMB representative.	
1920 Total Budgetary Resources	The sum of lines 1100-1842 and always equal to line 6190.	The sum of lines 1100-1842 and always equal to line 6190.	The sum of lines 1100-1842 and always equal to line 6190.
	Application of Budgetary Resources		
Apportioned Category A: 6001 First quarter 6002 Second quarter 6003 Third quarter 6004 Fourth quarter		The amount for each quarter to incur direct loan obligations and to disburse loans. Assuming that 100% of the direct loans will be obligated evenly throughout the first year, entries for each quarter are calculated by dividing the direct loan limitation level equally into four quarters ($100,000,000 * .25).	
Category B: 6011-6110 Direct loan subsidy cost Guaranteed loan subsidy cost Administrative expenses Interest paid to Treasury	Includes separate amounts for direct loan and loan guarantee subsidy cost and administrative expenses. Because this program expects to obligate the full amounts in the first fiscal year, the total amount of subsidy cost and administrative expenses appropriated to the account should be apportioned.	In this example, $1,680,250 is requested for interest payments to Treasury.	
6182 Unapportioned balance of revolving fund			Records the amount of subsidy cost payments and interest which will be held to finance future defaults ($6,000,000 + $360,000).
6190 Total Budgetary Resources	The sum of lines 6001-6182 and always equal to line 1920.	The sum of lines 6001-6182 and always equal to line 1920.	The sum of lines 6001-6182 and always equal to line 1920.
	Program Level		
Guaranteed loan levels 8100 Program level, current year			Record the loan guarantee limitation, in this case $70,000,000. For mandatory programs, record the amount of guaranteed loans anticipated to be committed.

Line Entry	Program Account	Financing Account: Direct	Financing Account: Guaranteed
		Application	
Apportioned: Category A 8201-8204 Application, category A Category B 8211-8235 Application, category B			Should equal the amount on line 8100 immediately above.

Reapportionment for Modification
Program Account
Funds Provided by Public Law XXX-XXX

	Line No.	Line Split	Bureau / Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote
			Department of Government						
			Bureau: Office of the Secretary						
			Account : Credit Program Account (003-04-0138)						
			TAFS: 80-0138 /2011						
	Rprt Cat	NO	Reporting Categories						
	AdjAuth	NO	Adjustment Authority provided						
	1000		Unobligated balance, brought forward, Oct. 1 ….	246,000,000		246,000,000			
	1100		BA: Disc: Appropriation…………………………	363,323,000		378,323,000			
	1920		**Total budgetary resources (disc. and mand.)**	609,323,000		624,323,000			
	6011		Direct loan subsidy…………………………………………………………	18,000,000		18,000,000			
	6012		Guaranteed loan subsidy…………………………………………………	443,365,000		443,365,000			
	6013		Administrative expenses…………………………………………………	147,958,000		147,958,000			
	6014		Direct loan modification……….………………………………………			15,000,000			
	6190		**Total budgetary resources available**	609,323,000		624,323,000			

If your current apportionment does not provide budgetary resources to cover the modification cost, you must submit a reapportionment.

Subsidy ($3,765,000 + $211,600,000) + modification ($15,000,000) + administrative expenses ($147,958,000).

Budgetary resources for modifications must be apportioned in advance.

These two entries must be equal.

Approval By:______________________

Approval On:______________________

NOTE. Pursuant to 31 U.S.C. 1553(b), not to exceed one percent of the total appropriation for this account is apportioned for the purpose of paying legitimate obligations related to canceled accounts.

Reapportionment for Upward Reestimate
Program Account
Funds Provided by Public Law XXX-XXX

SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

Line No.	Line Split	Bureau / Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote
		Department of Government						
		Bureau: Office of the Secretary						
		Account : Credit Program Account (003-04-0138)						
		TAFS: 80-0138 /2011						
Rprt Cat	NO	Reporting Categories						
AdjAuth	NO	Adjustment Authority provided						
1000		Unobligated balance, brought forward, Oct. 1 …………….	246,000,000		246,000,000			
1200		BA: Mand: Appropriation…………………………………………………	363,323,000		363,323,000			
1250		BA: Mand: Anticipated appropriation………………………………………			10,000,000			
1920		**Total budgetary resources avail (disc. and mand.)**	609,323,000		619,323,000			
6011		Direct loan subsidy………..…………………………………………………	18,000,000		18,000,000			
6012		Guaranteed loan subsidy……………………………………………………	443,365,000		443,365,000			
6013		Administrative expenses……………………………………………………	147,958,000		147,958,000			
6014		Reestimate…………………………………………………………………			10,000,000			
6190		**Total budgetary resources available**	609,323,000		619,323,000			

Until indefinite appropriations are warranted, include them on line 1250. On subsequent apportionments, include the warranted amounts on line 1200 (see line description of indefinite appropriation).

If your current apportionment does not provide budgetary resources to cover the upward reestimate, you must submit a reapportionment requesting permanent indefinite authority to cover upward reestimate of $1,000,000.

Budgetary resources for upward reestimate.

These two entries must be equal.

Approval By:______________________

Approval On:______________________

NOTE. Pursuant to 31 U.S.C. 1553(b), not to exceed one percent of the total appropriation for this account is apportioned for the purpose of paying legitimate obligations related to canceled accounts.

Reapportionment for Downward Reestimate
Direct Loan Financing Account
Funds Provided by Public Law XXX-XXX

SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

Line No.	Line Split	Bureau / Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote
		Department of Government						
		Bureau: Office of the Secretary						
		Account : Direct Loan Financing Account (003-04-4147)						
		TAFS 80-4147 /X						
Rprt Cat	NO	Reporting Categories						
AdjAuth	NO	Adjustment Authority provided						
1400		BA: Mand: Borrowing authority……………………………………	44,000,000		44,000,000			
1800		BA: Mand: Spending auth: Collected (mand.)……………………	41,000,000		43,589,000			
1825		BA: Mand: Spending auth: Applied to repay debt……….........	-34,000,000		-34,000,000			
1920		**Total budgetary resources avail (disc. and mand.)**	51,000,000		53,589,000			
6001		First quarter…………………………………………………………	11,500,000		11,500,000			
6002		Second quarter……………………………………………………	11,500,000		11,500,000			
6003		Third quarter………………………………………………………	11,500,000		11,500,000			
6004		Fourth quarter……………………………………………………	11,500,000		11,500,000			
6011		Interest paid to Treasury……………………….. …………………	5,000,000		5,000,000			
6012		To receipt account…………………………………………………			2,589,000			
6190		**Total budgetary resources available**	51,000,000		53,589,000			

Direct loan limitation ($100,000,000) minus subsidy ($11,530,000).

Direct loan limitation ($100,000,000) minus subsidy ($11,530,000).

$1,000,000 more was collected from borrowers than estimated.

If your current apportionment does not address the downward reestimate, you must submit a reapportionment.

Use 1825 (actual) and 1842 (anticipated) to show principal repayments to Treasury.

These two entries must be equal.

Downward reestimates are obligated and disbursed to the receipt account.

Approval By:______________________

Approval On:______________________

NOTE. Pursuant to 31 U.S.C. 1553(b), not to exceed one percent of the total appropriation for this account is apportioned for the purpose of paying legitimate obligations related to canceled accounts.

Apportionment for Liquidating Account

FY 20xx Apportionment
Funds provided by Public Law XXX-XXX

Line No.	Line Split	Bureau / Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote
		Department of Government						
		Bureau: Office of the Secretary						
		Account : Liquidating Account (003-04-4147)						
		TAFS 80-4147 /X						
IterNo	1	Last Approved Apportionment: N/A, First Request of year						
Rprt Cat	NO	Reporting Categories						
AdjAut	NO	Adjustment Authority provided						
1250		BA: Mand: Anticipated appropriation			1,000,000			
1800		BA: Mand: Spending auth: Collected (mand.)			4,000,000			
1820		BA: Mand: Cap trans of spending authority from offsetting collections to general fund (-)			-2,000,000		Repay debt ($1,000,000) and balances swept to Treasury ($1,000,000).	
1825		BA: Mand: Spending auth: Applied to repay debt			-1,000,000		Use 1825 (actual) and 1842 (anticipated) to show principal repayments to Treasury.	
1920		**Total budgetary resources avail (disc. and mand.)**			2,000,000			
6001		First quarter						
6002		Second quarter						
6003		Third quarter					These two entries must be equal.	
6004		Fourth quarter						
6011		Payment on Default Loans			1,000,000			
6012		Administrative Expenses			1,000,000			
6190		**Total budgetary resources available**			2,000,000			

End of First Quarter: Program Account
Report on Budget Execution

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 12/31/CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL	
BUREAU: Office of the Secretary	Credit Program Account	
	Unexpired	
BUDGETARY RESOURCES		
1000 Unobligated balance, brough fwd, Oct. 1	246,000,000	The appropriations becoming available on or after October 1 of the fiscal year. In this case, it is composed of direct loan subsidy ($11,530,000) + guaranteed loan subsidy ($6,000,000) + administrative expenses ($1,000,000).
1100 BA: Disc: Appropriation (disc.)	363,323,000	
1900 Budget authority total (disc. and mand.)	363,323,000	
1910 Total budgetary resources (disc. and mand.)	**609,323,000**	
STATUS OF BUDGETARY RESOURCES		
2002 Direct loan subsidy	4,500,000	25% of the total direct and guaranteed loan subsidy has been obligated.
2002 Guaranteed loan subsidy	110,841,250	
2002 Administrative expenses	36,989,500	25% of the total administrative expenses has been obligated.
2201 Unob Bal: Apportioned: Avail in the current period	456,992,250	Amount apportioned under Category B of the latest SF 132 ($18,530,000) minus the total obligations incurred above ($4,632,500).
2500 Total budgetary resources	609,323,000	
CHANGE IN OBLIGATED BALANCES		
3000 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1 gross	230,000,000	
3010 Ob Bal: Obligations incurred: Unexpired accounts	152,330,750	
3020 Ob Bal: Outlays (gross)	89,250,000	25% of outlays have been disbursed
3050 Ob Bal: EOY: Unpaid obligations (gross)	293,080,750	
3200 Obligated balance, end of year (net)	**293,080,750**	Loan subsidy obligated but not yet disbursed.
BUDGET AUTHORITY AND OUTLAYS, NET		
4000 Disc: Budget authority, gross	363,323,000	
4010 Disc: Outlays from new authority	86,250,000	Loan subsidy and administrative cost obligated and disbursed.
4011 Disc: Outlays from discretionary balances	3,000,000	
4020 Disc: Total outlays, gross	89,250,000	
4070 Disc: Budget authority, net	363,323,000	
4080 Disc: Outlays, net	89,250,000	
4180 Budget authority, net (disc. and mand.)	**363,323,000**	
4190 Outlays, net (disc. and mand.)	**89,250,000**	

Note: Exhibit U illustrates the End of First Quarter SF 133 report for this account. Exhibits 185V amd 185W show the related end of First Quarter Direct Loan and Guaranteed Loan Financing accounts, respectively.

End of First Quarter: Direct Loan Financing Account
Report on Budget Execution

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Fiscal Year CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL
BUREAU: Office of the Secretary	Direct Loan Financing Account
	Unexpired

	Unexpired	Notes
BUDGETARY RESOURCES		
1000 Unobligated balance, brought fwd, Oct. 1	0	Amount apportioned on latest SF 132. For indefinite borrowing authority, see SF 132 lines 1000, 1400, and 1401.
1021 Recoveries of prior year unpaid obligations	2,000,000	
1023 Unobligated balances, ap plied to repay debt	-2,000,000	
1050 Unobligated balance (total)	0	
1400 BA: Mand: Borrowing authority…………………………………………	44,000,000	
1800 BA: Mand: Spending auth: Collected……………………………………	41,000,000	As direct loans are obligated and disbursed, the loan subsidy is collected from the program account.
1801 BA: Mand: Spending auth: Chng uncoll paymt Fed src………............	0	Direct loan subsidy obligated but not yet received from the program account.
1825 BA: Mand: Spending auth: Applied to repay debt…………...................	-34,000,000	Use 1825 (actual) and 1840 (anticipated) to show principal repayments to Treasury. If you have any unobligated balances brought forward October 1st, please use 1023 to repay debt.
1840 BA: Mand: Spending auth:Antic colls, reimbs, other advance…………	0	The remainder of the loan subsidy expected from the program account for the unobligated portion of the direct loans plus the expected repayments from borrowers that will not be received until the end of the fiscal year.
1850 BA: Mand: Spending auth: Total……………………............................	7,000,000	
1910 Total budgetary resources (disc. and mand.)…………..………...……	**51,000,000**	
STATUS OF BUDGETARY RESOURCES		
2001 Direct obs incurred: Category A (by quarter)……..……………………..…	11,500,000	Obligations incurred against the amount apportioned for this period under Catergory A of the latest SF 132.
2002 Interest payment to Treasury……...…..............………………………	5,000,000	Interest is obligated through the year but not yet disbursed.
2202 Unob Bal: Apportioned: Avail in subsequent periods……..……………	34,500,000	Amount apportioned on latest SF 132 by time periods (under Category A &B) that will not become available until after the reporting period.
2203 Unob Bal: Apportioned: Anticipated ……..………………..…………	0	
2500 Total budgetary resources…...…………....……………………………	**51,000,000**	
CHANGE IN OBLIGATED BALANCES		
3000 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1 gross…………………	727,000,000	
3060 Uncollected payments, Fed sources, brought fwd., Oct. 1.......................	-5,000,000	
3100 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1 net…………………	**722,000,000**	
3010 Ob Bal: Obligations incurred: Unexpired accounts…………………	16,500,000	
3020 Ob Bal: Outlays (gross) (-)…………………....... ……………………...	8,250,000	
3040 Ob Bal: Change, recoveries of prior year unpaid obs, unexpired………	-2,000,000	
3050 Ob Bal: EOY: Unpaid obligations (gross)………………………………	744,750,000	Direct loans obligated but not yet disbursed + interest payment to Treasury obligated but not yet disbursed.
3090 Ob Bal: EOY: Uncoll cust payments fm Fed srcs, EOY…......................	-5,000,000	Subsidy receivable from the program account for the portion of the direct loans that were obligated but not disbursed.
3200 Obligated balance, end of year (net)…………………………………	**739,750,000**	
BUDGET AUTHORITY AND OUTLAYS, NET		
4090 Mand: Budget authority, gross…………………………………………	51,000,000	
4110 Mand: Total outlays, gross………...……………………………………	8,250,000	Loans disbursed from the account, as of this reporting period.
4130 Mand: Offsets, BA and OL: Collections fm Fed srcs……………………	-41,000,000	
4140 Mand: Offset, BA: Chng in uncol pay, Fed src, unex	0	Direct loan subsidy collected from program account.
4160 Mand: Budget authority, net……………………………………………..	10,000,000	
4170 Mand: Outlays, net………………………...…………………………	-32,750,000	
4180 Budget authority, net (disc. and mand.)………………………………	**10,000,000**	
4190 Outlays, net (disc. and mand.)…………………………………………	**-32,750,000**	

Note: Exhibit U illustrates the End of First Quarter SF 133 report for the Program Account for this account. Exhibit 185Z illustrates the End of Fiscal Year SF 133 report for this account.

End of First Quarter: Guaranteed Loan Financing Account
Report on Budget Execution

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Fiscal Year CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL			
BUREAU: Office of the Secretary	Guaranteed Loan Financing Account			
	Unexpired			
BUDGETARY RESOURCES				
1000 Unob Bal: Brought forward, October 1	3,050,000,000			
1800 BA: Mand: Spending auth: Collected	2,183,000,000			
1850 BA: Mand: Spending auth: Total	2,183,000,000			
1930 Total budgetary resources (disc. and mand.)	**5,233,000,000**			
STATUS OF BUDGETARY RESOURCES				
6182 Unappoirtioned, other	5,233,000,000			
2500 Total budgetary resources	**5,233,000,000**			
CHANGE IN OBLIGATED BALANCES				
3000 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1 gross	576,000,000			
3060 Ob Bal: Uncollected payments, Fed sources, brought fwd, Oct. 1	-201,000,000			
3100 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1 net	375,000,000			
3010 Ob Bal: Obligations incurred, unexpired accounts	611,250,000			
3020 Ob Bal: Outlays (gross) (-)	521,500,000			
3060 Uncollected payments, Fed sources, brought fwd, Oct. 1	665,750,000			
3200 Obligated balance, end of year (net)	**665,750,000**			
BUDGET AUTHORITY AND OUTLAYS, NET				
4090 Mand: Budget authority, gross	2,183,000,000			
4110 Mand: Total outlays, gross	521,500,000			
4120 sources	-2,183,000,000			
4160 Mand: Budget authority, net	0			
4170 Mand: Outlays, net	-1,661,500,000			
4180 Budget authority, net (disc. and mand.)	**0**			
4190 Outlays, net (disc. and mand.)	**-1,661,500,000**			

When loan guarantees have been committed and the loans disbursed, the subsidy is received from the program account ($1,500,000).

Guaranteed loan financing accounts hold a reserve for future defaults.

Subsidy collected from program account.

Note: Exhibit 185U illustrates the End of First SF 133 Quarter Program account for this account. Exhibit 185AA illustrates the End of First Quarter SF 133 for this account.

BUDGET EXECUTION REPORTING—END OF FIRST QUARTER
SIDE-BY-SIDE ACCOUNT COMPARISON

Line Entry	Program Account	Financing Account: Direct	Financing Account: Guaranteed
Schedule of Budgetary Resources			
1100. BA: Appropriation (disc.)	The total amount becoming available on or after October 1 of the fiscal year. It is composed of amounts for direct loan and loan guarantee subsidy costs and administrative expenses ($11,530,000 + $6,000,000 + $1,000,000). The entry for this line should equal the entry on line 1100 of the latest SF 132 for this account.		
1400. BA: Borrowing authority (mand.)		The amount of borrowing authority anticipated to be used to cover obligations during the year that are not covered by subsidy cost payments or fees. Usually, assume direct loan obligations equal to the direct loan limitation and subtract corresponding estimates of subsidy cost payments and any fees paid by the borrower ($100,000,000–$11,530,000). The entry for this line should equal the entry on line 1400 of the latest SF 132 for this account.	
1800 BA: Spending author: Collected (mand.)		When a direct loan is disbursed, the financing account collects the subsidy cost payment from the program account. So far, only 80% of the loans obligated this quarter have been disbursed so only 80% of the subsidy cost should be collected ($2,882,500 * .8). Later, as borrowers make repayments, such amounts will also be recorded on this line.	When a guaranteed loan is disbursed by a private lender, the financing account collects the subsidy cost payment from the program account. These collections are held to finance future defaults. So far, private lenders have disbursed only 80% of the loans guaranteed this quarter ($1,500,000 * .8).

Line Entry	Program Account	Financing Account: Direct	Financing Account: Guaranteed
1801. BA: Spending auth: Change in uncollected customer payments, Fed srcs (mand.) (+ or –)		The portion of the subsidy cost for loans obligated but not yet disbursed in the first quarter ($2,882,500 * .2). When the remaining 20% of the loans is disbursed, the program account will pay the remaining subsidy cost to the financing account, and the amount on this line will be moved to line 1800.	The portion of the subsidy cost for guarantees committed but not yet disbursed in the first quarter ($1,500,000 * .2). When the remaining 20% of the loans is disbursed, the program account will pay the remaining subsidy cost to the financing account, and the amount on this line will be moved to line 1800.
1825 BA: Spending auth: Applied to repay debt (mand.) (–)		Repayments of Treasury debt are shown as a reduction in resources rather than as an obligation of resources. This entry does not include interest payments made on borrowing from Treasury, which are treated as an obligation and an outlay.	
1840 BA: Spending auth: Anticipated collections, reimbursements, and other income (mand.)		The anticipated subsidy cost payments from the program account for loans planned to be obligated in the remaining quarters of this year and expected borrower repayments of principal and interest for this year [($2,882,500 * 3) + $10,243,000]. As direct loans are obligated and disbursed, reflect these actions by moving the corresponding amounts to lines 1800 and 1801, as appropriate.	The anticipated subsidy cost payments from the program account for guarantees planned to be committed in the remaining quarters of this year and interest earned from Treasury [($1,500,000 * 3) + $360,000]. As guarantees are committed and guaranteed loans are disbursed, reflect these actions by moving the corresponding amounts to lines 1800 and 1801, as appropriate.
1850 BA: Spending authority from offsetting collections (mand.) (total)		The sum of lines 1800-1840.	The sum of lines 1800-1840.
1910. Total budgetary resources (disc. and mand.)	Represents all the budgetary resources available for new obligations (typically the amount on line 1100). This line should always equal line 2500.	The sum of detailed lines 1400 through 1840 and should equal line 2500.	The sum of detailed lines 1800 through 1840 and should equal line 2500.

Line Entry	Program Account	Financing Account: Direct	Financing Account: Guaranteed
Status of Budgetary Resources			
2001 Obligations incurred: Category A (by quarter)		A quarter of the borrowing authority and subsidy cost has been obligated ($100,000,000 * .25).	
2002 Obligations incurred: Category B, 1. Direct loan subsidy cost 2002 Obligations incurred: Category B, 2. Guaranteed loan subsidy cost 2002. Obligations incurred: Category B, 3. Administrative expenses	A quarter of the direct loan and loan guarantee subsidy cost and administrative expenses has been obligated, so a quarter of each [.25 * ($11,530,000 + $6,000,000 + $1,000,000)] is recorded.		
2002. Obligations incurred: Category B, 4. Interest payment to Treasury		The interest payment to Treasury ($1,680,250) is recorded.	
2201. Unob Bal Apportioned: Available in the current period	Based on the latest SF 132, a total of $18,530,000 is apportioned for this account, but only $4,632,500 ($2,882,500 + $1,500,000 +$250,000) has been obligated. Therefore, the remaining $13,897,500 is recorded.		
2202. Unob Bal: Apportioned: Available in subsequent periods		Because this account is apportioned by time periods, the amount apportioned on the latest SF 132 (6001-6004 lines, *Category A*) that will not become available until after this reporting period is recorded here. This is calculated by taking the total Category A apportionment on the latest SF 132 minus the obligations incurred on lines 2001 of this SF 133, minus anticipated apportionments. ($100,000,000– $25,000,000- $18,890,500).	

Line Entry	Program Account	Financing Account: Direct	Financing Account: Guaranteed
2203 Unob Bal: Apportioned: Anticipated		These are anticipated subsidy cost repayments. Since the amount is anticipated, it is categorized separately from apportionments available in subsequent periods.	
2403 Unob Bal: Unapportioned: Other			Guaranteed loan financing accounts hold an interest-earning reserve for future defaults. Record the amount of subsidy cost payments and interest received and anticipated ($4,860,000 + $1,200,000 + $300,000) for the year.
2500 Total Budgetary Resources	The sum of lines 2001-2403 and should equal line 1910.	The sum of lines 2001–2403 and should equal line 1910.	The amount on line 2202 and should equal line 1910.
Change in obligated balance			
3010. Ob Bal: Obligations incurred: Unexpired accounts	A quarter of the direct loan and loan guarantee subsidy cost and administrative expenses has been obligated, so a quarter of each [.25 * ($11,530,000 + $6,000,000 + $1,000,000)] is recorded.	The amount payable to Treasury for interest expense and the amount of direct loans obligated but not yet disbursed by the financing account [$1,680,250 + $25,000,000].	
3020 Ob Bal: Outlays (gross) (–)	The amount of obligations that are liquidated by disbursements. In this example, only 80% of the subsidy cost obligated this quarter [($2,882,500 + $1,500,000) * .8] (see line 1100 of the financing account) and 25% of the administrative expenses have been disbursed. The sum of these two disbursements ($3,506,000 + $250,000) is recorded.	The amount of direct loan subsidy that has been disbursed from the obligated balance. [$25,000,000 * .8]	

Line Entry	Program Account	Financing Account: Direct	Financing Account: Guaranteed
3070 Ob Bal: Change in uncollected customer payments, Fed srcs: Unexpired accounts (+ or –)		The portion of the subsidy cost for loans obligated but not yet disbursed in the first quarter ($2,882,500 * .2). When the remaining 20% of the loans is disbursed, the program account will pay the remaining subsidy cost to the financing account, and the amount on this line will be moved to line 1800. This line is the same as line 1801, but with opposite sign.	The portion of the subsidy cost for guarantees committed but not yet disbursed in the first quarter ($1,500,000 * .2). When the remaining 20% of the loans is disbursed, the program account will pay the remaining subsidy cost to the financing account, and the amount on this line will be moved to line 1800. This line is the same as line 1801, but with opposite sign.
3050 Ob Bal: EOY: Unpaid obligations (gross)	The sum of lines 3000-3081 but generally 3010 and 3020 are the lines reported.	The sum of lines 3000-3081 but generally 3010, and 3020 are the lines reported.	
3090. Ob Bal: EOY: Uncollected cust payments from Fed srcs (–)		The amount of direct loan subsidy cost payment receivable from the program account for the portion of the direct loan subsidy cost that was obligated but remains undisbursed ($2,882,500 * .2). This line is the same as line 3070 and 1801, but with the opposite sign.	The amount of subsidy cost for loan guarantees receivable from the program account for the portion of the loan guarantee that was obligated but remains undisbursed ($1,500,000 * .2). This line is the same as line 3070 and 1801, but with the opposite sign.
Memorandum (non-add) entries:			
3200. Obligated balance, end of year	The sum of lines 3130 and 3020, and should equal the sum of lines 3050 and 3090.	The sum of lines 3010-3070, and should equal the sum of lines 3050 and 3090.	The sum of line 3070, and should equal the sum of lines 3590 and 3090.
Budget Authority and Outlays, Net			
4000 Budget authority, gross (disc.)	The amount on line 1100.		
4010. Outlays from new discretionary authority (disc.)	This equals the portion of line 3020 that is derived from new discretionary authority.		
4070. Budget authority, net (disc.)	This line should equal line 4000.		
4080. Outlays, net (disc.)	This line should equal line 4010.		
4090. Budget authority, gross (mand.)		The sum of detailed lines 1400, 1800, 1801 and 1840.	The sum of detailed lines 1800, 1801 and 1840.

Line Entry	Program Account	Financing Account: Direct	Financing Account: Guaranteed
4110. Total outlays, gross (mand.)		This equals line 3020, with the opposite sign.	This equals line 3020, with the opposite sign.
4120. Offsets, BA and OL: Offsetting collections from Fed srcs (mand.)		Repayments from the borrowers are not expected until the end of the year, so this entry should reflect only the amount of the direct loan subsidy cost payments that have been disbursed from the program account (see line 1800), recorded as a negative amount.	Records the amount of the loan guarantee subsidy cost payments that have been disbursed from the program account (see line 1800), recorded as a negative amount.
4140. Offsets BA only: Change in uncoll cust payments from Fed srcs (unexpired) (mand.) (+ or –)		Equals line 1801, but with the opposite sign.	Equals line 1801, but with the opposite sign.
4160. Budget authority, net (mand.)		Sum of lines 4090, 4120 and 4140.	Sum of lines 4090, 4120 and 4140.
4170. Outlays, net (mand.)		Sum of lines 4110 and 4120.	Sum of lines 4110 and 4120.
4180. Budget authority, net (disc. and mand.)	This line should equal line 4070 (disc.)	This line should equal line 4160 (mand.)	This line should equal line 4160 (mand.)
4190. Outlays, net (disc. and mand.)	This line should equal line 4080 (disc.)	This line should equal line 4170 (mand.)	This line should equal line 4170 (mand.)

End of Fiscal Year: Program Account
Report on Budget Execution

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ending 9/30 CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL			
BUREAU: Office of the Secretary	Credit Program Account			
	Unexpired			
BUDGETARY RESOURCES				
1000 Unobligated balance, brough fwd, Oct. 1	246,000,000			
1100 BA: Disc: Appropriation (disc.)……	363,323,000			
1900 Budget authority total (disc. and mand.)……	363,323,000			
1910 Total budgetary resources (disc. and mand.)……	**609,323,000**			
STATUS OF BUDGETARY RESOURCES				
2002 Direct loan subsidy……	9,000,000			
2002 Guaranteed loan subsidy……	250,000,000	100% of direct and guaranteed loan subsidy and administrative expenses have been obligated.		
2002 Administrative expenses……	147,958,000			
2201 Unob Bal: Apportioned: Avail in the current period……	202,365,000			
2500 Total budgetary resources……	609,323,000			
CHANGE IN OBLIGATED BALANCES				
3000 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1 gross……	230,000,000			
3010 Ob Bal: Obligations incurred: Unexpired accounts……	406,958,000			
3020 Ob Bal: Outlays (gross) ……	-357,000,000			
3050 Ob Bal: EOY: Unpaid obligations (gross)……	279,958,000	Loan subsidy obligated but not yet disbursed.		
3200 Obligated balance, end of year (net)……	**279,958,000**			
BUDGET AUTHORITY AND OUTLAYS, NET				
4000 Disc: Budget authority, gross……	363,323,000			
4010 Disc: Outlays from new authority……	345,000,000	Loan subsidy and administrative cost obligated and disbursed.		
4011 Disc: Outlays from discretionary balances……	12,000,000			
4020 Disc: Total outlays, gross……	357,000,000			
4070 Disc: Budget authority, net……	363,323,000			
4080 Disc: Outlays, net……	357,000,000			
4180 Budget authority, net (disc. and mand.)……	**363,323,000**			
4190 Outlays, net (disc. and mand.)……	**357,000,000**			

End of Fiscal Year: Direct Loan Financing Account
Report on Budget Execution

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Fiscal Year CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL	
BUREAU: Office of the Secretary	Direct Loan Financing Account	
	Unexpired	
BUDGETARY RESOURCES		
1000 Unobligated balance, brought fwd, Oct. 1	0	
1021 Recoveries of prior year unpaid obligations	2,000,000	
1023 Unobligated balances, ap plied to repay debt	-2,000,000	
1050 Unobligated balance (total)	0	
1400 BA: Mand: Borrowing authority……	44,000,000	Amount apportioned on latest SF 132.
1800 BA: Mand: Spending auth: Collected……	41,000,000	Direct loan subsidy collected from the program account ($11,530,000 * 80%) + repayments from borrower ($10,243,000).
1801 BA: Mand: Spending auth: Chng uncoll paymt Fed src sources………	0	Portion of the direct loan subsidy obligated but not yet disbursed from the program account ($11,530,000* 20%).
1825 BA: Mand: Spending auth: Applied to repay debt……	-34,000,000	Actual principal repayments to Treasury.
1850 BA: Mand: Spending auth: Total……	7,000,000	
1910 Total budgetary resources (disc. and mand.)……	**51,000,000**	
STATUS OF BUDGETARY RESOURCES		
2001 Direct obs incurred: Category A (by quarter)……	46,000,000	
2002 Interest payment to Treasury……	5,000,000	
2500 Total budgetary resources……	**51,000,000**	
STATUS OF BUDGETARY RESOURCES		
3000 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1 gross……	727,000,000	
3060 Uncollected payments, Fed sources, brought fwd., Oct. 1	-5,000,000	
3100 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1 net……	**722,000,000**	Amount of direct loans obligated but not yet disbursed ($100,000,000 * 20%).
3010 Ob Bal: Obligations incurred: Unexpired accounts……	51,000,000	
3020 Ob Bal: Outlays (gross) ……	-33,000,000	
3040 Ob Bal: Change, recoveries of prior year unpaid obs, unexpired……	-2,000,000	
3050 Ob Bal: EOY: Unpaid obligations (gross)……	743,000,000	
3090 Ob Bal: EOY: Uncoll cust payments fm Fed srcs, EOY……	-5,000,000	Direct loan subsidy still receivable from program account.
3200 Obligated balance, end of year (net)……	**738,000,000**	
BUDGET AUTHORITY AND OUTLAYS, NET		
4090 Mand: Budget authority, gross……	51,000,000	
4110 Mand: Total Outlays, gross……	-33,000,000	Portion of the loan that has been disbursed ($100,000,000 * 80%) + interest paid to Treasury ($1,680,250).
4130 Mand: Offsets, BA and OL: Collections fm Fed srcs ……	-41,000,000	Direct loan subsidy collected from the program account ($11,530,000 * 80%) + repayments from borrower ($10,243,000).
4140 Mand: Offset, BA: Chng in uncol pay, Fed src, unex ……	0	
4160 Mand: Budget authority, net……	10,000,000	
4170 Mand: Outlays, net……	8,000,000	
4180 Budget authority, net (disc. and mand.)……	**10,000,000**	
4190 Outlays, net (disc. and mand.)……	**8,000,000**	

End of Fiscal Year: Guaranteed Loan Financing Account
Report on Budget Execution

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Fiscal Year CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL
BUREAU: Office of the Secretary	Guaranteed Loan Financing Account
	Unexpired
BUDGETARY RESOURCES	
1000 Unob Bal: Brought forward, October 1	3,050,000,000
1800 BA: Mand: Spending auth: Collected	2,183,000,000
1910 Total budgetary resources (disc. and mand.)	5,233,000,000
STATUS OF BUDGETARY RESOURCES	
2403 Unob Bal: Unapportioned: Other resources	5,233,000,000
2500 Total budgetary resources	5,233,000,000
CHANGE IN OBLIGATED BALANCES	
3000 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1 gross	576,000,000
3060 Ob Bal: Uncollected payments, Fed sources, brought fwd, Oct. 1	-201,000,000
3100 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1 net	375,000,000
3010 Ob Bal: Obligations incurred, unexpired accounts	2,445,000,000
3020 Ob Bal: Outlays (gross) (-)	2,086,000,000
3060 Uncollected payments, Fed sources, brought fwd, Oct. 1	935,000,000
3200 Obligated balance, end of year (net)	**935,000,000**
BUDGET AUTHORITY AND OUTLAYS, NET	
4090 Mand: Budget authority, gross	2,183,000,000
4110 Mand: Total outlays, gross	2,086,000,000
4130 Mand: Offsets, BA and OL: Collections fm Fed srcs	-2,183,000,000
4160 Mand: Budget authority, net	0
4170 Mand: Outlays, net	-97,000,000
4180 Budget authority, net (disc. and mand.)	**0**
4190 Outlays, net (disc. and mand.)	**-97,000,000**

Subsidy collected from the program account $6,000,000 plus interest earned on financing account balances of $600,000.
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Amount of subsidy and interest collected.

BUDGET EXECUTION REPORTING—END OF FISCAL YEAR
SIDE-BY-SIDE ACCOUNT COMPARISON

Line Entry	Program Account	Financing Account: Direct	Financing Account: Guaranteed
Schedule of Budgetary Resources			
1100. BA: Appropriation (disc.)	In this example, this entry should be the same as the End of First Quarter.		
1400. BA: Borrowing authority (mand.)		In this example, this entry should be the same as the End of First Quarter. Any unobligated borrowing authority must be returned at the end of the fiscal year.	Any unobligated borrowing authority must be returned at the end of the fiscal year.
1800. BA: Spending auth: Collected (mand.)		This entry should be updated to reflect that payments totaling 80% of the subsidy cost ($11,530,000 * .8) have been collected from the program account and $10,243,000 was collected from borrower repayments.	This entry should be updated to reflect that payments totaling 80% of the subsidy cost ($6,000,000 * .8) have been collected from the program account and $360,000 was received from Treasury for interest.
1801. BA: Spending auth: Change in uncollected customer payments, Fed srcs (mand.) (+or -)		The remaining 20% of the subsidy cost payments receivable from the program account is recorded ($11,530,000 * .2).	The remaining 20% of the subsidy cost payments receivable from the program account is recorded ($6,000,000 *.2).
1825. BA: Spending auth: Applied to repay debt (mand.) (–)		After debt is actually repaid, use this line.	
1850. BA: Spending authority from offsetting collections (mand.) (total)		The sum of lines 1800-1825.	The sum of lines 1800 and 1801.
1910. Total budgetary resources (disc. and mand.)	This line equals the amount on line 1100 and should always equal line 2500.	The sum of detailed lines 1400 through 1825 and should equal line 2500.	The sum of detailed lines 1400 through 1801 and should equal line 2500.
Status of Budgetary Resources			
2001. Obligations incurred: Category A (by quarter)		Update this line to reflect that the full $100,000,000 has been obligated.	

Line Entry	Program Account	Financing Account: Direct	Financing Account: Guaranteed
2002. Obligations incurred: Category B: Direct loan subsidy 2002. Obligations incurred: Category B: Guaranteed loan subsidy 2002. Obligations incurred: Category B: Administrative expenses	The full amount of direct and guaranteed loan subsidy cost ($11,530,000 + $6,000,000) and administrative expenses ($1,000,000) has been obligated.		
2002. Obligations incurred: Category B: Interest payment to Treasury		Record the interest payment to Treasury.	
2403. Unob Bal: Unapportioned: Other			The amount of subsidy cost payments and interest received and anticipated ($5,160,000 + $1,200,000) for the year.
2500. Total budgetary resources	The sum of lines 2001-2403 and should equal line 1910.	The sum of lines 2002 and should equal line 1910.	The amount on line 2002 and should equal line 1910.
	Change in obligated balance		
3010. Ob Bal: Obligations incurred: Unexpired accounts	Records the amount of direct loan and loan guarantee subsidy cost and administrative expenses obligated but undisbursed. Reflects the amount of budgetary resources for subsidy cost that remains in the program account [($11,530,000 + $6,000,000)*.2]. All of the administrative expenses have been disbursed.	This is the amount of loans obligated but not yet disbursed ($100,000,000 *.2).	
3020. Ob Bal: Outlays (gross) (–)	When a direct loan is disbursed from the financing account, the subsidy cost payment moves from lines 3010 and 3050 to lines 4010 and 4080. In this example, because 80% of the loans and 100% of the administrative expenses		

Line Entry	Program Account	Financing Account: Direct	Financing Account: Guaranteed
	have been disbursed, the entry is 80% of the subsidy cost plus the full amount of administrative expenses [($17,530,000 * .8) + $1,000,000].	Record the loans disbursed plus the amount of interest paid to Treasury [($100,000,000*.8) + $1,680,250].	
3070. Ob Bal: Change in uncollected customer payments, Fed srcs: Unexpired accounts (+ or –)		The remaining 20% of the subsidy cost payments receivable from the program account is recorded ($11,530,000 * .2). This line equals lines 1801 and 3090but with the opposite sign.	The remaining 20% of the subsidy cost payments receivable from the program account is recorded ($6,000,000 * .2). This line equals lines 1801 and 3090, but with the opposite sign.
3050. Ob Bal: EOY: Unpaid obligations	Records the amount of direct loan and loan guarantee subsidy cost and administrative expenses obligated but undisbursed. Reflects the amount of budgetary resources for subsidy cost that remains in the program account [($11,530,000 + $6,000,000) * .2]. All of the administrative expenses have been disbursed.	This is the amount of loans obligated but not yet disbursed ($100,000,000 * .2).	
3090. Ob Bal: EOY: Uncollected cust payments from Fed srcs (–)		Equals line 3070, but with the opposite sign.	Equals line 3070, but with the opposite sign.
Memorandum (non-add) entries:			
3200. Obligated balance, end of year	The sum of lines 3010 and 3020, and should equal the sum of lines 3090 and 3091.	The sum of lines 3010-3070, and should equal the sum of lines 3050 and 3090.	The sum of line 3070, and should equal the sum of lines 3050 and 3090.
Budget Authority and Outlays, Net			
4000. Budget authority, gross (disc.)	The amount on line 1100.		
4010. Outlays from new discretionary authority (disc.)	This equals the portion of line 3020 that is derived from new discretionary authority.		
4070. Budget authority, net (disc.)	This line should equal line 4000.		

Line Entry	Program Account	Financing Account: Direct	Financing Account: Guaranteed
4080. Outlays, net (disc.)	This line should equal line 4010.		
4090. Budget authority, gross (mand.)		The sum of detailed lines 1400 and 1800-1825.	The sum of detailed lines 1400 and 1800-1825.
4110. Total outlays, gross (mand.)		This equals line 3020, with the opposite sign.	This equals line 3020, with the opposite sign.
4120. Offsets, BA and OL: Offsetting collections from Fed srcs (mand.)		Collection of direct loan subsidy from the program account.	Collections of loan guarantee subsidy from the program account.
4122. Offsets, BA and OL: Offsetting collections from interest on uninvested funds (mand.)			Amount of interest received from Treasury on balances in the account.
4123 Offsets, BA and OL: Offsetting collections from non-Fed srcs (mand.)		Amount of repayments of principal and interest received from borrowers.	
4130. Offsets against gross budget authority and outlays (mand.) (total)		Sum of lines 4120-4123.	Sum of lines 4120-4122.
4140. Offsets, BA only: Change in uncoll cust payments from Fed srcs (unexpired) (mand.) (+ or –)		The change in direct loan subsidy obligated but not yet received from the program account.	The change in direct loan subsidy obligated but not yet received from the program account.
4160. Budget authority, net (mand.)		Sum of lines 4090, 4120, 4123 and 4140.	Sum of lines 4090, 4120, 4122 and 4140.
4170. Outlays, net (mand.)		Sum of lines 4110, 4120 and 4123.	Sum of lines 4110, 4120 and 4122.
4180. Budget authority, net (disc. and mand.)	This line should equal line 4070 (disc.).	This line should equal line 4160 (mand).	This line should equal line 4160 (mand).
4190. Outlays, net (disc. and mand.)	This line should equal line 4080 (disc.).	This line should equal line 4170 (mand.).	This line should equal line 4170 (mand.).

CIRCULAR NO. A–11

PART 6

STRATEGIC PLANS, ANNUAL PERFORMANCE PLANS, PERFORMANCE REVIEWS, AND ANNUAL PROGRAM PERFORMANCE REPORTS

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
JULY 2013

PART 6—EXECUTIVE SUMMARY

TABLE OF CONTENTS: OMB CIRCULAR A–11 PART 6

SECTION 200—OVERVIEW OF THE FEDERAL PERFORMANCE FRAMEWORK
SECTION 210—PERFORMANCE.GOV
SECTION 220—CROSS AGENCY PRIORITY GOALS AND FEDERAL PERFORMANCE PLAN
SECTION 230—STRATEGIC PLANNING
SECTION 240—ANNUAL PERFORMANCE PLANNING
SECTION 250—AGENCY PRIORITY GOALS
SECTION 260—ANNUAL PERFORMANCE REPORTING
SECTION 270—PERFORMANCE AND STRATEGIC REVEIWS
SECTION 280—FEDERAL PROGRAM INVENTORY
SECTION 290—ELIMINATION OF UNNECESSARY AGENCY PLANS AND REPORTS

Building a High Performance Government

The President has challenged Federal managers to deliver a government that is leaner, smarter, and more effective. While many in the Government and the public are focused on how many taxpayer dollars we save, we have an equally important obligation to ensure that every dollar spent delivers results for the American people. To accomplish this, high performing private and public sector organizations implement performance management systems that engage leaders in regularly reviewing progress toward their goals.

Over the past few years, the Federal Government has ramped up its efforts to apply effective performance management within and across agencies. Leaders have established clear roles and responsibilities, set ambitious priority goals, personally conducted regular reviews of progress, and taken action based on evidence and on opportunities to coordinate across silos. To further advance these efforts, the Administration has worked closely with agency Performance Improvement Officers to develop guidance for agencies. This guidance lays out the path forward for implementing the GPRA Modernization Act of 2010.

Clarifies Key Roles and Responsibilities

Perhaps the most important aspect of any effective performance management system is ensuring active leadership engagement. Leadership engagement fosters a high-performance culture that empowers employees at all levels and enables the organization to work across silos to solve problems. In particular, the leader's responsibility not just for establishing the goals but also for conducting data-driven reviews are critical for creating a results-oriented culture, where leaders and staff debate questions that help them find, sustain, and spread promising practices and policies. This guidance describes key roles and responsibilities in performance management for the Agency Head, Chief Operating Officer (COO), Performance Improvement Officer (PIO), Performance Improvement Council and Goal Leaders.

- **Agency COOs**, who must be Deputy Secretaries or equivalent, provide organizational leadership to improve performance.

- **Agency PIOs,** who must report directly to the COO, are responsible for supporting the agency head and COO in leading efforts to set goals, make results transparent, review progress and make course corrections.

- **Goal leaders** are officials named by the agency head or COO who are held accountable for leading implementation efforts to achieve a goal. This includes laying out strategies to achieve the goal, managing execution, regularly reviewing performance, engaging others as needed and correcting course as appropriate.

- **The Performance Improvement Council** (PIC) develops capacity-building mechanisms to strengthen agency management and facilitate cross-agency learning and cooperation, including supporting OMB and Goal Leaders in analyzing progress on CAP Goals. PIC working groups develop solutions to matters that affect mission activity, management functions and performance.

- **Delivery partners** outside the agency are consulted and engaged to support outcome objectives.

Engages Leaders in Goal-Setting and Sharpening Focus on Priorities

The Administration expects agencies to set a limited number of ambitious goals that encourage innovation and adoption of evidence-based strategies. Agency leaders at all levels of the organization are accountable for choosing goals and indicators wisely and for setting ambitious, yet realistic targets. Wise selection of goals and indicators reflects careful analysis of the characteristics of the problems and opportunities an agency seeks to influence to advance its mission.

- **The Director of OMB** sets long-term Cross-Agency Priority Goals every 4 years with annual and quarterly targets.

- **Agency heads** develop Strategic Plans with long-term goals and objectives every 4 years, Agency Priority Goals (APGs) every two years, and performance goals at least annually.

Promotes Increased Use of Performance Information and Other Evidence through Regular Reviews

Frequent data-driven performance reviews give agency leaders a mechanism for focusing an agency on priorities, diagnosing problems, and finding opportunities. Successful reviews include analyzing disaggregated data, learning from past experience, and deciding next steps to increase performance and productivity. Annual assessments of agency progress on strategic objectives can also improve program outcomes and inform longer-term decision making.

- The OMB Director and Performance Improvement Council run quarterly reviews on Cross-Agency Priority Goals.

- Agency heads and OMB conduct strategic reviews of progress on outcomes and cross-cutting efforts, considering both qualitative and quantitative evidence.

- Agency COOs, along with key personnel from components or other agencies, run at least quarterly data-driven reviews of Agency Priority Goals, to better understand challenges, factors affecting change, and the costs of delivery.

Improves Usefulness of Program Information through Reporting Modernization

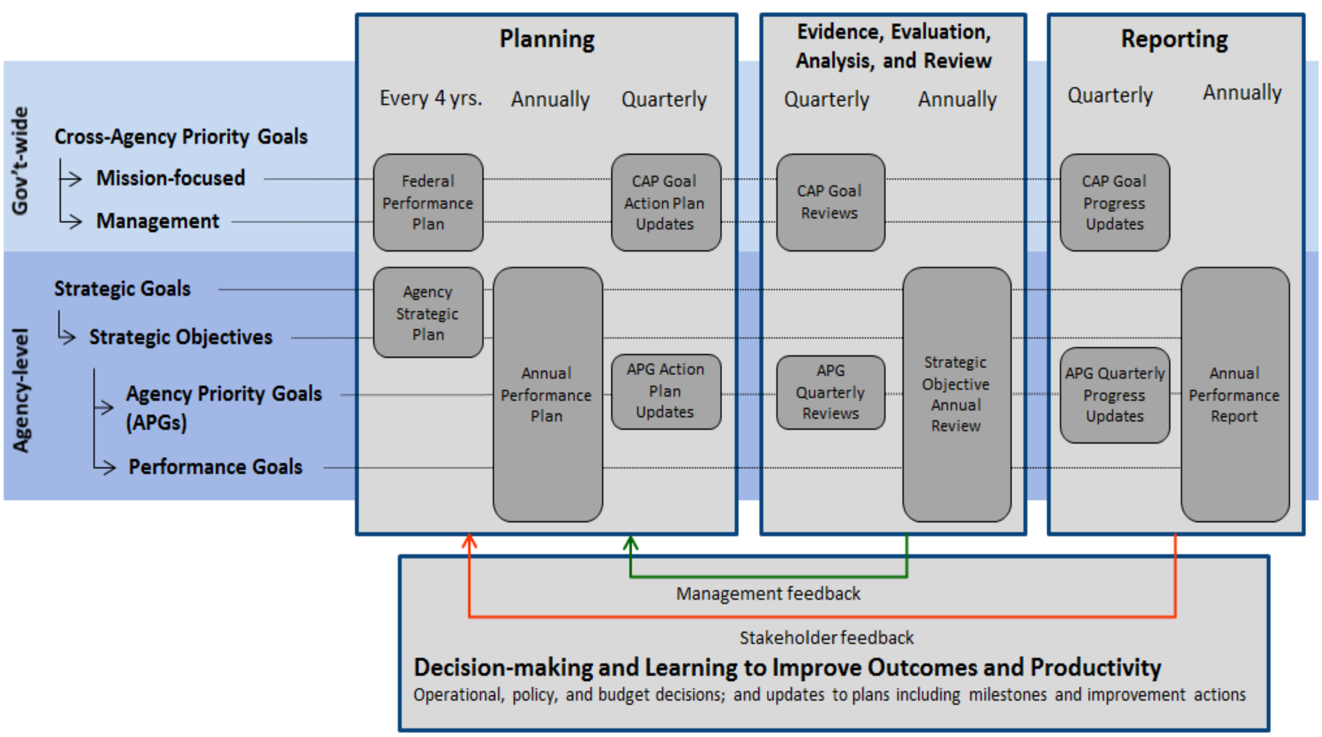
A central website, Performance.gov, makes finding performance information easier for the public, Congress, delivery partners, agency employees, and other stakeholders. This has the potential to improve public understanding about what Federal programs do and how programs link to budget, performance, and other information. Performance.gov is the central website that serves as the public window on Federal goals and performance in key areas of focus. Using a phased approach, the website will include:

- Descriptions of Cross-Agency Priority Goals including associated targets, action plans, goal leaders, and contributing programs.
- OMB and agencies' quarterly updates of progress on Priority Goals.
- Agency Strategic Plans, Performance Plans and Performance Reports.
- An inventory of agencies' programs which will be updated annually.

The Performance Management Cycle

As important as it is to sustain a strong performance culture through the practices described in the guidance, it is equally important to have reliable and effective processes which support continuous improvement and opportunities for capacity building. The description below gives an overview of the Federal Performance Management Cycle.

- Starting with the strategic goals and objectives in the Strategic Plan, agencies establish an annual process to set and monitor performance goals and Agency Priority Goals.
- Agencies use quarterly data-driven reviews to focus on targeted, short-term progress, and use strategic reviews to assess progress toward longer-term objectives.
- Finally, agencies summarize the full years' past performance in their Annual Performance Reports. These communicate publicly to external stakeholders about progress and help inform the development of the next Strategic Plan or Annual Performance Plan.



SECTION 200—OVERVIEW OF THE FEDERAL PERFORMANCE FRAMEWORK

Table of Contents

200.1 To which agencies does A–11 Part 6 apply?
200.2 What other laws or policies are relevant to Part 6 of OMB Circular A–11?
200.3 Our agency is subject to special laws or other governing regulations related to our agency's performance planning or reporting, specifically. How does this guidance relate?
200.4 Overview of the GPRA Modernization Act of 2010
200.5 What are agencies, their managers and their employees accountable for with regard to their performance goals and measurement?
200.6 How does the GPRA Modernization Act affect the roles and responsibilities of leadership at the agency?
200.7 How does the agency designate the COO and PIO and notify OMB of the designations?
200.8 Does an agency have to name an acting COO or acting PIO if the position is vacant?
200.9 Are the PIO designations available to the public?
200.10 What is the role of the Chief Operating Officer (COO)?
200.11 Why is COO leadership engagement important to performance management?
200.12 What is the role of the Performance Improvement Officer?
200.13 Who will support the work of the PIO?
200.14 What is the role of the Chief Human Capital Officer (CHCO)?
200.15 What is the role of a goal leader?
200.16 Do all agencies need to assign a goal leader for every goal?
200.17 What is a deputy goal leader?
200.18 What is the role of the Performance Improvement Council?
200.19 Who makes up the PIC?
200.20 What is the PIC's relationship with agencies?
200.21 Definitions
200.22 Example Illustration of Goal Relationships
200.23 Performance Timeline

Summary of Changes

Updates the roles and responsibilities of agency leadership

Updates overall performance planning and reporting timeline and definitions

200.1 To which agencies does A–11 Part 6 apply?

In Part 6 of this Circular, agency is defined by section 306(f) of title 5, which includes executive departments, government corporations, and independent establishments but does not include the Central Intelligence Agency, the Government Accountability Office, the United States Postal Service, and the Postal Regulatory Commission. The Legislative Branch and the Judiciary are not subject to these requirements. In cases where sections of Part 6 guidance are applicable only to a subset of executive departments, government corporations, and independent establishments, the section will specify to which subset of agencies the guidance applies.

Except for statutory exemption, agencies are required to submit Strategic Plans, Annual Performance Plans, and Annual Performance Reports to the President, Congress and OMB in accordance with these instructions. OMB may exempt independent agencies with $20 million or less in annual outlays from the requirements for a Strategic Plan, Annual Performance Plan, and Annual Performance Report. The

GPRA Modernization Act does not authorize any exemption of a component of a department or independent agency, such as a bureau or office that annually spends $20 million or less.

Organizational components of agencies are not considered independent establishments or separate from executive departments, rather are a part of them. Therefore, agency components are not defined as an agency in the GPRA Modernization Act or in this guidance. Agencies subject to this guidance should work with their components to implement the GPRA Modernization Act in a manner that is most useful to the whole organization. Agencies are expected to work with their components to identify priorities, goals, performance indicators, and other indicators relative to the mission and strategic objectives of the agency.

200.2 What other laws or policies are relevant to Part 6 of OMB Circular A–11?

Aside from the Government Performance and Results Act of 1993 and the GPRA Modernization Act 2010, several other laws affect the agency requirements included in Part 6 of OMB Circular A–11. The Chief Financial Officers (CFO) Act of 1990 requires the head of each of the 24 executive agencies to prepare and submit to the Director of OMB audited financial statements. The list of agencies in the CFO Act is used to identify agencies that must develop Agency Priority Goals under the GPRA Modernization Act or as otherwise determined by the Director of OMB.

The Chief Human Capital Officers Act of 2002 tasked each Chief Human Capital Officer (CHCO) with "aligning the agency's human resources policies and programs with organization mission, strategic goals, and performance outcomes." See section 200.14 for the role of the CHCO. The GPRA Modernization Act reinforced the CHCOs' role in agency performance planning. As one means of implementing these expectations, the Senior Executive Service performance appraisal policy at http://www.chcoc.gov/transmittals/TransmittalDetails.aspx?TransmittalID=4514 requires that every SES clearly identify the goals and objectives in the agency Strategic Plan, Annual Performance Plan, or other organizational planning documents for which the SES has full or partial leadership responsibility. Agency strategic objectives must have individuals clearly responsible for their implementation, SES or other levels of manager or team leader.

As a part of the capital planning process, according to the Clinger-Cohen Act, agency heads under the direction of OMB must "analyze the missions of the executive agency and, based on the analysis, revise the executive agency's mission-related processes and administrative processes, as appropriate, before making significant investments in information technology to be used in support of those missions." Agency plans for capital acquisitions, including plans for information technology, supported by TechStat and PortfolioStat reviews, should align with and support advancement of the goals identified in agency Strategic Information Resource Management Plans (as per Circular A-130), as well as Strategic and Annual Performance Plans, including Agency Priority Goals.

The Reports Consolidation Act of 2000 allows agencies, at the discretion of the Director of OMB, to consolidate the publication of financial and performance information as a Performance and Accountability Report (PAR). A small number of agencies continue to use this option and may still use it for the FY 2013 Annual Performance Report. However, in light of the recently established GPRA Modernization Act 2010 with associated deadlines requiring performance reporting on a central website, agencies developing a PAR will need to change the performance reporting timeline for the FY 2014 performance report to be consistent with this guidance. (See section 260 on Annual Performance Reporting.)

200.3 Our agency is subject to special laws or other governing regulations related to our agency's performance planning or reporting, specifically. How does this guidance relate?

The guidance related to the GPRA Modernization Act requirements accompanies the agency's existing requirements established by other government laws or policies. For example, where agencies are authorized to keep information secret in the interest of national defense or foreign policy, pursuant to applicable policies and laws, agencies should continue to follow those existing laws or policies in their performance planning and reporting. Further, in cases where it is appropriate and feasible, agencies can meet the requirements of the GPRA Modernization Act and other statutory requirements in a single report such as the Department of Defense's Quadrennial Defense Review, which serves as the agency's Strategic Plan. If agencies find that GPRA Modernization Act requirements conflict with other requirements, contact OMB to resolve the issue.

200.4 Overview of the GPRA Modernization Act of 2010

On January 4, 2011, President Obama signed the GPRA Modernization Act of 2010. The Act modernized the Federal Government's performance management framework, retaining and amplifying some aspects of the Government Performance and Results Act of 1993 (GPRA 1993) while also addressing some of its weaknesses. GPRA 1993 established strategic planning, performance planning and performance reporting for agencies to communicate progress in achieving their missions. The GPRA Modernization Act established some important changes to existing requirements. It builds on lessons agencies have learned in setting goals and reporting performance, but places a heightened emphasis on priority-setting, cross-organizational collaboration to achieve shared goals, and the use and analysis of goals and measurement to improve outcomes. The GPRA Modernization Act serves as a foundation for engaging leaders in performance improvement and creating a culture where data and empirical evidence play a greater role in policy, budget and management decisions.

The purposes of the GPRA Modernization Act are to:

- Improve the confidence of the American people in the capability of the Federal Government, by systematically holding Federal agencies accountable for achieving program results;
- Improve program performance by requiring agencies to set goals, measure performance against those goals and report publicly on progress;
- Improve Federal program effectiveness and public accountability by promoting a focus on results, service quality and customer satisfaction;
- Help Federal managers improve service delivery, by requiring that they plan for meeting program goals and by providing them with information about program results and service quality;
- Improve congressional decision-making by providing more information on achieving statutory objectives and on the relative effectiveness and efficiency of Federal programs and spending;
- Improve internal management of the Federal Government; and
- Improve usefulness of performance and program information by modernizing public reporting.

200.5 What are agencies, their managers and their employees accountable for with regard to their performance goals and measurement?

The GPRA Modernization Act requires agencies to set long-term goals and objectives as well as specific, near-term performance goals. Agency leaders at all levels of the organization are accountable for choosing goals and indicators wisely and for setting ambitious, yet realistic targets. Wise selection of goals and indicators should reflect careful analysis of the characteristics of the problems and opportunities an agency seeks to influence to advance its mission, factors affecting those outcomes, agency capacity and priorities. To successfully deliver services to the public in a cost-effective way, agencies must establish a performance culture where both leaders and staff constantly ask and try to answer, questions that help them find, sustain, and spread promising practices and policies.

Agencies are expected to set ambitious goals in a limited number of areas that encourage innovation and adoption of evidence-based strategies that push them to achieve significant performance improvements beyond current levels. OMB generally expects agencies to make great progress on all of their ambitious goals and achieve most of them, but at the same time will work with an agency that consistently meets a very high percentage of its ambitious goals to assure it is setting sufficiently ambitious goals. It will also work with agencies to develop performance improvement plans to support progress on the more challenging goals and objectives. Agencies are accountable for constantly striving to achieve meaningful progress and find lower-cost ways to achieve positive results.

200.6 How does the GPRA Modernization Act affect the roles and responsibilities of leadership at the agency?

The GPRA Modernization Act builds upon a performance management leadership structure that begins with the agency head, the Chief Operating Officer (COO), the Performance Improvement Officer (PIO), and the goal leaders. The Act's performance framework must translate across and cascade down the organization to all agency managers and team leaders. The three primary responsibilities of agency performance leaders are:

1. **Goal-setting**. Leaders at all levels of the organization, starting with the agency head, are responsible for choosing and communicating near-term and long-term goals, distinguishing those that are the highest priority and for driving progress on those priorities.

2. **Assuring timely, actionable performance information is available to decision-makers at all levels of the organization**. COOs, PIOs and senior program managers should make sure that the agency gathers and analyzes performance and other evidence, including evaluations and other research as needed, to better understand the problems they are trying to tackle, the effectiveness of past efforts to address problems, factors affecting change, and the costs of delivery.

3. **Conducting frequent data-driven reviews that guide decisions and actions to improve performance outcomes and reduce costs**. Each agency head and/or COO, with the support of the PIO, must run data-driven progress reviews and include in the reviews key personnel from other components, programs, or agencies, which contribute to the accomplishment of the goals reviewed. These reviews must include but are not limited to Agency Priority Goals.

As the GPRA Modernization Act is implemented, increased use of performance information should spread across the organization and to program delivery partners.

200.7 How does the agency designate the COO and PIO and notify OMB of the designations?

The GPRA Modernization Act requires all agency heads to designate a COO, who is the deputy head of the agency or equivalent. Agency heads in consultation with the COO, will designate a senior executive as the agency PIO. The PIO must report directly to the COO or agency head. Agencies naming a political appointee senior executive or other individual with a limited-term appointment as PIO should name a career senior executive as the Deputy PIO.

For the purposes of assigning a PIO, agencies have flexibility to name a senior executive, depending on the organizational needs and structure of the agency. For agencies with 500 or more full-time-equivalent employees (FTEs), a senior executive should be at the Executive Schedule, Senior Executive Service or equivalent level. For agencies with less than 500 FTEs, a senior executive should be a senior-level manager or leader within the organization. If necessary, and within available resources, agencies subject to the Chief Financial Officers Act of 1990 may submit to the Office of Personnel Management a request for consideration of an SES allocation adjustment for the PIO position.

The head of each agency with more than five hundred FTEs must notify OMB of the name of the agency COO. This should be done by emailing the OMB Deputy Director for Management/Chief Performance Officer and the OMB Associate Director for Performance and Personnel Management the name of the COO, copying performance@omb.eop.gov. The COO must also notify OMB of the name of the PIO (and Deputy PIO, if named) by emailing the Associate Director for Performance and Personnel Management and copying performance@omb.eop.gov and performancepartners@pic.gov. Agencies that have fewer than 500 FTEs are encouraged, but not required, to notify OMB of the name of the agency COO and PIO (and Deputy PIO if named). The agency head or COO, as appropriate, must update the designations as they change.

200.8 Does an agency have to name an acting COO or acting PIO if the position is vacant?

Yes. If the COO or PIO position is likely to remain vacant for more than one month, the agency head or the COO should notify OMB of the name of the acting COO or acting PIO by emailing notifications to the Associate Director for Performance and Personnel Management, copying performance@omb.eop.gov. The Deputy PIO will be presumed to serve as the acting PIO unless the COO names another person to serve as the acting PIO.

200.9 Are the PIO designations available to the public?

Yes. OMB has made the names of PIOs available to the public on OMB's website for those agencies over 500 FTEs.

200.10 What is the role of the Chief Operating Officer (COO)?

Critical to the success of agency efforts to improve results and reduce costs is leadership engagement at all levels – led by the COO. The GPRA Modernization Act states that the COO "shall provide overall organization management to improve agency performance and achieve the mission and goals of the agency through the use of strategic and performance planning, measurement, analysis, regular assessment of progress, and use of performance information to improve the results achieved." The law charges the COO with advising and assisting the head of the agency in these efforts, with support from the PIO. COOs, assisted by PIOs, are expected to assume the following roles and responsibilities for delivering an efficient, effective, and accountable government:

1) **Set clear and ambitious goals to improve results and reduce costs.** COOs will advise and assist the agency heads in selecting and communicating near- and long-term goals for their agencies that accelerate performance on Administration priorities and agency missions, save money, and enhance agency responsiveness to customers and citizens.

2) **Assign and empower senior accountable officials to lead.** Agency heads or COOs will designate a goal leader responsible for driving progress for each strategic objective and Agency Priority Goal. COOs will assure these senior accountable officials have the tools and authority needed to manage both within and across organization boundaries to deliver better results in the most cost-effective way.

3) **Conduct frequent reviews to accelerate progress.** At least every quarter, the COOs will conduct data-driven reviews to speed performance and efficiency improvements on priority and other goals, including savings and management goals, coordinating with agencies that contribute to shared goals. Quarterly performance reviews on Agency Priority Goals are required both by Executive Order 13576 at http://www.whitehouse.gov/the-press-office/2011/06/13/executive-order-delivering-efficient-effective-and-accountable-governmen and the GPRA Modernization Act of 2010. COOs are responsible for ensuring these reviews are implemented in a way that is useful to the organization and for strengthening the agency's analytic capacity to support data-driven progress reviews.

4) **Identify and implement actions that improve results, enhance efficiency, and reduce waste.** The COOs, working with component managers, program managers, research and evaluation offices, PIOs, Chief Financial Officers (CFOs), Chief Acquisition Officers, Chief Information Officers, Chief Human Capital Officers (CHCO), and other management function leaders will actively engage in delivering results on agency goals in more effective and efficient ways, including re-directing budget and staffing resources. The COOs will also work with the CFOs and other agency leaders to ensure that managers and employees continually look for and act on opportunities to cut waste and increase productivity. As part of this effort, COOs will ensure that other leaders within the agency such as program managers, information technology managers and acquisition leaders are working closely with the CFOs to meet goals for reducing unnecessary spending and to increase agency participation in Government-wide savings initiatives, such as strategic sourcing. COOs will also ensure that an agency's leadership team reviews the program improvement and cost saving recommendations identified in the Government Accountability Office's (GAO) annual report on program duplication, overlap, and fragmentation, as well as areas GAO has identified as high-risk, and that the agency has a plan in place that addresses the recommendations.

5) **Ensure transparency of performance information that increases accountability, results, and cost-effectiveness.** COOs are responsible for making sure that performance information is regularly updated to inform agency and OMB performance reviews. In addition, COOs will make sure that program managers regularly communicate actionable performance metrics and analyses to those in the field, other parts of the Federal Government and delivery partners so they can improve performance and reduce costs. Also, on an annual basis, COOs are responsible for assuring that each agency identifies opportunities for eliminating or modifying duplicative or outdated congressionally-required plans and reports.

6) **Instill a performance and efficiency culture that inspires continuous improvement.** COOs, supported by PIOs and CHCOs, are responsible for establishing a performance culture within the agency that sets priorities and challenges for managers and employees at all levels of the organization to focus on better outcomes and lower-cost ways to operate. They should work to establish a culture of continual learning where staff search for increasingly effective practices. They are also responsible for using the annual Federal Employee Viewpoint Survey to identify areas of personnel strength and areas of weakness needing attention. Further, COOs are responsible for assuring that SES performance expectations support progress on agency strategic objectives, performance goals, and indicators.

200.11 Why is COO leadership engagement important to performance management?

Engagement of agency leadership in performance management is critical for several purposes. COOs need to:

- Provide organizational leadership to improve performance relative to mission and management functions.

- Bring together other leaders and staff within the agency, including component managers, program managers, research and evaluation experts, and other leaders of key management functions such as the CIO, CFO, CHCO, and CAO, in addition to the PIO, to solve problems and pursue opportunities that help the agency operate more effectively and efficiently.

- Make timely and consequential decisions, including program, budget, and staffing decisions, to drive performance results in more effective and cost-effective ways.

- Maintain or shift focus of other leaders and staff to the priorities that advance Administration and agency mission.

- Convene and chair data-driven performance reviews with appropriate representatives from components, other offices, and other agencies, if needed, challenging those involved in the review to identify opportunities for improvement and decide next steps.

- Promote adoption of performance improvement practices across the whole organization, fostering a high-performance culture that empowers and engages managers and employees at all levels. (E.g., creating demand for useful performance information during data-driven reviews; and holding managers accountable for knowing what works that is worth continuing; knowing what doesn't that needs to be fixed; and following up on actions assigned during the performance reviews).

200.12 What is the role of the Performance Improvement Officer?

The GPRA Modernization Act requires agency heads, in consultation with the COO, to name a PIO who is a senior executive reporting directly to the COO. Agency PIOs are expected to advise and assist the agency leadership to ensure that the mission and goals of the agency are achieved through strategic and performance planning, measurement, analysis, regular assessment of progress, and use of performance information to improve results. This includes driving performance improvement efforts across the organization by using goal-setting, measurement, analysis, evaluation and other research, data-driven performance reviews on progress, cross-agency collaboration, and personnel performance appraisals aligned with organizational priorities.

The PIOs are expected to support the head of the agency and COO functions by playing the following roles within their agencies:

1) Support the agency head and COO in leading agency efforts to set goals, make results transparent, review progress and make course corrections by:

    - advising and assisting all organizational components in strategic and performance planning to advance the agency's mission;

    - supporting frequent data-driven reviews, at least quarterly, to learn from experience, descriptive research, descriptive and predictive analyses, evaluations, and to decide next steps to improve program performance; and

    - communicating goals, progress, problems, and improvement plans, including quarterly reporting of progress on agency priorities and Annual Performance Reports, to those who need the information to make better decisions.

2) Reach out to other offices to improve operational effectiveness and efficiency by:

    - assisting other agency managers, including component and program office managers, Chief Financial Officer, Chief Human Capital Officer, Chief Acquisition Officer/Senior Procurement Executive, Chief Information Officer, research and evaluation offices, and legislative and communication offices, in efforts to improve and communicate organizational performance;

    - working with Chief Human Capital Officer and other agency managers in aligning personnel performance objectives, feedback, appraisals, recognition, and incentive structures effectively to advance agency goals and priorities;

- working with CIOs and CAOs to assure agency capital investments advance organizational goals set forth in strategic and annual plans; and

- assisting the COO, in collaboration with the CFO, in evaluating the efficient use of resources across all agency activities, incorporating the use of performance information in budget preparation and execution.

3) Help components, program office leaders and goal leaders to identify and promote adoption of effective practices to improve outcomes, responsiveness and efficiency, by supporting them in:

   - selecting meaningful goals and indicators, designating goal leaders, collecting and analyzing data in ways that inform targeting, identify and promote adoption of increasingly effective practices, and securing evaluations and other research as needed;

   - preparing for data-driven reviews;

   - communicating performance goals, indicators and related analyses;

   - running effective data-driven performance reviews and triggering focused follow-up questions that inform future action and research; and

   - creating a network for learning and knowledge sharing about successful outcome-focused, data-driven performance improvement methods across all levels of the organization and with delivery partners.

200.13 Who will support the work of the PIO?

Agencies may create a dedicated PIO staff and/or identify a cross-agency team that supports the PIO to assist the COO in strengthening the performance improvement culture and practices that improve outcomes and cost-effectiveness. COOs should identify organizational units with analytic and evaluation capacity to work with the PIOs to support the data-driven reviews.

200.14 What is the role of the Chief Human Capital Officer (CHCO)?

The agency CHCO plays an important role in supporting agency performance improvement efforts, including specific responsibilities identified in the GPRA Modernization Act. The CHCO supports the agency head, COO, and PIO by assuring agency human capital plans, strategies, and investments advance organizational goals set forth in strategic and annual plans by:

- aligning agency human capital management with the Human Capital Framework (HCF) and agency strategic planning to support agency goals and objectives;

- overseeing forward-thinking workforce planning and analysis within fiscal restraints, including identifying and continuously working to close skill gaps in mission critical occupations and managerial and executive positions using effective hiring and workforce development strategies;

- recommending effective human capital solutions that can mitigate identified risks;

- integrating human capital planning into agency strategic and performance plans, and coordinating data-driven reviews (i.e. HR stat) that focus on key human resource management metrics that support mission accomplishment;

- working with the PIO and senior leaders and managers across agency components and programs in developing aggressive, results-based individual performance objectives aligned to advance agency goals and priorities, and in providing effective employee feedback, appraisals, recognition, and incentive structures to recognize excellence; and

- collaborating with other executive department CHCOs through the CHCO Council to share noteworthy practices and develop and support cross-cutting HC initiatives.

The Chief Human Capital Officer (CHCO) is responsible for identifying and promoting human capital programs and policies that support the Strategic and Annual Performance Plans by providing information about:

- future workforce challenges that will affect the organization's ability to meet its mission objectives (e.g., pipeline challenges) and continuously conducting an environmental scan to identify future human capital issues;

- workforce analysis profiles, to include information about current and future staffing and competency requirements;

- human capital programs and initiatives established to support the agency's mission, such as the agency's plan to maintain an agile and well-equipped workforce;

- human capital policies, programs, initiatives and training solutions that can mitigate risks identified; and

- requests for positions, training and programs, especially to support the Chief Financial Officer and agency budget decisions.

For more information about the CHCO role in the agency performance management see the April 26, 2013 memorandum here http://www.chcoc.gov/transmittals/TransmittalDetails.aspx?TransmittalID=5550 from the Acting OPM Director to CHCOs.

200.15 What is the role of a goal leader?

A goal leader is an official named by the agency head or COO who will be held accountable for leading implementation efforts to achieve a goal. A goal leader will lay out strategies to achieve the goal, manage execution, regularly review performance, engage others as needed and make course corrections as appropriate. Agency goal leaders will be individual(s) authorized to coordinate across an agency or program to achieve progress on a goal. Certain goals may require two goal leaders or co-goal leaders who share accountability for progress.

200.16 Do all agencies need to assign a goal leader for every goal?

Agencies responsible for Priority Goals must identify to OMB the goal leader for each Agency Priority Goal and strategic objective that was included in the agency's Strategic Plan or updated in the most recent Annual Performance Plan. Unless otherwise noted, the goal leader for each strategic objective also has responsibility for driving progress on the individual performance goals supporting that strategic objective. OMB will work across the Administration to identify goal leaders for Cross-Agency Priority Goals.

OMB expects that Chief Human Capital Officers and PIOs to work together to assure that every Agency Priority Goal and strategic objective has an official clearly responsible for it.

200.17 What is a deputy goal leader?

Where a goal leader is assigned, agencies should identify a deputy goal leader to support to the goal leader. Agencies naming a political appointee as a goal leader are encouraged to name a career senior executive as the deputy.

200.18 What is the role of the Performance Improvement Council?

The GPRA Modernization Act establishes the Performance Improvement Council (PIC) in statute. The PIC assists agencies, the Director of OMB, and the Deputy Director for Management of OMB in improving the performance of the Federal Government. The PIC is intended to help make performance management and improvement policies and principles operational.

The Deputy Director for Management of OMB, or designee, shall act as chairperson of the Council and preside at the meetings of the PIC, determine its agenda, direct its work and establish and direct subgroups of the PIC, as appropriate, to deal with particular subject matters.

The PIC shall:

- Assist the Director of OMB in improving the performance of the Federal Government and achieving the Federal Government Cross-Agency priority goals and in implementing the planning, reporting and use of performance information requirements related to the Cross-Agency Priority Goals;

- Analyze and advise how to resolve specific Government-wide or cross-cutting issues;

- Facilitate the exchange of useful practices within specific programs or across agencies;

- Coordinate with other interagency management councils;

- Consider the performance management and improvement experience of others (private sector, other governments and other levels of government, nonprofit sector, public sector unions, customers of government services, etc.);

- Receive assistance, information, and advice from agencies;

- Develop and submit recommendations to streamline and improve performance management policies and requirements and, when appropriate, leads implementation of them; and

- Develop tips, tools, training, and other capacity-building mechanisms to strengthen agency performance management and facilitate cross-agency learning and cooperation, especially by considering the performance improvement experiences of entities both within and outside the Federal Government.

200.19 Who makes up the PIC?

The Performance Improvement Council is chaired by the Deputy Director for Management (DDM) of OMB. The DDM may delegate day-to-day management of the PIC to an executive who presides at the meetings, determines its agenda, directs its work and establishes and directs work of subgroups. The PIC is made up of Performance Improvement Officers (PIO) and Deputy PIOs from agencies and other individuals as determined by the chair. The PIC may create working groups, task forces, and subcommittees made up of other agency officials to carry out the work of the Council and support efforts to improve the performance of the Federal Government.

200.20 What is the PIC's relationship with agencies?

The PIC is made up of agency representatives and serves agencies on matters of performance management and improvement. Agency staff, managers, and executives can engage PIC resources, such as dedicated staff and detailees reporting to the PIC, working groups, and online collaboration opportunities provided by the PIC, to solicit solutions to matters that impact mission activity, management functions and performance management. As provided by law, the heads of agencies with Performance Improvement Officers serving on the PIC shall, provide at the request of the chairperson of the PIC, up to 2 personnel authorizations to serve at the direction of the chairperson.

200.21 Definitions

Actionable Information/ Data of Significant Value. Data or other evidence that is sufficiently accurate, timely and relevant to affect a decision, behavior, or outcome by those who have authority to take action. For information to be actionable, it must be prepared in a format appropriate for the user. (See section 240.8.)

Agency. OMB Circular A–11 Part 6 uses the same definition of agency as the GPRA Modernization Act in section 306(f) of title 5. This definition of agency includes executive departments, government corporations and independent establishments but does not include the Central Intelligence Agency, the Government Accountability Office, the Panama Canal Commission, the United States Postal Service, and the Postal Regulatory Commission.

Agency Financial Report (AFR). A report on the agency end of fiscal year financial position that includes, but is not limited to, financial statements, notes on the financial statements and a report of the independent auditors. The report also includes a performance summary. (See section 260 on Annual Performance Reporting).

Annual Performance Plan (APP). Under the GPRA Modernization Act, an agency's Annual Performance Plan defines the level of performance to be achieved during the year in which the plan is submitted and the next fiscal year. The APP may be used to structure the agency's budget submission or be a separate document that accompanies the agency's budget submission. An Annual Performance Plan must cover each program activity of the agency set forth in the budget. (See section 240 on Annual Performance Planning).

Annual Performance Report (APR). A report on the agency performance that provides information on the agency's progress achieving the goals and objectives described in the agency's Strategic Plan and Annual Performance Plan, including progress on the Agency Priority Goals. The report is delivered to Congress every February with an agency's Congressional Budget Justification or alternatively, the APR may be delivered as a performance section of the Performance and Accountability Report that is published by agencies in November. (See section 260 on Annual Performance Reporting).

Component (of an agency). Used to describe major organizational units, such as a bureau, administration, or office, within a department or agency.

Crosscutting. Across organizational boundaries within an agency or across multiple agencies.

Delivery Partner. Organizations or entities outside a Federal agency that help a Federal agency accomplish its objectives (e.g.; state and local governments, grantees, non-profits, associations, other agencies, contractors).

Efficiency. For the purposes of A-11 Part 6, efficiency gains in a program may be described as maintaining a level of performance at a lower cost, improving performance levels at a lower cost, improving performance levels at the same cost, or improving performance levels to a greater degree than costs are increased.

Evidence. For the purposes of A-11 Part 6, evidence is information that increases the probability of the truthfulness or accuracy of a proposition. Examples of evidence may include but are not limited to, performance measurement, research studies, program evaluation, statistical data series, and data analytics. Evidence can be quantitative or qualitative and has varied degrees of reliability. The credible use of evidence in decision-making requires an understanding of what conclusions can be drawn from the information, and equally important, what conclusions cannot be drawn from it. Among the most important analytical tools for agency decision making is program evaluation, which can produce rigorous evidence about program effectiveness. Qualitative evidence can complement this work by providing insight into how programs and practices can be implemented successfully. Less rigorous tools also can shed light on important issues. For example, descriptive regression analyses of administrative data can reveal important patterns that inform decisions, such as how to better match recipients with appropriate services. Agencies often use statistical time series data, such as social indicators, to take a broad look at societal and economic trends over time. This information is also used to prioritize among policy interests and budgetary resources, to inform the design of policies, and to provide the benchmarks that are used to assess the effects of policy changes.

External Factors. Economic, demographic, social, environmental, or other influences that are not of the agency's own making but can affect the goals or outcomes an agency seeks to influence. Some external factors, such as safety practices, can be influenced by agency action, while others are more difficult to affect.

Goal. A statement of the result or achievement toward which effort is directed. Goals can be long or short-term and may be expressed specifically or broadly. Progress against goals should be monitored using a suite of supporting indicators. For the purpose of this guidance, there are Cross-Agency Priority Goals, strategic goals, strategic objectives, Agency Priority Goals and performance goals, all of which have uniquely defined properties.

Goal, Cross-Agency Priority (CAP Goals) (referred to as Federal Priority Goal in GPRA Modernization Act). A statement of the long-term level of desired performance improvement for Government-wide goals set or revised at least every four years. These include outcome-oriented goals that cover a limited number of crosscutting policy areas and management goals addressing financial management, strategic human capital management, information technology management, procurement and acquisition management, and real property management.

Goal, Strategic. A statement of aim or purpose that is included in a Strategic Plan. Strategic goals articulate clear statements of what the agency wants to achieve to advance its mission and address relevant national problems, needs, challenges and opportunities. These outcome-oriented strategic goals and supporting activities should further the agency’s mission.

Objective, Strategic. Strategic objectives reflect the outcome or management impact the agency is trying to achieve and generally include the agency’s role. Each objective is tracked through a suite of performance goals and other indicators. Strategic objectives and performance goals should facilitate prioritization and assessment for planning, management, reporting, and evaluation purposes. Agencies should use strategic objectives to help decide which indicators are most valuable to provide leading and lagging information, monitor agency operations, show how employees contribute to the organization’s mission, determine program evaluations needed, communicate agency progress, and consider the impact of external factors on the agency’s progress. The set of all agency strategic objectives together should be comprehensive of all agency activity.

Objectives are usually outcome-oriented; however, management and other objectives may be established to communicate the breadth of agency efforts. For purposes of display on Performance.gov, strategic objectives may be described as:

- ***Mission Focused.*** A type of strategic objective that expresses more specifically the path an agency plans to follow to achieve or make progress on a single strategic goal.

- ***Mission Focused (Crosscutting/Other).*** A type of strategic objective that is not directly tied to a single strategic goal, but may be tied to several or none. In some circumstances agencies perform statutory or crosscutting activities which are not closely tied to a single strategic goal.

- ***Management Focused.*** A type of strategic objective that communicates improvement priorities for management functions such as strategic human capital management, information technology, or financial stewardship. Often management objectives support more than one strategic goal.

Goal, Agency Priority (APG). A limited number of goals, usually 2–8, identified by CFO Act agencies or as directed by OMB. An APG advances progress toward longer-term, outcome-focused goals in the agency's Strategic Plan, near-term outcomes, improvements in customer responsiveness, or efficiencies. An APG is a near-term result or achievement that leadership wants to accomplish within approximately 24 months that relies predominantly on agency implementation (as opposed to budget or legislative accomplishments). APGs reflect the top near-term performance improvement priorities of agency leadership, not the full scope of the agency mission.

Goal, Performance. A statement of the level of performance to be accomplished within a timeframe, expressed as a tangible, measurable objective or as a quantitative standard, value, or rate. For the purposes of this guidance and implementation of the GPRA Modernization Act, a performance goal includes a performance indicator, a target, and a time period. The GPRA Modernization Act requires performance goals to be expressed in an objective, quantifiable, and measurable form unless agencies in consultation with OMB determine that it is not feasible. In such cases an "alternative form" performance goal may be used. The requirement for OMB approval of an alternative form goal applies to performance goals only. Milestones are often used as the basis of an alternative form performance goal. Performance goals specified in alternative form must be described in a way that makes it possible to discern if progress is being made toward the goal.

Example Performance Goal: Reduce the number of homeless veterans on any given night to 35,000 by June 2012.
Performance Indicator: Number of homeless veterans on any given night
Target: 35,000
Time period: June 2012

Example "Alternative Form" Performance Goal: Obtain an unqualified audit opinion on the agency's financial statements at the by the end of FY 2014.
Performance Indicator: Audit opinion on the agency financial statements
Target: Unqualified
Time period: By the end of FY 2014

Goal Leader. The person designated by the agency head or COO to lead, oversee and be accountable for the implementation of an agency goal. A goal leader will lay out strategies to achieve the goal, manage execution, regularly review performance and make course corrections when needed. The agency's goal leaders should be empowered to coordinate across the agency to improve performance.

Government Corporation. A corporation owned or controlled by the Federal Government, as defined in section 103 of title 5, United States Code.

GPRA. Refers to the Government Performance and Results Act of 1993. Note that the GPRA Modernization Act refers to the update of the law in 2010.

Indicator. A measurable value that indicates the state or level of something.

Categories of Indicators: For the purposes of this guidance and the Performance.gov data standards, two categories of indicators are distinguished, performance indicators and other indicators.

1. ***Performance Indicator.*** The indicator for a performance goal or within an Agency Priority Goal statement that will be used to track progress toward a goal or target within a timeframe. By definition, the indicators for which agencies set targets with timeframes are performance indicators.

2. ***Other Indicator.*** Indicators not used in a performance goal or Agency Priority Goal statement but are used to interpret agency progress or identify external factors that might affect that progress. By definition, indicators that do not require targets and timeframes are other indicators.

Types of Indicators: Various types of indicators (e.g. outcome, output, customer service, process, efficiency) may be used as either performance indicators or other indicators. Agencies are encouraged to use outcome indicators as performance indicators where feasible. Some examples in alphabetical order include, but are not limited to:

- ***Indicator, Contextual.*** Data that provides situational information for the purpose of understanding trends or other information related to a goal or a program. Examples could include data about warning signals; unwanted side effects; external factors the government can influence or external factors where the government may have a limited effect.

- ***Indicator, Customer Service.*** A type of measure that indicates or informs the improvement of government's interaction with those it serves or regulates.

- ***Indicator, Efficiency.*** A type of measure, specifically a ratio of a program activity inputs (such as costs or hours worked by employees) to its outputs or outcomes. Efficiency indicators reflect the resources used to achieve outcomes or produce outputs. Measuring the cost per unit of outcome or output tends to be most useful for similar, repeated practices. In other circumstances, it tends to be more useful to find effective practices and then look for lower cost ways of delivering them.

- ***Indicator, Input.*** A type of measure that indicates the consumption of resources, especially time and/or money, used.

- ***Indicator, Intermediate Outcome.*** A type of measure that indicates progress against an intermediate outcome that contributes to an ultimate outcome, such as the percentage of schools adopting effective literacy programs, compliance levels, or the rate of adoption of safety practices.

- ***Indicator, Process.*** A type of measure that indicates how well a procedure, process or operation is working, (e.g., timeliness, accuracy, or completeness).

- ***Indicator, Outcome.*** A type of measure that indicates progress against achieving the intended result of a program. Indicates changes in conditions that the government is trying to influence.

- ***Indicator, Output.*** A type of measure, specifically the tabulation, calculation, or recording of activity or effort, usually expressed quantitatively. Outputs describe the level of product or activity that will be provided over a period of time. While output indicators can be useful, there must be a reasonable connection between outputs used as performance indicators and outcomes. Agencies should select output indicators based on evidence supporting the relationship between outputs and outcomes, or in the absence of available evidence, based on a clearly established argument for the logic of the relationship.

Inherently Governmental. An inherently governmental function, as defined in section 5 of the Federal Activities Inventory Reform Act, Public Law 105–270, means a function that is so intimately related to the public interest as to require performance by Federal Government employees. Additional guidance is available at Performance of Inherently Governmental and Critical Functions. The application of the term inherently governmental for functions described in the legislation does not change from the 1993 GPRA legislation to the 2010 GPRA Modernization Act. The preparation of agency Strategic Plans, Annual Performance Plans, and Annual Performance Reports is considered an inherently governmental function. COOs, PIOs, and Deputy PIOs must be Government employees, but contractors may provide support to these officials in executing their functions.

Intended Use. The concept implied by 'intended use' of data in the GPRA Modernization Act allows agencies to set expectations for data accuracy levels appropriate to the specific purpose for which the information will be used. For example, a randomized control trial testing drug effectiveness and safety prior to drug approval may need a high level of accuracy to protect lives; but counts of emergency room asthma incidents used to identify asthma triggers may not require the same level of accuracy. Agencies should consider the intended use of data to determine the level of accuracy needed to manage data collection costs.

Machine Readable Format. Format in a standard computer language (not English text) that can be read automatically by a web browser or computer system. (e.g.; xml). Traditional word processing documents, hypertext markup language (HTML) and portable document format (PDF) files are easily read by humans but typically are difficult for machines to interpret. Other formats such as extensible markup language (XML), (JSON), or spreadsheets with header columns that can be exported as comma separated values (CSV) are machine readable formats. It is possible to make traditional word processing documents and other formats machine readable but the documents must include enhanced structural elements.

Management Function. Describes offices or activities within agencies that support the agency divisions delivering programs that more directly advance mission. These functions tend to be common across agencies (e.g., financial, human capital, acquisition, information technology, performance management, legal, communication, intergovernmental).

Management Challenge. Programmatic or management functions, within or across agencies, that have greater vulnerability to waste, fraud, abuse, and mismanagement (such as issues the Government Accountability Office identifies as high risk or issues that an Inspector General identifies) and where failure to perform well could seriously affect the ability of an agency or the Federal Government to achieve its mission.

Measure. See indicator.

Milestone. A scheduled event signifying the completion of a major deliverable or a phase of work.

Objective. See goal.

Output. Quantity of products or services delivered by a program, such as the number of inspections completed or the number of people trained.

Outcome. The desired results of a program. For example, an outcome of a nation-wide program aimed to prevent the transmission of HIV infection might be a lower rate of new HIV infections in the U.S. Agencies are strongly encouraged to set outcome-focused performance goals to ensure they apply the full range of tools at their disposal to improve outcomes and find lower cost ways to deliver.

Performance and Accountability Report (PAR). An annual report of agency performance Annual Performance Report (APR) and financial position Agency Financial Report (AFR). The report contains the agency's audited financial statements and information on efforts to achieve goals during the past fiscal year. The AFR, combined with an APR, serves as an option to reporting the agency's end of fiscal year status through a consolidated Performance and Accountability Report. (See section 260 on Annual Performance Reporting).

Performance Improvement Council (PIC). The PIC consists of Performance Improvement Officers from the 24 CFO Act agencies and other agencies and is chaired by the Chief Performance Officer and Deputy Director for Management at OMB or the Associate Director for Performance and Personnel Management as the designee. The purpose of the Council is to develop recommendations relating to performance management policies, requirements, and criteria for analysis of program performance. In addition, the Council is responsible for facilitating the exchange of performance management information among agencies to accelerate improvements in program performance. The Council also coordinates and monitors continuous reviews of the performance and management of Federal programs.

Performance Management. Use of goals, measurement, evaluation, analysis, and data-driven reviews to improve results of programs and the effectiveness and efficiency of agency operations. Performance management activities often consist of planning, goal setting, measuring, analyzing, reviewing, identifying performance improvement actions, reporting, implementing, and evaluating. The primary purpose of performance management is to improve performance and then to find lower cost ways to deliver effective programs.

Performance.gov. Web-based system that includes performance information about the Executive Branch, and is the Government-wide performance website required under the GPRA Modernization Act of 2010.The site encompasses the Federal Performance Plan and is being developed to include more agency-specific detail in accordance with the GPRA Modernization Act.

Program. Generally, an organized set of activities directed toward a common purpose or goal that an agency undertakes or proposes to carry out its responsibilities. Within this broad definition, agencies and their stakeholders currently use the term "program" in different ways. Agencies have widely varying missions and achieve these missions through different programmatic approaches, so differences in the use of the term "program" are legitimate and meaningful. For this reason, OMB does not prescribe a superseding definition of "program"; rather, consistent with the GPRA Modernization Act, agencies may identify programs consistent with the manner in which the agency uses programs to interact with key stakeholders and to execute its mission. (See section 280 on Federal Program Inventory.)

Program Activity. Activities or projects listed in the program and financing schedules of the annual budget of the United States Government. For the purpose of preparing an Annual Performance Plan, an agency may aggregate, disaggregate, or consolidate program activities, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation for the agency.

Program Evaluation. Individual, systematic studies to assess how well a program is working to achieve intended results or outcomes. Program evaluations are often conducted by experts external to the program either inside or outside an agency. Evaluations can help policymakers and agency managers strengthen the design and operation of programs and can help determine how best to spend taxpayer dollars effectively and efficiently. Evaluations identified should be performed with appropriate scope, quality, and independence. Evaluations may address questions related to the overall performance of the program, the effectiveness of particular program strategies, or factors that relate to variability in effectiveness of the program or strategies. Evaluations can also examine questions related to measurement of progress, such as the reliability of performance data, identifying appropriate goals or targets for performance, and understanding the contextual factors surrounding a program.

Progress Update (from Strategic Reviews). A component of the agency's Annual Performance Report which summarizes the agency's assessment of progress on each strategic objective.

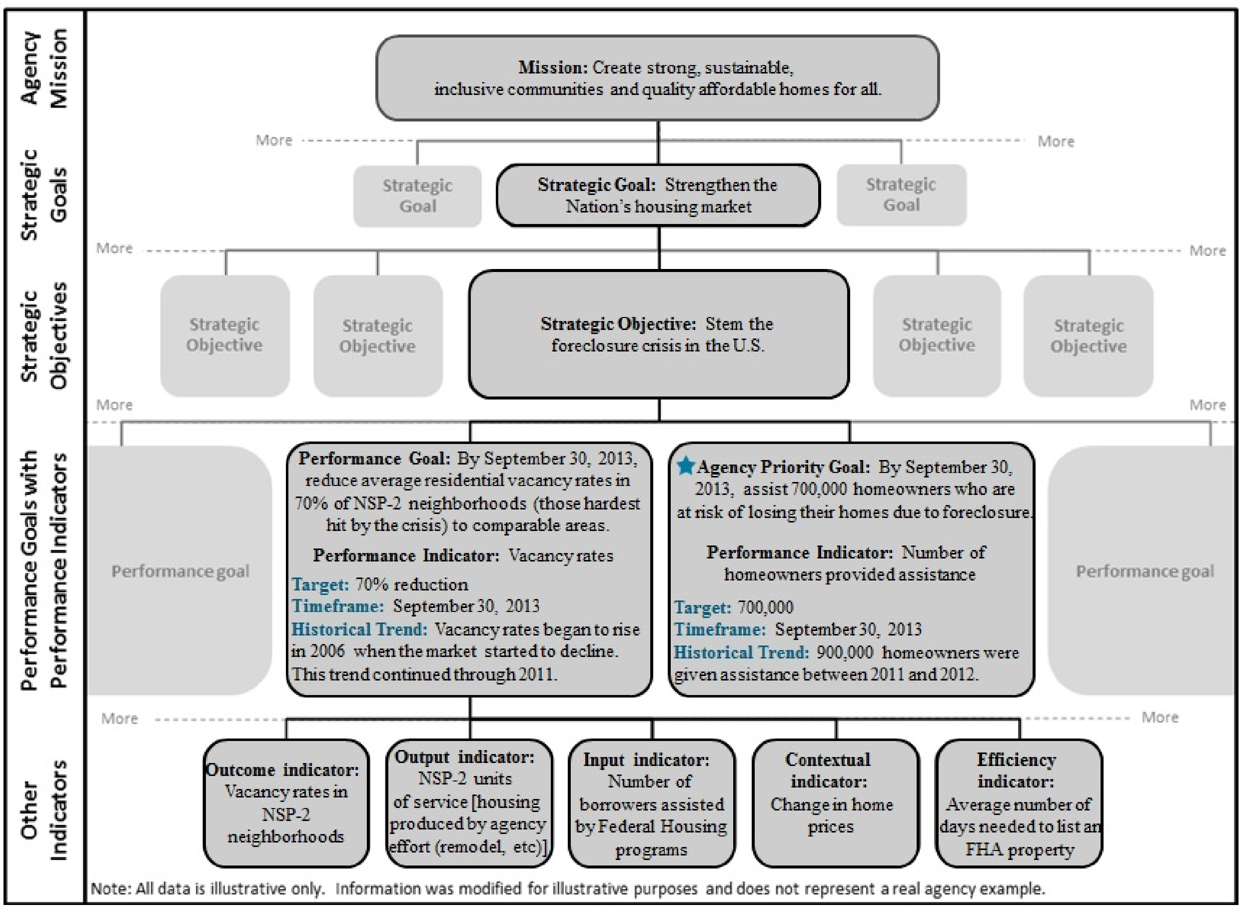
Reasonable Administrative Burden. The concept of reasonable administrative burden is related to decisions about the frequency and granularity of reporting performance in the GPRA Modernization Act. It refers to considering the cost compared to the benefit of reporting information more frequently or at a more disaggregated level. Because it is not uncommon for more frequent or more granular data to have a higher benefit yet also a higher cost, agencies should increase the frequency and granularity of their performance reporting when the expected value justifies the estimated cost.

Strategic Plan. The Strategic Plan presents the long-term objectives an agency hopes to accomplish, set at the beginning of each new term of an Administration. It describes general and longer-term goals the agency aims to achieve, what actions the agency will take to realize those goals and how the agency will deal with the challenges likely to be barriers to achieving the desired result. An agency's Strategic Plan should provide the context for decisions about performance goals, priorities, and budget planning, and should provide the framework for the detail provided in agency annual plans and reports. (See section 230 on strategic planning.)

Strategic Review. An agency's management process (or set of processes) used to assess progress on its strategic objectives, in consultation with OMB. (See section 270 on strategic reviews.)

Target. Quantifiable or otherwise measurable characteristic that tells how well or at what level an agency or one of its components aspires to perform. In setting and communicating targets, where available, agencies should include the baseline value from which the target change is calculated.

200.22 Example Illustration of Goal Relationships



200.23 Performance Timeline

FY 2015 President's Budget Performance Timeline below provides a summary of submission requirements related to performance planning and reporting within OMB Circular A–11 Part 6.

Date	Section of A-11 Part 6	Description	Location
August 12, 2013	Performance.gov (210) Cross-Agency Priority Goals (220) Agency Priority Goals (250)	Draft Q3 Quarterly Performance Update for FY2012-2013 APGs CAP Goals for OMB review	Performance.gov
Sept. 3, 2013 (approx.)	Performance.gov (210) Cross-Agency Priority Goals (220) Agency Priority Goals (250)	Publish Q3 Quarterly Performance Update for FY2012-2013 APGs and CAP Goals	Performance.gov
Sept. 2013 (concurrent with budget submission)	Annual Performance Planning (240) Agency Priority Goals (250) Agency Strategic Planning (230)	Draft FY 2015 Annual Performance Plan OR draft PDFs by strategic objective& supplemental PDFs (if relevant) Draft FY2014-2015 Agency Priority Goals information (see MAX Page) Draft of FY2014-2018 Strategic Plan (if draft was not provided June 2013)	MAX Performance.gov Performance.gov & MAX
Sept. 2013 (concurrent with budget submission)	Annual Performance Planning (240)	Draft Lower-Priority Programs	MAX
Sept. 2013 (concurrent with budget submission)	Elimination of Unnecessary Plans and Reports (290)	Draft list of unnecessary plans and reports that the agency would like to propose to Congress for modification	MAX
Nov. 1, 2013	Annual Performance Reporting (260)	Draft FY 2013 Agency Financial Report or Performance and Accountability Report for final OMB clearance	MAX
Nov. 12, 2013	Performance.gov (210) Cross-Agency Priority Goals (220) Agency Priority Goals (250)	Draft Q4 Quarterly Performance Update for APGs and CAP Goals for OMB review	Performance.gov
Nov. 15, 2013	Annual Performance Reporting (260)	Publish FY 2013 Agency Financial Reports or Performance and Accountability Report	Agency website

Date	Section of A-11 Part 6	Description	Location
Dec. 2, 2013 (approx.)	Performance.gov (210) Cross-Agency Priority Goals (220) Agency Priority Goals (250)	Publish Q4 Quarterly Performance Update for FY 2012-2013 APGs and CAP Goals	Performance.gov
Dec. 20, 2013	Agency Strategic Planning (230) Agency Priority Goals (250)	Final draft strategic plan for OMB clearance FY2014-2015 Agency Priority Goals with full detail (see MAX Page)	Performance.gov & MAX
Jan. 17, 2014	Annual Performance Planning (240) Annual Performance Reporting (260) Agency Priority Goals (250) Performance and Strategic Reviews (270)	For final OMB clearance, revised: FY 2015 Annual Performance Plan FY 2013 Annual Performance Report PDFs by strategic objective and if relevant supplemental PDFs FY2014-2015 Agency Priority Goals with full detail	MAX Performance.gov
Feb. 2014 (concurrent with budget publication)	Agency Strategic Planning (230) Annual Performance Planning (240) Annual Performance Reporting (260) Agency Priority Goals (250) Performance.gov (210)	Publish: Agency Strategic Plan FY 2015 Annual Performance Plan FY 2013 Annual Performance Report PDFs by strategic objective and if relevant supplemental PDFs FY2014-2015 Agency Priority Goals with full detail	Agency website & Performance.gov
Feb. 2014 (concurrent with budget publication)	Elimination of Unnecessary Plans and Reports (290)	Publish lists of outdated and duplicative reports	Performance.gov
Feb. 2014 (concurrent with budget publication)	Annual Performance Planning (240)	Publish President's Budget with volume containing lower-priority program activities	OMB website
Feb. 3, 2014	Summary of Performance and Financial Information (See OMB Circular A–136)	Draft FY 2013 Summary of Performance and Financial Information	MAX

Date	Section of A-11 Part 6	Description	Location
Feb. 17, 2014	Performance and Strategic Reviews (270) Summary of Performance and Financial Information (See OMB Circular A–136)	Finalize approach for strategic reviews Publish FY 2013 Summary of Performance and Financial Information	MAX Agency website
April 1, 2014	Federal Program Inventory (280)	Agency submits draft program inventory update to OMB, including links to budget information	Performance.gov
May 12, 2014	Performance.gov (210) Cross-Agency Priority Goals (220) Agency Priority Goals (250)	Draft Q2 Quarterly Performance Update for APGs and CAP Goals for OMB review	Performance.gov
May 16, 2014	Performance and Strategic Reviews (270)	Initial findings resulting from baseline strategic review	MAX
May 31, 2014	Federal Program Inventory (280)	Publish program inventory with links to budget information	Performance.gov
June 2, 2014 (approx.)	Performance.gov (210) Cross-Agency Priority Goals (220) Agency Priority Goals (250)	Publish Q2 Quarterly Performance Update for APGs and CAP Goals	Performance.gov

SECTION 210—PERFORMANCE.GOV AND PUBLIC REPORTING

Table of Contents

210.1 To which agencies does this section apply?
210.2 What is the purpose of this section?
210.3 What is the purpose of Performance.gov?
210.4 What information will be included on Performance.gov?
210.5 Will agencies be able to meet GPRA Modernization Act Strategic Plan, Annual Performance Plan (APP) and Annual Performance Report (APR) requirements solely through the central website in February 2014, concurrent with the FY 2015 Budget?
210.6 This year, how are agency-specific plans and reports made available to the public on the agency's website?
210.7 How does the Open Government Directive relate to reporting on agency performance?
210.8 When will Performance.gov updates be published this year?
210.9 If the agency was not required to set Agency Priority Goals (APGs), what will the agency publish this year on Performance.gov?
210.10 May agencies publish their performance plans and reports in print?
210.11 Will agencies be required to update performance information on Performance.gov more frequently than annually?
210.12 Content for Strategic Plans, Annual Performance Plans, Annual Performance Reports

Summary of Changes

Updates implementation of the GPRA Modernization Act requirement for agencies to transition performance information to a central website Performance.gov in machine-readable format instead of printing agency-specific Strategic Plans, Annual Performance Plans and Annual Performance Reports

210.1 To which agencies does this section apply?

This section applies to all agencies, as defined in the GPRA Modernization Act. This fiscal year:

- Agencies that are required to identify FY 2014-2015 Agency Priority Goals concurrent with the publication of the 2015 President's Budget (large agencies) will develop performance information for Performance.gov this year, and must follow all sections of this guidance, ***except*** section 210.9.

- All other agencies (small agencies) subject to the GPRA Modernization Act that are ***not*** required to establish FY 2014-2015 Agency Priority Goals are required to follow all sections ***except*** 210.4, and 210.5.

210.2 What is the purpose of this section?

This section provides information on the transition from agency-specific publications on performance to publishing performance information through a central website, as required by the GPRA Modernization Act. The GPRA Modernization Act changed several existing agency planning and reporting requirements, such as:

- Availability of an agency Strategic Plan, Annual Performance Plan, and performance updates through a central, Government-wide website.

- Quarterly updates via a central, Government-wide website on Agency Priority Goals and Cross-Agency Priority Goals.

- Availability of information on each program identified by agencies on a central website.

OMB is using a phased transition path to Performance.gov to:

- allow agencies to focus limited resources on the development of new strategic plans and preparations for strategic reviews;

- allow time to pilot effective, efficient, and user-friendly ways to report the fuller corpus of agency performance information;

- automate the flow of agency information to a central website; and

- operationalize the Performance Management Line of Business (PMLOB) with the General Services Administration.

210.3 What is the purpose of Performance.gov?

Performance.gov is a website that serves as the public window to the Federal Government's goals and performance in key areas of focus. Performance.gov will be the performance website required under the GPRA Modernization Act.

A centralized website will make information about Federal cross-agency and agency-specific goals and performance easier for the public, Congress, delivery partners, agency employees, and other stakeholders to find. It will also support coordination and decision-making to advance shared goals. Through a central website, agencies will also publish other required agency information, such as program information, within the Federal context of agency missions, goals, and performance.

210.4 What information will be included on Performance.gov?

Pursuant to the GPRA Modernization Act, Performance.gov will include information on the Cross-Agency Priority Goals, Agency Priority Goals, Federal Program Inventory, agency Strategic Plans, Annual Performance Plans and Annual Performance Reports. Using a phased approach and in accordance with existing Federal reporting timeframes, the website will be updated during the course of 2013 and concurrent with the President's 2015 Budget.

In February 2014, OMB plans to expand Performance.gov for large agencies, with a separate page for each strategic objective. This page will include a) a limited number of fields collected from the strategic plan and b) a PDF for that strategic objective that will be embedded in the page. (See this MAX page https://max.omb.gov/community/x/oCFfJw for the specific fields that will be collected on Performance.gov for each strategic objective and refer to Content Table in 210.12). Specifically, for large agencies:

- Strategic Plans: With the FY 2015 President's Budget, agencies will publish full strategic plans in a PDF format on the agency website, and publish selected information for each strategic goal and strategic objective on Performance.gov. Agencies will also include a link to their full strategic plans on Performance.gov. For the full list of selected fields for Performance.gov and due dates, see this MAX page https://max.omb.gov/community/x/oCFfJw. Table 210.12 identifies content required for the PDF strategic plan.

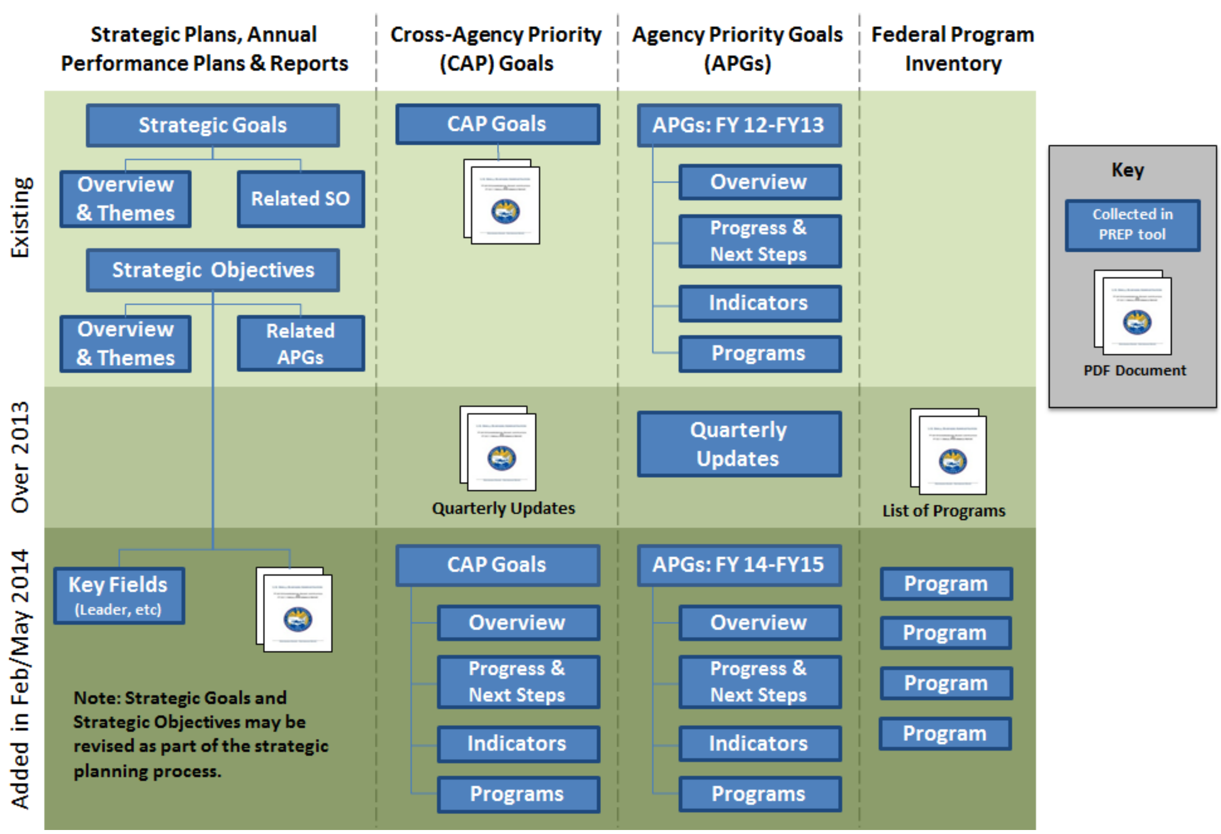
- Annual Performance Plans & Reports: With the FY 2015 President's Budget, agencies will publish Annual Performance Plan (APP), Annual Performance Report (APR) on the agency website and publish on Performance.gov, in a PDF format, information from the APP/APR organized by each strategic objective. The PDF for each strategic objective may be excerpts from the APP, APR, CJ or other documents assembled into one PDF. The Performance.gov display will provide agencies, OMB, and the public with a more comprehensive view of each strategic objective in an accessible, sortable format and will serve as the information base for the strategic reviews in 2014. This approach will not constrain agencies to use a standard presentation for displaying the full suite of agency performance information included in the APP/APR on a central website this year. While the display format will not be fully standardized, the full list of required elements is provided in 210.12.

- Agency Priority Goals: With the FY 2015 President's Budget, agencies will publish Agency Priority Goals (APGs) for FY 2014-2015 with supporting information on Performance.gov. See 210.12 and see this MAX page https://max.omb.gov/community/x/oCFfJw for more detail.

- Federal Program Inventory: By the end of May 2014, agencies will transition program information to Performance.gov and add additional detail. See section 280 for more detail.

OMB will continue to work with the Performance Management Line of Business (PMLOB) Executive Steering Committee to determine the continued phasing of Performance.gov. This will include running pilots to test different approaches and technologies.

Information Collected on Performance.gov—Current through May 2014



210.5 Will agencies be able to meet GPRA Modernization Act Strategic Plan, Annual Performance Plan (APP) and Annual Performance Report (APR) requirements solely through the central website in February 2014, concurrent with the FY 2015 Budget?

No. Agencies will not be able to meet GPRA Modernization Act reporting requirements solely through Performance.gov.

Strategic Plans: To meet the strategic plan requirements, in February 2014, all agencies will publish a full strategic plan in a PDF format on their agency website using the content table 210.12. All agencies will include a link to their full strategic plan on Performance.gov. Large agencies will also publish selected information from the strategic plan on Performance.gov pertaining to their strategic goals and objectives as described in this MAX page https://max.omb.gov/community/x/oCFfJw.

APP/APR: To meet the annual performance plan and report requirements, in February 2014, many large agencies will publish an APP/APR using existing practices. Agencies are encouraged to publish a combined APP/APR that is organized by strategic objective to facilitate meeting the Performance.gov requirements for excerpts by strategic objective, and support the strategic reviews. Large agencies may choose to meet the full requirements for publication of the APP/APR through Performance.gov in February 2014 by publishing the content on Performance.gov by strategic objective and supplemental materials. If an agency would like to meet all legal requirements through Performance.gov, the agency must contact OMB to determine the appropriate way to meet the requirements.

210.6 This year, how are agency-specific plans and reports made available to the public on the agency's website?

To enhance transparency of performance data, agencies should make information, including prior plans and reports, as easy as possible to locate from the agency homepage. Agencies will provide a hyperlink on Performance.gov to the agency web page where the agency has published current and past performance plans and reports. Agencies will also create a prominent link directly to this page from the agency homepage.

Agencies may also want to create links from this page to other planning and performance reporting documents, such as the workforce plans, information resources management plans, Agency Financial Reports or Performance and Accountability Reports, Congressional Budget Justifications, and other acquisition or capital asset management plans where those other documents are publicly available and relevant to performance on strategic objectives.

210.7 How does the Open Government Directive relate to reporting on agency performance?

When developing performance information for publication, agencies should apply the three principles identified in the Open Government Directive: transparency, participation, and collaboration. To promote these three principles, agencies shall respect the presumption of openness by publishing information online, consistent with the Federal Records Act, privacy and security restrictions, and other applicable law and policy. Agencies should establish communications strategies consistent with the Open Government Directive that will engage the public and various stakeholders, including employees, either through websites, social media, or other collaborative efforts, taking care to do so at a reasonable administrative burden. It is important that agencies communicate relevant, reliable, and timely performance information within and outside their organizations to improve performance outcomes and operational efficiency. Consistent with the Open Government Directive and the Open Data Executive Order, information published through Performance.gov will be made available to the public in a machine-readable format.

210.8 When will Performance.gov updates be published this year?

Reference the timeline with publication dates in section 200.23.

210.9 If the agency was not required to set Agency Priority Goals (APGs), what will the agency publish this year on Performance.gov?

Small agencies should produce their strategic plans, Annual Performance Plans, and Annual Performance Reports in PDF format using their existing processes and publication procedures. These agencies will include a link to the agency's plans and reports on Performance.gov by e-mailing pmlob@gsa.gov.

210.10 May agencies publish their performance plans and reports in print?

Agencies should not incur expenses for the printing of the agency Strategic Plan, Annual Performance Plan or Annual Performance Report for release external to the agency, except when providing such documents to Congress, if Congress specifically requests a printed report. In these cases, agencies are encouraged to consider printing a copy of the electronically-published plan or report, rather than creating special, professionally bound version which can be more expensive. Each agency will publish agency-specific plans and reports electronically on the agency's website and must ensure the content is consistent with information published on Performance.gov.

However, an agency may use performance information from the Strategic Plan, Annual Performance Plans or Annual Performance Reports to develop printed material about the agency for stakeholders or delivery partners if there is a mission-advancing reason to do so and where the estimated benefits of such publication outweigh the estimated cost. Agencies are strongly encouraged to develop such materials electronically instead of printing when electronic distribution is possible and should develop printed materials only for targeted use.

210.11 Will agencies be required to update performance information on Performance.gov more frequently than annually?

Agencies that have established Agency Priority Goals for Performance.gov will continue to update information on the FY 2012-2013 APGs on a quarterly basis on Performance.gov until the end of FY 2013, when they will be archived. For any agency with lagging data related to APGs, the archived goal will remain open until such time that lagging data are available and updated. For the final quarterly update, agencies should follow the usual quarterly updating process.

Quarterly reporting on FY 2014-2015 Agency Priority Goals will begin during quarter 2 of FY 2014, and the archived goals and results will remain available to the public. Agencies that contribute to the accomplishment of a Cross-Agency Priority Goal will also report more frequently than annually, as coordinated by the Goal Leader, the Performance Improvement Council, and OMB.

Otherwise, agencies are not required to update performance goal information on Performance.gov more frequently than annually. If the agency wishes to update information on Performance.gov more frequently than annually, the agency will do so in consultation with OMB. As the capacity of Performance.gov expands in the future, agencies will be encouraged to provide more frequent updates on actual performance if doing so can be done within a reasonable level of administrative burden.

210.12 Content for Strategic Plans, Annual Performance Plans, Annual Performance Reports

Below is a table that establishes the detailed content that agencies must address in agency Strategic Plans (SP), Annual Performance Plans (APP), Annual Performance Reports (APR) and Quarterly Performance Updates (QPU). Note that QPUs are focused on information related to Agency Priority Goals and Cross-Agency Priority Goals which will be published on Performance.gov through its data entry tool "PREP".

While the following content table below provides general guidance for updates on Performance.gov, more details on exact data standards for Performance.gov will continue to be available on MAX at https://max.omb.gov/community/x/oCFfJw.

Section Heading	Agency Plan or Report?
1. Agency and Mission Information	SP/APP/APR
2. Cross-Agency Priority Goals	SP/APP/QPU
3. Strategic Goals	SP/APP/APR
4. Strategic Objectives	SP/APP/APR
5. Agency Priority Goals	SP/APP/APR/QPU
6. Performance Goals	SP/APP/APR
7. Other Indicators	APP/APR
8. Other Information (evaluations, hyperlinks, data quality, etc)	SP/APP/APR

Content	Plan/ Report	Performance.gov	
		(PREP)	(PDF)
1.0 Agency and Mission Information			
1.1 Overview. High level summary of the agency, which may include a description of core functions, organizational size, and key legislative authorities or initiatives. In order to illustrate the organization's scope of responsibilities, the agency may include key data and narrative describing the number and kinds of people or businesses served, locations or characteristics of operation, and problems and opportunities addressed.	SP/APP/ APR	Yes	No
1.2 Mission Statement. The mission statement should be a brief, easy-to-understand narrative, usually no more than a sentence long. It defines the basic purpose of the agency and is consistent with the agency's core programs and activities expressed within the broad context of national problems, needs, or challenges. Mission statements enable the employees of an agency to see how their work contributes to the broader mission. Some agencies may also choose to include the mission statements of their major bureaus or components.	SP/APP/ APR	Yes	No
1.3 Vision and Values. Some agencies opt to include vision or values statements. The vision statement expresses what the organization wants to become or how it wants the world to be in the future. The values statement(s) articulate the beliefs that undergird the organization's culture or framework for decision-making. On Performance.gov, the vision and values may be included in the overview section.	Optional	Optional	No
1.4 Organizational Structure. Include information about the structure of the agency such as an organization chart that shows the agency components, bureaus or offices and how they are related. Agencies may choose to discuss any intra-agency efforts to work across organizations or programs in this section as well.	APP/APR	No	No

Content	Plan/ Report	Performance.gov	
		(PREP)	(PDF)
1.5 Stakeholder Engagement. Summarize the agency's outreach strategy to its various stakeholders, including any relevant congressional engagement. The agency should also include a description of how the agency incorporates views obtained through congressional consultations into its strategic plan or Agency Priority Goals. Where appropriate, the agency should describe goal-specific input from congressional consultation and how it was incorporated in this section the strategic plan and/or the "Overview" section for the Agency Priority Goals.	SP	Yes	No
2.0 Cross-Agency Priority Goals			
2.1 Cross-Agency Priority Goals. An agencies that contribute to Cross-Agency Priority Goals must address this responsibility in the agency's plans and reports by including a list of Cross Agency Priority Goals to which the agency contributes and explaining the agency's contribution to the CAP goals. (See 8.1 Major Management Priorities and Challenges for details.) The management section may be used to direct the reader to the section of the APP/APR which addresses CAP Goals. In addition, the SP/APP/APR should direct the public to Performance.gov. To do so, agencies should include the following language: "*Per the GPRA Modernization Act requirement to address Cross-Agency Priority Goals in the agency strategic plan, the annual performance plan, and the annual performance report please refer to www.Performance.gov for the agency's contributions to those goals and progress, where applicable. The* [Department or agency] *currently contributes to the following CAP Goals:* [add list here]." The Goal Leader, the PIC and OMB will coordinate quarterly updates to the website which will reflect the overall action plan and will describe how the agency's goals and objectives contribute to the Cross-Agency Priority Goal.	SP/APP/ APR	No	No
2.2 Progress Updates for Cross-Agency Priority Goals. Agencies that contribute to Cross-Agency Priority Goals will continue to provide their information directly to Goal Leaders, OMB, corresponding government-wide (CXO) council, and PIC upon request in order to provide data for the purpose of updating Performance.gov.	No	No	No
3.0 Strategic Goals			
3.1 Strategic Goals. Each agency must establish general, outcome-oriented, long-term goals for the major functions and operations of the agency. The strategic goal should address the broader impact that is desired by the organization. • SP—identify the strategic goals. • APP—include the strategic goals to frame the discussion of plans related to the strategic objectives, performance goals, APGs and other indicators. • APR—include the strategic goals to provide context for the prior year's progress made on strategic objectives, performance goals, APGs and other indicators.	SP/APP/APR	Yes	Optional

Content	Plan/ Report	Performance.gov	
		(PREP)	(PDF)
3.2 Strategic Goal Overview. In identifying each strategic goal, the agency should briefly describe the following in a level of detail appropriate for a long-term plan: • The opportunity or problem being addressed by the strategic goal. This brief explanation could include demographic, geographic information, risks or other characteristics that inform priority setting and identification of causal factors (e.g., weather) that influence outcomes. • Why the goals were selected including relevant background on the underlying reason for choosing each strategic goal, such as the problems necessitating the goal, opportunities being pursued, legislative mandates, and Presidential directives.	SP	Yes	No
4.0 Strategic Objectives (includes mission, management, crosscutting and other objectives. See sections 200 and 230 for definitions.)			
4.1 Strategic Objective. Strategic objectives reflect the outcome or management impact the agency is trying to achieve and generally include the agency's role. Objectives are tied to a set of performance goals and indicators established to help the agency monitor and understand progress. Strategic objectives will serve as the primary unit of analysis for agency and OMB assessment of how the agency is achieving its mission. Strategic objectives can support the agency in managing across goals contributing to common outcomes.	SP/APP/ APR	Yes	Yes
4.2 Strategic Objective Overview. In discussing each strategic objective, the agency should briefly describe the following in a level of detail appropriate for the long-term plan: • The opportunity or problem being addressed by the strategic objective and characteristics of the problem or opportunity, such as size and location. • Why the objective was selected.	SP	Yes	Optional
4.3 Strategies for Objectives. • SP— Describe the agency strategies planned to make progress on strategic objectives, such as analysis of outliers, promising practices, and process improvement reforms. Strategies should include operational processes, human capital, training, skills, technology, information, and other resources that are critical to mission delivery. An agency should identify key external factors that could significantly affect the achievement of its objectives, distinguishing those beyond its control and those it seeks to influence. • APP— Identify how the agency will track progress on each objective using performance and other indicators. Identify external factors that may have influenced the agency's progress on objectives in the past fiscal year. As new strategies are established in the annual performance plan, the agency should consider external factors.	SP and APP	No	Yes

Content	Plan/ Report	Performance.gov	
		(PREP)	(PDF)
4.4 Contributing Programs for Strategic Objectives. Using the Federal Program Inventory, identify the programs that contribute to each strategic objective. Also as appropriate, identify the organizations, regulations, tax expenditures, policies, and other activities that contribute to each objective, both within and external to the agency. OMB will also work with the Department of Treasury and agencies to facilitate alignment of tax expenditure information with strategic objectives.	SP	Yes	Optional
4.5 Progress Update for Strategic Objectives. Each agency may include a brief description of achievements during the last fiscal year on the strategic objective indicating where progress was made and where it was not, with an explanation of what worked and what did not. Challenges encountered during the last year should be described. An identification of the agency's progress as either noteworthy or facing significant challenges may be included in the narrative, with further explanation for the reasons for the characterization of progress. An agency may summarize progress made on performance goals or other indicators, but need not discuss each of them. An agency may also discuss trends, causal factors, promising practices, and findings from evaluations or independent assessments. To keep the progress update brief, the agency should use hyperlinks or citations to supporting evidence, instead of including all the detail within the progress update.	Optional for APR	No	Optional
4.6 Next Steps for Strategic Objectives. Each agency will summarize plans to make progress on strategic objectives for the next year, including prospects and strategies for performance improvement, and must include key milestones with planned completion dates. If a finding in the strategic reviews notes there is not enough evidence, describe evaluations or other studies planned as appropriate. Where possible the agency may describe plans to continue or expand what is working; develop or experiment to find promising practices; test the most promising practices to see if they can be replicated and validated; find or develop increasingly effective and cost-effective approaches; identify causal factors the Government can influence; and facilitate learning across delivery units.	APP	No	Yes
4.7 Goal Leaders for Strategic Objectives. Identify the agency official's title and the organization responsible for the achievement of each strategic objective.	APP	Yes (Lead Office only)	Optional
5.0 Agency Priority Goals (APG)			
5.1 APG Statement. Each agency must identify which performance goals are Agency Priority Goals, if applicable. • SP—agencies with FY 2012-2013 APGs will develop new APGs for FY 2014-2015 concurrent with the FY 2015 Budget, which will be included in the new agency strategic plan to be published on Performance.gov in February 2014. • APP—include the FY 2014-FY 2015 statement. • APR—include the FY 2012-2013 statement as published on Performance.gov.	SP/APP/ APR	Yes	Yes

Content	Plan/ Report	Performance.gov	
		(PREP)	(PDF)
5.2 APG Overview. Includes the problem opportunity being addressed by the APG, relationship to agency strategic goals and objectives, key barriers and challenges. An agency should highlight congressional input, if such input was relevant to setting a specific goal where appropriate.	Optional for APP/APR	Yes	Optional
*5.3 APG Strategies. Each agen*cy will summarize the APG Action Plan's implementation strategy. As new strategies are established, the agency should take into consideration external factors it can influence and those it cannot. An agency should identify key factors external to the agency that significantly affect the achievement of its Agency Priority Goal, including those beyond its control.	Optional for APP	Yes	No
5.4 APG Indicators. Each APG is tracked through a suite of performance goals and other indicators. An agency should publish targets and actual results for each reporting period.	Optional for APP/APR	Yes (QPU)	Optional
5.5 APG Progress Update. Each agency will include a brief explanation of achievements during the last quarter on Performance.gov (or, for the last quarter of the year, a summary of accomplishments over the last fiscal year), as well as an identification of significant challenges if any impeded progress on the APG. Because of their ambitious nature, all APGs face some risks with regard to the stretch targets set; therefore, agencies should include a description of significant risks of not achieving the planned level of performance, as appropriate. The FY 2012-2013 APG progress will be archived on Performance.gov, but will remain accessible publicly. The FY 2014-2015 APG progress updates will initiate in quarter two of FY 2014.	APR	Yes (QPU)	Optional
5.6 APG Next Steps. Each agency will summarize how it plans to improve progress, including prospects and strategies for performance improvement, and will include key milestones with planned completion dates for the remainder of the goal period.	Optional for APP	Yes (QPU)	No
5.7 APG Contributing Programs. Using the Federal Program Inventory, identify the programs that contribute to each Agency Priority Goal. Also as appropriate identify the organizations, regulations, tax expenditures, policies, and other activities that contribute to each Agency Priority Goal, both within and external to the agency. OMB will also work with the Department of Treasury and agencies to facilitate alignment of tax expenditure information with Agency Priority Goals.	Optional for APP	Yes	No
5.8 APG Goal Leaders. Identify the title, organization and name of the agency official who is responsible for the achievement of each APG.	Optional for APP	Yes	No
6.0 Performance Goals			
6.1 Performance Goal. • SP— For each strategic objective included in the strategic plan, the agency will identify a limited number of examples of long-term performance goals. Details on long-term and annual performance goals need not be provided in the strategic plan, but instead should be included in the Annual Performance Plan and Annual Performance Report.	SP/APP/ APR	Subset related to APGs	Yes

Content	Plan/ Report	Performance.gov	
		(PREP)	(PDF)
• APP—The agency must establish performance goals, aligned to the agency's objectives from the strategic plan, that contain a performance indicator, target and timeframe to define the level of performance to be achieved during the year in which the performance plan is submitted and the next fiscal year. • APR—The agency reports on progress made on performance goals.			
6.2 Actual Results. For all performance goals, performance indicators should compare actual performance with target levels of performance at least for the prior year and clarify if the target was met or not. For performance goals specified in an alternative form, the results will be described in relation to such specifications. • APP—the agency displays actual data for every performance indicator for the past year and two additional preceding years where available. More historical trends may be included as needed. • APR—the agency displays actual results for performance indicators for at least the five preceding fiscal years, if available. Where useful, present trend data from its earliest point available even if the agency is publishing the performance indicator for the first time. It can, for example, be illuminating to show long-term trends, starting before a preventative government action was started, if the problem being addressed has since greatly diminished. Agencies do not need to present historic targets.	APP/APR	Subset related to APGs (QPU)	Yes
6.3 Performance Targets. For each performance goal, the agency should establish targets for the current and upcoming fiscal year.	APP	Subset related to APGs. Include targets for each reporting period (QPU)	Yes
6.4 Performance Information Gaps. Identify where actual information for performance goals is missing, incomplete, preliminary, or estimated. Indicate the date when the actual information will be available.	APR	Subset related to APGs	Optional
6.5 Performance Goal Progress Update. Each agency will briefly explain the causes of variance or change in trends for the performance indicators, as well as whether or not the target was met. The agency may identify successful or promising practices relative to agency performance goals. The agency may describe where mid-year budget changes or delayed appropriations affected the agency's targets or achievement of targets previously established for the full performance year. Where the agency is not making sufficient progress in meeting a performance goal, the agency will briefly address future improvement including why the performance goal was not met and plans for achieving it. If the performance goal is determined to be impractical or infeasible the agency should address in the explanation and plan why that is the case and what action is recommended.	APR	Subset related to APGs (QPU)	Yes

Content	Plan/ Report	Performance.gov	
		(PREP)	(PDF)
6.6 Changed Performance Goals. Identify performance goals changed or dropped since publication of the Annual Performance Plan, if such changes were approved by OMB, and the reasons for the changes.	APR	Subset related to APGs	Optional
7.0 Other Indicators			
7.1 Other Indicators. Other indicators that do not have targets may, and in some cases, must be established to help explain agency performance. The agency should identify the indicator and explain why it is being used.	APP/APR	Subset related to APGs	Yes
7.2 Other Indicator Actuals. • APP—the agency displays actual data for every indicator for the past year and two additional preceding years where available. • APR—the agency displays actual results for at least the five preceding fiscal years, if available and explains key results.	APP/APR	Subset related to APGs (QPU)	Yes
7.3 Other Indicator Information Gaps. Identify where actual information is missing, incomplete, preliminary, or estimated. Indicate the date when the actual information will be available.	APP/APR	Subset related to APGs	Optional
8.0 Other Information			
8.1 Major Management Priorities and Challenges. A summary section should describe or cross-reference the agency's efforts to deliver greater impact through innovation, increasing effectiveness and efficiency, and better customer service along with the agency official (title and office) responsible. This section should highlight the management issues most critical to the agency's mission delivery, such as how the agency will address major management challenges that were identified by the Inspector General. This summary section may be used to reference where management priorities and challenges are addressed throughout the plan or report. • SP—establish management objective(s) (See section 230). • APP—identify planned actions, performance goals, indicators and/or milestones used to measure progress for the management priorities determined by the agency. Priorities may include: o Major management challenges including those on the GAO High-Risk List, if summary improvement plans were not already included in the FY 2013 Agency Financial Report. o Management objectives, if identified in the strategic plan. o Agency-specific contributions to government-wide management initiatives such as priorities established through Executive Order. o Contribution to Cross-Agency Priority Goals. o Key areas for innovation and improvements in customer service. • APR—describe progress made on management priorities and challenges that had been described in the Annual Performance Plan such as results on management objectives, performance goals and indicators that were established.	SP/APP/ APR	No	No

<table>
<tr><th rowspan="2">Content</th><th rowspan="2">Plan/ Report</th><th colspan="2">Performance.gov</th></tr>
<tr><th>(PREP)</th><th>(PDF)</th></tr>
<tr><td>8.2 Cross-Agency Collaborations. As a part of the discussion of strategies, where applicable, describe how the agency is working with other agencies to achieve strategic objectives, APGs, and performance goals. Describe responsibilities of key agency programs and external agency partners (e.g., other Federal programs, grantees; state, local, tribal, and foreign governments; major long-term contractors, etc.) and the nature of their expected contribution to strategic objectives.</td><td>SP/APP/ APR</td><td>Optional</td><td>Optional</td></tr>
<tr><td>8.3 Evaluation and Research.
SP—The agency should describe how information from program evaluation and research was used in developing the Strategic Plan, including how evaluation and research evidence was used to establish or revise the agency's strategic objectives and identify evidence-based strategies or approaches that will be used to reach the objectives. The SP also should describe efforts to further build the evidence base in the long-term, by supporting high-quality evaluations of strategies, as well as agency efforts to build greater capacity for conducting and using findings from evaluation and research. The agency should include a schedule of future studies and evaluations planned for the next four years or for the timeline the SP covers. This schedule should go beyond simply listing evaluation topics. It should describe the objectives and how the evaluations or studies will improve agency decision-making.
APP—The agency should describe how information from research and program evaluation was used in developing the performance plan, including how research and evaluation findings were used to establish or revise the agency's performance goals; identify effective or evidence-based strategies or approaches that will be used to reach these goals; understand the agency's progress toward these goals; and inform budgetary allocations based upon information about cost-effectiveness of agency efforts. The performance plan should also describe the agency's efforts to build the evidence base in the coming year by supporting high-quality evaluations of strategies, approaches or programs, as well as agency efforts to use existing data, and build greater capacity for conducting and using evaluation findings.
APR—The agency should describe findings from agency-funded evaluations or other research completed during the prior fiscal year, as well as evaluations and other research relevant to the agency's understanding of the performance of its programs, the problems the program is trying to tackle, and the identification of external factors that might influence agency performance. In addition, agencies should provide discussion on how findings from evaluations or other studies were used in decision-making processes related to programs, policies, and budget efforts. If no evaluations were completed, the performance report should note this.</td><td>SP/APP/ APR</td><td>No</td><td>No</td></tr>
<tr><td>8.4 Hyperlinks. Link to other, more detailed plans, evaluations, or other studies to support the decisions and strategies described in the agency plan or report.</td><td>SP/APP/ APR</td><td>Yes</td><td>Yes</td></tr>
</table>

Content	Plan/ Report	Performance.gov	
		(PREP)	(PDF)
8.5 Data Validation and Verification. Include an assessment by the agency head of the reliability and completeness of the performance data included in the plan and report, preferably as an appendix that can be attached to performance plans and reports or hyperlinked to Performance.gov. The description must include how the agency ensures the accuracy and reliability of the data used to measure progress towards its performance goals (including Agency Priority Goals), including an identification of— • the means to be used to verify and validate measured values; • the sources for the data; • the level of accuracy required for the intended use of the data; • any limitations to the data at the required level of accuracy; and • how the agency will compensate for such limitations if needed to reach the required level of accuracy. The agency should summarize how the agency uses data to promote improved outcomes, including assessing the use and effectiveness of alternative form performance goals. Section 260.9 addresses approaches the agency should use to meet the data validation and verification requirement for both agency annual plans and annual reports. The agency may include an addendum that lists and briefly explains changes in performance indicators as compared to the prior year's performance report.	APP/APR	No	No
8.6 Lower-Priority Program Activities. Each agency must reference the President's Budget volume where lower-priority program activities will be published by OMB. "The President's Budget identifies the lower-priority program activities, where applicable, as required under the GPRA Modernization Act, 31 U.S.C. 1115(b)(10). The public can access the volume at: http://www.whitehouse.gov/omb/budget." (See sections 240.11-240.13 for more information on lower-priority program activities).	APP	No	No

SECTION 220—CROSS-AGENCY PRIORITY GOALS AND FEDERAL PERFORMANCE PLAN

Table of Contents

220.1 To which agencies does this section apply?
220.2 What is a Cross-Agency Priority Goal (CAP Goal)?
220.3 What is the Federal Performance Plan?
220.4 When are CAP Goals established and what time period do they span?
220.5 Where can I find information on the existing CAP Goals?
220.6 How does OMB engage with Congress and other partners in setting CAP Goals?
220.7 What is the relationship between the CAP Goals and APGs?
220.8 How should agencies address CAP Goals in the agency Strategic Plan or Annual Performance Plan or Annual Performance Report?
220.9 How will CAP Goals be managed?
220.10 What information will be published on the CAP Goals?
220.11 How will OMB assess progress on CAP Goals?

Summary of Changes

Describes management of Cross-Agency Priority Goals (CAP Goals).

220.1 To which agencies does this section apply?

This section applies to all Executive Branch agencies. Agencies that contribute directly to Cross-Agency Priority Goals (CAP Goals) are identified by OMB and the CAP goal leader.

220.2 What is a Cross-Agency Priority Goal (CAP Goal)?

The GPRA Modernization Act of 2010 requires that the Federal Government set two types of CAP Goals (referred to as Federal Government priority goals in the GPRA Modernization Act):

- outcome-oriented goals that cover a limited number of crosscutting policy areas; and
- management improvements across the Federal Government in the areas of information technology, financial management, human resources, and real property.

Cross-Agency Priority Goals are identified in areas where increased cross-agency coordination on outcome-focused areas is likely to improve progress.

220.3 What is the Federal Performance Plan?

The GPRA Modernization Act requires that the Federal Government Performance Plan define the level of performance to be achieved for each of the CAP Goals, including associated targets, action plan, goal leader, and contributing programs. The website Performance.gov provides the components of the Federal Performance Plan and will continue to be developed to provide information on agency performance in accordance with the GPRA Modernization Act.

220.4 When are CAP Goals established and what time period do they span?

The GPRA Modernization Act requires CAP Goals to be made publicly available concurrently with the submission of the President's Budget in the first full fiscal year following any year in which the term of the President commences. CAP Goals are required to be set every four years, but can address goals requiring longer timeframes. Performance targets will be reviewed and considered for updates at least annually with the President's Budget. CAP Goals will be revised with the FY 2015 President's Budget and will be published in February 2014.

220.5 Where can I find information on the existing CAP Goals?

In accordance with the GPRA Modernization Act, interim CAP Goals were published concurrent with the FY 2013 President's Budget on Performance.gov in February 2012 and will be active until February 2014 when they will be revised with the FY 2015 budget.

Performance.gov is updated on a quarterly basis for each CAP Goal. The website will include the information required by law, such as goal leader(s), contributing agencies, organizations, programs, targets, key milestones, major management challenges, and plans to address these challenges. Quarterly Performance Updates (QPUs) for the website on progress will be provided by the goal leader in coordination with the PIC, OMB, corresponding government-wide management (CXO) council and contributing agencies.

220.6 How does OMB engage with Congress and other partners in setting CAP Goals?

The GPRA Modernization Act requires OMB to consult the following congressional committees during the development of CAP Goals:

- Appropriations of the Senate and the House of Representatives;
- Budget of the Senate and the House of Representatives;
- Homeland Security and Governmental Affairs of the Senate;
- Oversight and Government Reform of the House of Representatives;
- Finance of the Senate;
- Ways and Means of the House of Representatives; and
- Other committees as appropriate

OMB reached out to these committees to discuss the interim CAP Goal areas during the development of the FY 2013 Budget. OMB also worked closely with the President's Management Council (PMC), the Performance Improvement Council (PIC), *government-wide (CXO) councils,* other offices within the Executive Office of the President, and Executive Branch agencies to identify problems where cross-agency coordination could significantly improve performance. OMB will reach out to these stakeholders as the CAP Goals are revised for the FY 2015 Budget.

220.7 What is the relationship between the CAP Goals and APGs?

While some Agency Priority Goals may be linked to CAP Goals, most APGs will focus on core agency missions and are not always tied directly to a CAP Goal. For the Government to make progress on its CAP Goals, OMB has identified contributing agencies or programs under each goal. In all cases, agencies and contributing programs that are responsible for making progress on CAP Goals will be required to contribute to the development of the overall action plan and identify clearly their respective agency contributions to the overall goal. The CAP Goal leader will work the Performance Improvement Council, the corresponding government-wide management (CXO) council, OMB and agencies to determine each agency's contribution to the overall plan.

220.8 How should agencies address CAP Goals in the agency Strategic Plan or Annual Performance Plan or Annual Performance Report?

An agency that contributes to Cross-Agency Priority Goals must address this responsibility in the agency's Strategic Plan, Annual Performance Plan, and Annual Performance Report.

In the APP/APR, a summary should highlight agency efforts to deliver greater impact through innovation, increasing effectiveness and efficiency, and better customer service along and should include the name of the agency official (title and office) responsible. (See section 210.12 Content table part "Major Management Priorities and Challenges"). This section of the APP/APR should highlight or cross reference the management issues most critical to the agency's mission delivery which will include the agency's contributions to the Cross-Agency Priority Goals.

In cases where a CAP Goal area represents a significant part of the agency's mission delivery, the agency is encouraged to define an agency-specific strategic objective within the strategic plan and/or establish related agency-specific performance goals in the Annual Performance Plan. The Annual Performance Plan should identify planned actions, performance goals, indicators and/or milestones used to measure progress for contributions to Cross-Agency Priority Goals. The Annual Performance Report describes progress made on CAP Goal priorities, such as results on performance goals and indicators that were established in the performance plans.

In addition, an agency should include the following language: "Per the GPRA Modernization Act requirement to address Cross-Agency Priority Goals in the agency strategic plan, the annual performance plan, and the annual performance report, please also refer to *www.Performance.gov* for more on the agency's contributions to those goals and progress, where applicable."

220.9 How will CAP Goals be managed?

Each Cross-Agency Priority Goal has a goal leader(s) and deputy goal leader(s) who will manage the processes by which goals are executed. Goal leaders are given flexibility in how to manage CAP Goals and are encouraged to leverage existing structures as much as practicable, (e.g., existing working groups, inter-agency policy committees, councils). Every CAP Goal will have a governance team chaired by the goal leader and deputy goal leader and consisting of representatives from agencies contributing to the goal, OMB, and others as determined by the goal leader.

Each governance team will develop an action plan explaining how the Federal Government will execute on the goal, including agencies' contributions, areas where cross-agency coordination is needed, and anticipated risks or obstacles. The action plan will be updated as experience is gained and new information is learned.

220.10 What information will be published on the CAP Goals?

Performance.gov is updated quarterly to reflect information on CAP Goals according to the GPRA Modernization Act. See section 200.23 for expected publication timeframes; and the data elements at https://max.omb.gov/community/x/oCFfJw for Performance.gov.

220.11 How will OMB assess progress on CAP Goals?

OMB conducts reviews on progress of the interim CAP Goals, at least once a quarter. OMB and the PIC works with individual CAP goal leaders to refine the review process for each CAP Goal, and coordinates with agencies, by goal, as needed.

SECTION 230—AGENCY STRATEGIC PLANNING

Table of Contents

230.1 What is an agency Strategic Plan?
230.2 What is the purpose of strategic planning?
230.3 What content is included in the agency Strategic Plan?
230.4 What timeframes must be established for achieving strategic goals and objectives?
230.5 When must agencies next update their Strategic Plan according to the GPRA Modernization Act and what is the timeline for Strategic Plan development?
230.6 What is an effective strategic goal?
230.7 What is an effective strategic objective?
230.8 Must the agency's strategic objectives be comprehensive, reflecting the major mission activities that the agency undertakes?
230.9 Are agencies required to set management-focused objectives addressing management functions such as financial management, acquisition, human capital, information technology, etc.?
230.10 What is an effective management objective?
230.11 Are agencies required to address the agency specific contributions to Cross-Agency Priority Goals (CAP) within the strategic plan?
230.12 Who should prepare the agency strategic goals and objectives?
230.13 How will agencies obtain input from OMB on the Strategic Plan?
230.14 What must be provided to OMB in the strategic plan draft?
230.15 What input should agencies solicit outside the Executive Branch in the development of Strategic Plans and when?
230.16 How should agencies publish Strategic Plans and deliver them to Congress?
230.17 Can Strategic Plans be updated in the interim, before the end of the four-year revision cycle?
230.18 How should interim updates be communicated or published?

Summary of Changes

Describes Strategic Plan content and timeframes for development with the FY 2015 Budget as required by GPRA Modernization Act 2010

Addresses alignment with the existing Administration's strategic goals and objectives because the law shifts the timeframes to four year cycles by the first Monday in February of the first full year after the term of the President commences

230.1 What is an agency Strategic Plan?

The GPRA Modernization Act 2010 aligns strategic planning with the beginning of each new term of an Administration, requiring every Federal agency to produce a new Strategic Plan by the first Monday in February following the year in which the term of the President commences. The Strategic Plan, therefore, presents the long-term objectives an agency hopes to accomplish at the beginning of each new term of an Administration by describing general and longer term goals the agency aims to achieve, what actions the agency will take to realize those goals, and how the agency will deal with challenges and risks that may hinder achieving result.

The Strategic Plan will define the agency mission, long-term goals, strategies planned, and the approaches it will use to monitor its progress in addressing specific national problems, needs, challenges, and opportunities related to its mission. It explains the importance of the goals, appraises the agency's capabilities, assesses the operating environment and provides for evaluations and other studies to inform agency actions. The Strategic Plan should explain why goals and strategies were chosen, discussing the relevant evidence supporting the selected goals and strategies. Because many agency missions, programs and strategies are statutory in nature, some of the strategic plan is expected to be more descriptive of those past decisions, whereas other parts of the strategic plan should reflect important strategic decisions in response to a recent agency analysis of the operating environment, Administration priorities or other emerging factors, for example.

An agency's Strategic Plan should provide the context for decisions about performance goals, priorities, strategic human capital planning and budget planning. It should provide the framework for the detail published in agency Annual Performance Plans, Annual Performance Reports and on Performance.gov. Agencies need to translate the long-term goals in their Strategic Plans to strategic objectives and then to performance goals, including Agency Priority Goals, in their Annual Performance Plans.

230.2 What is the purpose of strategic planning?

In addition to fulfilling the GPRA Modernization Act requirements, strategic planning serves a number of important management functions related to achieving an agency's mission. Strategic planning is a valuable tool for communicating to agency managers, employees, delivery partners, suppliers, Congress, and the public a vision for the future. An agency's strategic goals and objectives should be used to align resources and guide decision-making to accomplish priorities to improve outcomes. It should inform agency decision-making about the need for major new acquisitions, information technology, strategic human capital planning, evaluations, and other evidence-building investments. Strategic Plans can also help agencies invite ideas and stimulate innovation to advance agency goals. The Strategic Plan should support planning across organizational operating units and describe how agency components are working toward common results. An agency formulates its Strategic Plan with input from Congress, OMB, the public and the agency's personnel, partners, and stakeholders and makes the plan easily accessible to all. The agency's process for establishing and managing strategic goals and objectives should fulfill these important roles:

Leadership. The strategic goals and objectives communicate the Administration's priorities and direction through a unified vision, long-term goals, and supporting strategies. The Strategic Plan features strategic goals and objectives that state what the agency wants to accomplish in terms of outcomes or results.

Planning. The Strategic Plan is the foundation of an agency's planning system because it provides direction for all programmatic and management functions used to execute the strategies needed to reach goals. Executives should use the Strategic Plan to provide guidance to agency components for planning their program implementation, including the alignment of information technologies and human capital resources to support improved outcomes and cost-effectiveness. The Strategic Plan should not, however, be a binding document that prevents agencies from learning from experiences and adapting their plans to changing circumstances. Instead, the strategic goals and objectives should be updated over time, incorporating agency learning, and emergent or external factors that may impact agency implementation.

Management. After the planning process, the agency uses the strategic goals and objectives to guide implementation and management. Each strategic goal should be supported by a suite of strategic objectives and performance goals. These, in turn, should be supported by other indicators used to monitor and interpret progress. The annual performance planning, human capital planning and budget processes jointly support the agency's implementation of the strategic goals and objectives by establishing resource allocations, refined strategies, activities, indicators, targets, and milestones in more detail. Agency

Strategic Plans provide the framework for other plans and reports where agency performance goals and related analyses are communicated and monitored and revised when needed. For more information on management toward the strategic goals and objectives, see section 270 regarding the strategic review.

Engagement. The strategic goals and objectives in an agency Strategic Plan are a tool to engage external entities to enlist their ideas, expertise, and assistance, including Congress, the public and the agency's stakeholders. For example, because delivery partners external to the Federal Government can be critical in accomplishing agency objectives, agencies may want to engage them in identifying potential goals and strategies to accelerate progress.

230.3 What content is included in the agency Strategic Plan?

Agencies should plan to address the content as established in section 210.12 for the February 2014 publication of the new agency Strategic Plan.

230.4 What timeframes must be established for achieving strategic goals and objectives?

The strategic goals and objectives should be established for a period of not less than four years forward from the fiscal year in which it is published, starting the first Monday in February of any year following the year in which the term of the President commences. Agencies may set strategic goals for longer periods of time. See section 230.17 regarding interim updates.

Strategic Plan:
- Publication February 2014 covers FYs 2014-2018
- Publication February 2018 covers FYs 2018-2022

The partial year of 2014 in the next strategic plan update is included because the new Annual Performance Plan (APP) that will be under development that year should update the fiscal year 2014 within which agencies will be operating. The FY 2015 APP will be aligned to the new strategic plan and gives agencies the opportunity to update FY 2014 targets if needed mid-year.

The draft strategic goals and objectives should inform strategic human capital planning and agency budget submission to OMB in September 2013, which will include the FY 2015 draft APP. Detailed performance information supporting the strategic goals and objectives, such as draft performance goals, and indicators, are required to be provided in the APP draft submitted to OMB in September 2013, accompanying the agency's budget request. Agencies that do not submit a budget to OMB in September should still submit the draft APP to OMB for review.

230.5 When must agencies next update their Strategic Plan according to the GPRA Modernization Act and what is the timeline for Strategic Plan development?

Agencies are required to publish an updated Strategic Plan, which meets requirements of the GPRA Modernization Act, concurrent with the publication of the FY 2015 President's Budget in February 2014. After the February 2014 publication, agencies must issue a new Strategic Plan in February 2018. With the passage of the GPRA Modernization Act requiring agency goals and objectives on a central website by certain deadlines, agencies will need to accelerate the overall timeline previously used to develop agency Strategic Plans and should begin the agency's process for the development of the new Strategic Plan accordingly. Agencies may work with OMB to make adjustments to the initial Strategic Plan draft submission schedule if needed; however, it is strongly recommended that agencies prepare the Strategic Plan initial draft in summer 2013 in order to inform the development of the FY 2014-2015 Agency Priority Goals, the Annual Performance Plan and the FY 2015 budget submission. Continued refinements to the initial draft Strategic Plan will be expected prior to publication in February 2014.

230.6 What is an effective strategic goal?

Strategic goals should reflect the broad, long-term, outcomes the agency aspires to achieve by implementing its mission. Strategic goals communicate the agency efforts to address national problems, needs, challenges, and opportunities on behalf of the American people. Both the way strategic goals are framed and the substance they communicate are important to consider. Strategic goals should reflect the statutory mission of the agency, and most agency activity will align to the strategic goals. Strategic goals need not be as specific as strategic objectives, however, and need not reflect every activity that the agency must undertake to accomplish its mission.

Stylistically, strategic goals should be simple statements which are neither long nor overly complex. Some guidelines for developing these include:

- Use language that the public will understand and avoid highly technical terms that are very specific to technical or professional fields.

- Use language that expresses future direction or vision, and include active or directional verbs such as strengthen, support, maintain, improve, reduce, etc.

- Be specific enough for the public to clearly understand how the goal supports the agency's mission and communicates the agency's unique responsibilities.

For example, strategic goals such as "Improve Safety" do not communicate the agency's specific efforts in this outcome area. Better specificity might be "Maintain and Improve the Safety of America's Transportation" for the Department of Transportation. If desired, short headers may be used preceding the strategic goal statement (e.g. Safety: Maintain Safe and Healthy Workplaces), and a separate field will be provided in Performance.gov for the 'header' in addition to the full strategic goal statement.

Additional examples of strategic goals are:

- Strengthen Access and Quality of Healthcare for the American People
- Increase Children's Access to Safe, Nutritious, and Balanced Meals
- Strengthen the Nation's Housing Market To Bolster the Economy and Protect Consumers

230.7 What is an effective strategic objective?

Strategic objectives reflect the outcome or management impact the agency is trying to achieve and generally include the agency's role. They express more specifically the results or direction the agency will work to achieve in order to make progress on its mission. Although objectives are usually outcome-oriented some objectives may be established to communicate the breadth of agency efforts – such as management objectives or crosscutting objectives that support multiple strategic goals. For purposes, display on Performance.gov, strategic objectives may be described as:

- Mission Focused. A type of strategic objective that expresses more specifically the path an agency plans to follow to achieve or make progress on a strategic goal.

- Mission Focused (Crosscutting/Other). A type of strategic objective that is not directly tied to a single strategic goal, but may be tied to several or none. In some circumstances agencies perform statutory or crosscutting activities which are not closely tied to a single strategic goal.

- Management Focused. A type of strategic objective that communicates improvement priorities for management functions such as strategic human capital management, information technology, or financial stewardship. This may also be referred to as "Management Objective".

Agencies should treat strategic objectives, (including mission, management, crosscutting, or other) as a primary unit for strategic analysis and decision-making. It is important to develop strategic objectives that enable a review of progress both on effectiveness of implementation and the impact made on ultimate outcomes, using a variety of sources of evidence. When developing each objective, the agency should consider how to measure progress toward achieving it, such as considering which performance indicators and other sources of evidence are most useful to understand progress and assess if current strategies are effective.

The following guidelines should be considered in crafting mission-focused strategic objectives:

- Purpose: Will the strategic objective align agency efforts to achieve a desired outcome, and facilitate improved decision-making? The purpose of each strategic objective is to align agency efforts toward achieving the intended outcome. Objectives should be meaningful and inspiring to agency leadership, program managers, and front-line employees, and their ongoing implementation should stimulate analysis and decisions which lead to improved outcomes. Strategic objectives should be defined to facilitate decision-making at the agency, as well as decision-making by the agency's stakeholders. It should be possible to identify the lead office and other responsible offices for each strategic objective, and to identify the programs, activities and strategies utilized to achieve the objective. In some cases, objectives may be chosen which cut across organizational or programmatic silos in order to facilitate cross-organization management to improve outcomes or realize a better return on investment.

- **Assessment: Can progress on the strategic objective be reasonably assessed?** Starting in FY 2014, agencies are required to annually assess progress toward achieving the intended outcomes of each strategic objective, as part of the strategic review (See section 270). Considerations when determining if a strategic objective will support a meaningful assessment include:

    - Strategic objectives should be articulated so they express future direction or vision, and include active or directional verbs such as strengthen, support, maintain, improve, reduce, etc. The objective should be framed so it can serve as a standard against which an assessment can reasonably be performed (i.e., it is reasonable to say if progress had been made toward the objective and whether or not the objective was met).

    - Each strategic objective should have some means of assessing progress both on effectiveness of implementation and progress toward ultimate outcomes (e.g., performance indicators that can be analyzed to assess likely impact of agency action, evaluations).

    - An objective which includes a diverse set of outcomes will be more difficult to assess than objectives expressing a single outcome or multiple closely related outcomes.

    - The more ambiguity there is in the strategic objective statement as to the intended outcomes, the more challenging it will be to conduct a meaningful assessment.

- **Scope: Is the scope of the objective appropriate?** Strategic objectives should break down the broader, mission-oriented strategic goals to a level that reflects the impact or outcome the agency is trying to achieve through its programs. In general, strategic objectives will not be quantitative, but will add more specificity to the strategic goals and act as a bridge between the agency's strategic goals and more specific quantitative or alternative form performance goals.

The full set of an agency's strategic objectives will not necessarily capture the full depth and detail of agency activities. Many agency activities will be described through narrative supporting a strategic objective, or through the establishment of performance goals at a more granular level of agency planning, rather than through inclusion in the strategic objective statement. In general, agencies should have approximately 2-10 strategic objectives for each strategic goal; however the number may vary by agency and mission areas.

- **Clarity: Is it understandable?** Strategic objectives should be relatively simple statements that clearly communicate the outcome or impact that is desired. Statements should not be too long or complex since there will be strategies and other narrative supporting each. Agencies should use language that the public will understand and should avoid jargon.

- **Uniqueness: Is the objective defined in a way that clarifies the agency's role and mission?** In some cases, it may be difficult to understand the objective unless the agency's role is communicated. In these cases, the strategic objective should differentiate the agency's efforts from other agencies in a particular outcome area. For example, many agencies may be working to impact economic development; however, each organization may be responsible for a different facet, using different programs, interventions and strategies (e.g., housing rehabilitation vs. small business assistance). To the extent these distinctions can be made within the strategic objective statement, agencies should do so by clarifying the agency role or communicating the desired program results in summary. Alternatively, the strategies and other narratives that describe what the agency will do to execute on the strategic objective should be used to help to clarify the agency role.

Examples of mission-focused strategic objectives:

- Expand international markets for U.S. firms and inventors by improving the protection and enforcement of intellectual property rights

- Improve intellectual property protection by reducing patent pendency, maintaining trademark pendency, and increasing the quality of issued patents and trademarks

- Enhance national preparedness through a whole community approach to emergency management

- Prosecute those involved in terrorist attacks

- Improve public financial management and strengthen financial systems of developing countries by providing assistance through USAID programs.

- Substantially reduce the number of families and individuals with severe housing needs by expanding access to housing assistance

- Protect and restore watersheds and aquatic ecosystems

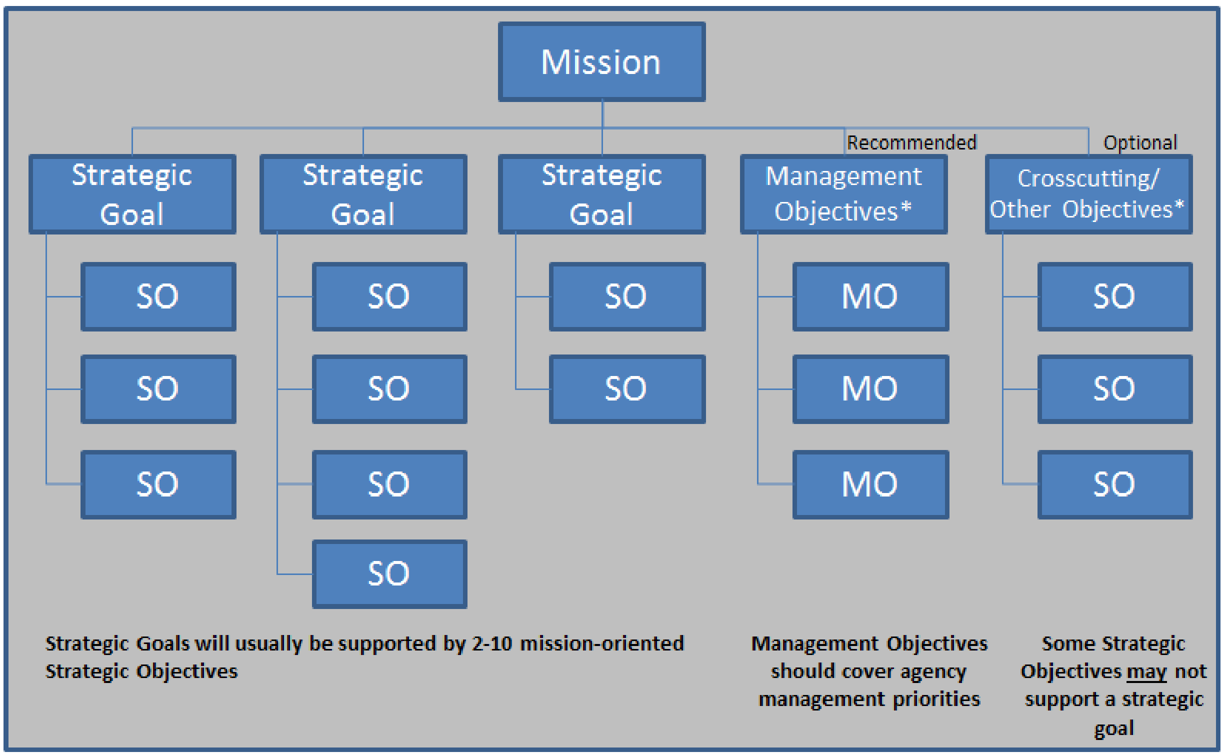
- Advance earth system science to meet the challenges of climate and environmental change

230.8 Must the agency's strategic objectives be comprehensive, reflecting the major mission activities that the agency undertakes?

Yes. The strategic objectives should generally encompass the agency's mission and scope of responsibilities, including statutory responsibilities. However, encompassing the *scope* of mission activities does not mean that the strategic objectives will cover the *depth and detail* of agency activities. There will be many cases where agency activities are too detailed to be included in the strategic objective statement or associated description, but are relevant to support an objective or multiple objectives. In some cases, these activities will be included in supporting narrative in the Annual Performance Plan.

The graphic below shows the relationship between Strategic Goals, Strategic Objectives including management-focused and crosscutting objectives.

Example illustration of goal and objective relationships



*Can be named by agency as appropriate.

230.9 Are agencies required to set management-focused objectives addressing management functions such as financial management, acquisition, human capital, information technology, etc.?

OMB encourages agencies to establish management-focused objectives that reflect key priorities of the agency, such as a significant effort to improve performance across the organization. Agency leadership may opt to include a management objective or objectives that reflect these significant agency-specific priorities. In Performance.gov, management objectives will be listed under a separate category, similar to the categorization of strategic objectives under strategic goals. Each kind of strategic objective has the same management and public reporting requirements.

230.10 What is an effective management objective?

Management objectives communicate improvement priorities for management functions such as strategic human capital management, information technology, sustainability or financial stewardship. In general, these efforts will cut across the organization and should reflect priorities that leadership would like to emphasize over the period of performance established in the strategic plan. These key management efforts need not reflect all the important operations or management functions of the agency (e.g. budget or legal functions) rather they should reflect broad, strategic-level decisions of emphasis or describe a relatively significant performance improvement change that affects most of the organization.

Management and operation functions not reflected in the strategic plan as management objectives should be addressed among performance goals in the Annual Performance Plan or in agency operational plans. Strategies supporting mission-oriented strategic objectives or strategies in the Annual Performance Plan should identify key operational processes, human capital, training, skills, technology, information and other management resources where they are relevant to the implementation of mission-focused strategic objectives.

Examples of management objective:

- *Financial Management:* Fight fraud and work to eliminate improper payments through increased emphasis on agency program integrity initiatives.

- *Strategic Human Capital Management*: Invest in the agency's employee recruitment, hiring, training, work-life programs and performance management so staff is engaged to more effectively serve small businesses.

230.11 Are agencies required to address the agency specific contributions to Cross-Agency Priority Goals (CAP) within the strategic plan?

Yes. See 210.12 and 220.8 for details.

230.12 Who should prepare the agency strategic goals and objectives?

The development of strategic goals and objectives is an inherently governmental function, and the plan is to be drafted only by Federal employees. Agencies should engage their organizational components (employees), Congress, OMB, delivery partners and other stakeholders in the development of the strategic goals and objectives.

When preparing the plan for publication, agencies may be assisted by non-Federal parties, such as consultants or contractors who are hired specifically to provide technical input on the design and assembly of the plan, and who are not solicited for their input on policy or budget issues. The Strategic Plan should include an acknowledgment and brief description of the contribution by a non-Federal entity in preparing the plan, if applicable.

230.13 How will agencies obtain input from OMB on the Strategic Plan?

Agencies should provide the initial draft Strategic Plan to OMB no later than June 3, 2013, using the content described in section 210.12. The planned schedule provides four weeks for the initial OMB review and feedback starting in June 2013. If not provided by June 3, a full draft of the strategic plan and a draft annual performance plan should be provided with the 2015 budget submission. After incorporating initial OMB comments and external stakeholder input, agencies must provide the final draft

Strategic Plan to OMB for clearance, no later than December 20, 2013, providing a minimum of two weeks for the final OMB clearance.

230.14 What must be provided to OMB in the strategic plan draft?

All agencies are encouraged to submit full draft strategic plans using the content required by the table in section 210.12 by posting the draft document on MAX at https://max.omb.gov/community/x/C5VxIQ. For large agencies, the minimum requirements will also be collected through Performance.gov for internal Government deliberation. Small agencies should submit the draft strategic plan via MAX at https://max.omb.gov/community/x/C5VxIQ.

At a minimum, the June 3 submission to OMB via Performance.gov must include:

- Draft strategic goals;
- Draft strategic objectives, including a short description for each;
- FY 2014-2015 Agency Priority Goal areas; and
- The agency's mission statement

OMB will review the submissions, coordinate with other offices in the Executive Office of the President, as appropriate, and provide initial feedback to agencies within four weeks of the June submission. The draft strategic goals and objectives should inform the agency budget submission in September 2013, which will include the FY 2015 draft Annual Performance Plan. Detailed performance information supporting the strategic goals and objectives, such as performance goals, and indicators, are required to be provided in the Annual Performance Plan draft submitted to OMB in September 2013. Agencies that do not submit a budget to OMB in September should still submit the draft Annual Performance Plan to OMB for review.

If not provided by June 3, a full draft of the strategic plan and a draft annual performance plan should be provided with the 2015 agency budget submission in September 2013. In September, agencies should submit the required portions through the PREP tool and should also post the full draft strategic plan on MAX at https://max.omb.gov/community/x/C5VxIQ.

230.15 What input should agencies solicit outside the Executive Branch in the development of Strategic Plans and when?

When preparing a Strategic Plan, agencies must consult with the Congress and should consider the views of other interested and potentially-affected parties, including non-Federal stakeholders and delivery partners. This consultation, generally should occur after the initial draft is reviewed by OMB, though agencies may determine alternative outreach approaches in consultation with OMB.

Consultation with external stakeholders could include hosting public meetings on the draft plan or draft goals or posting the draft plan on the internet and inviting comment after OMB has been provided an initial draft. Agencies may consider using the existing published Strategic Plan to begin earlier consultations with Congress and other stakeholders before a more fully-developed revision is completed. This approach should allow stakeholders to engage early in the development process. Agencies must consult with Congress at least every two years on their Strategic Plans and should briefly note how feedback was integrated.

230.16 How should agencies publish Strategic Plans and deliver them to Congress?

The GPRA Modernization Act of 2010 requires agencies to make the Strategic Plan available on a central website in machine readable format, and notify the President and Congress of its availability. In February 2014, agencies that were required to establish Agency Priority Goals will publish some Strategic Plan information on the central website. These agencies should also provide a link on the agency's website to the agency's Strategic Plan. (See section 210 on Performance.gov.)

All other agencies, that were not required to establish Agency Priority Goals, will publish Strategic Plans on the agency's website, and will provide a hyperlink for publication on Performance.gov that directs readers to the agency plan on the agency's website.

Agencies will notify the OMB Director of the agency's final Strategic Plan by approving the content on Performance.gov, (and by providing the plan link to OMB at performance@omb.eop.gov if the content was not provided in Peformance.gov). Related submissions or questions may be emailed to the same address.

Notification to Congress of the availability of the Strategic Plan on Performance.gov (or the agency website, if applicable) is transmitted electronically by the agency head. Transmittal emails are addressed to the Speaker of the House of Representatives, the President of the Senate, and the President pro tempore of the Senate.

230.17 Can Strategic Plans be updated in the interim, before the end of the four-year revision cycle?

Yes. Agencies may make adjustments to their Strategic Plan in advance of the four-year revision cycle prescribed by GPRA Modernization Act. In order to ensure the strategic goals and objectives reflect agency efforts throughout the Administration, agencies are encouraged to consider changes to their strategic goals and objectives as part of the strategic reviews. Revisions may occur based on external events, changes in legislation, changes in strategy, or other factors. While these changes will be encouraged to be made as part of the agency strategic review process, interim adjustments will also be considered throughout the year in response to major events. Interim adjustments do not alter the four-year revision cycle for Strategic Plans.

An agency does not need to consult with Congress or conduct outreach to potentially interested or affected parties when preparing interim adjustments, unless such adjustments reflect significant changes. Significant changes to an agency's Strategic Plan should be made using a more extensive update process with review by OMB. Congressional consultation requirements apply in these instances of significant change. In general, any updates to the agency strategic goals and strategic objectives should be made during the annual update of the Annual Performance Plan, concurrent with the release of the President's Budget in February.

230.18 How should interim updates be communicated or published?

Interim adjustments to the Strategic Plan, such as but not limited to new Agency Priority Goals, generally will not require a new publication of the full Strategic Plan. For example, an agency may append an interim adjustment (e.g., newly defined Priority Goals) to its budget submission or include the changes as a part of the Annual Performance Plan to OMB to address the needed adjustments to the Strategic Plan if any. Such interim adjustments should be published in the Annual Performance Plan that is sent to OMB in September and to Congress in February and should be made easily accessible to the public.

SECTION 240—ANNUAL PERFORMANCE PLANNING

Table of Contents

240.1 What is an Annual Performance Plan?
240.2 What is the purpose of an Annual Performance Plan?
240.3 How does the Annual Performance Plan relate to the Strategic Plan?
240.4 What is the relationship between the Annual Performance Plan, Annual Performance Report and Congressional Budget Justification?
240.5 Does the agency Annual Performance Plan incorporate the Cross-Agency Priority Goals?
240.6 How will agencies be expected to link resources to the performance plan this year?
240.7 What content should be included in the Annual Performance Plan and how will it be published?
240.8 What are data of "significant value?" What attributes and dimensions of indicators should agencies consider when selecting and gathering data to improve agency progress on goals?
240.9 What can be used to drive performance in areas where quantifiable performance goals cannot be developed?
240.10 How should evidence, aside from performance goals and indicators, be incorporated in the Annual Performance Plan?
240.11 What is required by the GPRA Modernization Act on lower-priority program activities?
240.12 How should agencies prepare and publish the lower-priority program activities?
240.13 What criteria should agencies use when selecting their lower-priority program activities?
240.14 How and when will agencies deliver the final Annual Performance Plan to OMB, Congress and the public?
240.15 How does the Annual Performance Plan relate to the agency's enterprise architecture?

Summary of Changes

Describes Annual Performance Plan to be published with the agency budget.

240.1 What is an Annual Performance Plan?

The Annual Performance Plan (APP) is a description of the level of performance to be achieved during the year in which the plan is submitted and the next fiscal year. The plan should also be specific in describing the strategies the agency will follow, explaining why those strategies have been chosen, and identifying performance targets and key milestones that will be accomplished in the current and next fiscal year. It should be comprehensive of the agency's mission by showing the plan for each strategic objective.

240.2 What is the purpose of an Annual Performance Plan?

Agencies prepare an Annual Performance Plan to communicate the agency's strategic objectives and performance goals with other elements of the agency budget request. The plan describes how the goals will be achieved, identifies priorities among the goals and explains how the agency will monitor progress. The APP also updates the previous APP to reflect changes in plans, funding decisions, and changes in the environment.

240.3 How does the Annual Performance Plan relate to the Strategic Plan?

The Annual Performance Plan should align to the agency's strategic goals and objectives, explaining how they will be achieved. Strategic goals are advanced by strategic objectives, which in turn, are supported by specific performance goals and indicators. For each strategic goal, the annual plan should show the supporting strategic objectives and performance goals. The indicators that will be used to track, interpret or improve progress on performance goals must also be included in the performance plan.

The Annual Performance Plan supports the agency's budget request by identifying the performance goals and key milestones that an agency will pursue in the coming year. Results of agency progress on strategic objectives and performance goals outlined in Annual Performance Plans are presented and discussed in the Annual Performance Report. Agencies may choose to drop or add measures in the Annual Performance Plan, in consultation with OMB.

The FY 2013 Performance Report format may be aligned to the new strategic plan framework for those agencies combining the APP/APR for publication. However, agencies should still report FY2013 results of performance goals and indicators that will be discontinued, and targets for dropped measures no longer need to be set as a part of the FY 2015 Performance Plan.

240.4 What is the relationship between the Annual Performance Plan, Annual Performance Report and Congressional Budget Justification?

Section 51 outlines agency budget justification requirements. The performance plan may be used to structure the budget submission, or at minimum, be part of the agency's budget submission to OMB and to Congress. Changes in the plan should reflect changes to the program activities in the budget request.

To reduce duplication and to communicate future plans in the context of historical trends, agencies are strongly encouraged to consolidate the Annual Performance Plan with the Annual Performance Report to deliver them concurrent with the Congressional Budget Justification and on Performance.gov by strategic objective. Agencies should consult with relevant congressional appropriations committees to confirm their support for modifications to the format of the Congressional Budget Justification.

240.5 Does the agency Annual Performance Plan incorporate the Cross-Agency Priority Goals?

Yes. See 210.12 and 220.8 for details.

240.6 How will agencies be expected to link resources to the performance plan this year?

Performance information in the Annual Performance Plan, especially the goals, indicators of past performance and other evidence such as evaluations, should inform agency budget decisions, complementing other factors considered in the budget process. The funding proposed in agency FY 2015 budget submissions should reflect funding levels the agency believes are needed to meet proposed FY 2015 targets. Current year performance goals should be updated to reflect final congressional action on appropriations and other changes in external conditions, as necessary. The performance goals in Annual Performance Plans should be consistent with those set through agency strategic and performance planning processes.

The strategic goals and objectives in the performance plan should capture efforts for all program activities in the budget request. Agencies may aggregate, disaggregate, or consolidate program activities for the purposes of aligning performance information and resources as appropriate for the agency size, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation for the agency.

As agencies develop the Federal Program Inventory, Performance.gov will also show linkages between strategic objectives and financing. See section 280 on the Federal Program Inventory.

240.7 What content should be included in the Annual Performance Plan and how will it be published?

The table in section 210.12 establishes what information must be included in the Annual Performance Plan. This section should be considered in conjunction with section 51, on Basic Justification Materials as well as section 210 which describes requirements for publication of the plan on Performance.gov. Agencies that are required to establish FY 2014–2015 Agency Priority Goals will be expected to publish Annual Performance Plan information organized by strategic objective on Performance.gov for release February 2014. For publication concurrent with the FY 2015 President's Budget, all agencies may still produce a full agency plan for posting on the agency website with all required content. The agency's congressional committees may also require additional information for the performance plan that is submitted to Congress.

240.8 What are data of "significant value?" What attributes and dimensions of indicators should agencies consider when selecting and gathering data to improve agency progress on goals?

Data are most valuable when sufficiently accurate, timely and relevant to affect a decision, behavior, or outcome by those who have authority to take action. For information to be actionable, it must be prepared in a format appropriate for the user. In selecting indicators and collecting data to analyze progress and identify ways to improve performance, agencies should consider various attributes and dimensions of indicators to provide data of significant value:

<u>Frequency</u>—How often should the data be collected in order to impact future performance? How quickly is it needed to make sound decisions? Annually, quarterly, monthly, weekly, daily?

<u>Time</u>—Is the time of day, day of the week, or week of the year likely to correlate with performance or causal factors affecting performance (e.g.; time of incidents, demand patterns)? If so, is it worth tagging performance indicators with this information so that they can be sorted to see variations in performance patterns across time?

<u>Users</u>—Who uses the data to learn from experience, improve performance, or make decisions and for what purpose? Are they ***responsible*** for achieving the task, ***accountable*** for accomplishing it, potentially ***supportive*** of the endeavor, likely to be ***consulted*** due to their expertise, or do they need to be kept ***informed***? Are they in central offices, field, among delivery partners, public or Congress? What does that information-using role imply for the form, timing, collection and dissemination of the collected indicators?

<u>Format</u>—How will people use the information and what format is most conducive to its use?

<u>Methods</u>—How are data collected or delivered and what methods are used to get feedback on the data to continually improve its quality or usefulness? What challenges related to data collection may impact its use?

<u>Context and Analysis</u>—What analysis and evaluation will be needed in order to be able to use the data to make decisions or improve performance?

<u>Cost</u>—How costly or burdensome is the data collection or analysis before it can be put to use?

240.9 What can be used to drive performance in areas where quantifiable performance goals cannot be developed?

When agencies cannot express a performance goal in a quantifiable form for a particular program, an "alternative form" performance goal or suite of indicators may be used instead. For example, milestones are often used as the basis of an alternative form performance goal. In other cases, the attainment or maintenance of a third-party, established, standard can be a qualitative, measureable performance goal, such as obtaining an unqualified audit opinion on the agency's financial statements. For certain programs, a suite of indicators in lieu of a performance goal will be appropriate. Program evaluations and other assessment tools may also be helpful.

240.10 How should evidence, aside from performance goals and indicators, be incorporated in the Annual Performance Plan?

Agencies should demonstrate the use of evidence throughout their Fiscal Year (FY) 2015 budget submissions, particularly in support of the performance goals and strategies in the Annual Performance Plan and 2015 budget proposal. Evidence comes in different forms that can be useful (e.g.; program evaluations, research studies, data analytics). Some evidence helps programs better understand the characteristics of the problems they are trying to tackle, while other evidence reveals agency practices and other factors that affect the problems agencies want to affect. Use of evidence in budget, management, and policy decisions is critical to make government work effectively.

Other Indicators Sometimes Essential for Interpreting Performance Indicators

Some performance indicators require context and analysis to interpret the agency's performance trends accurately, so other indicators are needed to accompany performance indicators. Here are a few examples:

Other indicators: When an agency faces a process backlog and sets a target to reduce the backlog, it is not sufficient to track only the size of the backlog or the percent of applications processed within the threshold processing time set. It is also essential to track input indicators (e.g.; the number of applications coming in to the agency) and output indicators (e.g.; number of applications processed by the agency) for the same time period to interpret accurately the agency's performance addressing the backlog.

External factor indicators: When an agency reviews the performance across field offices or delivery partners, meeting indicator targets does not always mean the intended outcome is being achieved. The number of people receiving jobs after participating in a state's employment readiness program could be very high as compared to another program in a different state. In that situation, contextual indicators may be critical to understanding the performance of individual delivery units. The participants, economic conditions, or level of demand for services in an area may be critical to interpreting the job placement rates and for finding effective practices for improving performance.

240.11 What is required by the GPRA Modernization Act on lower-priority program activities?

Agencies are required to identify lower-priority program activities as a part of the FY 2015 performance planning process and budget submission. In cases where small agencies have only one program activity in the President's Budget the agency may disaggregate the program activity for the purposes of identifying lower-priorities appropriate to the agency's size.

240.12 How should agencies prepare and publish the lower-priority program activities?

Agency budget submissions to OMB must include a draft list of the agency's proposed lower-priority program activity designations using the template and instructions provided on https://max.omb.gov/community/x/C5VxIQ. Agencies should submit to OMB in their FY 2015 budget submissions a draft list of lower-priority program activities that total at least 5% of the agency's FY 2013 discretionary budget.

According to the law, the agency's draft submission to OMB must include an explanation of the lower-priority program activity selection based on the agency's analysis of the programs' contribution to the mission and goals of the agency, and an evidence-based justification for designating a program activity as lower-priority.

As in previous years, OMB will work with agencies to approve and finalize lower-priority program activity lists under the budget process, prior to the publication of the President's Budget. OMB will work with agencies to approve and finalize lower-priority program activities under the budget process, prior to the publication of the President's Budget.

Agencies must publish in the agency's performance plan a clear reference to the President's Budget for the agency's lower priorities such as "*The President's Budget identifies the lower-priority program activities, as required under the GPRA Modernization Act, 31 U.S.C. 1115(b)(10). The public can access the volume at: http://www.whitehouse.gov/omb/budget*."

240.13 What criteria should agencies use when selecting their lower-priority program activities?

Criteria that agencies could consider, in combination, for identifying lower-priority programs may include:

- Alignment—Program activities that are not aligned with mission of the organization or a Cross-Agency Priority Goal.
- Duplication—Program activities addressing issues that are already addressed by another entity within or outside the Federal Government.
- Scope—Program activities considered to be small scope, low-budget, inconsequential or insignificant.
- Impact—Program activities that do not affect the public significantly, directly, or indirectly.
- Stakeholders—Program activities that, if reduced or eliminated, would not have significant negative impacts on stakeholders.

240.14 How and when will agencies deliver the final Annual Performance Plan to OMB, Congress and the public?

The timeline for development and publication of the Annual Performance Plan is in section 200.23. Agencies must first submit electronically the rough draft Annual Performance Plan to OMB in September 2013 with the agency's budget submission by posting it on https://max.omb.gov/community/x/C5VxIQ.

Notification to Congress is transmitted electronically by the agency head. When delivering notification to Congress, agencies should also notify the President and OMB Director by posting a copy of the final document on MAX at https://max.omb.gov/community/x/C5VxIQ and a link on Performance.gov. Related submission questions should be emailed to performance@omb.eop.gov.

240.15 How does the Annual Performance Plan relate to the agency's enterprise architecture?

Once an agency's performance plan is established, agencies should ensure that the enterprise architecture planning documents are consistent with achieving the agency goals and objectives. This will require direct alignment of the capital and enterprise architecture planning efforts to meet the strategic objectives and performance goals in agency strategic and annual performance plans, to the extent that information technology resources are critical to the achievement of those objectives and goals.

SECTION 250—AGENCY PRIORITY GOALS

Table of Contents

250.1 To which agencies does this section apply?
250.2 What is an Agency Priority Goal?
250.3 What primary criteria must agencies use in their setting Agency Priority Goals?
250.4 What additional criteria should agencies consider when developing Agency Priority Goals?
250.5 Do all Agency Priority Goals have to address outcomes?
250.6 For what purpose will OMB review selection of the Agency Priority Goals?
250.7 How many Agency Priority Goals should agencies have?
250.8 What time period do Agency Priority Goals span?
250.9 What is the relationship of Agency Priority Goals to the agency Strategic Plan, Annual Performance Plan and Annual Performance Report?
250.10 What happens to the old Agency Priority Goals after the two-year performance period has ended and a new set of Agency Priority Goals is established?
250.11 What is the relationship between Agency Priority Goals and the FY 2015 President's Budget or the FY 2015 President's Budget?
250.12 What Agency Priority Goal information will be made public?
250.13 Are agencies required to include specific quantitative targets within the Agency Priority Goal statement?
250.14 Do all Agency Priority Goals (APGs) have to relate to a Cross-Agency Priority (CAP) Goal?
250.15 When should agencies begin developing new Agency Priority Goals?
250.16 How much external stakeholder engagement is expected in Agency Priority Goals development?
250.17 How should agencies engage Congress in the Agency Priority Goals development process?
250.18 Can Agency Priority Goals be changed after they have been approved and published? If so, by what criteria and process?
250.19 What information will be published on the FY 2012-2013 Agency Priority Goals as well as the FY 2014-2015 Agency Priority Goals on Performance.gov?

Summary of Changes

Establishes planning guidance for development of new Agency Priority Goals for the FY 2015 Budget.

250.1 To which agencies does this section apply?

The GPRA Modernization Act requires the 24 Federal agencies covered by the Chief Financial Officers (CFO) Act 1990 to submit Agency Priority Goal (APG) information to OMB and to review progress on the APGs at least on a quarterly basis. The GPRA Modernization Act gives the OMB Director discretion to determine which agencies need or do not need to set Priority Goals.

While non-CFO Act agencies and agency components are not required to set Agency Priority Goals, OMB encourages all agencies to follow the practice of prioritizing the goals they have in their strategic and annual plans and to adopt the measurement and management practices that are established for the

Priority Goals. These practices include organization leaders and other managers frequently reviewing progress on specific priorities to figure out how to improve performance and resolve problems.

250.2 What is an Agency Priority Goal?

An Agency Priority Goal (APG) supports improvements in near-term outcomes, customer service, or efficiencies, and advances progress toward longer-term, outcome-focused strategic goals and objectives in the agency's Strategic Plan. It is a near-term result or achievement that leadership wants to accomplish within approximately 24 months that relies predominantly on agency execution to be accomplished, not new legislation or additional funding. Agency Priority Goals reflect the top implementation-focused, performance improvement priorities of agency leadership and the Administration, and therefore do not reflect the full scope of the agency mission.

The need to identify Agency Priority Goals stimulates conversations and requires decisions about agency priorities, trade-offs, measurement, evidence, strategies, timing, and those responsible for leading implementation efforts. At least quarterly reviews of progress on Agency Priority Goals led by agency leaders are intended to keep all levels of the organization focused on the goals and ensure that sufficient time, resources, and attention are allotted to addressing specific problems or opportunities related to the goal.

The identification of a limited number of Agency Priority Goals does not mean that other agency goals are unimportant. Agencies may have important goals in their Strategic Plans or performance plans as well as legislative and policy priorities. They may also have other priorities that do not lend themselves well to specific, measurable, near-term targets. Agencies should consider all agency goals and activities on a spectrum of priority levels and allocate resources and management attention accordingly.

250.3 What primary criteria must agencies use in their setting Agency Priority Goals?

Agency Priority Goals must:

1. Advance priorities for agency leadership and the Administration;

2. Rely predominantly on strong agency execution to be accomplished, not new legislation or additional funding;
   - Align with the resource levels proposed in the President's Budget (or as appropriated by Congress)

3. Support improvements in near-term outcomes, customer service, or efficiencies, and advance progress toward longer-term outcome-focused goals in the agency's Strategic Plan;

   - The submission to OMB demonstrates how the Agency Priority Goal supports a strategic objective included in the agency Strategic Plan

   - The goal statement clearly identifies the problem or opportunity the agency is trying to address and is framed in a way that can be easily understood by the public

4. Be able to discern if the goal has been achieved by the end of the 24-month period;

   - The Agency Priority Goal has indicators and quarterly milestones to track progress

   - The goal statement has a clear completion date, target, and indicator(s) (which can be measured or marked by a milestone to gauge progress)

5. Be ambitious yet achievable within the 24 month period.

OMB encourages agencies to develop clear and concise goal statements that will drive and easily communicate performance improvement throughout the agency and to external audiences. However, if an agency strongly believes that multiple targets in the goal statement are integral to achieving the goal or an alternative form performance goal is warranted, the agency should discuss with OMB.

250.4 What additional criteria should agencies consider when developing Agency Priority Goals?

Agencies should consider several additional criteria when developing Agency Priority Goals:

- Objectives set forth in the President's State of the Union Address and Executive Orders;
- The views and priorities of Congress and other stakeholders;
- Whether quarterly, data-driven or milestone-checking reviews are likely to speed progress on the goal;
- Areas where cross-component or cross-agency coordination is needed to improve outcomes;
- Potential to improve understanding of the agency's impact on people or communities;
- Potential to improve efficiencies by:
    - Maintaining a level of performance at a lower cost;
    - Improving performance levels at a lower cost;
    - Improving performance levels at the same cost;
    - Improving performance levels to a greater degree than costs are increased; and
    - Potential to reduce unnecessary overlap and duplication.

250.5 Do all Agency Priority Goals have to address outcomes?

Agency Priority Goals should support improved outcomes which can include the quality of agency interactions with the public, improvements in the effectiveness or efficiency of agency operations or the achievement of the agency's long-term goals described in its Strategic Plan. When output goals are used, the agency must have appropriately robust evidence demonstrating a link between the output and the outcome goal or well-developed logic showing how progress on the output targets is likely to influence the outcomes, with a plan to confirm the logic over the longer term.

250.6 For what purpose will OMB review selection of the Agency Priority Goals?

OMB will review proposed Agency Priority Goals by the criteria outlined above, as well as for submission completeness, quality, and the ambitiousness of the target. Ultimately, Agency Priority Goals should reflect the priorities of the agency's senior leaders and the Administration, informed by the views of Congress and other stakeholders.

250.7 How many Agency Priority Goals should agencies have?

Agencies should identify between 2 and 8 Agency Priority Goals. When determining the number of goals, each agency should consider:

- Agency size and scope; and
- Input, as appropriate, from congressional authorizers and appropriators, OMB, White House policy councils, program and management leadership, delivery partners, the public, and other key stakeholders.

250.8 What time period do Agency Priority Goals span?

The Agency Priority Goals are two year goals, although they can contribute to longer-term goals. Agencies have the flexibility to describe the longer-term goals in the APG "Overview". Indicators used to track progress against the goals should cover the full fiscal year to the extent possible, and quarterly indicators and/or milestones will follow the fiscal year quarters. Agencies may choose monthly indicators and milestones, if preferred.

250.9 What is the relationship of Agency Priority Goals to the agency Strategic Plan, Annual Performance Plan and Annual Performance Report?

Agency Priority Goals are a subset of an agency's performance goals and should be those that represent the highest implementation priorities of the agency leader and the Administration and are not dependent on new legislation or new funding to accomplish within a 24-month period. In most cases, Agency Priority Goals will directly contribute to the advancement of at least one strategic objective.

Agency Strategic Plans and Annual Performance Plans should reflect agency priorities among activities planned, including incorporation of the Agency Priority Goals. Agencies should discuss progress made in the Annual Performance Report. (See section 210.12).

250.10 What happens to the old Agency Priority Goals after the two-year performance period has ended and a new set of Agency Priority Goals is established?

The current FY 2012-2013 Agency Priority Goals will be archived at the end of FY 2013, and will remain publicly available. For those goals with lagging data, the website will remain open for updates after the close of the fiscal year until such time that the lagging data has been received and published.

Agencies may want to continue to track progress on 'retired' Agency Priority Goals and related indicators as part of their Annual Performance Report as, for example, a performance goal. If progress will no longer be tracked as a priority in the Annual Performance Plan, at minimum the final results of progress on the goal must be included in the FY 2013 Annual Performance Report and on Performance.gov.

In some cases, agencies may choose to set a new target for a previous Agency Priority Goal after an initial two-year performance cycle has been completed. When setting new Agency Priority Goals, agencies may opt to reset, reframe, or maintain an existing goal if needed.

250.11 What is the relationship between Agency Priority Goals and the FY 2015 President's Budget?

The process for determining, reviewing, and executing Agency Priority Goals complements the budget process. For example, FY 2012-2013 Agency Priority Goal development was linked to the FY 2013 budget submission process, and agencies were asked to align targets with the resource levels proposed in the FY 2012 President's Budget (or as appropriated by Congress) and the FY 2013 President's Budget. If Congress enacts a FY 2014 resource level that differs significantly from the FY 2014 President's Budget, agencies may elect to align FY 2014 targets with FY 2014 enacted levels. To ensure ongoing alignment with Administration budget policy, some targets may need to be revised during the 2015 budget process, following annual appropriations, or after the enactment of significant authorizations.

However, agencies should choose Priority Goals that rely predominantly on implementation and do not require new legislative authority or significant additional funding. This does not preclude the agency from selecting a Priority Goal in an area for which the agency is also requesting additional funding; however the success of the goal should not depend on new funding. Agencies can pursue goals that require new legislation or funding, but those goals should be reflected in the strategic and Annual Performance Plans and such requests should be made through normal legislative and budget channels. While the FY 2014-2015 Agency Priority Goal targets will be reviewed as part of the FY 2015 budget process, programs supporting Priority Goals are not specifically protected during the FY 2015 budget deliberations.

250.12 What Agency Priority Goal information will be made public?

Information on the FY 2012-2013 Priority Goals was published concurrent with the FY 2013 President's Budget in February 2012 and final progress should be included in the FY 2013 Annual Performance Report. Information on the FY2014-2015 Priority Goals will be published concurrent with the FY 2015 President's Budget and will include the goal statement, goal leader, overview, and strategies as well as performance and other indicators. Progress updates, next steps, and future will continue to be published each quarter on Performance.gov for new goals, starting in quarter two of FY 2014. (See section 210.12).

250.13 Are agencies required to include specific quantitative targets within the Agency Priority Goal statement?

Generally, an APG statement will include two sentences – a) an impact statement/header that describes the broader outcome or problem/opportunity being addressed and b) a clear statement of what the agency wants to achieve and start with "By September 30, 2015..." followed by a quantitative target. A quantitative target within a goal statement (e.g.; how much of what by when, possibly narrowing by indicating where and/or for whom) is strongly encouraged, as it helps the organization focus on specific actions needed to achieve the goal. However, alternative form or qualitative goal statements may be appropriate in certain cases. Such alternative form goal statements may be supported by milestones that make it possible to assess if progress is being made or, in other circumstances, progress across a suite of indicators. Agencies are encouraged to include baseline data in the goal statement (e.g., reduce by 10 percent from a 2013 level of baseline), although goals for which data collection will be initiated but for which the data are not yet available are acceptable, provided dates for initiating or continuing data collection are set as milestones.

250.14 Do all Agency Priority Goals (APGs) have to relate to a Cross-Agency Priority (CAP) Goal?

No. In order for the Federal Government to make progress towards its Cross-Agency Priority Goals, some agencies will have goals that contribute to the CAP Goal, but not all Agency Priority Goals will directly contribute to a CAP Goal.

250.15 When should agencies begin developing new Agency Priority Goals?

OMB, agencies, the Performance Improvement Council and relevant policy councils will establish new Cross-Agency Priority Goals with the FY 2015 President's Budget. Agencies will be required to establish a new set of FY 2014-2015 Agency Priority Goals during the development of the FY 2015 President's Budget.

Agencies will be expected to submit to OMB and the PIC the agency's initial draft Priority Goal issue areas in June 2013 to enable communication during goal development and in context of the agency's new draft Strategic Plan. However, agencies will define the Agency Priority Goals as part of the FY 2015 budget process and should include the draft goals in the agency's Annual Performance Plan draft submission in September 2013. Most Agency Priority Goals will be finalized with the budget passback and appeals process before they are published in February 2014. While most Agency Priority Goals should be finalized along with pass-back, some may be affected by decisions made throughout the budget process. Therefore, a few Agency Priority Goals may not be finalized until the publication of the FY 2015 President's Budget.

250.16 How much external stakeholder engagement is expected in Agency Priority Goals development?

Agencies are encouraged to consult with Congress, OMB and both Federal and non-Federal stakeholders early in the process, beginning in early summer 2013, and discuss possible goal areas before goals are finalized concurrent with the President's Budget. Agencies should consider stakeholder perspectives when formulating their goals. If stakeholder engagement is a significant barrier, this should be noted. Agencies should keep in mind the importance of engaging stakeholders who will be critical to the success of agency efforts, such as bureaus, employees, and delivery partners.

250.17 How should agencies engage Congress in the Agency Priority Goals development process?

Agencies should work with their legislative affairs offices to determine the best ways to consult with Congress on their Priority Goal areas, in advance of defining Agency Priority Goals with OMB. Agencies should consult with Congress, obtaining both majority and minority views from the appropriate authorizing, appropriations, and oversight committees, on Priority Goal issue areas, prior to submitting defined draft goals to OMB in September 2013, but should consult with the OMB examiner while planning for the timing of congressional outreach. Agencies may find it easiest to start discussions about the next set of Agency Priority Goals in the context of providing Congress an update on progress on the current set of APGs.

250.18 Can Agency Priority Goals be changed after they have been approved and published? If so, by what criteria and process?

In general, after they have been approved and published Agency Priority Goals should only be changed in exceptional circumstances. The possibility of missing a target is not a justification for a goal change. Possible justifications for a change include:

- The agency wants to make the goal more ambitious;
- The original goal included an error;
- Intervening events have had a significant impact on the agency's ability to accomplish the goal; or
- Enacted appropriations significantly changed the amount of funding available from levels projected during the goal setting process.

Proposed changes must be submitted in writing from the agency goal leader with the approval of the agency's Chief Operating Officer and Performance Improvement Officer. The goal change request will be directed to the OMB Chief Performance Office/Deputy Director for Management, the OMB Associate Director for Performance and Personnel Management and the relevant OMB Program Associate Director. Copies should be provided to the relevant OMB Deputy Associate Director(s), Branch Chief(s) and performance@omb.eop.gov. The letter should explain why the goal change is needed, what has changed since the goal was published concurrent with the President's Budget, why it is necessary to make the change and how the change will be explained to the public. Agencies will also have to post a short summary of the reasoning for a goal change on Performance.gov.

250.19 What information will be published on the FY 2012-2013 Agency Priority Goals as well as the FY 2014-2015 Agency Priority Goals on Performance.gov?

See section 210.12 and data elements posted at https://max.omb.gov/community/x/oCFfJw for content that will be published on Performance.gov. Agencies will report progress to OMB on each APG six weeks after the end of each quarter, covering the period of the most recent quarter closed. See section 200.23 for expected publication timeframes with more detail for Performance.gov.

SECTION 260—ANNUAL PERFORMANCE REPORTING

Table of Contents

260.1 What is the Annual Performance Report (APR)?
260.2 The GPRA Modernization Act requires "more frequent updates of actual performance on indicators that provide data of significant value to the Government, Congress, or program partners at a reasonable level of administrative burden." How will agencies meet this requirement?
260.3 The GPRA Modernization Act requires an annual performance update on the web to be provided to Congress "no less than 150 days after the end of the fiscal year". How does this change publication of existing Annual Performance Reports?
260.4 How are agencies expected to work with OMB or Congress in the preparation of the performance report?
260.5 How do agencies deliver the report to the President, Congress and the public?
260.6 Are agencies allowed to consolidate the Annual Performance Report with the Annual Performance Plan?
260.7 What does the Annual Performance Report contain?
260.8 Other parts of the Annual Performance Report, as applicable
260.9 Assessing the completeness, reliability and quality of performance data

Summary of Changes

Describes Annual Performance Report to be published either in November or in February.

260.1 What is the Annual Performance Report (APR)?

The Annual Performance Report (APR) provides information on the agency's progress achieving the goals and objectives described in the agency's Strategic Plan and Annual Performance Plan, including progress on strategic objectives, performance goals and Agency Priority Goals. The term Annual Performance Report means the same as the performance section of the Performance and Accountability Report (PAR) published by agencies in November or the Annual Performance Report that is published by agencies in February.

260.2 The GPRA Modernization Act requires "more frequent updates of actual performance on indicators that provide data of significant value to the Government, Congress, or program partners at a reasonable level of administrative burden." How will agencies meet this requirement?

Agencies report progress quarterly on Priority Goals on Performance.gov. In addition, Cross-Agency Priority Goal progress is updated quarterly by CAP Goal Leaders in coordination with the PIC, OMB and contributing agencies.

All agencies are encouraged to report performance on their other performance goals more frequently than annually, if cost-effective and valuable. Each agency should determine the areas and kinds of information where more frequent data will lead to better decisions by the public, field offices, and delivery partners that generate more value and/or lower cost. Agencies should use their own websites to provide more frequent performance updates, where cost effective. See "actionable information/data of significant value" in sections 200 and 240.

260.3 The GPRA Modernization Act requires an annual performance update on the web to be provided to Congress "no less than 150 days after the end of the fiscal year." How does this change publication of existing Annual Performance Reports?

This fiscal year, agencies will maintain the flexibility to publish the Annual Performance Report for FY 2013 on the agency's website either as a Performance and Accountability Report (PAR) (November 15, 2013) or with the Congressional Budget Justification (February 2014) as an Annual Performance Report (APR). Agencies will also be required to link to the APR (Performance section only of the PAR) from Performance.gov.

However, concurrent with the release of the FY 2015 President's Budget large agencies are required to publish content from the Strategic Plan, Annual Performance Report, and Annual Performance Plan through Performance.gov. With the FY 2015 Budget, agencies have the option to publish an agency-specific Annual Performance Plan/Report on the agency website, and/or through the Performance.gov central website. (See section 210.12 for more information on required content for each deliverable)

260.4 How are agencies expected to work with OMB or Congress in the preparation of the performance report?

When preparing an agency-specific Annual Performance Report, agency staff and OMB should discuss the presentation and work out any concerns in advance of the submission of the reports to Congress. Agencies are encouraged to reach out to Congress, where possible, to obtain input on how they might improve their communication of performance information to Congress.

260.5 How do agencies deliver the report to the President, Congress and the public?

For the FY 2013 performance report, agencies should make Annual Performance Reports available on the agency website and for the large agencies through Performance.gov by strategic objective. A hyperlink to the agency performance report will be published via Performance.gov for small agencies. For notification to the President and Director of OMB, agencies should post final reports on https://max.omb.gov/community/x/C5VxIQ.

Agencies should notify Congress electronically of the availability of the final Annual Performance Report. The report notification must be from the head of the agency, but may be transmitted electronically by his or her delegate. An agency may add other signatories, such as the Deputy Secretary, Chief Operating Officer, Performance Improvement Officer or Chief Financial Officer, as necessary to the transmittal, thus recognizing a shared responsibility within the agency. Transmittal letters to Congress are addressed to the Speaker of the House of Representatives, the President of the Senate and the President pro tempore of the Senate. Copies of the congressional transmittal are sent electronically, unless otherwise requested in print by Congress, to the chair and ranking minority members of the budget committees, relevant authorization and oversight committees, appropriation subcommittees, and the chair and ranking minority member of the Senate Committee on Homeland Security and Governmental Affairs and the House Government Reform Committee. Agencies should work with their legislative affairs and congressional staff to determine the optimal way to transmit notification to Congress.

If an agency performance update includes any program activity or information that is specifically authorized under criteria established by an Executive Order to be kept secret in the interest of national defense or foreign policy and is properly classified, the head of the agency will make such information available in a classified appendix.

260.6 Are agencies allowed to consolidate the Annual Performance Report with the Annual Performance Plan?

Yes. Agencies are strongly encouraged, but not required, to consolidate the FY 2015 Annual Performance Plan and the FY 2013 Annual Performance Report. The FY 2013 Performance Report format may be aligned to the new strategic plan framework for those agencies combining the APP/APR for publication. However, agencies should still report FY2013 results of performance goals, indicators that will be discontinued, and targets for dropped measures no longer need to be set as a part of the FY 2015 Performance Plan.

Agencies will be required to link to the central website from the agency home page. Large agencies may publish an agency-specific FY 2013 Annual Performance Report on the agency websites, but agencies may choose to meet the full requirements for publication of the APP/APR through Performance.gov in February 2014 by publishing the content on Performance.gov by strategic objective and supplemental materials (See section 210). If an agency would like to meet all legal requirements through Performance.gov, the agency must contact OMB.

260.7 What does the Annual Performance Report contain?

The APR must address the content established in section 210.12 but agencies are encouraged to format the FY 2013 Annual Performance Report by strategic objective. Annual Performance Reports should clearly articulate how the work of the agency benefits the public, enable the public to understand the actions agencies have taken to make progress and explain what the agency is doing to improve performance. If this year the agency is planning to pilot the strategic reviews, as described in section 270, the Annual Performance Report should include a summary assessment of progress as outlined in 210.12 for strategic objectives.

260.8 Other parts of the Annual Performance Report, as applicable

The following parts selectively apply to agencies.

Information on use of non-Federal parties. The GPRA Modernization Act states that preparation of an annual report is an inherently governmental function. However, the report should include an acknowledgment of the role and a brief description of any significant contribution made by a non-Federal entity in supporting preparation of the report.

Classified appendices not available to the public. Agencies that conduct classified activities may prepare a classified appendix for the Annual Performance Plan. Also, if an agency believes that reporting of actual performance will impede goal achievement, a non-public appendix may be prepared for the Annual Performance Report. Agencies should consult with OMB to determine whether such an appendix is necessary.

260.9 Assessing the completeness, reliability and quality of performance data

The GPRA Modernization Act requires agencies to prepare information on the reliability of data presented. Agencies may develop a single data verification and validation appendix used to communicate the agency's approaches, and/or may also choose to provide information about data quality wherever the performance information is communicated (e.g., websites). Agencies should discuss their verification and validation techniques with their respective OMB Resource Management Office, if necessary. The transmittal letter included in Annual Performance Reports must contain an assessment by the agency head of the completeness and reliability of the performance data presented and a description of agency plans to improve completeness, reliability, and quality, where needed.

Data limitations. In order to assess the progress towards achievement of performance goals, the performance data must be appropriately accurate and reliable for intended use. Significant or known data limitations should be identified to include a description of the limitations, the impact they have on goal achievement, and the actions that will be taken to correct the limitations. Performance data need not be perfect to be reliable. Agencies can calibrate the accuracy of the data to the intended use of the data and the cost of improving data quality. At the same time, significant data limitations can lead to bad decisions resulting in lower performance or inaccurate performance assessments. Examples of data limitations include imprecise measurement and recordings, incomplete data, inconsistencies in data collection procedures and data that are too old and/or too infrequently collected to allow quick adjustments of agency action in a timely and cost-effective way.

Verification and validation. Verification and validation of performance data support the general accuracy and reliability of performance information, reduce the risk of inaccurate performance data, and provide a sufficient level of confidence to the Congress and the public that the information presented is credible as appropriate to its intended use. The GAO defines verification as a process of checking or testing performance information to assess other types of errors, such as errors in keying data. The GAO defines validation as an effort to ensure that data are free of systematic error or bias and that what is intended to be measured is actually measured. The GAO information can be found in the GAO publication GAO/GGD-10.1.20 *The Results Act. An Evaluator's Guide to Assessing Agency Annual Performance Plans* at http://www.gao.gov/special.pubs/gg10120.pdf. See also GAO's *Verification and Validation of Performance Data* http://www.gao.gov/archive/1999/gg99139.pdf

Agencies should have in place verification and validation (V&V) techniques that will ensure the completeness and reliability of all performance measurement data contained in their Annual Performance Plans and reports as appropriate to the intended use of the data. The guidance that follows provides agencies with a list of reasonable V&V criteria that when applied should increase the level of confidence Congress and the public have in the performance information presented.

Agency internal assessments. Agencies are encouraged to consider the verification and validation factors outlined below.

1. Standards and procedures
   - Source data are well defined, documented; definitions are available and used.
   - Collection standards are documented/available/used.
   - Data reporting schedules are documented/distributed/followed.
   - Supporting documentation is maintained and readily available.
   - Collection staffs are skilled/trained in proper procedures.

2. Data entry and transfer
   - Data entry methodology is documented and followed.
   - Data are verified as appropriate to the needed level of accuracy.
   - Procedures for making changes to previously entered data are documented and followed.
   - Data are available when needed for reporting, learning and critical decision making cycles.
   - Data entry staff are skilled and trained in proper procedures.

3. Data integrity
   - Whenever possible, data should be returned to data suppliers with value added so that data suppliers benefit from the analysis of the data and are engaged to improve its quality over time.
   - Third-party measurement is often preferable to self-measurement.
   - Administrative data that is used for other purposes and validated by its use can be a source of high-quality performance data at a relatively low cost

4. Data quality and limitations
   - Accuracy limits of all data are appropriate to their intended use.
   - Data limitations are explained and documented.
   - Method for handling anomalous data is established and used not just to isolate data artifacts but also to search for promising practices to validate and possible problems needing attention.
   - Third party evaluations are conducted.
   - Use of externally controlled data is documented.

5. Oversight and certifications
   - Accountability for data accuracy exists in a responsible employee's performance standards.
   - Responsible officials certify that procedures were followed each reporting period.
   - Responsible officials certify that data accuracy has been checked each reporting period.

External Assessments. External assessments such as evaluations and peer reviews can be helpful to determine data or information gaps and whether changes in performance trends are attributable, in whole or in part, to agency action or to other factors. Agencies should determine when and how to complement performance measurement with other kinds of evaluations to improve data quality.

External Audits. It is important to note the GPRA Modernization Act does not require the use of audits for performance data contained in Annual Performance Plans or reports.

Scope. Because most agencies process a large amount of performance measurement data, agencies should apply judgment when deciding which performance indicators will be verified and validated. Agencies should consider priorities, spending, GAO high risk lists, IG reports and management challenges.

Frequency of Validation and Verification. Agencies should determine the appropriate frequency of validation and verification needed for the intended use and should allocate appropriate resources to carry out validation and verification on an appropriately periodic basis. Data presented annually should typically be validated annually or biennially.

Agency Head Responsibility. Agency heads are officially accountable for the accuracy and reliability of performance data. The agency head shall include in the transmittal letter of the agency's APR a brief statement on the completeness and reliability of the performance data, and on what data limitations exist.

SECTION 270—PERFORMANCE AND STRATEGIC REVIEWS

Table of Contents

270.1 To which agencies does this section apply?
270.2 What is the purpose of this section?
270.3 What is the purpose of frequent data-driven performance reviews?
270.4 What frequent data-driven performance reviews are required?
270.5 How should frequent data-driven performance reviews be conducted?
270.6 Can frequent, data-driven performance reviews be conducted through written documents?
270.7 What information from the frequent data-driven performance reviews must be made public?
270.8 What reviews are required on an annual basis for agency strategic objectives?
270.9 What is the purpose of the strategic review?
270.10 How should progress on each strategic objective be assessed?
270.11 What methodology should agencies use to conduct strategic reviews?
270.12 What period of performance will be assessed?
270.13 How should agencies identify the progress made on each strategic objective?
270.14 What will agencies do to improve progress on strategic objectives?
270.15 What is OMB's role in the strategic review?
270.16 What information will be submitted to OMB in spring?
270.17 What information will be published from the strategic reviews?
270.18 Because of their outcome-oriented nature, strategic objectives may be affected by factors beyond the agency's control. What are agencies held accountable for?
270.19 What actions will be taken by the agency and OMB if a particular performance goal was not met? What actions will be taken by the agency and OMB if a particular strategic objective faces significant challenges?
270.20 What if there is not enough information to determine how the agency is progressing on a particular objective, or if the evidence available is inconsistent, making it difficult to draw a conclusion about progress?
270.21 When must information be provided to OMB?
270.22 In what kind of circumstances can agencies change a strategic objective in between the strategic plan updates every four years?
270.23 How will agency and OMB track progress on a strategic objective that was changed in between strategic plan updates every four years?

Summary of Changes

This section updates review practices that agencies are expected to use to assess progress on goals and objectives and to guide performance improvement.

Addresses GPRA Modernization Act requirement 1116(f) for a report on goals and objectives established in the agency Annual Performance Plans.

270.1 To which agencies does this section apply?

All agencies are required to conduct frequent data-driven performance reviews and strategic reviews, which are addressed in this section. However, only the agencies required to publish Agency Priority Goals on Performance.gov must conduct these reviews to meet the specific standards included in this section.

270.2 What is the purpose of this section?

This section provides agency guidance on two levels of reviews:

- **Frequent Data-Driven Reviews (270.3–270.7):** At least quarterly, agency leaders should run data-driven performance reviews on their organization's priorities to drive progress toward achieving their goals. COOs must run at least quarterly, data-driven reviews on each of the Agency Priority Goals with agency goal leaders or their designees. Many agencies opt to run these reviews on a more frequent cycle, every six weeks or every month, on every Agency Priority Goal or with every bureau/component. Data-driven reviews can be used to drive progress on specific mission delivery or management issues.

- **Strategic Reviews (270.8–270.23):** Annually, agency leaders should review progress on each of the agency's strategic objectives established by the agency Strategic Plans and updated annually in the Annual Performance Plan. These reviews should inform strategic decision-making, budget formulation, and near-term agency actions, as well as preparation of the Annual Performance Plan and Annual Performance Report.

In addition to these reviews, OMB, with the support of the Performance Improvement Council (PIC), will conduct quarterly reviews on the Cross-Agency Priority Goals (CAP Goals) as required by the GPRA Modernization Act. OMB and the PIC will work directly with agencies as appropriate regarding these reviews. (See section 220).

PERFORMANCE REVIEWS

270.3 What is the purpose of frequent data-driven performance reviews?

Conducting routine, data-driven performance reviews led by agency leaders on a limited set of the agency's performance improvement priorities is a management practice proven to produce better results. Regular reviews provide a mechanism for agency leaders to review the organization's performance and bring together the people, resources, and analysis needed to drive progress on agency priorities, both mission-focused and management goals. Frequent data-driven performance reviews should reinforce the agency's priorities and establish an agency culture of continuous learning and improvement, sending a signal throughout the organization that agency leaders are focused on effective and efficient implementation to improve the delivery of results. Frequent reviews provide a mechanism for agency leaders to keep an agency focused on an identified set of priorities, diagnose problems, and opportunities through an analysis of disaggregated data, learn from past experience, and decide next steps to increase performance and productivity.

270.4 What frequent data-driven performance reviews are required?

The 24 agencies required to publish Agency Priority Goals on Performance.gov are required by the GPRA Modernization Act to conduct performance reviews on their APGs at least once a quarter. While quarterly priority progress reviews must cover APGs, agencies may expand the reviews to include other goals, priorities, and management areas.

Agencies not required to publish APGs on Performance.gov should establish routine data-driven performance reviews consistent with this guidance, but are not required to submit quarterly performance updates to OMB at this time.

270.5 How should frequent data-driven performance reviews be conducted?

Agencies are encouraged to experiment and leverage the experience of others in refining their performance review process. The PIC has established a working group to support cross-agency learning on data-driven reviews. Agencies that have not been engaged to date are encouraged to participate.

Agencies can design the performance review process to fit the agency's mission, leadership preferences, organizational structure, and culture; however, the agency head and/or COO, with support of the PIO and his/her office, should:

- Review with the appropriate goal leader the progress achieved during the most recent quarter, overall trend data, and the likelihood of meeting the planned level of performance.
- Hold goal leaders accountable for knowing whether or not their performance indicators are trending in the right direction at a reasonable speed, and if they are not, for understanding why they are not and for having a plan to accelerate progress on the goal.
- Hold goal leaders accountable for knowing the quality of their data, for having a plan to improve it if necessary, and for filling critical evidence or other information gaps.
- Hold goal leaders accountable for identifying effective practices by searching the literature, looking for benchmarks, and analyzing disaggregated data to find positive outliers across performance units.
- Hold goal leaders accountable for validating promising practices with replication demonstrations or other evidence-based methods.
- Review variations in performance trends across the organization and delivery partners, identify possible reasons for the variance, and understand whether the variance points to promising practices or problems needing greater attention.
- Include evaluation staffs to share and review performance information and evaluation findings, to better understand performance issues that evaluation and research studies can help to address; and refine performance measures and indicators.
- Include, as appropriate, relevant personnel within and outside the agency who contribute to the accomplishment of each Agency Priority Goal (or other priority)
- Support the goal leaders in assuring other organizations and programs are contributing as expected to Agency Priority Goals (or other priorities).
- Identify Agency Priority Goals (or other priorities) at risk of not achieving the planned level of performance and work with goal leaders to identify strategies that support performance improvement.
- Encourage a meaningful dialogue around what works, what does not, and the best way to move forward on the organization's top priorities, using a variety of appropriate analytical and evaluation methods.
- Establish an environment that promotes learning and sharing openly about successes and challenges.
- Agree on follow-up actions at each meeting and track timely follow-through.

Generally, agencies should consider how best to maximize the time of senior leadership and staff by prioritizing mission and management issues for regular performance reviews and determining at what level of the organization various types of performance reviews should be conducted.

270.6 Can frequent, data-driven performance reviews be conducted through written documents?

No. Agency leaders should use performance reviews as an opportunity to engage those involved in all levels of program delivery. Significant experience at Federal agencies, states, localities, and other countries demonstrates that in-person engagement of senior leaders greatly accelerates learning and performance improvement. The personal engagement of agency leaders demonstrates commitment to improvement across the organization, ensures coordination across agency silos, and enables rapid-decision making.

In-person reviews may be conducted by gathering agency participants in one location or through teleconferencing. In very rare circumstances, written communications may replace an in-person review but should only be a stopgap means to assure frequent reviews in a process that otherwise primarily operates in-person.

270.7 What information from the frequent data-driven performance reviews must be made public?

In general, frequent data-driven performance reviews are considered internal agency deliberation, conducted in a way that supports candid and open dialogue between agency leaders and those responsible for program delivery at multiple levels of the organization. Agencies may determine that selected analyses from these reviews are meaningful to agency stakeholders, delivery partners and the public, and therefore could be shared more broadly.

All agencies that established Agency Priority Goals published on Performance.gov must provide a summary of progress on each APG six weeks after the end of each quarter for the most recent completed quarter. These summaries should describe progress on the Priority Goal during the most recent quarter, problems encountered and plans for improvement in the next quarter and when final will be published on Performance.gov. See sections 210.12 for content that will be published on Performance.gov and 200.23 for the timeline.

STRATEGIC REVIEWS

270.8 What reviews are required on an annual basis for agency strategic objectives?

The GPRA Modernization Act 2010 Section 1116(f) requires a review of the performance goals and objectives of each Federal agency to be conducted on an annual basis. This provision will be implemented in two phases:

- ***FY 2012–2013 Implementation***: Until implementation of annual reviews at the strategic objective level, all agencies should ensure the information normally reported in their Annual Performance Reports on performance goals met or not met provides Congress and the public the information required by 1116(f). The information needed is substantially addressed by content already required for the Annual Performance Report at the performance goal level (See section 210.12 for guidance on the content required). This interim period is being provided because many agencies do not have strategic objectives set which are appropriate for such a review, or do not have appropriate data sources for each strategic objective. During this interim period, agencies are encouraged to begin conducting annual reviews for each strategic objective established in the agency Strategic Plan (and sometimes updated in the Annual Performance Plan), and include progress summaries in their Annual Performance Report for FY 2013, as discussed in this section.

- ***FY 2014 and Future Implementation:*** Once agencies set new strategic objectives in February 2014, agency leaders will assess progress on each strategic objective established in the agency Strategic Plan, including mission, management or crosscutting/other strategic objectives. The first progress updates and next steps at the strategic objective level will be due along with the first Annual Performance Report completed after the establishment of the new Strategic Plan. The assessment will consider performance goals and other indicators the agency tracks for each strategic objective, as well as other challenges, risks, external factors and other events that may have affected the outcomes. For FY 2014, OMB will work with agencies to determine which strategic objectives are facing significant challenges and require additional attention.

While agencies will begin implementation at the strategic objective level in FY 2014, it should be recognized that this policy may in some cases represent a significant change to agency operations, and that not all components of the strategic review process will be operationalized in the initial year. Each agency will develop a maturity model for future improvements to the strategic reviews to ensure continued improvements are made over time.

In addition, sections 1116(g-i) of the GPRA Modernization Act establish a framework for the Executive Branch to engage Congress on objectives that are not meeting a planned level of performance. In FY 2014, OMB will begin tracking the strategic objectives identified as facing significant challenges starting with the assessments completed for fiscal year 2014 Annual Performance Report, and will work closely with agencies to ensure appropriate actions are included in the President's Budget as appropriate and reported on Performance.gov.

The remainder of this section includes guidance to agencies on the conduct of reviews of strategic objectives, for planning purposes and to ensure strategic objectives are set to facilitate these reviews. The strategic reviews beginning in FY 2014 and continuing in future years will incorporate the existing annual assessments conducted for the Annual Performance Report for each performance goal established in the Annual Performance Plan, which must indicate for specific performance goals which targets were not met and actions the agency plans to take to improve performance.

270.9 What is the purpose of the strategic review?

The strategic review should serve as an annual assessment of progress being made to improve program outcomes and look at opportunities for productivity gains using a variety of analytical, research, and evaluation methods to support the assessment. The results of these reviews should inform many of the decision-making processes at the agency, as well as decision-making by the agency's stakeholders. The reviews should:

- **Inform long-term strategy:** Inform long-term strategic decision-making by agency leadership and key stakeholders, including OMB and Congress; and inform the development of the Strategic Plan at the beginning of each new Administration.

- **Inform annual planning and budget formulation:** Inform development of the Annual Performance Plan, inform budget formulation within the agency and provide strategic context for Congress to consider the agency budget request.

- **Facilitate identification and adoption of opportunities for improvement:** Use analyses and evaluation to identify areas where agencies are making significant progress, facilitate learning and the identification of best practices, and identify the areas where agencies face significant challenges in achieving strategic objectives that require additional leadership attention or a reassessment of the agency strategy.

- **Identify areas where additional program evaluation, other studies or analyses of performance data are needed to determine effectiveness or set priorities:** Inform agencies where to focus limited resources available for program evaluations and other studies, and encourage an evidence structure which will inform strategic decisions facing the agency.

- **Identify where additional skills or other capacity are needed:** Inform agencies where skill or capacity gaps exist that impede progress on agency goals. Incorporate strategic objectives in individuals' performance planning and appraisal processes and rewarding contributions to the advancement of strategy, where appropriate.

- **Improve decision making response time:** The annual review facilitates strategic changes due to emerging trends, events, and external factors in a timely manner.

- **Strengthen collaboration on crosscutting issues:** Support agencies in identifying and addressing crosscutting challenges or fragmentation.

- **Improve transparency:** Provide information to the public on progress toward achieving the agency's mission.

270.10 How should progress on each strategic objective be assessed?

Agencies should develop a process fitting for the nature of the programs and activities that the agency operates, which considers multiple perspectives and sources of evidence to understand the progress made on each strategic objective. Progress toward achieving individual quantitative performance goals related to the strategic objective is one important consideration, but alone is not representative of the scope, complexity, or external factors that can influence program results and outcomes toward which Federal agencies are working. When reviewing progress on each strategic objective, agencies should at a minimum, consider:

- if desired changes have occurred in the ultimate outcomes the agency seeks to improve and whether these outcomes are directly measureable or must be assessed through proxies or other means of evaluation;

- progress made by the agency toward the performance goals established in the most recent Annual Performance Plan that relate to the strategic objective, including both outcome indicators and output indicators;

- program evaluations, research studies, data and policy analysis or other assessments relevant to the strategic objective or the related programs;

- external factors affecting the strategic objective, including existing and likely changes in the operating environment, the size of program demand, or challenges faced during program execution;

- benchmarking information from others trying to accomplish the same or similar objectives or using the same or similar key process;

- lessons learned from past efforts to continuously improve service delivery and resolve management challenges, especially in coordinating across organization components and with delivery partners;

- effectiveness of coordination and collaboration across organizational boundaries and with delivery partners including management milestones met;

- identification, assessment and prioritization of probable risks that may impact program delivery or outcomes significantly in the coming year or two;

- effectiveness of scaling efforts; and

- budgetary, regulatory or legislative constraints that may have an impact on progress.

270.11 What methodology should agencies use to conduct strategic reviews?

Agencies are strongly encouraged to leverage existing decision-making processes to conduct the strategic review. The strategic reviews, in most cases, should be integrated into existing agency management processes, such as the budget development process, in order to raise key decisions, issues and analysis to agency leadership. The agency should use a tailored approach that is appropriate for the nature of the agency's programs, operations and strategic objectives and evidence available. The agency PIO should work with the COO, component heads, and program managers to establish a process for the annual review on strategic objectives, considering the agency's existing, effective management systems. In many cases analysis on individual strategic objectives should be conducted at the bureau or program level, with guidance from the agency PIO. The PIO's office will then conduct the analysis across strategic objectives. To the extent possible, the PIO should leverage and strengthen bureau-level data-driven review processes when developing the strategic reviews.

Agencies will finalize a proposed approach for conducting strategic reviews consultation with OMB no later than February 17, 2014. The approach for conducting the strategic review should consider the process, timing, roles, responsibilities, sources of evidence as well as how the agency will identify significant challenges and noteworthy progress. The initial approach to the strategic reviews should include a maturity model for future improvements to the strategic reviews, recognizing that not all components of the strategic review process may be operationalized in the initial fiscal year.

During the discussion of the planned approach, agencies should also consult OMB on the preferred format for the Summary of Findings that will be provided in May 2014. (See 270.17 on Summary of Findings) An example approach should include a review on each objective as well as a cross-cutting analysis to look across the whole portfolio of objectives at the agency.

OMB will work closely with agencies to develop appropriate review methodologies and maturity models, and will provide additional guidance through interagency working group sessions and direct engagement with major agencies.

270.12 What period of performance will be assessed?

The strategic reviews will assess agency progress using the most recent evidence available at the time of the assessment. While the final assessment will be updated with the results of fiscal year 2014 performance goals and indicators, the initial baseline assessment should use the most recent available sources of quantitative and qualitative evidence available, and therefore, will likely not include results of FY 2014 performance goals and indicators. Agencies are encouraged to use historical trend data, evaluations, research studies or other policy and risk analyses. When identifying the objectives facing significant challenges, agencies should also consider future opportunities and risks that are likely to impact the strategic objective in the coming year or two along with the existing agency capacity to mitigate those risks.

270.13 How should agencies identify the progress made on each strategic objective?

The relative assessment of progress for an agency's strategic objectives requires analysis across multiple perspectives and sources of evidence, both qualitative and quantitative, and as such agency leaders must use their judgment when determining relative levels of progress and appropriate follow-up action for long-term strategic objectives. This is appropriate and necessary given the complexity of analyzing the performance of Federal programs toward the agency's goals. For the agency's management purposes, agency leaders should develop an appropriate assessment methodology which enables a practical determination if any changes are needed to the strategies being used to achieve the objectives, agency operations or program structure, or resource allocations, including program elimination. These assessments should identify relative levels of performance across the agency's portfolio of all strategic objectives including where the agency made noteworthy progress or where the agency is facing significant challenges. There are a variety of different scenarios that may make such identification appropriate for a strategic objective relative to the other objectives at the agency. Such scenarios may include:

Noteworthy Progress

- As a result of actions being taken, the intended improvements in ultimate outcomes have largely been realized and represent a significant improvement in national welfare.
- New innovations in strategy, program design, or operations have led to notable improvements in outcomes and/or cost reductions and promise greater impact in the future.
- Existing strategies and/or operations have proven more effective than projected and have led to notable improvements in outcomes and/or cost reductions and promise greater impact in the future.
- External factors beyond the scope of agency efforts have led to a significant decrease in the magnitude of the problem being addressed, representing a significant improvement in national welfare.

Significant Challenges

- Challenges during program execution have resulted in too little impact on program outcomes.
- The ultimate problem the strategic objective seeks to address is growing more quickly than current actions to address it or the actions are not of sufficient magnitude to have a significant impact.
- The current strategies are not having the intended impact on outcomes.
- Actions taken are effective, but costs are currently exceeding benefits.
- Significant risks exist which may impact program delivery or outcomes;
- Additional data collection, analysis, or evaluation is necessary to understand the nature of the underlying policy problem and what steps should be taken to promote progress.

For the initial submission to OMB in the spring agencies should conduct a relative assessment and identify 10% to 20% of strategic objectives in each of these two categories. This will ensure OMB and each agency are able to discuss relative performance across the organization's mission and prioritize analysis and decision-making as well as enable OMB to meet the requirements of Section 1116(f) of the GPRA Modernization Act. Agencies with fewer than 10 strategic objectives should identify at least one strategic objective in each category unless receiving approval from OMB to do otherwise. Categorization of the remaining strategic objectives into categories is not required, as achieving government-wide consistency on finer gradations of progress would require significant investment and would not be cost-effective at the government-wide level. Initial identification of 10% to 20% from the agency's relative analysis of strategic objectives in these two categories for deliberation with OMB does not mean that this same number of objectives will ultimately be selected.

270.14 What will agencies do to improve progress on strategic objectives?

After reviewing each strategic objective, agencies must determine what actions should be taken to maintain or improve progress on the strategic objectives and must incorporate those decisions and implementation activities in to the next Annual Performance Plan or other operating plans. In addition, the agency should consider what administrative actions, budget, legislative or policy proposals must be included in President's Budget or the agency's Congressional Budget Justification for congressional consideration.

270.15 What is OMB's role in the strategic review?

For interim implementation of Section 1116(f) of the GPRA Modernization Act, OMB will review the information provided by agency leadership in the Annual Performance Report on progress made on each performance goal and improvement actions for targets not met.

For full implementation, OMB is working with agencies to develop the strategic reviews to better evaluate progress on mission outcomes using the strategic objectives established with the Strategic Plan in addition to results on performance goals and indicators. This will broaden the implementation of Section 1116(f) to focus primarily on agency strategic objectives, while also continuing normal reporting on performance goals and indicators.

OMB will play three primary roles related to the strategic reviews. OMB will:

- Work with agencies to develop an appropriate review methodology and offer suggestions to potentially improve the agency's review process.

- Review the agency's Summary of Findings and supporting information for each strategic objective resulting from the agency's strategic review. OMB will discuss with the agency what budget, administrative or legislative proposals resulting from the assessment may be appropriate to drive further progress. OMB will also assess if the agency provided reasonably sufficient evidence to support the assessment and where sufficient evidence is not available will work with the agency to determine building capacity for gathering evidence would be cost-effective.

- Review the agency's progress update prior to publication in the Annual Performance Report and ensure improvement actions alignment with Administration policy and President's Budget.

270.16 What information will be submitted to OMB in spring?

Agencies will provide OMB a Summary of Findings for each strategic objective by May 16, 2014. This submission will foster dialogue between OMB and agencies, and across agencies as needed, in the spring for agency consideration during budget formulation. The Summary of Findings will provide a preliminary overview of relative progress and learning from the agency's initial, baseline review. For each strategic objective, the agency will present key analysis, conclusions, risks, and proposals under consideration. The agency will also identify areas of significant progress and challenges for each strategic objective. OMB's primary focus will be on the learning that has occurred to date, identifying outstanding key analytical questions that may need to be addressed, and discussing priorities for the submission of budget, administrative or legislative proposals for consideration during formulation of the President's Budget. This dialogue will be at a strategic level, and is designed to inform, not replace, the agency's budget submission to OMB. The format for the initial Summary of Findings should be tailored to the agency, and should be discussed with OMB when the agency's approach for conducting strategic reviews is established.

270.17 What information will be published from the strategic reviews?

This year, agencies are encouraged to publish a brief, narrative progress update in the Annual Performance Report for each strategic objective. Starting with the FY 2014 Annual Performance Report will be required to include a progress update for each strategic objective. The progress update will summarize the results of the reviews conducted by agency leadership, including what progress has been made toward achieving intended outcomes, as well as a discussion of any challenges that have impeded progress. If applicable, the progress update will identify where the agency made noteworthy progress or where the agency is facing significant challenges, as described below. The Annual Performance Plan should address plans to improve performance, noting key improvement actions which will be taken over the course of the next year, as well as the longer-term plan for performance improvement, if appropriate. See section 210.12 for content that should be included in the Annual Performance Plan and Annual Performance Report on strategic objectives.

Prior to publication in the FY 2014 Annual Performance Report, agencies will provide in draft, as a part of the budget submission in September 2014, a progress update for every strategic objective resulting from the agency's strategic review. The progress update will be published as a part of the FY 2014 Annual Performance Report in February 2015. The progress update narrative must include the following for every strategic objective:

- A brief summary of what progress was made
- A brief explanation of the achievements made or challenges faced such as an identification of challenges (e.g. strategy, external factors, human capital or other management) that have impeded progress on the strategic objective

To keep the progress update short, the agency should use hyperlinks, citations or footnotes to supporting evidence or external links if available, such as published analyses, evaluations, research studies, historical trends on performance goals and other indicators, milestones, external factors, or other independent assessments that support the summary or are relevant to problems or opportunities discussed.

Based on the agency's relative assessment, a subset of the strategic objectives should be identified as either making "noteworthy progress" or facing "significant challenges" (see 270.13). The first sentence of the progress update for these strategic objectives must include one of the following two phrases:

- "The [agency name], in consultation with the Office of Management and Budget, has determined that performance toward this objective is making noteworthy progress"
- "The [agency name], in consultation with the Office of Management and Budget, has determined that significant challenges have resulted in limited progress being made toward this objective"

For the subset of strategic objectives where the agency is facing significant challenges, the agency must also provide an explanation and plan to OMB, using the template and submission instructions provided here https://max.omb.gov/community/x/C5VxIQ. The explanation for the areas facing significant challenges should be consistent with the draft FY 2016 Annual Performance Plan and include at a minimum:

- the agency's summary of plans to improve performance
- key milestones planned for the next year with completion dates
- if applicable, the agency's effort to close evidence gaps where information is not sufficient (including proposed research questions or proposed evaluations, as appropriate)

270.18 Because of their outcome-oriented nature, strategic objectives may be affected by factors beyond the agency's control. What are agencies held accountable for?

Agency leaders at all levels of the organization are accountable for choosing strategic objectives wisely and for monitoring agency performance on those outcome-oriented objectives. Wise selection of strategic objectives reflects a careful analysis of the characteristics of the problems and opportunities an agency seeks to influence to advance its mission, factors affecting those outcomes, and agency capacity and priorities. OMB expects agencies to make progress on most strategic objectives, to understand the impact of external factors, and delivery-partner collaboration, and to have reasonable improvement plans to support the more challenging objectives. Agencies are accountable for constantly striving to achieve meaningful progress and finding lower-cost ways to achieve positive results.

270.19 What actions will be taken by the agency and OMB if a particular performance goal was not met? What actions will be taken by the agency and OMB if a particular strategic objective faces significant challenges?

Sections 1116(g-i) of the GPRA Modernization Act establish a framework for the Executive Branch to engage Congress on objectives that are not meeting a planned level of performance. For the FY 2013 Annual Performance Report, agencies will continue to identify performance goals where targets have not been met along with performance improvement actions planned at the performance goal level as they have done in the past. (See section 210.12) OMB will work closely with agencies to ensure appropriate follow up actions are included in the Annual Performance Plan and as part of the President's Budget if applicable. This may include major reforms, legislative proposals, and program reductions, eliminations or investments depending on the nature of the significant challenge and the needed improvement actions.

In FY 2014, OMB will begin tracking the strategic objectives identified as facing significant challenges starting with the assessments completed for fiscal year 2014 Annual Performance Report, and will work closely with agencies to ensure appropriate actions are included in the President's Budget and reported on Performance.gov. In addition, agencies will continue to report performance on annual targets set at the performance goal level in the Annual Performance Report.

When strategic objectives have been determined by the agency and OMB as facing significant challenges for multiple, consecutive fiscal years, the agency and OMB are required by law to take progressive actions to improve performance each year. Because many of the actions required by the GPRA Modernization Act are appropriate actions to take for all strategic objectives, OMB will continue to consider proposing recommendations to Congress even on those strategic objectives that are making progress, but where such actions could improve Federal performance.

270.20 What if there is not enough information to determine how the agency is progressing on a particular objective, or if the evidence available is inconsistent, making it difficult to draw a conclusion about progress?

Due to the complex nature of the outcomes government is working to impact and the agency's capacity to impact those outcomes, in certain cases an agency may not have enough consistent evidence to characterize progress or data may be lagging. If the lack of or inconsistent evidence makes it impossible to summarize progress on a particular strategic objective, the agency should explain the status of the objective as best possible in the progress update.

In considering the potential risks or impacts of inconsistent or unavailable information, the agency should determine, in consultation with OMB, the appropriate next steps for cost-effective investments in evaluation, research studies, data collection, or administrative potential actions that could mitigate potential risks and/or close the information gaps. Objectives where inconsistent or unavailable information poses a relatively high risk and high impact to an outcome should be considered for addition to the agency's objectives facing significant challenges.

270.21 When must information be provided to OMB?

Agencies should begin their strategic review after publishing strategic objectives in early 2014, and provide OMB a summary of findings in May 2014. As agencies and OMB deliberate budget formulation and gather year-end (FY 2013) results of performance goals and indicators, the agency will refine the progress update for publication in the Annual Performance Report as well as improvement plans for the Annual Performance Plan.

Timeline

Date	Activity
Sept 2013-Feb 2014	Agencies consult OMB on initial approach to conducting strategic reviews at agency
February 17, 2014	Agencies will finalize a proposed approach for conducting strategic reviews in consultation with OMB
Feb-May 2014	Agency conducts a relative, internal review on each strategic objective
May 16, 2014	Agencies provide OMB a Summary of Findings for each strategic objective
June 2014	OMB provides initial feedback on Summary of Findings
September 2014	Agencies submit a draft Annual Performance Plan with budget materials including a draft progress update for each strategic objective
Nov 2014	OMB provides comments to agencies during passback
January 2015	Agencies submit revised Annual Performance Plan and Annual Performance Report for final OMB clearance
February 2015	Agencies publish Annual Performance Plan including improvement actions Agencies publish Annual Performance Report containing progress updates for each objective

270.22 In what kind of circumstances can agencies change a strategic objective in between the strategic plan updates every four years?

Agencies may modify strategic objectives annually during the development of the agency Annual Performance Plan, however should not make significant changes to the objectives unless emerging trends, budget, implementation learning or external factors require a change. Some examples of reasons to change a strategic objective may be, but are not limited to:

- Significant budget or other resource reduction
- Significant program, legislative or policy change
- Unexpected external factors that require significant response or change in priorities by the agency

270.23 How will agency and OMB track progress on a strategic objective that was changed in between strategic plan updates every four years?

If a strategic objective is dropped, added or modified significantly in between the four year updates to the strategic plan, the agency must notify and obtain concurrence from OMB to make the change by submitting a justification to performance@omb.eop.gov. In addition, the agency will summarize the modifications to objectives in the Annual Performance Plan, similarly to how changes in performance goals are published, with a brief explanation for the change (See section 210.12).

SECTION 280—FEDERAL PROGRAM INVENTORY

Table of Contents

280.1 To which agencies does this section apply?
280.2 What is the purpose of the Federal Program Inventory (FPI)?
280.3 For the purposes of the Federal Program Inventory, what is a program?
280.4 Must all components within an agency use the same approach?
280.5 How should we cross-walk programs with program activity lines?
280.6 How will the FPI be compiled and published?
280.7 What information is required for Phase 2 (steps 2.1–2.3)?
280.8 How should we address administrative functions or salaries & expenses?
280.9 How should we map financing to credit programs?
280.10 When will the Federal Program Inventory be updated?
280.11 What are the program types?
280.12 What if our programs are already captured in the Catalog of Federal Domestic Assistance (CFDA)?

Summary of Changes

Updates implementation of the GPRA Modernization Act requirement to include program information on a single, government-wide performance website

280.1 To which agencies does this section apply?

This section applies to all agencies, as defined in the GPRA Modernization Act (see 200.1 for details); however, for the FY 2015 budget:

The Federal Program Inventory (FPI) focuses primarily on the program inventories of agencies that were required to identify FY 2014–2015 Agency Priority Goals (APG). Agencies that are required to establish APGs must follow all sections of this guidance.

All other agencies that were not required to establish FY 2014–2015 APGs should use this section to plan ahead for providing the agency's program inventory for publication in future years as the Federal Program Inventory is expanded to include additional agencies.

In future years, agencies may also be asked to include additional information beyond the elements included in this guidance.

280.2 What is the purpose of the Federal Program Inventory (FPI)?

Today, crucial information on the Federal Government's programs is decentralized. A central program list has the potential to facilitate coordination across programs by making it easier to find programs that may contribute to a shared goal, as well as improve public understanding about what Federal programs currently operate and how programs link to budget, performance, and other information. These linkages also provide important context for agency activities. Congress also recognized this need, and passed the GPRA Modernization Act, requiring information for each program identified by agencies to be included on a single, government-wide website consistent with guidance provided by OMB.

To maximize use of existing data and their linkages, avoid duplicative efforts, and reduce the potential for conflicting information, agencies will map to existing information rather than creating a new, separate list of program information. Agencies will identify linkages among largely existing, authoritative information to increase usability and transparency. OMB and agencies are using an iterative approach to build a useful inventory within capacity constraints. The first phase in 2013 focused on identifying the right list of programs, which will be expanded to include additional program information in phase two (See section 280.6).

280.3 For the purposes of the Federal Program Inventory, what is a program?

GAO defined program in the Glossary of Terms Used in the Budget Process as an organized set of activities directed toward a common purpose or goal that an agency undertakes or proposes to carry out its responsibilities. Within this broad definition, agencies and their stakeholders currently use the term "program" in different ways. Agencies have widely varying missions and achieve these missions through different programmatic approaches, so differences in the use of the term "program" are legitimate and meaningful. For this reason, this guidance does not prescribe a superseding definition of "program"; rather, consistent with the GPRA Modernization Act, agencies may identify programs consistent with the manner in which the agency uses programs to interact with key stakeholders and to execute its mission.

For instance, agency programs may be defined using one or more of the following approaches:

Outcomes. Directly attributable to an end result the program is trying to achieve, such as increased exports. Can also be linked to specific functions to accomplish an objective, such as trade enforcement. Can cut across organizational units and/or budget accounts.

Customers. Organized by the focus on provide a service or product to a specific entity or consumer group, such as women-owned small businesses or veterans. Can cut across organizational units and/or budget accounts.

Prominent products, services, outputs. Produces major reports or studies, such as the Consumer Price Index (CPI) and Producer Price Index. May group similar products, services or activities into one program.

Organizational structure. Defined by agency office structure. Offices could focus on specific regions, functions or specialized subject matter such as U.S. Polar Research or Cyberinfrastructure.

Budget. Links closely with the program activity lines in the President's Budget, such as Disaster Recovery or Patents. May align to other budget materials such as the Congressional Budget Justification or internal agency budget/accounting systems. In some instances, a program may be synonymous with its appropriation account title; although it is not presumed that an appropriation is the same as a program.

To meet the requirements of the GPRA Modernization Act, each agency will work with OMB to determine the appropriate primary approach, or mix of approaches, and level of aggregation/disaggregation which should be used as the basis for defining programs for the FPI. For each program that is identified, agencies will then identify key related data, such as the program activities, contribution to the mission and goals of the agency, and financing.

Per the GPRA Modernization Act, agencies must cross-walk each program to the obligations by program activity lines (PA lines) used in the program and financing (P&F) schedules of the President's Budget. Agencies have flexibility in how they relate their programs to the PA lines (see 280.5 below).

When developing the list of programs, agencies should consider identifying the following characteristics in determining what a program is:

Externally recognizable. Agencies should use programs that are or relate to programs or objectives used in Congressional Budget Justifications, statute, are recognized by Congress and stakeholders, or are already publicly known; agencies should use program names that are known outside the agency, and generally not create new names.

Operationally Meaningful. Agencies should use programs that are operationally meaningful to agency senior leadership and components of the agency. Programs should represent how the agency is managed and delivers on its mission.

Link to an organizational component(s), such as headquarters, bureau or office. Programs should be operationally meaningful to the agency and agency senior leadership.

Persistent. Generally, programs that persist over time should be included. However, agencies have the flexibility to identify short-term efforts as programs, such as activities related to the Recovery Act.

280.4 Must all components within an agency use the same approach?

No. There may be different valid perspectives for identifying programs within agency components. Agencies have the flexibility to define components' programs within the above guidelines, and should discuss the approach with OMB. Where appropriate, agencies are encouraged to use the same approach. Over time, OMB will work across agencies to determine the need to standardize approaches.

280.5 How should we cross-walk programs with program activity lines?

Per the GPRA Modernization Act, agencies should cross-walk programs to program activities, defined as the program activity (PA) lines in the program and financing (P&F) tables of the President's Budget Appendix. Each program should aggregate, disaggregate, consolidate or maintain the PA lines associated with the identified program.

Agencies have flexibility in how they cross-walk their programs to the program activity (PA) lines. For instance, they may use any combination of: one PA line to one program; one PA line to two or more programs; or, two or more PA lines to one program. To ensure consistency across agencies, the number of agency programs should generally be within 0.5 to 5 times the number of PA lines in the President's Budget. Agencies should discuss the level that best suits their circumstances with OMB.

To capture the current operating environment, agencies should include programs with non-zero amounts for FY 2012 and/or FY 2014, even if the program is proposed for consolidation, termination or other modification in the 2015 President's Budget. Additionally, agencies should capture newly funded programs proposed in the FY 2015 President's Budget. However, in both bases agencies should note the proposed change to the program.

For this phase (Phase 2), all program activity (PA) lines in the 2015 President's Budget should map to at least one program.

280.6 How will the FPI be compiled and published?

Given the size and scope of the Federal Government, OMB is using an iterative approach to build a useful inventory that will result in better data linkages to other sources of information and improved crosscutting coordination. Over time, the inventory and its linkages to other information sources will be refined and improved.

OMB will work with the 24 APG agencies to inventory programs and collect related information. This includes agency/bureau, financing, and related agency strategic goals, strategic objectives, and Priority Goals (see 280.7 for more detail). In subsequent years, agencies may be asked to link more elements to programs.

As a first step (Phase 1), agencies published a list of programs that support Cross-Agency and Agency Priority Goals in May 2013. In the summer/fall of 2013, agencies will incorporate feedback from stakeholders to refine their program inventory, and transition all program information onto Performance.gov, adding additional detail (Phase 2).

The specific timing is as follows:

Phase 2		
Step	**Action**	**Due Date**
2.1	Agency incorporates feedback from stakeholders and enters program inventory onto Performance.gov; add additional detail	June 2013–March 2014
2.2	Agency submits all information required for each program to OMB through the Performance.gov PREP tool	April 1, 2014
2.3	OMB and agency finalize program inventory; publish on Performance.gov	May 31, 2014

280.7 What information is required for Phase 2 (steps 2.1–2.3)?

For publication in May 2014 (following the FY 2015 President's Budget), agencies will report four kinds of program information: General, Organization, Financing, and Performance. Over time, the information collected may expand to include other program related dimensions. The following information will be published for Phase 2 on Performance.gov:

General	
Data Field	**Guidance**
Approach Summary*	A 1–2 paragraph description of how the agency identified its programs and the general approach for that identification, consistent with OMB guidance. If applicable, agencies should describe where and why different approaches were used. This includes the content in section 280.3 where appropriate. When finalized, agencies will publish this summary through Performance.gov. Note: only one approach summary is required per agency.
Program Title*	Name the program. Agencies should use existing program titles, such as those used in the President's Budget/PA lines, statute, Congressional Budget Justifications, or those used by agency management whenever possible. Exceptions should be discussed with your OMB Resource Management Office (RMO).
Program Description*	In 1–3 paragraphs, describe the program for a public audience. Agencies should use existing program descriptions from other contexts such as those used in the President's Budget, statute, Congressional Budget Justifications, or those used by agency management whenever possible.
CFDA Number(s) (if applicable)	Select all applicable Catalog of Federal Domestic Assistance (CFDA) number(s) associated with the program.
Budget Sub-Function	Based on the Budget Account selected, the system will capture the budget Sub-Function. For the list of Budget Sub-Functions (also known as Functional Classification) see A–11 exhibit 79A.
Program Type	Identify the program type most applicable for the program. Multiple selections are allowed. The program types are listed in 280.11.
Changes	Describe any proposed or recent changes, such as a proposed consolidation or termination in the FY 2015 Budget. If another program is referenced, include a link to that program. Complete this field only if applicable.

General	
Data Field	**Guidance**
Federal Program Inventory Identifier (FPIN)	The system will automatically generate a unique FPIN number for each program.

Organization	
Data Field	**Guidance**
Agency Name*	Select department or agency name.
Agency ID	Based on the selection in "Agency Name" the system will auto populate an Agency ID based on MAX A-11.
Bureau Title *	Select bureau or office name if applicable. The bureau/subcomponent should match the organizational structure in the appendix of the President's Budget.
Bureau Title ID	Based on the selection in "Bureau Title" the system will auto populate a Bureau Title ID based on MAX A-11.

Financing	
Data Field	**Guidance**
Budget Account and Program, Activity (PA) Line	Identify all Budget Accounts and PA lines listed in the President's Budget from the drop down list that finance the program. This includes direct and reimbursable obligations. Agencies may identify as many Budget Accounts and PA Lines as necessary to identify financing. Additionally, it is expected that all agency Budget Accounts and PA Lines for an Agency will support one or more programs, with a few exceptions. If an agency believes an account does not support any programs, they should contact their OMB Resource Management Office (RMO) to discuss the situation and potentially identify an exception. For credit programs, agencies should not select PA lines in credit program financing accounts, but rather the "Additional financing sources" field to describe financing.
Budget Account and Program Activity (PA) Line: FY 2013, FY 2014, FY 2015 amount	Based on the above selection, the system will pull FY 2013, FY 2014, and FY 2015 amounts for the PA Line as published in the FY 2015 President's Budget.
Budget Account and Program Activity (PA) Line Levels: FY 2013, FY 2014, FY 2015 (full or partial)	Using the drop-down menu, identify whether the PA line fully or partially supports the program. For example, if a PA line supports only one program, the agency would select "full". If a PA line supports multiple programs, the agency would select "partial". Agencies may also select "none" if a PA line does not support the program for one or more fiscal year.

Financing	
Data Field	**Guidance**
Treasury Account Symbol (TAS)	Identify all Treasury Account Symbol (TAS) from the drop down list that finance the program. Add a record for each Treasury account related to the program. For credit programs, the relevant TAS for both the program account and financing account should be added. Agencies may identify as many TAS as necessary to identify financing. Additionally, it is expected that all TAS for an agency will support one or more programs. If an agency believes an account does not support any programs they should contact the OMB RMO to discuss the situation and potentially identify an exception.
Treasury Account Symbol (TAS) Levels: FY 2013, FY 2014, FY 2015 (full or partial)	Using the drop-down menu, identify whether the TAS fully or partially supports the program. For example, if a TAS supports only one program, the agency would select “full”. If a TAS supports multiple programs, the agency would select “partial”. Agencies may also select “none” if a TAS does not support the program for one or more fiscal year.
Additional financing source: Title (exceptions only)	If the agency has other financing not adequately captured by the PA lines or the Treasury Accounts (such as fee-for-service) the agency may identify an additional financing source. This exception must be approved by OMB.
Additional financing source: Description	Short, narrative description of the additional financing source, including links to additional information where applicable. Any dollar amounts must come from publically available sources. For credit programs, agencies should describe financing and include relevant information such as net subsidy, loan levels and subsidy budget authority as appropriate. Figures should come from previously published documents, such as agency financial reports or the President’s Budget.

Performance	
Data Field	**Guidance**
Supported Agency Strategic Goal(s)*	Identify the agency strategic goal(s) the program supports. Multiple selections are allowed.
Supported Agency Strategic Objective(s)*	Identify the agency strategic objective(s) the program supports. Multiple selections are allowed.
Supported Agency Priority Goal(s) (if applicable)	Identify the FY 2014–2015 Agency Priority Goal(s) the program supports. Multiple selections are allowed.
Supported Cross-Agency Priority (CAP) Goal(s) (if applicable)	Identify the CAP Goal(s) the program supports. The agency will work with each CAP Goal team and the Performance Improvement Council (PIC) to determine the appropriate linkages. .

* Initial development in Phase 1

Note: In addition to the fields above, agencies will also have the option to cross-walk programs to other information, such as other agencies' strategic objectives and programs.

280.8 How should we address administrative functions or salaries & expenses?

Administrative functions and salaries & expenses are within the scope of the program inventory. Similar to other activities, agencies can either:

Map to a program. Associate with one or more programs, such as an HR office that hires specialists for specific program(s).

Designate as a program. Group central office functions that support many or all agency programs, such as the Office of the Secretary.

To the extent possible, agencies should map administrative functions or salaries & expenses to programs. For the purposes of the FPI, agencies do not have to identify administrative costs or salaries & expenses separate from other expenses.

280.9 How should we map financing to credit programs?

Agencies should use the "Additional Financing Sources" field to describe the credit program financing, including relevant information such as net subsidy, loan levels and subsidy budget authority as appropriate. Figures should come from previously published documents, such as agency financial reports or the President's Budget. Agencies do not map credit programs to the program activity (PA) lines or the 07xx lines. See 280.7 for more detail.

280.10 When will the Federal Program Inventory be updated?

The inventory is part of Performance.gov: a single, government-wide performance website that will be updated according to regular reporting periods. The FPI will be updated annually to reflect the annual budget and appropriations process; therefore it will be updated in May of each year following the release of the President's Budget. See 280.6 for the planned timeline.

280.11 What are the program types?

For publication following the 2015 President's budget, agencies should select one or more program types for each program. The program types are:

Direct Federal Programs: Programs where services are provided primarily by employees of the Federal Government, such as the State Department's Consular Services program.

Direct Federal Benefits Programs: Programs where the Federal Government provides benefits or other payments to individuals, such as the Veteran's Administration disability payment program.

State-Administered Benefit Programs: Programs where the Federal Government provides funding to States for benefits, reimbursements, or other payments to recipients. Program examples include the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and Temporary Assistance for Needy Families (TANF).

Competitive Grant Programs: Programs that provide funds to State, local and tribal governments, organizations, individuals and other entities through a competitive process, such as Health Centers at the Department of Health and Human Services (HHS).

Block/Formula Grant Programs: Programs that provide funds to State, local and tribal governments and other entities by formula or block grant, such as the Department of Energy's (DOE) Weatherization Assistance program and HHS' Foster Care program.

Regulatory-Based Programs: Programs that accomplish their mission through rulemaking that implements, interprets or prescribes law or policy, or describes procedure or practice requirements, such as Small Business Administration's Size Standards program.

Capital Assets and Public Works Programs: Programs that achieve their goals through development, acquisition, and operation of capital assets (e.g. land, structures, equipment) or the purchase of services (e.g. maintenance, and information technology). Program examples include Navy Shipbuilding and the Bonneville Power Administration.

Information Assets Programs: Programs that achieve their goals through the development, acquisition, analysis, and/or dissemination of information. Program examples include the Census.

Service Acquisition Programs: Programs that achieve their goals through the purchase of services (e.g. maintenance, and information technology).

Credit Programs: Programs that provide support through loans, loan guarantees and direct credit, such as the Export Import Bank's Long Term Guarantees program.

Insurance Programs: Programs where the Federal Government provides compensation against the risk of specified loss, damage, illness, or death in return for payment of premiums.

Research and Development (R&D) Programs: Programs that focus on knowledge creation or its application to the creation of systems, methods, materials, or technologies, such as DOE's Solar Energy and NASA's Solar System Exploration programs.

280.12 What if our programs are already captured in the Catalog of Federal Domestic Assistance (CFDA)?

Agencies are encouraged to leverage existing program lists, including CFDA. However, agencies have the flexibility to identify their programs using a different approach.

SECTION 290—ELIMINATION OF UNNECESSARY AGENCY PLANS AND REPORTS

Table of Contents

290.1 What does the GPRA Modernization Act require with regard to agency reporting on unnecessary reports to Congress?
290.2 What information must agencies provide to OMB, if the agency has modification proposals for Congress?
290.3 What kind of agency reports should be proposed?
290.4 How will agencies provide the information to OMB?
290.5 What if our agency has few congressional reporting requirements or no new proposals since the last time we submitted information to OMB?
290.6 Are agencies required to submit legislation?

Summary of Changes

This section describes requirements for annually providing a list of agency-proposed unnecessary, outdated or duplicative plans and reports to Congress.

290.1 What does the GPRA Modernization Act require with regard to agency reporting on unnecessary reports to Congress?

The GPRA Modernization Act requires that annually, based on guidance provided by the Director of the Office of Management and Budget, the Chief Operating Officer at each agency shall:

1. compile a list that identifies all plans and reports the agency produces for Congress, in accordance with statutory requirements or as directed in congressional reports (The full list should be readily available to OMB and Congress upon requests);

2. analyze the list compiled to identify which plans and reports are outdated or duplicative of other required plans and reports, and refine the list to include only the plans and reports identified to be outdated or duplicative;

3. consult with the congressional committees that receive the agency-proposed outdated or duplicative plans and reports to determine whether they could be eliminated or consolidated with other plans and reports; and

4. provide a total count of plans and reports compiled and the list of outdated and duplicative reports identified to the Director of the Office of Management and Budget.

OMB must provide the complete list of agency-proposed outdated or duplicative reports to Congress with the FY 2014 Budget.

290.2 What information must agencies provide to OMB, if the agency has modification proposals for Congress?

Agencies will provide OMB with the following information on each congressionally-required plan or and report modification proposal:

- Title of plan or report used by the agency when providing the report to Congress

- Statute (or other congressional requirement citation) which mandates the agency to create the report and deliver it to Congress or the public
- To whom it is delivered in Congress
- How frequently it is delivered to Congress
- Proposed recommendation for modifying, either elimination, consolidation, streamlining or reduced frequency
- Brief rationale, (e.g. duplicative, outdated, cost exceeds benefit or other)
- Justification for rationale that clearly explains why the report was identified as duplicative, outdated, or otherwise in need of modification and is appropriate for publication.
- Hyperlinks or copies of reports that are being proposed for modification or elimination.
- Hyperlinks or copies of reports that are associated with the report being proposed for modification, such as a report that justifies that another plan or report is duplicative or a report with which content could be streamlined, for example.

290.3 What kind of agency reports should be proposed?

Agencies should include agency-specific plans and reports that are usually reoccurring in nature, rather than one-time reporting requirements. Generally, agencies should not include plans and reports that are required from all agencies (e.g.; strategic plans) among the modification or elimination proposals; however, OMB will consider recommendations submitted from agencies for streamlining such government-wide documents. In vetting proposals before providing them to OMB, agencies should be sure to consider legislation that may have eliminated older reporting requirements, such as the Federal Reports Elimination and Sunset Act of 1995, Public Law 104–66.

290.4 How will agencies provide the information to OMB?

Agencies must follow two steps for submitting proposals to OMB by following the instructions and templates for submission that are posted at https://max.omb.gov/community/x/5QioJQ :

1. Modification proposals will be provided to OMB via MAX Collect on the agency's Performance Portal at https://max.omb.gov/community/x/C5VxIQ.
2. The point of contact who is assigned by the COO to coordinate the agency's submission must email official notification to performance@omb.eop.gov that the COO has approved the agency's submission by including the following:
   - a confirmation that the agency's proposed list of modifications to agency reports on the agency's MAX Collect Performance Portal submission page was validated by the agency and approved by the COO
   - an agency email address to which public inquiries may be directed on the proposed list
   - a notification as to when the agency consulted Congress on the agency's proposals.

290.5 What if our agency has few congressional reporting requirements or no new proposals since the last time we submitted information to OMB?

First, the agency must review the previously-published modification list that is pre-populated in MAX to identify any plans and reports that have been eliminated or modified by Congress. The agency should remove modification proposals that have been addressed by Congress. The agency may choose to resubmit proposals that have not yet been addressed.

If the agency has no new proposals, the agency point of contact who is assigned by the COO to coordinate the agency submission must notify the OMB at performance@omb.eop.gov that the agency Chief Operating Officer has confirmed that the previously-published list has been updated in MAX Collect as needed, and has approved no new modification proposals since the last time the agency provided a list to OMB.

290.6 Are agencies required to submit legislation?

Any modifications of plans or reports that are required by appropriations legislation must be reflected in appropriations language modifications prepared for the purposes of publication of the FY 2015 President's Budget.

For all other modification proposals required by other congressional actions, agencies are encouraged to pursue legislation (or other congressional approval as required) on their list of modification proposals; however, agencies are not required to do so.

CIRCULAR NO. A–11

PART 7

APPENDICES

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
JULY 2013

APPENDIX A—SCOREKEEPING GUIDELINES

These budget scorekeeping guidelines are used by the House and Senate Budget Committees, the Congressional Budget Office, and the Office of Management and Budget (the "scorekeepers") in measuring compliance with the Congressional Budget Act of 1974 (CBA), as amended; the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended; and the Statutory Pay-As-You-Go Act of 2010. The purpose of the guidelines is to ensure that the scorekeepers measure the effects of legislation on the deficit consistent with established scorekeeping conventions and with the specific requirements in those Acts regarding discretionary spending, direct spending, and receipts. These rules are reviewed annually by the scorekeepers and revised as necessary to adhere to the purpose. They cannot be changed unless all of the scorekeepers agree. New accounts or activities are classified only after consultation among the scorekeepers. Accounts and activities cannot be reclassified unless all of the scorekeepers agree. The scorekeeping guidelines have not been revised to reflect the impact of the Statutory Pay-As-You-Go Act of 2010, especially as it relates to rule 3, and the BBEDCA, as amended by the Budget Control Act of 2011.

1. Classification of appropriations

A list of appropriations that are normally enacted in appropriations acts is included in the conference report of the Balanced Budget Act of 1997, House Report 105–217, pages 1014–1053. The list identifies appropriated entitlements and other mandatory spending in appropriations acts, and it identifies discretionary appropriations by category.

2. Outlays prior

Outlays from prior-year appropriations will be classified consistent with the discretionary/mandatory classification of the account from which the outlays occur.

3. Direct spending programs

Entitlements and other mandatory programs (including offsetting receipts) will be scored at current law levels, as defined in section 257 of GRH, unless congressional action modifies the authorizing legislation. Substantive changes to or restrictions on entitlement law or other mandatory spending law in appropriations laws will be scored against the Appropriations Committee's section 302(b) allocations in the House and the Senate. For the purpose of CBA scoring, direct spending savings that are included in both an appropriations bill and a reconciliation bill will be scored to the reconciliation bill and not to the appropriations bill. For scoring under sections 251 or 252 of GRH, such provisions will be scored to the first bill enacted.

4. Transfer of budget authority from a mandatory account to a discretionary account

The transfer of budget authority to a discretionary account will be scored as an increase in discretionary budget authority and outlays in the gaining account. The losing account will not show an offsetting reduction if the account is an entitlement or mandatory program.

5. Permissive transfer authority

Permissive transfers will be assumed to occur (in full or in part) unless sufficient evidence exists to the contrary. Outlays from such transfers will be estimated based on the best information available, primarily historical experience and, where applicable, indications of Executive or congressional intent.

This guideline will apply both to specific transfers (transfers where the gaining and losing accounts and the amounts subject to transfer can be ascertained) and general transfer authority.

6. Reappropriations

Reappropriations of expiring balances of budget authority will be scored as new budget authority in the fiscal year in which the balances become newly available.

7. Advance appropriations

Advance appropriations of budget authority will be scored as new budget authority in the fiscal year in which the funds become newly available for obligation, not when the appropriations are enacted.

8. Rescissions and transfers of unobligated balances

Rescissions of unobligated balances will be scored as reductions in current budget authority and outlays in the year the money is rescinded.

Transfers of unobligated balances will be scored as reductions in current budget authority and outlays in the account from which the funds are being transferred, and as increases in budget authority and outlays in the account to which these funds are being transferred.

In certain instances, these transactions will result in a net negative budget authority amount in the source accounts. For purposes of section 257 of GRH, such amounts of budget authority will be projected at zero. Outlay estimates for both the transferring and receiving accounts will be based on the spending patterns appropriate to the respective accounts.

9. Delay of obligations

Appropriations acts specify a date when funds will become available for obligation. It is this date that determines the year for which new budget authority is scored. In the absence of such a date, the act is assumed to be effective upon enactment.

If a new appropriation provides that a portion of the budget authority shall not be available for obligation until a future fiscal year, that portion shall be treated as an advance appropriation of budget authority. If a law defers existing budget authority (or unobligated balances) from a year in which it was available for obligation to a year in which it was not available for obligation, that law shall be scored as a rescission in the current year and a reappropriation in the year in which obligational authority is extended.

10. Contingent legislation

If the authority to obligate is contingent upon the enactment of a subsequent appropriation, new budget authority and outlays will be scored with the subsequent appropriation. If a discretionary appropriation is contingent on the enactment of a subsequent authorization, new budget authority and outlays will be scored with the appropriation. If a discretionary appropriation is contingent on the fulfillment of some action by the Executive branch or some other event normally estimated, new budget authority will be scored with the appropriation, and outlays will be estimated based on the best information about when (or if) the contingency will be met. If direct spending legislation is contingent on the fulfillment of some action by the Executive branch or some other event normally estimated, new budget authority and outlays will be scored based on the best information about when (or if) the contingency will be met. Non-lawmaking contingencies within the control of the Congress are not scoreable events.

11. Scoring purchases

When a law provides the authority for an agency to enter into a contract for the purchase, lease-purchase, capital lease, or operating lease of an asset, budget authority and outlays will be scored as follows:

For lease-purchases and capital leases, budget authority will be scored against the legislation in the year in which the budget authority is first made available in the amount of the estimated net present value of the Government's total estimated legal obligations over the life of the contract, except for imputed interest costs calculated at Treasury rates for marketable debt instruments of similar maturity to the lease period and identifiable annual operating expenses that would be paid by the Government as owner (such as utilities, maintenance, and insurance). Property taxes will not be considered to be an operating cost. Imputed interest costs will be classified as mandatory and will not be scored against the legislation or for current level but will count for other purposes.

For operating leases, budget authority will be scored against the legislation in the year in which the budget authority is first made available in the amount necessary to cover the Government's legal obligations. The amount scored will include the estimated total payments expected to arise under the full term of a lease contract or, if the contract will include a cancellation clause, an amount sufficient to cover the lease payments for the first fiscal year during which the contract is in effect, plus an amount sufficient to cover the costs associated with cancellation of the contract. For funds that are self-insuring under existing authority, only budget authority to cover the annual lease payment is required to be scored.

Outlays for a lease-purchase in which the Federal government assumes substantial risk (for example, through an explicit Government guarantee of third party financing) will be spread across the period during which the contractor constructs, manufactures, or purchases the asset. Outlays for an operating lease, a capital lease, or a lease-purchase in which the private sector retains substantial risk will be spread across the lease period. In all cases, the total amount of outlays scored over time against legislation will equal the amount of budget authority scored against that legislation.

No special rules apply to scoring purchases of assets (whether the asset is existing or is to be manufactured or constructed). Budget authority is scored in the year in which the authority to purchase is first made available in the amount of the Government's estimated legal obligations. Outlays scored will equal the estimated disbursements by the Government based on the particular purchase arrangement, and over time will equal the amount of budget authority scored against that legislation.

Existing contracts will not be rescored.

To distinguish lease purchases and capital leases from operating leases, the following criteria will be used for defining an operating lease:

- Ownership of the asset remains with the lessor during the term of the lease and is not transferred to the Government at or shortly after the end of the lease period.
- The lease does not contain a bargain-price purchase option.
- The lease term does not exceed 75 percent of the estimated economic lifetime of the asset.
- The present value of the minimum lease payments over the life of the lease does not exceed 90 percent of the fair market value of the asset at the inception of the lease.
- The asset is a general purpose asset rather than being for a special purpose of the Government and is not built to unique specification for the Government as lessee.
- There is a private-sector market for the asset.

Risks of ownership of the asset should remain with the lessor.

Risk is defined in terms of how governmental in nature the project is. If a project is less governmental in nature, the private-sector risk is considered to be higher. To evaluate the level of private-sector risk associated with a lease-purchase, legislation and lease-purchase contracts will be considered against the following type of illustrative criteria, which indicate ways in which the project is less governmental:

- There should be no provision of Government financing and no explicit Government guarantee of third party financing.
- Risks of ownership of the asset should remain with the lessor unless the Government was at fault for such losses.
- The asset should be a general purpose asset rather than for a special purpose of the Government and should not be built to unique specification for the Government as lessee.
- There should be a private-sector market for the asset.
- The project should not be constructed on Government land.

Language that attempts to waive the Anti-Deficiency Act, or to limit the amount or timing of obligations recorded, does not change the Government's obligations or obligational authority, and so will not affect the scoring of budget authority or outlays.

Unless language that authorizes a project clearly states that no obligations are allowed unless budget authority is provided specifically for that project in an appropriations bill in advance of the obligation, the legislation will be interpreted as providing obligation authority, in an amount to be estimated by the scorekeepers.

12. Write-offs of uncashed checks, unredeemed food stamps, and similar instruments

Exceptional write-offs of uncashed checks, unredeemed food stamps, and similar instruments (i.e., write-offs of cumulative balances that have built up over several years or have been on the books for several years) shall be scored as an adjustment to the means of financing the deficit rather than as an offset. An estimate of write-offs or similar adjustments that are part of a continuing routine process shall be netted against outlays in the year in which the write-off will occur. Such write-offs shall be recorded in the account in which the outlay was originally recorded.

13. Reclassification after an agreement

Except to the extent assumed in a budget agreement, a law that has the effect of altering the classification or scoring of spending and revenues (e.g., from discretionary to mandatory, special fund to revolving fund, on-budget to off-budget, revenue to offsetting receipt), will not be scored as reclassified for the purpose of enforcing a budget agreement.

14. Scoring of receipt increases or direct spending reductions for additional administrative program management expenses

No increase in receipts or decrease in direct spending will be scored as a result of provisions of a law that provides direct spending for administrative or program management activities.

15. Asset sales

If the net financial cost to the Government of an asset sale is zero or negative (a savings), the amount scored shall be the estimated change in receipts and mandatory outlays in each fiscal year on a cash basis.

If the cost to the Government is positive (a loss), the proceeds from the sale shall not be scored for purposes of the CBA or GRH.

The net financial cost to the Federal government of an asset sale shall be the net present value of the cash flows from:

(1) Estimated proceeds from the asset sale;

(2) The net effect on Federal revenues, if any, based on special tax treatments specified in the legislation;

(3) The loss of future offsetting receipts that would otherwise be collected under continued Government ownership (using baseline levels for the projection period and estimated levels thereafter); and

(4) Changes in future spending, both discretionary and mandatory, from levels that would otherwise occur under continued Government ownership (using baseline levels for the projection period and at levels estimated to be necessary to operate and maintain the asset thereafter).

The discount rate used to estimate the net present value shall be the average interest rate on marketable Treasury securities of similar maturity to the expected remaining useful life of the asset for which the estimate is being made, plus 2 percentage points to reflect the economic effects of continued ownership by the Government.

16. Indefinite borrowing authority and limits on outstanding debt

If legislation imposes or changes a limit on outstanding debt for an account financed by indefinite budget authority in the form of borrowing authority, the legislation will be scored as changing budget authority only if and to the extent the imposition of a limit or the change in the existing limit alters the estimated amount of obligations that will be incurred.

APPENDIX B—BUDGETARY TREATMENT OF LEASE-PURCHASES AND LEASES OF CAPITAL ASSETS

This Appendix provides instructions on the budgetary treatment of lease-purchases and leases of capital assets consistent with the scorekeeping rule developed by the executive and legislative branches originally in connection with the Budget Enforcement Act of 1990 (BEA) (see Appendix A). The scorekeeping rule focuses on leases and lease-purchases specifically authorized by law. However, these requirements apply to all lease-purchase arrangements and capital leases, including those arrangements that agencies may enter into under existing general legal authorities and arrangements that are financed through the Federal Financing Bank, except as noted below.

These requirements do not apply to leases between Federal agencies if the lessor recorded the full cost of the asset when it was acquired. In addition, the costs of Energy Savings Performance Contracts may be scored on an annual basis, consistent with the guidance provided in OMB Memorandum 98-13, *Federal Use of Energy Savings Performance Contracting* and OMB Memorandum M-12-21, *Addendum to OMB Memorandum M-98-13 on Federal Use of Energy Savings Performance Contracts and Utility Energy Service Contracts.*

Agencies are required to submit to their OMB representatives the following types of leasing and other non-routine financing proposals for review of the scoring impact:

- Any proposed lease of a capital asset where total Government payments over the full term of the lease would exceed **$50 million**. It should be assumed that options to renew will be exercised.
- All financing proposals that are non-routine in nature and involve unique or unusual concepts or characteristics such as those listed below:
  - Outlease-leaseback mechanisms;
  - Establishment of public-private partnerships or limited liability corporations;
  - Issuance of debt by a third party that includes an explicit "full faith and credit" guarantee of debt repayment by the Government or an implicit guarantee of repayment from Federal funds that removes a substantial amount of the investor's risk;
  - Special purpose assets for which there is no real private sector market;
  - Enhanced-use leases with leasebacks with annual payments above the following threshold levels:
    - 2013—$2,790,000
    - 2014—$2,850,000
    - 2015—$2,850,000
  - Projects constructed or located on Government land;
  - Contracts that require the contractor to acquire or construct assets valued over $50 million;
  - Share in savings proposals that result in the acquisition of real property;
  - Proposals that raise issues about the governmental/non-governmental status of the asset or the entity that holds the title to the asset;

- Any financing proposal for which a statute requires OMB approval of the scoring (or of the proposal) or compliance with Circular No. A–11. Where compliance with Circular No. A–11 or other specified scoring rules is required by statute, the agency submission must be accompanied by a memorandum from the agency General Counsel explaining how the statutory criteria are satisfied;

- Arrangements that convey special tax status to the project by virtue of the Government's participation; and

- Leasing arrangements that involve options that can be conveyed to a third party in exchange for future considerations.

Agencies should submit these proposals to OMB during the conceptual, developmental stage. Subsequent changes that could substantially change the scope of the proposal or affect the scoring impact (e.g., change from an operating lease to a lease-purchase) must be resubmitted to OMB.

1. Basic requirements

(a) *General.*

When an agency is authorized to enter into a *lease-purchase* or *capital lease* contract, budget authority will be scored in the year in which the authority is first made available in the amount of the net present value of the Government's total estimated legal obligations over the life of the contract, as described in section 2(b) below. Outlays for lease-purchases in which the Federal Government assumes substantial risk will be spread across the period during which the contractor constructs, manufactures, or purchases the asset. Outlays for a capital lease or a lease-purchase in which the private sector retains substantial risk will be spread across the lease term. The scorekeeping requirements are summarized below.

For *operating leases*, budget authority is required to be obligated up front in the amount necessary to cover the Government's legal obligations, consistent with the requirements of the Antideficiency Act. This will include the estimated total payments expected to arise under the full term of the contract or, if the contract includes a cancellation clause, an amount sufficient to cover the lease payments for the first year plus an amount sufficient to cover the costs associated with cancellation of the contract. For each subsequent year, sufficient budget authority is required to be obligated to cover the annual lease payment for that year plus any additional cancellation costs. For operating leases funded by the General Services Administration's Federal Buildings Fund (which is self-insuring under existing authority), only the amount of budget authority needed to cover the annual lease payment is required to be obligated.

(b) *Making annual lease payments after the BA expires.*

Unless otherwise specified by law, budget authority is available for liquidating obligations (i.e., outlays) for only five fiscal years after the authority expires. For leases financed by annual or multi-year budget authority, agencies should ensure that the appropriations language allows the budget authority to remain available for lease payments over the full term of the lease. If this period is expected to be longer than five fiscal years after the authority expires, the appropriations language should include the provision described in section 95.7.

(c) *Changes to existing contracts.*

When an agency modifies or amends an existing capital lease or lease-purchase contract, any remaining budgetary resources prior to modification should be used to offset the cost of the new contract. The amount scored will be the difference in the net present value of the Government's total estimated legal obligations between the new contract and the remaining term of the original contract. (Both net present values should be calculated using the Treasury borrowing rates published in the annual update to Appendix C of OMB Circular No. A-94 at the time the contract is amended (see section 4)). There would be no remaining budgetary resources if funds equal to the lease payments or the present value of the lease payments were not scored up front at the time the lease was signed. In this case, the full cost of the new contract should be scored, consistent with the rules for scoring lease-purchases and capital leases. Similarly, when an agency modifies or amends an existing operating lease contract, the impact of the changes needs to be evaluated. If the lease no longer meets the criteria for an operating lease, the modified lease should be rescored.

(d) *Options to renew or purchase.*

When the lease agreement contains an option to renew that can be exercised without additional legislation, it will be presumed that the option will be exercised for purposes of calculating the term of the lease and scoring budget authority. When the lease agreement contains an option to purchase at less than fair market value (at the time the option is to be exercised), and the option can be exercised without additional legislation, it will be presumed that the option will be exercised for purposes of classifying the type of lease and scoring budget authority.

SUMMARY OF BUDGET REQUIREMENTS

Transaction	Budget Authority	Outlays
Lease-purchase without substantial private risk	Amount equal to asset cost recorded up front; amount equal to imputed interest costs recorded on an annual basis over lease period.	Amount equal to asset cost scored over the construction period in proportion to the distribution of the contractor's costs; amount equal to imputed interest costs recorded on an annual basis over lease term.
Lease-purchase with substantial private risk	Amount equal to asset cost recorded up front; amount equal to imputed interest costs recorded on an annual basis over lease term.	Scored over lease term in an amount equal to the annual lease payments.
Capital lease	Amount equal to asset cost recorded up front; amount equal to imputed interest costs recorded on an annual basis over lease term.	Scored over lease term in an amount equal to the annual lease payments.
Operating lease	Amount equal to total payments under the full term of the lease or amount sufficient to cover first year lease payments plus cancellation costs recorded up front	Scored over lease term in an amount equal to the annual lease payments.

2. Budget presentation

(a) *General.*

For the purposes of scorekeeping transactions that involve lease-purchases and capital leases, the costs are separated into the following components:

- Asset cost (which equals the present value of the lease payments); and

- Imputed interest cost (which equals the financing cost Treasury would have incurred if it had financed the project by borrowing).

These concepts are defined more fully in section 3. The amounts can be determined from the amortization tables developed in accordance with the instructions in section 4. Budget authority and outlays attributable to asset costs will be classified as investment-type activities (physical assets), and budget authority and outlays attributable to imputed interest costs will be classified as non-investment activities (see section 84.4).

(b) *Budget authority.*

- *Amounts.* The up-front budget authority required for both lease-purchases and capital leases is called the asset cost. This equals the present value of the minimum lease payments excluding payments for identifiable annual operating expenses that would be paid by the Government as owner, such as utilities, maintenance, and insurance. Property taxes will not be considered to be an operating expense and will be included in the calculation of the up-front budget authority. (See section 3 for the treatment of property taxes for purposes of distinguishing operating leases from capital leases.) The present value of the lease payments is discounted as of the date of the first payment (or the beginning of the lease term, whichever is earlier) using the appropriate interest rate (see section 4 for a more detailed explanation and the treatment of multiple deliveries).

  Additional budget authority equal to Treasury's cost of financing (i.e., the imputed interest cost) plus any annual operating expenses will be recorded on an annual basis over the lease term.

- *Type of authority*. When an agency enters into a capital lease or lease-purchase under general authorities available to the agency, it must do so within the limits of the budgetary resources available to it and the constraints of the scorekeeping requirements.

  If Congress enacts legislation that enables an agency to enter into a lease-purchase or capital lease for a specific project without further congressional action (e.g., appropriations action), it will be assumed that Congress has provided the budget authority required for the transaction. If Congress does not provide the budget authority in the form of an appropriation, then authority to borrow or contract authority will be recorded as follows:

  - *Authority to borrow* will be recorded if the transaction is a lease-purchase without substantial private risk, in which case outlays need to be scored up-front in advance of appropriations for the annual lease payment (or offsetting collections). A portion of the amount subsequently appropriated (or collected, if the agency receives offsetting collections) will be applied to retire outstanding agency debt attributable to the lease-purchase. (See sections 2(c) and 2(d) for more information on how that portion is determined and presented in the Budget.)

  - *Contract authority* will be recorded if the transaction is a lease-purchase with substantial private risk or a capital lease, in which case outlays will be scored over the lease term and financed by appropriations for the annual lease payment (or offsetting collections). A portion of the amount appropriated (or collected, if the agency receives offsetting collections) will be applied to liquidate contract authority. (See sections 2(c) and 2(d) for more information on how that portion is determined and presented in the Budget.)

- *Timing.* When Congress enacts legislation that specifically enables an agency to enter into a lease-purchase or capital lease, the budget authority required for the transaction will be recorded when the authority first becomes available for obligation. Obligations will be recorded when the lease agreement is signed. When the authority stems from general authority available to the agency, obligations are recorded, and sufficient budgetary resources must be available, when the lease agreement is signed.

(c) *Outlays.*

- *Lease-purchases without substantial private risk.* Outlays are not equal to the annual lease payments.

  - Outlays are scored over the period during which the contractor constructs, manufactures, or purchases the asset, in an amount equal to the asset cost. This amount will equal the up-front budget authority. Amounts of the asset cost in excess of the contractor's actual construction or manufacturing costs should be distributed in proportion to the distribution of the construction or manufacturing costs. If the asset already exists, the outlays will be recorded in the year in which the lease-purchase contract is signed.

  - Outlays equal to the imputed interest costs are reported on an annual basis over the lease term.

- *Lease-purchases with substantial private risk and capital leases.* Outlays are scored annually equal to the annual lease payments.

  - Over the life of the lease agreement, a portion of the outlays (equivalent to the asset cost) will come from the balances obligated when the lease agreement was signed, and a portion (equivalent to the imputed interest cost) will come from new budget authority. The appropriate amounts can be determined from amortization tables developed in accordance with the instructions in section 4.

(d) *Annual appropriations for lease financed by contract authority or borrowing authority.*

Lease-purchases and capital leases that are financed by contract authority or borrowing authority will generally require annual appropriations in an amount equal to the annual lease payment. Since budget authority equal to the asset cost is scored up front, the portion of the annual appropriation that corresponds to the amortization of the asset cost is not scored as new budget authority. If it were, total budget authority would be overstated over the life of the lease. The budget authority that is recorded on an annual basis will equal the imputed interest cost. The required adjustments are explained below:

- *For lease-purchases without substantial private risk that are financed by borrowing authority.* An amount equal to the amortization of the asset cost component of the annual lease payment will be treated as redemption of debt and deducted from the new budget authority totals. On the program and financing schedule, this amount will be reported as a negative entry on line 1135 or 1236 (see section 82.18). If offsetting collections are used to make the annual lease payment in lieu of an appropriation, the amount will be reported as a negative entry on line 1726 or 1825.

- *For capital leases and lease-purchases with substantial private risk that are financed by contract authority.* An amount equal to the amortization of the asset cost component of the annual lease payment will be treated as liquidating cash and deducted from the new budget authority totals. On the program and financing schedule, this amount will be reported as a negative entry on line 1137 or 1238 (see section 82.18). (If offsetting collections are used to make the annual lease payment in lieu of an appropriation, the amount will be reported as a negative entry on line 1727 or 1826.)

(e) *Agency debt.*

For lease-purchases without substantial private risk, agency borrowing must be recorded to finance the outlays scored for the construction, manufacture, or purchase of the asset. The agency debt that accumulates over this period is equal to the asset cost; this debt is subsequently redeemed over the lease payment period in an amount equal to a portion of the annual lease payment. The appropriate amounts of debt and debt redemption can be determined from the amortization tables developed in accordance with the instructions in section 4, Step 5. Interest on agency debt can be determined in accordance with Steps 3, 4, and 5.

If the account has a balance sheet, the amount of such agency debt should be included as a separate item (and separate from other agency debt) under liabilities and identified as having been incurred to finance lease-purchases. All other accounts should include the amount of agency debt in the narrative statement for the account that is published in the *Budget Appendix*.

3. Definitions and concepts

For the purposes of scoring lease-purchases and capital leases, the following definitions and concepts apply. Agencies should consult with OMB in cases where enhanced use leases and public-private partnerships are involved. Public-private partnerships should not be used solely or primarily as a vehicle for obtaining private financing of Federal construction or renovation projects. Such transactions should be used only when they are the least expensive method, in present value terms, to finance construction or repair. Agencies shall consult with OMB in cases where a contract requires a private contractor to construct or acquire a capital asset solely or primarily to provide the service to the Government to determine the appropriate treatment or obligations.

Lease-purchase means a type of lease in which ownership of the asset is transferred to the Government at or shortly after the end of the lease term. Such a lease may or may not contain a bargain-price purchase option.

Capital lease means any lease other than a lease-purchase that does not meet the criteria of an operating lease.

Operating lease means a lease that meets all the criteria listed below. If the criteria are not met, the lease will be considered to be a capital lease or a lease-purchase, as appropriate. Multi-year service contracts (e.g., grounds maintenance) and multi-year purchase contracts for expendable commodities (e.g., aspirin) are not considered to be operating leases.

- Ownership of the asset remains with the lessor during the term of the lease and is not transferred to the Government at or shortly after the end of the lease term;
- The lease does not contain a bargain-price purchase option;
- The lease term does not exceed 75 percent of the estimated economic life of the asset;
- The present value of the minimum lease payments over the life of the lease does not exceed 90 percent of the fair market value of the asset at the beginning of the lease term;
- The asset is a general purpose asset rather than being for a special purpose of the Government and is not built to the unique specification of the Government as lessee; and
- There is a private sector market for the asset.

The following guidelines will be used in distinguishing between operating leases, capital leases, and lease purchases. They should be used in calculating the *term of the lease* and the value of the *minimum lease payments*:

- *Estimate of fair market value.* In the case of real property, the fair market value should be based on current market appraisals. If no asset exists, the fair market value of the proposed asset should be based on the Government's estimate of the private developer's cost to construct the leased facility. The estimate should only include the costs the Government would normally pay the private sector for such a facility. These costs include the total direct and indirect costs of constructing the facility, including land purchase, design, site improvements, and management costs. Fair market value should not include the value of features or enhancements that were built or added for the Government's unique needs or special purposes or features or enhancements that will be paid for by the Government in lump sum. If the Government proposes to lease only a portion of a facility, then the estimate of fair market value should be adjusted accordingly to reflect the portion that will be leased by the Government.

- *Special features or enhancements.* Assets that have special features or enhancements that were built or added for the Government's unique needs or special purposes need to be evaluated on a case-by-case basis to ascertain whether they can be considered to be general purpose assets. If the asset is considered to be a general purpose asset, then, as a general rule, such special features or enhancements should be financed up-front, separate from the lease.

- *Upfront, lump sum payments.* If the terms of a lease contain an upfront, lump sum payment, only the amounts associated with special features or enhancements to meet the Government’s unique needs or specifications and the amounts associated with agency specific customizations can be removed from the agency scoring calculation. Any payment in excess of that amount will be factored into the net present value scoring calculation. The rental stream over the life of the lease must be adequate to provide functional space.

- *Projects on Government land*. If the project is constructed or located on Government land, it will be presumed to be for a special purpose of the Government.

- *Renewal and purchase options*. If the lease agreement contains an option to renew that can be exercised without additional legislation, it will be presumed that the option will be exercised. If the lease agreement contains an option to purchase at less than fair market value (at the time the option is to be exercised), and the option can be exercised without additional legislation, it will be presumed that the option will be exercised.

- *Cancellation clauses*. It will be presumed that the lease will run for the full term of the contract, and the minimum lease payments will be calculated on the basis of the lease payments that will be made over the full term of the lease (including options to renew).

- *Lease-backs from public/private partnerships.* If an agency leases from a public/private partnership that has substantial private participation, the lease will be treated as a capital lease. The term "public/private partnership" includes special purpose entities for which the Government is a beneficiary. Substantial private participation means (1) the non-Federal partner has a majority ownership share of the partnership and its revenues; (2) the non-Federal partner has contributed at least 20 percent of the total value of the assets owned by the partnership; and (3) the Government has not provided indirect guarantees of the project, such as a rental guarantee or a requirement to pay higher rent if it reduces its use of space. Total value includes the value of assets contributed by the Government (but not the value of land) and all improvements made to the asset. Contributions by the non-Federal partner of cash, real assets, and loans for which the non-Federal partner is responsible for repayment will count towards meeting the 20 percent threshold. Direct loans from the Government or guarantees by the Government of loans made to the non-Federal partner or to the partnership will not count towards the 20 percent threshold.

  If a public/private partnership fails to meet the test of substantial private participation, the partnership will be considered governmental for purposes of the budget, and the lease-back will be scored against the agency that enters into the partnership.

If the Government ground-leases property to a non-Federal party and subsequently leases back the improvements, the lease will not be considered a lease-back from a public/private partnership, as long as the lessor is a totally non-Federal entity. Such lease-backs may be treated as operating leases if they meet the criteria for an operating lease.

- *Bargain-price purchase option*. A bargain-price purchase option is a provision allowing the Government to purchase the leased property for a price that is lower than the expected fair market value of the property at the date the option can be exercised. The purchase price includes the value of any rebates or income to the agency or Government resulting from its purchase of the asset.

- *Property taxes*. Property taxes, along with other operating expenses, will be excluded from the lease payments for purposes of comparing the present value of the minimum lease payments with the fair market value of the asset. (Note: Property taxes will be included in the calculation of the net present value of the lease payments for purposes of scoring budget authority under the BBEDCA. See section 2(b) above.)

- *Interest rates*. The present value of the minimum lease payments will be calculated on the basis of Treasury rates for marketable debt instruments of similar maturity to the lease term (see section 4).

Risk means the level of private-sector risk. Lease-purchase agreements are scored as with or without substantial private risk depending on the level of private-sector risk. Substantial private risk means the absence of substantial government risk. Risk is defined in terms of how governmental in nature the project is. That is, if the project is less governmental in nature, the private sector risk is considered to be higher.

The following types of illustrative criteria indicate ways in which the project is *less governmental*:

- There is no provision of Government financing and no explicit Government guarantee of third-party financing;

- Risks incident to ownership of the asset (e.g., financial responsibility for destruction or loss of the asset) remain with the lessor unless the Government was at fault for such losses;

- The asset is a general purpose asset rather than being for a special purpose of the Government and is not built to the unique specification of the Government as lessee;

- There is a private-sector market for the asset; or

- The project is not constructed on Government land.

Imputed interest cost means the financing costs that Treasury would have incurred if it had sold debt to the public equal to the total project cost. The difference between the total estimated legal obligations (excluding obligations for annual operating expenses as described in section 2(b)) and their estimated net present value represents imputed interest costs. Imputed interest costs will be calculated at Treasury rates for marketable debt instruments of similar maturity to the lease term on the date the contract is signed. These costs will be considered mandatory under the BBEDCA and will be shown in the same function as interest on agency debt, that is, in the function that provided the obligational authority to enter into the contract.

Differential cost of financing means the total annual interest payments on any debt sold to the public less the interest payments that would have been made on the same amount of debt at the Treasury rate (i.e., less the imputed interest costs). Simply stated, this corresponds to any interest above Treasury's interest rate.

Asset cost means the present value of the agency's minimum lease payments discounted from the date of the first payment (or the beginning of the lease term, whichever is earlier) using the Treasury interest rate for marketable debt instruments of similar maturity to the lease term on the date the contract is signed and excluding obligations for identifiable annual operating expenses as described in section 2(b). Asset cost corresponds to the total construction or acquisition costs, plus property taxes and any interest above Treasury's cost of financing (i.e., the differential cost of financing). See section 4 for more detailed explanation and the treatment of multiple deliveries.

4. Guidance on calculations

A schedule of lease payments or an amortization schedule is required to calculate budget authority, outlays, and debt for capital leases or lease-purchases. The correct Treasury rate to use for discounting to present value and for calculating imputed interest costs will be based on the economic assumptions in the most recent budget, which, for the current year, are published in the annual update to Appendix C of OMB Circular No. A–94. Revised forecasts of these Treasury interest rates are released whenever economic assumptions for the budget are updated. Use Treasury rates for marketable debt instruments of similar maturity to the lease term on the date the contract is signed. Discount from the date of the first payment (or the beginning of the lease term, whichever is earlier). The term selected for the Treasury rate should be comparable to the term of the capital lease or lease-purchase.

All assumptions required to perform the lease analysis are subject to OMB approval.

Step 1—Calculate up-front BA.

For lease-purchase without substantial private risk; lease-purchase with substantial private risk; and capital lease (including lease-back from public/private partnership with substantial private sector participation): To determine up-front BA (i.e., asset cost), calculate the present value of the lease payments, discounting from the date of the first payment or the beginning of the lease term, whichever is earlier, using the appropriate Treasury interest rate as the discount factor and excluding obligations for identifiable annual operating expenses as described in section 2(b). This BA is scored when the authority to enter into a contract for the lease-purchase or capital lease first becomes available for obligation.

However, if the lease contract provides for multiple deliveries of assets, the up-front BA is sum of the present values of the lease payments for each asset discounted back to the date that the asset is delivered. For example, if the lease contract provides for the delivery of one machine in each of the next five years, the lease payments for the machine acquired in the first year would be discounted back to the first year, while the lease payments for the machine acquired in the fifth year would be discounted back to the fifth year, and the total BA recorded up front would be the sum of the present values calculated for each of the five deliveries.

Step 2—Calculate outlays over the period during which the contractor constructs, manufactures, or purchases the asset.

For lease-purchase without substantial private risk: Score outlays in proportion to the distribution of the contractor's costs. For example, assume a contractor's costs on a $50 million project are estimated to be $7.5 million the first year, $27.5 million the second year, and $15 million the third year. The analyst should apply spendout rates of 15 percent, 55 percent, and 30 percent to the BA calculated in Step 1 for the first, second, and third years, respectively. Total outlays at the end of the construction, manufacture, or purchase period should equal the BA calculated in Step 1. (Note that total outlays will ordinarily exceed the contractor's costs.)

For lease-purchase with substantial private risk and capital lease (including lease-back from public/private partnership with substantial private sector participation): Outlays are not scored during this period. Refer to Step 4 for outlay scoring.

Step 3—Calculate annual BA for the lease payment period.

For lease-purchase without substantial private risk; lease-purchase with substantial private risk; and capital lease: Annual BA will equal the imputed interest costs calculated using the same Treasury interest rate used to discount the lease payments in Step 1. The interest portion of each periodic payment is the imputed interest cost. In the case of a lease-purchase without substantial private risk, the interest rate should be applied to debt that is initially equal to the up-front BA calculated in Step 1 and that is then amortized over the lease term in accordance with Step 5.

Step 4—Calculate outlays over the lease payment period.

For lease-purchase without substantial private risk: Annual outlays are equal to the annual BA (i.e., the imputed interest costs).

For lease-purchase with substantial private risk and capital lease (including lease-back from public/private partnership with substantial private sector participation): Annual outlays are equal to the lease payments.

Step 5—Calculate agency debt (applies only to lease-purchases without substantial private risk).

Agency debt accumulates during the period of construction, manufacture, or purchase of the asset. The increase in debt each year equals the amount of outlays calculated in Step 2. Agency debt is subsequently redeemed over the lease payment period according to an amortization schedule. The amount of debt redemption each year is equal to the lease payment less the imputed interest cost as defined in Step 3. (Debt redemption is not scored as BA or outlays.) Imputed interest costs are scored as BA and outlays and are also scored as interest on agency debt.

5. Reporting to OMB and Treasury

Budget execution reports and apportionment requests will reflect budget amounts in accordance with these requirements. Amounts (e.g., budget authority and outlays) will be reported to Treasury on the same basis.

APPENDIX C—LISTING OF OMB AGENCY/BUREAU AND TREASURY CODES

In the MAX system, OMB assigns and uses agency and bureau codes, which are associated with agency and bureau titles that are published in the Budget. The following table lists these codes in budget order. It also provides the corresponding 2-digit Treasury agency and the 3-digit Common Government-wide Accounting Classification (CGAC) agency codes assigned by Treasury. The CGAC codes allow Treasury and agencies to use a unique code for each agency. With the long-standing 2-digit codes, there were many cases (see Treasury agency codes 48 and 95) where numerous agencies shared the same 2-digit agency code. In some instances, a different Treasury agency code may be used for some accounts in an agency; a complete listing can be found in the Budget Accounts Title (BAT) file. (See section 79.2 for additional information on account identification codes.)

Agency	OMB Codes		Treasury Agency Code	CGAC Agency Code[1]
	Agency	Bureau		
Legislative Branch				
Senate	001	05	00	000
House of Representatives	001	10	00	000
Joint Items	001	11	00	000
Capitol Police	001	13	02	002
Office of Compliance	001	12	09	009
Congressional Budget Office	001	14	08	008
Architect of the Capitol	001	15	01	001
Botanic Garden	001	18	09	009
Library of Congress	001	25	03	003
Government Printing Office	001	30	04	004
Government Accountability Office	001	35	05	005
United States Tax Court	001	40	23	023
Legislative Branch Boards and Commissions	001	45	09	009
Legislative Branch Boards and Commissions	001	45	48	283
Judicial Branch				
Judicial Branch	002	00	10	010
Supreme Court of the United States	002	05	10	010
United States Court of Appeals for the Federal Circuit	002	07	10	010
United States Court of International Trade	002	15	10	010

Agency	OMB Codes		Treasury Agency Code	CGAC Agency Code[1]
	Agency	Bureau		
Courts of Appeals, District Courts, and other Judicial Services.....	002	25	10	010
Administrative Office of the United States Courts........................	002	26	10	010
Federal Judicial Center..	002	30	10	010
Judicial Retirement Funds..	002	35	10	010
United States Sentencing Commission...	002	39	10	010
Department of Agriculture				
Department of Agriculture	005	00	12	012
Office of the Secretary	005	03	12	012
Executive Operations	005	04	12	012
Office of Chief Economist	005	09	12	012
National Appeals Division	005	11	12	012
Office of Civil Rights..	005	07	12	012
Departmental Management	005	05	12	012
Office of Communications...	005	06	12	012
Office of Inspector General..	005	08	12	012
Office of the General Counsel...	005	10	12	012
Economic Research Service...	005	13	12	012
National Agricultural Statistics Service	005	15	12	012
Agricultural Research Service..	005	18	12	012
National Institute of Food and Agriculture	005	20	12	012
Animal and Plant Health Inspection Service..............................	005	32	12	012
Food Safety and Inspection Service	005	35	12	012
Grain Inspection, Packers and Stockyards Administration	005	37	12	012
Agricultural Marketing Service..	005	45	12	012
Risk Management Agency	005	47	12	012
Farm Service Agency..	005	49	12	012
Natural Resources Conservation Service	005	53	12	012
Rural Development	005	55	12	012

Agency	OMB Codes		Treasury Agency Code	CGAC Agency Code[1]
	Agency	Bureau		
Rural Housing Service	005	63	12	012
Rural Business—Cooperative Service	005	65	12	012
Rural Utilities Service	005	60	12	012
Foreign Agricultural Service	005	68	12	012
Food and Nutrition Service	005	84	12	012
Forest Service	005	96	12	012
Department of Commerce				
Department of Commerce	006	00	13	013
Departmental Management	006	05	13	013
Economic Development Administration	006	06	13	013
Bureau of the Census	006	07	13	013
Economics and Statistics Administration	006	08	13	013
International Trade Administration	006	25	13	013
Bureau of Industry and Security	006	30	13	013
Minority Business Development Agency	006	40	13	013
National Oceanic and Atmospheric Administration	006	48	13	013
U.S. Patent and Trademark Office	006	51	13	013
National Technical Information Service	006	54	13	013
National Institute of Standards and Technology	006	55	13	013
National Telecommunications and Information Administration	006	60	13	013
Department of Defense--Military Programs				
Department of Defense--Military Programs	007	00	*	n/a
Military Personnel	007	05	*	n/a
Operation and Maintenance	007	10	*	n/a
International Reconstruction and Other Assistance	007	12	*	n/a
Procurement	007	15	*	n/a
Research, Development, Test, and Evaluation	007	20	*	n/a
Military Construction	007	25	*	n/a

Agency	OMB Codes		Treasury Agency Code	CGAC Agency Code[1]
	Agency	Bureau		
Family Housing	007	30	*	n/a
Revolving and Management Funds	007	40	*	n/a
Allowances	007	45	*	n/a
Trust Funds	007	55	*	n/a
Department of Education				
Department of Education	018	00	91	091
Office of Elementary and Secondary Education	018	10	91	091
Office of Innovation and Improvement	018	12	91	091
Office of English Language Acquisition	018	15	91	091
Office of Special Education and Rehabilitative Services	018	20	91	091
Office of Vocational and Adult Education	018	30	91	091
Office of Postsecondary Education	018	40	91	091
Office of Federal Student Aid	018	45	91	091
Institute of Education Sciences	018	50	91	091
Departmental Management	018	80	91	091
Hurricane Education Recovery	018	85	91	091
Department of Energy				
Department of Energy	019	00	89	089
National Nuclear Security Administration	019	05	89	089
Environmental and Other Defense Activities	019	10	89	089
Energy Programs	019	20	89	089
Power Marketing Administration	019	50	89	089
Departmental Administration	019	60	89	089
Department of Health and Human Services				
Department of Health and Human Services	009	00	75	075
Food and Drug Administration	009	10	75	075
Health Resources and Services Administration	009	15	75	075
Indian Health Service	009	17	75	075

Agency	OMB Codes		Treasury Agency Code	CGAC Agency Code[1]
	Agency	Bureau		
Centers for Disease Control and Prevention	009	20	75	075
National Institutes of Health	009	25	75	075
Substance Abuse and Mental Health Services Administration	009	30	75	075
Agency for Healthcare Research and Quality	009	33	75	075
Centers for Medicare and Medicaid Services	009	38	75	075
Administration for Children and Families	009	70	75	075
Administration for Community Living	009	75	75	075
Departmental Management	009	90	75	075
Program Support Center	009	91	75	075
Office of the Inspector General	009	92	75	075
Department of Homeland Security				
Department of Homeland Security	024	00	70	070
Departmental Management and Operations	024	10	70	070
Office of the Inspector General	024	20	70	070
Citizenship and Immigration Services	024	30	70	070
United States Secret Service	024	40	70	070
Transportation Security Administration	024	45	70	070
Federal Law Enforcement Training Center	024	49	70	070
Immigration and Customs Enforcement	024	55	70	070
Customs and Border Protection	024	58	70	070
United States Coast Guard	024	60	70	070
National Protection and Programs Directorate	024	65	70	070
Federal Emergency Management Agency	024	70	70	070
Science and Technology	024	80	70	070
Domestic Nuclear Detection Office	024	85	70	070
Information Analysis and Infrastructure Protection	024	90	70	070
Department of Housing and Urban Development				
Department of Housing and Urban Development	025	00	86	086

Agency	OMB Codes		Treasury Agency Code	CGAC Agency Code[1]
	Agency	Bureau		
Public and Indian Housing Programs	025	03	86	086
Community Planning and Development	025	06	86	086
Housing Programs	025	09	86	086
Government National Mortgage Association	025	12	86	086
Policy Development and Research	025	28	86	086
Fair Housing and Equal Opportunity	025	29	86	086
Office of Lead Hazard Control and Healthy Homes	025	32	86	086
Office of Sustainable Housing and Communities	025	33	86	086
Management and Administration	025	35	86	086
Department of the Interior				
Department of the Interior	010	00	14	014
Bureau of Land Management	010	04	14	014
Bureau of Ocean Energy Management	010	06	14	014
Office of Surface Mining Reclamation and Enforcement	010	08	14	014
Bureau of Reclamation	010	10	14	014
Central Utah Project	010	11	14	014
United States Geological Survey	010	12	14	014
United States Fish and Wildlife Service	010	18	14	014
Bureau of Safety and Environmental Enforcement	010	22	14	014
National Park Service	010	24	14	014
Bureau of Indian Affairs and Bureau of Indian Education	010	76	14	014
Departmental Offices	010	84	14	014
Insular Affairs	010	85	14	014
Office of the Solicitor	010	86	14	014
Office of Inspector General	010	88	14	014
Office of the Special Trustee for American Indians	010	90	14	014
National Indian Gaming Commission	010	92	14	014
Department-Wide Programs	010	95	14	014

Agency	OMB Codes		Treasury Agency Code	CGAC Agency Code[1]
	Agency	Bureau		
Department of Justice				
Department of Justice	011	00	15	015
General Administration	011	03	15	015
United States Parole Commission	011	04	15	015
Legal Activities and U.S. Marshals	011	05	15	015
National Security Division	011	08	15	015
Radiation Exposure Compensation	011	06	15	015
Interagency Law Enforcement	011	07	15	015
Federal Bureau of Investigation	011	10	15	015
Drug Enforcement Administration	011	12	15	015
Bureau of Alcohol, Tobacco, Firearms, and Explosives	011	14	15	015
Federal Prison System	011	20	15	015
Office of Justice Programs	011	21	15	015
Violent Crime Reduction Trust Fund	011	30	15	015
Department of Labor				
Department of Labor	012	00	16	016
Employment and Training Administration	012	05	16	016
Employee Benefits Security Administration	012	11	16	016
Pension Benefit Guaranty Corporation	012	12	16	016
Employment Standards Administration	012	17	16	016
Office of Workers' Compensation Programs	012	15	16	016
Wage and Hour Division	012	16	16	016
Office of Federal Contract Compliance Programs	012	22	16	016
Office of Labor Management Standards	012	23	16	016
Occupational Safety and Health Administration	012	18	16	016
Mine Safety and Health Administration	012	19	16	016
Bureau of Labor Statistics	012	20	16	016
Departmental Management	012	25	16	016

Agency	OMB Codes		Treasury Agency Code	CGAC Agency Code[1]
	Agency	Bureau		
Department of State				
Department of State	014	00	19	019
Administration of Foreign Affairs	014	05	19	019
International Organizations and Conferences	014	10	19	019
International Commissions	014	15	19	019
Other	014	25	11	011
Other	014	25	19	019
Other	014	25	72	072
Other	014	25	95	570
Department of Transportation				
Department of Transportation	021	00	69	069
Office of the Secretary	021	04	69	069
Federal Aviation Administration	021	12	69	069
Federal Highway Administration	021	15	69	069
Federal Motor Carrier Safety Administration	021	17	69	069
National Highway Traffic Safety Administration	021	18	69	069
Federal Railroad Administration	021	27	69	069
Federal Transit Administration	021	36	69	069
Saint Lawrence Seaway Development Corporation	021	40	69	069
Pipeline and Hazardous Materials Safety Administration	021	50	69	069
Office of Inspector General	021	56	69	069
Surface Transportation Board	021	61	69	069
Maritime Administration	021	70	69	069
Department of the Treasury				
Department of the Treasury	015	00	20	020
Departmental Offices	015	05	20	020
Financial Crimes Enforcement Network	015	04	20	020
Fiscal Service	015	12	20	020

Agency	OMB Codes		Treasury Agency Code	CGAC Agency Code[1]
	Agency	Bureau		
Federal Financing Bank	015	11	20	020
Alcohol and Tobacco Tax and Trade Bureau	015	13	20	020
Bureau of Engraving and Printing	015	20	20	020
United States Mint	015	25	20	020
Internal Revenue Service	015	45	20	020
Comptroller of the Currency	015	57	20	020
Interest on the Public Debt	015	60	20	020
Department of Veterans Affairs				
Department of Veterans Affairs	029	00	36	036
Veterans Health Administration	029	15	36	036
Benefits Programs	029	25	36	036
Departmental Administration	029	40	36	036
Other Defense Civil Programs				
Other Defense Civil Programs	200	00	84	n/a
Military Retirement	200	05	97	097
Retiree Health Care	200	07	97	097
Educational Benefits	200	10	97	097
American Battle Monuments Commission	200	15	74	074
Armed Forces Retirement Home	200	20	84	084
Cemeterial Expenses	200	25	21	021
Forest and Wildlife Conservation, Military Reservations	200	30	97	017
Selective Service System	200	45	90	090
International Assistance Programs				
International Assistance Programs	184	00	72	n/a
Millennium Challenge Corporation	184	03	95	524
International Security Assistance	184	05	11	072
International Security Assistance	184	05	72	072
Multilateral Assistance	184	10	11	011

Agency	OMB Codes		Treasury Agency Code	CGAC Agency Code[1]
	Agency	Bureau		
Multilateral Assistance	184	10	19	019
Multilateral Assistance	184	10	72	072
Agency for International Development	184	15	11	011
Agency for International Development	184	15	72	072
Overseas Private Investment Corporation	184	20	71	071
Trade and Development Agency	184	25	11	011
Peace Corps	184	35	11	011
Inter-American Foundation	184	40	11	011
African Development Foundation	184	50	11	011
International Monetary Programs	184	60	11	011
Military Sales Program	184	70	11	011
Special Assistance Initiatives	184	75	72	072
Foreign Assistance Program Allowances	184	95	95	n/a
Executive Office of the President				
Executive Office of the President	100	00	11	011
The White House	100	05	11	011
Executive Residence at the White House	100	10	11	011
Special Assistance to the President and the Official Residence of the Vice President	100	15	11	011
Council of Economic Advisers	100	20	11	011
Council on Environmental Quality and Office of Environmental Quality	100	25	11	011
National Security Council and Homeland Security Council	100	35	11	011
Office of Administration	100	50	11	011
Office of Management and Budget	100	55	11	011
Office of National Drug Control Policy	100	60	11	011
Office of Science and Technology Policy	100	65	11	011
Office of the United States Trade Representative	100	70	11	011
Unanticipated Needs	100	95	11	011

Agency	OMB Codes		Treasury Agency Code	CGAC Agency Code[1]
	Agency	Bureau		
Presidential Transition	100	98	11	011
Major Independent Agencies				
Corps of Engineers--Civil Works	202	00	96	096
Environmental Protection Agency	020	00	68	068
General Services Administration				
General Services Administration	023	00	47	047
Real Property Activities	023	05	47	047
Supply and Technology Activities	023	10	47	047
General Activities	023	30	47	047
National Aeronautics and Space Administration	026	00	80	080
National Science Foundation	422	00	49	049
Office of Personnel Management	027	00	24	024
Small Business Administration	028	00	73	073
Social Security Administration	016	00	28	028
Other Independent Agencies				
Access Board	310	00	95	310
Administrative Conference of the United States	302	00	95	302
Advisory Council on Historic Preservation	306	00	95	306
Affordable Housing Program	530	00	95	n/a
Appalachian Regional Commission	309	00	46	309
Barry Goldwater Scholarship and Excellence in Education Foundation	313	00	95	313
Broadcasting Board of Governors	514	00	95	514
Bureau of Consumer Financial Protection	581	00	95	581
Central Intelligence Agency	316	00	56	056
Chemical Safety and Hazard Investigation Board	510	00	95	510
Christopher Columbus Fellowship Foundation	465	00	76	465
Civilian Property Realignment Board	582	00	95	n/a

Agency	OMB Codes		Treasury Agency Code	CGAC Agency Code[1]
	Agency	Bureau		
Commission of Fine Arts	323	00	95	323
Commission on Civil Rights	326	00	95	326
Committee for Purchase from People who are Blind or Severely Disabled, activities	338	00	95	338
Commodity Futures Trading Commission	339	00	95	339
Consumer Product Safety Commission	343	00	61	061
Corporation for National and Community Service	485	00	95	485
Corporation for Public Broadcasting	344	00	20	020
Corporation for Travel Promotion	580	00	95	580
Council of the Inspectors General on Integrity and Efficiency	542	00	95	542
Court Services and Offender Supervision Agency for the District of Columbia	511	00	95	511
Defense Nuclear Facilities Safety Board	347	00	95	347
Delta Regional Authority	517	00	95	517
Denali Commission	513	00	95	513
District of Columbia				
District of Columbia Courts	349	10	95	349
District of Columbia General and Special Payments	349	30	20	020
Election Assistance Commission	525	00	95	525
Electric Reliability Organization	531	00	95	n/a
Equal Employment Opportunity Commission	350	00	45	045
Export-Import Bank of the United States	351	00	83	083
Farm Credit Administration	352	00	78	352
Farm Credit System Insurance Corporation	355	00	78	352
Federal Communications Commission	356	00	27	027
Federal Deposit Insurance Corporation				
Deposit Insurance	357	20	51	051
FSLIC Resolution	357	30	51	051
Orderly Liquidation	357	35	51	051

Agency	OMB Codes		Treasury Agency Code	CGAC Agency Code[1]
	Agency	Bureau		
FDIC—Office of Inspector General	357	40	51	051
Federal Drug Control Programs	154	00	11	011
Federal Election Commission	360	00	95	360
Federal Financial Institutions Examination Council	362	10	95	362
Federal Financial Institutions Examination Council Appraisal Subcommittee	362	20	95	362
Federal Housing Finance Agency	537	00	95	537
Federal Labor Relations Authority	365	00	54	054
Federal Maritime Commission	366	00	65	065
Federal Mediation and Conciliation Service	367	00	93	093
Federal Mine Safety and Health Review Commission	368	00	95	368
Federal Retirement Thrift Investment Board	369	00	26	026
Federal Trade Commission	370	00	29	029
Harry S Truman Scholarship Foundation	372	00	95	372
Independent Payment Advisory Board	578	00	95	n/a
Indian Law and Order Commission	584	00	48	584
Institute of American Indian and Alaska Native Culture and Arts Development	373	00	95	373
Institute of Museum and Library Services	474	00	59	417
Intelligence Community Management Account	467	00	95	467
International Trade Commission	378	00	34	034
James Madison Memorial Fellowship Foundation	381	00	95	381
Japan-United States Friendship Commission	382	00	95	382
Legal Services Corporation	385	00	20	020
Marine Mammal Commission	387	00	95	387
Merit Systems Protection Board	389	00	41	389
Morris K. Udall and Stewart L. Udall Foundation	487	00	95	487
National Archives and Records Administration	393	00	88	088
National Capital Planning Commission	394	00	95	394

Agency	OMB Codes		Treasury Agency Code	CGAC Agency Code[1]
	Agency	Bureau		
National Council on Disability	413	00	95	413
National Credit Union Administration	415	00	25	025
National Endowment for the Arts	417	00	59	417
National Endowment for the Humanities	418	00	59	417
National Infrastructure Bank	538	00	95	n/a
National Labor Relations Board	420	00	63	420
National Mediation Board	421	00	95	421
National Railroad Passenger Corporation Office of Inspector General	575	00	48	575
National Transportation Safety Board	424	00	95	424
Neighborhood Reinvestment Corporation	428	00	82	082
Northern Border Regional Commission	573	00	95	573
Nuclear Regulatory Commission	429	00	31	031
Nuclear Waste Technical Review Board	431	00	48	431
Occupational Safety and Health Review Commission	432	00	95	432
Office of Government Ethics	434	00	95	434
Office of Navajo and Hopi Indian Relocation	435	00	48	435
Office of Special Counsel	436	00	62	062
Office of the Federal Coordinator for Alaska Natural Gas Transportation Projects	534	00	95	534
Other Commissions and Boards	505	00	95	382
Patient-Centered Outcomes Research Trust Fund	579	00	95	579
Postal Service	440	00	18	018
Presidio Trust	512	00	95	512
Privacy and Civil Liberties Oversight Board	535	00	95	535
Railroad Retirement Board	446	00	60	060
Recovery Act Accountability and Transparency Board	539	00	95	539
Securities and Exchange Commission	449	00	50	050
Public Company Accounting Oversight Board	526	00	95	n/a

Agency	OMB Codes		Treasury Agency Code	CGAC Agency Code[1]
	Agency	Bureau		
Standard Setting Body	527	00	95	n/a
Securities Investor Protection Corporation	576	00	95	n/a
Smithsonian Institution	452	00	33	033
State Justice Institute	453	00	48	453
Telecommunications Development Fund	528	00	95	n/a
Tennessee Valley Authority	455	00	64	455
United Mine Workers of America Benefit Funds	476	00	95	n/a
United States Court of Appeals for Veterans Claims	345	00	95	345
United States Enrichment Corporation Fund	486	00	95	486
United States Holocaust Memorial Museum	456	00	95	456
United States Institute of Peace	458	00	95	458
United States Interagency Council on Homelessness	376	00	48	376
Vietnam Education Foundation	519	00	95	519
Government Sponsored Enterprises				
Federal National Mortgage Association	915	00	39	915
Federal Home Loan Mortgage Corporation	914	00	39	914
Federal Home Loan Bank System	913	00	39	913
Farm Credit System	912	00	39	912
Financing Vehicles and the Board of Governors of the Federal Reserve				
Financing Vehicles and the Board of Governors of the Federal Reserve	920	00	39	920

* Under Department of Defense-Military Programs, Treasury agency codes are assigned as follows:

Agency	Treasury Agency Code
Navy, Marine Corps................	17
Army..	21
Air Force..................................	57
Defense-wide...........................	97

[1] In a small number of cases where budget agency (or bureau) does not correspond to a single CGAC agency code, this crosswalk shows "n/a" (not applicable) as the CGAC agency. This happens in Other Defense Civil, International Assistance Programs, and several other agencies.

APPENDIX F—FORMAT OF SF 132, SF 133, SCHEDULE P, AND SBR

Table of Contents

Exhibit F–1 Line Numbers for the SF 132, SF 133, Schedule P and SBR
Exhibit F–2 Abbreviated Line Titles for the SF 132 and SF 133

Summary of Changes

Clarifies that the MAX lines used to report transfer of unobligated balances (X1010 and X1011) can include balances of appropriations and spending authority from offsetting collections, without separate identification.

Adds lines for *expired balances available for adjustment only* to distinguish from unobligated balances in unexpired accounts.

Clarifies the general rules for classifying offsetting collections from Federal and non-Federal sources. These rules should be applied prospectively; agencies are not expected to review or reclassify existing offsetting collections.

1. OVERVIEW OF THE SF 132, SF 133, SCHEDULE P, and SBR

The format employs three common data sections—Budgetary Resources; Change in Obligated Balance; and Budget Authority and Outlays, Net. The SF 133, Schedule P and SBR will use all three of the sections, and the SF 132 will use the common Budgetary Resources. A fourth common section, Unfunded Deficiencies, will be used in the few cases of accounts reporting deficiencies. Unique sections, such as Application of Budgetary Resources, continued to be used.

Sections	SF132	SF133	P&F	SBR
Obligations by Program Activity			X	
Budgetary Resources	X	X	X	X
Status of Budgetary Resources		X		X
Change in Obligated Balance		X	X	X
Budget Authority and Outlays, Net		X	X	X
Memorandum (non-add) Entries			X	
Application of Budgetary Resources	X			
Unfunded Deficiencies		X	X	
Guaranteed Loan Levels and Applications	X			

OMB adopted the use of a new 4-digit line code structure where the first number of the line code indicates the section.

Line Number	Section:
0xxx	Obligations by Program Activity
1xxx	Budgetary Resources
2xxx	Status of Budgetary Resources
3xxx	Change in Obligated Balance
4xxx	Budget Authority and Outlays, Net
5xxx	Memorandum (non-add) Entries
6xxx	Application of Budgetary Resources
7xxx	Unfunded Deficiencies
8xxx	Guaranteed Loan Levels and Applications

2. OBLIGATIONS BY PROGRAM ACTIVITY

Use the entries in the following table to prepare the "Obligations by Program Activity" section Schedule P. For additional guidance, see section 82 (Combined Schedule X).

Entry	Description
Direct: 0001-0799 Credit programs: Program accounts: 0701-0709 Financing accounts: 0710-0744 Reimbursable: 0800-0899	See section 82 for further details.
0900 Total new obligations	Equals the sum of the amounts on the detail lines 0001 to 0899. Equals line 3030.

3. BUDGETARY RESOURCES

Use the entries in the following table to prepare the "Budgetary Resources" section of the SF 132, SF 133, and Schedule P. For additional guidance, see sections 120 and 121 (SF 132), section 130 (SF 133), and section 82 (Combined Schedule X).

Entry	Description
Unobligated Balance:	
1000 Unobligated balance brought forward, Oct 1	*For unexpired accounts:* Amount of unobligated balance of appropriations or other budgetary resources carried forward from the preceding year and *available for obligation* without new action by Congress. Do *not* include special or trust fund amounts and offsetting collections that are not available for obligation because of provisions of law, such as benefit formulas or limitations on obligations (see section 20.4(f)).

Entry	Description
	Includes uninvested balances and balances invested in Federal securities (par value), adjusted for unrealized discounts (a negative amount). Includes all unobligated balances (definite appropriations, definite borrowing authority, definite contract authority, fund balances) at the start of the year. Include the impact of reductions of these prior year balances enacted on lines 1131, 1133, 1230, 1232, 1520, 1620, 1723, and 1823. If unobligated balances are used to liquidate deficiencies, report the amount used as an adjustment on line 1901; do not reduce the amount on line 1000. The amount on this line should be the same as the *end of year amounts* of the previous fiscal year: • On lines 2201, 2202, 2301, 2302, 2401, 2402, and 2403; or line 2490 of the September 30 SF 133; • In the Treasury Combined Statement Appendix; and • In the past year column of the Program and Financing Schedule of the Budget Appendix on line 1941. Effective FY 2013, you must provide line splits on apportionment requests that characterize the unobligated balances in up to two ways. First, in TAFSs that are split accounts (e.g. have both discretionary and mandatory funds), the first letter of the line split must be "D" to highlight those balances that are discretionary. (See 120.20 for additional information.) In no other cases, e.g. in TAFSs that are wholly discretionary or mandatory, should you use the letter "D" in the line split value. Second, you must distinguish whether the balances are estimates or actual balances. You must use a line split of E to indicate the balance is an Estimate or a line split of A to indicate the use of an Actual balance. If the account is apportioned by time periods and the difference between the estimate and the actual is within the range of adjustment permitted by section 120.50, adjust the apportionments accordingly. If the difference is greater, OMB must approve a request for reapportionment before the funds that are greater than the automatic apportionment can be obligated. In cases where you have discretionary estimated balances, the line split would be "DE"; for discretionary, actual balances, the line split would be "DA". Some agencies further distinguish balances by appending a number to the line split and changing the line stub to indicate the source of the balances. In these kinds of cases, the line split values may be "DA1", "DA2", and "DA3". *For expired accounts:* Amount of expired unobligated balances available for upward adjustments of obligations. In the first expired year, the amount should be the same as the amount of unobligated balances on lines 2201, 2202, 2301, 2302, 2401, 2402, and 2403; or line 2490 of the previous fiscal year's September 30 SF 133. In the second expired year and thereafter, the amount should be the same as the amount on line 2403 of the previous fiscal year's September 30 SF 133.

Entry	Description
	These balances are available only for valid upward adjustments of obligations that were properly incurred against the account during the unexpired phase. *For unexpired and expired accounts:* *Appropriated receipts*. —Do not include the balances of unavailable collections that are precluded from obligation due to a provision of law, such as a benefit formula or limitation. See lines 1134 and 1234. *Indefinite budget authority.* —Do not carry forward any amounts on this line for (1) indefinite appropriations except for available special and trust fund receipts; (2) indefinite borrowing authority, or indefinite contract authority.
1001 Discretionary unobligated balance brought forward, Oct 1	Portion of amount shown on line 1000 that is classified as discretionary. The amount on this line cannot exceed the amount on line 1000.
Nonexpenditure Transfers:	
1010 Unobligated balance transferred to other accounts (–)	*For unexpired accounts:* Amount of any unexpired unobligated balance of appropriations or spending authority from offsetting collections, that is *actually transferred* from this account to other accounts. *For expired accounts:* Amount of unobligated balances that have been canceled due to reappropriation. Adjustments may be made to reflect enacted reductions that should have been but were not made against an account when it was unexpired. Newly enacted reductions may not be made against an expired account. Use lines 1131/1230 in the losing expired account for expired balance transfers that are classified as reappropriations in the gaining unexpired account on lines 1105/1204. Amount of any expired unobligated balance actually transferred from this account to an expired account. Include allocation transfers for expired accounts. *For unexpired and expired accounts:* Amount of unexpired unobligated balance transferred to other accounts that represents an adjustment to the accounts involved and does not involve an obligation or an outlay (see section 20.4(j)). Use only for transfers of balances of prior year resources resulting from general transfer authority or reorganizations authorized by law, where the purpose has not changed. Show transfers of balances of prior year resources that result from legislation that changes the purpose for which the amounts are available as adjustments to budget authority on line 1120. Generally, transfers to other accounts cannot exceed the unobligated balance at the start of the year. Include only nonexpenditure transfers on this line. Do not include expenditure transfers, including transfers from trust funds to Federal funds required or permitted by law, because they are

Entry	Description
	treated as expenditure transfers. Record expenditure transfers on lines 1700 and 1800 (for amounts actually transferred via expenditure transfers); and lines 1740 and 1840 (for amounts anticipated to be transferred via expenditure transfer). The treatment of expenditure transfers is explained in section 20.4(j)(4).
1011 Unobligated balance transferred from other accounts	*For unexpired accounts:* Include the amount of any unobligated balance of appropriations or spending authority from offsetting collections that is *actually transferred* to this account from other accounts. *For expired accounts:* Amount of unobligated balances that have been canceled due to reappropriation. Adjustments may be made to reflect enacted reductions that should have been but were not made against an account when it was unexpired. Newly enacted reductions may not be made against an expired account. Amount of any expired unobligated balance actually transferred to this account from an expired account. Include allocation transfers for expired accounts. *For unexpired and expired accounts:* Amount of unexpired available unobligated balances transferred from other accounts that represents an adjustment to the accounts involved and does not involve an obligation or an outlay (section 20.4(j)). Use only for transfers of balances of prior year resources resulting from general transfer authority or reorganizations authorized by law, where the purpose has not changed. Show transfers of balances of prior year resources that result from legislation that changes the purpose for which the amounts are available as adjustments to budget authority on line 1121. Include only nonexpenditure transfers on this line. Do not include expenditure transfers, including transfers from trust funds to Federal funds required or permitted by law, because they are treated as expenditure transfers. Include expenditure transfers to this account on lines 1700 and 1800 (for amounts actually transferred via expenditure transfers); and lines 1740 and 1840 (for amounts anticipated to be transferred via expenditure transfer). . The treatment of expenditure transfers is explained in section 20.4(j) (4).
1012 Unobligated balance transfers between expired and unexpired accounts	*For unexpired and expired accounts:* Amount of expired unobligated balances actually transferred into this account as the result of authority to extend the period of availability of expired balances that are not considered to be reappropriations. Do not report expired balances transfers that are considered to be reappropriations and must be reported as new budget authority (see sections 20.4(h) and 121.10). See lines 1105/1204 for expired balance transfers that are classified as reappropriations. Amount of unexpired unobligated balances transferred out of this account pursuant specific statutory authority (e.g., foreign currency valuations in expired accounts). This authority only applies to the Department of Defense.

Entry	Description
	Also, amount of any expired expenditure transfers receivable *transferred* from an expired account to an unexpired account.
1013 Unobligated balance of contract authority transferred to or from other accounts (net) (+ or –)	*For unexpired accounts:* Amount of unobligated balances of contract authority transferred between non-allocation accounts. This line is only for use by the Department of the Transportation.
Adjustments to Unobligated Balance:	
1020 Adjustment to unobligated balance brought forward, Oct 1 (+ or –)	Changes to unobligated balances that occurred in a prior fiscal year and that were not recorded in the unobligated balance as of October 1 of the current fiscal year. These may be identified by the financial statement auditors, agency personnel, or others. Include adjustments posted to the agency financial system that are either material or non-material. When reporting to FACTS II, agencies will use an attribute to show that their USSGL account balances are not current-year activity—even though these balances would otherwise look like current-year activity. FACTS II will use this attribute to crosswalk these USSGL account balances to this adjustment line. OMB and the Department of the Treasury's Financial Management Service (FMS) will review the Fund Balance with Treasury (FBWT) component of the adjustments that agencies report to FACTS II each quarter. FMS will only backdate prior year adjustments on a transaction basis in a Treasury Appropriation Fund Symbol (TAFS) that round to $1 million or more. This range includes amounts greater than or equal to $500,000. Agencies should generally exclude reclassifications from clearing accounts to other TAFSs, but may consult OMB if they want to include some of these reclassifications as adjustments. Exclude the following amounts from this line: • Downward adjustments of unpaid obligations incurred in prior fiscal years that were not outlayed. Report this on line 1021; • Upward adjustments of obligations previously incurred. Report these on detailed lines 2001 through 2103; and • Refunds collected from prior year obligations that have been outlayed from the TAFS that was charged with the original obligations. Report these amounts on lines 1700 and 1800. On the SF 133, material and non-material adjustments to the unobligated balance as of October 1 of the current fiscal year should be included on line 1020. On the Statement of Budgetary Resources, material amounts are part of the unobligated balance as of October 1 of the current fiscal year because the prior year's financial statements are restated.
1021 Recoveries of prior year unpaid obligations	Amount of cancellations or downward adjustments of obligations incurred in prior fiscal years that were not outlayed. Include the adjustments since October 1 of the current year. Show the actual recoveries, as shown on the SF 133, on reapportionment requests.

Entry	Description
	Include recovered amounts obligated against *indefinite* borrowing authority that was borrowed. Then subtract the same amount on line 1023. Include recovered amounts obligated against *indefinite* borrowing authority that was *not* borrowed. Then subtract the same amount on line 1024. Include recovered amounts obligated against *indefinite* contract authority that was funded or *unfunded* contract authority. Then subtract the same amount on line 1025. Exclude cancellations or downward adjustments of obligations incurred and outlayed in prior fiscal years since they must be accompanied by cash refunds. Include cash refunds collected (i.e., recoveries of prior year obligations incurred and outlayed in prior fiscal years) are to be included on line 1700 or 1800. For upward adjustments, see detailed lines 2001 through 2103. Exclude recoveries of current year unpaid obligations, which will be netted against obligations on detailed lines 2001 through 2103. Exclude adjustments to current year beginning balance recorded on lines 1020 and 3001. For unexpired annual accounts, leave line 1021 blank. For the final September 30 report, before an account is closed, all remaining unobligated and obligated balances must be canceled. To cancel these obligated balances, include the amount to be canceled, as a positive. Then, include the same amount as a negative on line 1029.
1022 Capital transfer of unobligated balances to general fund (–)	Amount of balances deposited to Treasury capital transfer receipt accounts, such as "Earnings of Government-owned enterprises," or "Repayments of capital investment, Government-owned enterprises." These are nonexpenditure transfers. Don't include interest payments, which should be reported as obligations on SF 132 detail lines 6001 through 6173 and SF 133 detail lines 2001 through 2103. Do not include capital transfers of offsetting collections received during the year, which should be reported on lines 1720 and 1820.
1023 Unobligated balances applied to repay debt (–)	Amount of balances used for repayment of debt principal. Do not include appropriations or new offsetting collections used to repay outstanding debt (see lines 1135, 1236, 1726 and 1825). Obligations must be recorded for interest payments on SF 132 detail lines 6001 through 6173; SF 133 detail lines 2001 through 2103; and schedule P detail lines 0001 through 0899. If the recovered amount on line 1021 above was obligated against *indefinite* borrowing authority that was borrowed, then include the repayment to Treasury of the principal amount borrowed, as a negative, on this line. First use budgetary resources to pay interest, and the balance to repay principal as a negative on this line. Enter the obligation of interest to Treasury on detailed SF 132 lines 6001 through 6173 and on detailed SF 133 lines 2001 through 2103. Enter the interest payment to Treasury on lines 4010, 4011, 4100, and 4101.
1024 Unobligated balance of borrowing authority withdrawn (–)	Amount of balances of indefinite borrowing authority realized through recoveries of prior year unpaid obligations or downward adjustments that have been withdrawn in no-year or multiple year

Entry	Description
	accounts. The sum of the amounts on lines 1024 and 1025 cannot exceed the amount on line 1021. Note: When new appropriations or new offsetting collections are used to liquidate obligations initially incurred against *borrowing authority*, report the amounts on lines 1139, 1239, 1728, or 1827, as appropriate.
1025 Unobligated balance of contract authority withdrawn (–)	*For unexpired accounts:* Amount of balances of indefinite contract authority realized through recoveries of prior year unpaid obligations or downward adjustments that have been withdrawn in no-year or multiple year accounts. The sum of the amounts on lines 1024 and 1025 cannot exceed the amount on line 1021. Note: When new appropriations or new offsetting collections are used to liquidate obligations initially incurred against *contract authority*, report the amounts on lines 1137, 1238, 1727, or 1826, as appropriate.
1026 Adjustment for change in allocation of trust fund limitation or foreign exchange valuation	*For unexpired and expired accounts:* Adjustments related to changes in initial allocations of budget authority under limitations in the Social Security Administration and the Department of Health and Human Service. If the initial allocation is increased, enter a positive amount on this line and vice versa. Revaluation of gains and losses on foreign currency and special drawing rights in the Exchange Stabilization Fund. This line is only to be used by the Social Security Administration, the Department of Health and Human Service, and the Department of Treasury.
1027 Adjustment in unobligated balances for change in investments of zero coupon bonds (special and non-revolving trust funds)	At the time the zero coupon bond is purchased, record an amount equal to the purchase price (par value minus purchase discount) as precluded from obligation. As the discount is amortized and recorded as earnings, record the earnings as precluded from obligation. When the bond matures or is redeemed, all amounts previously precluded from obligation become available for obligation. Use only for special and non-revolving trust funds.
1028 Adjustment in unobligated balances for change in investments of zero coupon bonds (revolving funds)	At the time the bond is purchased, record an amount equal to the purchase price (par value minus purchase discount) as precluded from obligation. As the discount is amortized and recorded as earnings, record the earnings as precluded from obligation. When the bond matures or is redeemed, all amounts previously precluded from obligation become available for obligation. Use only for revolving funds.
1029 Other balances withdrawn (–)	*For unexpired accounts:* Amount of unobligated balances written off or withdrawn by administrative action. Include cancellations in no-year accounts pursuant to 31 USC 1555; otherwise, do not include amounts rescinded or canceled by law. Do not include withdrawals of indefinite contract authority or borrowing authority when obligated balances are liquidated by offsetting collections (see lines 1727, 1728, 1826, and 1827). *For expired accounts:* For the final September 30 report, before an account is closed, all

Entry	Description
	remaining unobligated and obligated balances must be canceled. To present these unobligated balances as canceled, remove the amounts from lines 2201 through 2403 and include them here, as a negative. To cancel obligated balances, include the amount on line 1021, as a positive, and on this line as a negative.
1031 Refunds and recoveries temporarily precluded from obligation (special and trust funds) (–)	Recoveries of prior year obligations and cash refunds of previously appropriated that are returned to unappropriated receipts and available for subsequent appropriation.
Anticipated Transfers and Adjustments:	
1040 Anticipated nonexpenditure transfers of unobligated balances (net) (+ or –)	Amount of the current estimate of any balances, other than balances of new budget authority, *to be transferred* to (+) or from (–) the account under *existing* legislation. *No amount should be on this line on the September 30 report*. Do not include: • Anticipated transfers to fund activities of a Federal agency that require legislation. • Transfers required or permitted by law from trust funds to Federal funds; these are reported on lines 1740 and 1840. See section 20. • NOTE: All transfers between Federal funds (accounts that are not trust funds; i.e., general, special, management, and revolving funds) and trust funds are treated as expenditure transfers. See section 20.4(j) (4) for additional information.
1041 Anticipated recoveries of prior year unpaid obligations	Amount of the current estimate of additional recoveries of prior fiscal year obligations anticipated in unexpired accounts for the remainder of the fiscal year. For no-year and multi-year accounts, there may be amounts on this line after the first fiscal year. For unexpired annual accounts, leave line 1041 blank. *No amount should be on this line on the September 30 report*.
1042 Anticipated capital transfers and redemption of debt (unobligated balances) (–)	Amount of the current estimate of additional capital transfers and redemption of debt anticipated in unexpired accounts derived from unobligated balances for the remainder of the fiscal year under existing laws. *No amount should be on this line on the September 30 report.*
1050 Unobligated balance (total)	Equals the sum of lines 1000 through 1042. [SFs 132 and 133] Equals the sum of lines 1000 through 1031 excluding line 1001.[Schedule P]
Expired unobligated balance available for adjustment only:	
	As a general rule, unless the law expressly provides otherwise, rescissions and cancellations of unobligated balances apply only to unexpired unobligated balances. In cases where rescissions or cancellations apply to expired balances, they do not count as discretionary offsets for appropriations (see sections 20.3 and 20.4(f)).
1060 Expired unobligated balance brought forward, Oct 1	Equals the amount on line 1000 for expired accounts only.
1070 Expired unobligated balance	Equals the amount on line 1010 for expired accounts only.

Entry	Description
transferred to other accounts (–)	
1071 Expired unobligated balance transferred from other accounts	Equals the amount on line 1011 for expired accounts only.
1072 Expired unobligated balance transfers between expired and unexpired accounts	Equals the amount on line 1012 for expired accounts only.
1080 Adjustment of expired unobligated balance brought forward, Oct 1 (+ or-)	Equals the amount on line 1020 for expired accounts only.
1081 Recoveries of prior year unpaid obligations in expired accounts	Equals the amount on line 1021 for expired accounts only.
1082 Capital transfer of expired unobligated balances to general fund (–)	Equals the amount on line 1022 for expired accounts only.
1083 Expired unobligated balances applied to repay debt (–)	Equals the amount on line 1023 for expired accounts only.
1086 Adjustment for change in allocation of trust fund limitation in expired accounts	Equals the amount on line 1026 for expired accounts only related to Social Security Administration and Department of Health and Human Services.
1089 Other expired balances withdrawn (–)	Equals the amount on line 1029 for expired accounts only.
1099 Expired balance (total)	Equals the amount on line 1050 for expired accounts only. This amount is only available for adjustments.

Entry	Discre-tionary	Man-datory	Description
Budget Authority:			
Appropriations:			Amount of appropriations specified in appropriations acts or in substantive laws that become available for obligation on or after October 1 of the fiscal year. *Regular appropriations.*—Amounts made available in any of the 12 regular appropriations acts. In cases where the amount appropriated is reduced by an amount of offsetting collections or revenues during the fiscal year so as to result in a final fiscal year appropriation estimated at not more than XXX, the amount derived from the General Fund of the U.S. Treasury shown on this line should be reduced by the amount of offsetting collections or revenues received during the fiscal year on the September 30 SF 133. See exhibit 130K. *Supplemental appropriations*.—Amounts made available in supplemental appropriations acts. *Appropriation provided under a continuing resolution*.—The annualized level of the appropriation. If the continuing resolution is for less than the full year, subtract the portion not available on line 1134. See exhibits 121H and 121I. When the regular appropriations act is passed, replace the amount on lines 1100, 1101, 1103, 1105, 1170, and 1171 with the amount specified in the regular appropriations act.

Entry	Discre-tionary	Man-datory	Description

See exhibit 121J.

Some laws that make appropriated receipts available for obligation specify the amount appropriated. These are *definite appropriations*. Other laws that make appropriated receipts available for obligation do not specify the amount appropriated. These appropriated receipts are *indefinite appropriations*. For indefinite appropriations of appropriated receipts, refer to lines 1101 and 1201.

Appropriations contingent upon authorizing legislation or upon designation as an emergency.—When an appropriations act specifies that all or a portion of the amount appropriated is not available for obligation until specifically authorized by another law, or are not available for obligation until the President submits a budget request to the Congress designating the amount as an emergency:

- Include the *full amount* of the appropriation on line 1100, and
- Subtract the amount *not* authorized by law or *not designated* as emergency requirements by the President on line 1134 except on the September 30 SF 133.
- At the beginning of the next fiscal year, any unobligated balance that is still contingent and would still be available for new obligations if the contingency is met will be included on line 1000 and subtracted on line 1134 as unavailable until either the authorizing legislation is enacted or the amount is designated by the President. This paragraph does not apply to contingent emergency appropriations enacted in FY 1999 or earlier.

Contingent emergency appropriations from FY 1999 and prior years.—If the President designates a contingent emergency appropriation *from FY 1999 or a prior year* as emergency requirements, include the amount on this line in the year of the Presidential designation.

Appropriations to liquidate debt.—Appropriations that are available to repay amounts borrowed from the Treasury but are not available to incur obligations. Include the appropriation to liquidate debt on line 1100 or 1200 and the repayment to Treasury on line 1135 or 1236, as a negative. Include any excess on line 1029, as a negative.

Appropriations to liquidate deficiencies.—Appropriations that are specifically made available to liquidate obligations in excess of budgetary resources and not available to incur obligations. Include appropriations to liquidate deficiencies on line 1100 or 1200 as a positive amount and on line 1136 or 1237 as a negative amount. If appropriations that are not specifically made available to liquidate deficiencies (and are otherwise available for obligation) are used to liquidate deficiencies, included the appropriations on line 1100 or 1200 as a positive amount and on line 1901, as a negative amount. Deficiencies are included on lines 7000 through 7020. This applies to unexpired and expired accounts. Normally, there are no excess amounts because these

Entry	Discre-tionary	Man-datory	Description
			appropriations are requested after the deficiency is known, whereas, the agencies normally budget for appropriations to liquidate debt and appropriations to liquidate contract authority. *Appropriations to liquidate contract authority*.—Typically, contract authority is provided to incur obligations in one action by Congress (often in authorizing legislation) and separate appropriations of liquidating cash are provided in appropriations acts. The appropriation to liquidate is shown as a positive amount on line 1100 or 1200 and as a negative on line 1137 or 1238. Thus, the total budgetary resources on lines 1910 (SF 133), 1920 (SF 132), and 1930 (Schedule P) equal zero. See exhibit 121O. In a few cases, contract authority may be provided in order to permit agencies to incur obligations in anticipation of offsetting collections and appropriations to liquidate the obligations may be provided if the anticipated offsetting collections have not been realized. These appropriations to liquidate should be recorded as described above. Include any excess amounts on line 1138 as a negative. *Appropriations substituted for borrowing authority*.—Occasionally, portions of appropriations are available to liquidate obligations initially incurred against borrowing authority when the borrowing is not exercised. The amounts are available to liquidate obligations but are not available for obligation. Include such portion substituted for borrowing authority on this line. Include an amount equal to the portion of appropriation substituted for borrowing authority on line 1139 or 1239 as a negative. Thus, the budgetary resources on lines 1910 (SF 133), 1920 (SF 132), and 1930 (Schedule P) equal zero. *Debt forgiveness appropriation*.—An amount that Congress provided equivalent to an inferred appropriation to retire debt as specified in a public law. The amount is shown as a positive amount on line 1100 or 1200 and as a negative amount on line 1135 or 1238. Appropriations of Specific Amounts of which "Not to Exceed" a Portion Remains Available Beyond the Remainder of the Appropriation. See details following the description of line 1930. *Interest on the public debt.* See details following the description of line 1930.
Appropriation	1100	1200	Amount appropriated from the General Fund of the U.S. Treasury. If this is a special fund account that receives an appropriation from the General Fund of the Treasury, include the general fund appropriation on this line. If this is a trust fund account that receives an appropriation from the General Fund of the U.S. Treasury, do not include the general fund appropriation on this line. Such amounts are transferred to the trust fund as an expenditure transfer. Consult with your OMB representative.

Entry	Discre-tionary	Man-datory	Description
			Include amounts for liquidation of contract authority, debt reduction, and liquidation of deficiencies, when applicable. *Definite appropriation.*—Include the amount specified in law. *Indefinite appropriation from other than appropriated receipts.*—Include an estimate of the amount to be obligated during the fiscal year. On the September 30 report, reduces the amount on lines 1100 and 1200 for the portion that is not needed to cover obligations. Therefore, the amount certified by appropriation warrants for the year, after being reduced by negative warrants issued by the Treasury or end-of-year statements. Report the amount of emergency appropriations enacted or requested as discretionary appropriations, including amounts that are contingent on the President submitting a budget request to Congress designating the amount as an emergency. *Forward funding.*—Include the amount appropriated on this line even though the funds may not become available until July 1st.
Appropriation (special or trust fund)	1101	1201	Amount appropriated from special or trust fund receipts. • The following applies to lines 1101 and 1201. • *Appropriated receipts*.—Collections deposited in special and trust fund receipt accounts that are earmarked for special and trust fund expenditure accounts. Of these amounts: • Some receipts are *appropriated* and are available for obligation. Include the amounts *collected in the current fiscal year* on this line. • Some receipts are *appropriated, but a portion is precluded from obligation* by a provision of law, such as a benefit formula or limitation. Include the amounts *collected in the current fiscal year* on this line. Subtract the amounts that are that are not expected to be available as a negative amount on line 1134 or 1234 and show this amount on the September 30 report. See exhibit 121P. • Some receipts were collected in a previous fiscal year and precluded from obligation in a previous fiscal year. Include the amounts expected to become available pursuant to law during the fiscal year on this line. • Some receipts are *not appropriated*. Exclude these amounts from this line. NOTE: In exceptional cases, there is authority in law to invest collections. In such cases, the current year collections and prior year collections (not shown on the SF 132) will not be available for obligation (and will not be included on the SF 132 and SF 133 until needed to incur obligations) but

Entry	Discre-tionary	Man-datory	Description
			will be available for investment. Unlike OMB, Treasury classifies these funds as "available."
Appropriation (previously unavailable)	1102	1203	For special and non-revolving trust funds, amount previously reported as precluded from obligation on line 1134 or 1234 or sequestered on line 1132, 1133 or 1232 in a prior fiscal year that becomes available for obligation in a subsequent fiscal year. For revolving funds, amount sequestered on line 1132 or 1232 in a prior fiscal year that becomes available for obligation in a subsequent fiscal year. *Use only with OMB approval*.
Appropriation available from subsequent year	1103	n/a	Portion of the succeeding year's appropriation made available for obligation as advance funding.
Appropriation available in prior year (–)	1104	n/a	Portion of the appropriation made available for obligation as advance funding in the preceding year. The following applies to lines 1103 and 1104. Advance funding is generally used to finance higher than anticipated costs in benefit programs. Include the portion that will be obligated in the current year on this line. Exclude the amount obligated last year. "Appropriation available from subsequent year" and "Appropriation available in prior year (–)" are types of advance funding.
Reappropriation	1105	1204	Amount of new budget authority resulting from legislation that extends the availability of funds that have expired or would otherwise expire. Such extensions of availability are counted as new budget authority in the first year of the extended availability (see sections 20.4(h) and 121.10). The losing account has expired; therefore, no reapportionment action is needed for the losing account. For the SF 133, the losing account will include a negative amount on line 1131 or 1230 of the previous year. Use line1012 for expired unobligated balance transfers that are not reported as new budget authority in the unexpired account. Use line 1010 for the expired account. Since the losing account has expired, no reapportionment action is required.
Nonexpenditure Transfers:			
Appropriations transferred to other accounts (–)	1120	1220	Amount of budget authority enacted for the fiscal year that is *actually* transferred from the account to other accounts under existing legislation that does not involve an obligation or an outlay. Normally, the entries on this line are transfers of *new budget authority*. However, there are exceptions. Use this line to show transfers of *unobligated balances* authorized by Congress in lieu of appropriations; or resulting from legislation that changes the purpose for which the balances are available. Show transfers resulting from general transfer authority or reorganizations, where the purpose has not changed or on line 1010. For transfers pursuant to existing law of mandatory funding to be used for otherwise discretionary activities, show the

Entry	Discre-tionary	Man-datory	Description
			transfer on line 1220 in the losing account and on line 1121 in the receiving account, using the appropriate BBEDCA classifications for the respective accounts. The entries on this line are nonexpenditure transfers between two Federal Government accounts. (The treatment of nonexpenditure transfers is explained in section 20.4(j)(4)). NOTE: All transfers between Federal funds (accounts that are not trust funds; i.e., general, special, management, and revolving funds) and trust funds are treated as expenditure transfers. See section 20.4(j) (4) for additional information.
Appropriations transferred from other accounts	1121	1221	Amount of budget authority enacted for the fiscal year that is actually transferred into this account from other accounts under existing legislation that does not involve an obligation or an outlay. Normally, the entries on this line are transfers of new budget authority. However, there are exceptions. Use this line to show transfers of unobligated balances authorized by Congress in lieu of appropriations or resulting from legislation that changes the purpose for which the balances are available. Show transfers resulting from general transfer authority or reorganizations, where the purpose has not changed or on line 1011. For transfers of mandatory funding to be used for otherwise discretionary activities, see the guidance under lines 1120/1220. The entries on this line are nonexpenditure transfers between two Federal Government accounts. (The treatment of nonexpenditure transfers is explained in section 20.4(j)(4)). NOTE: All transfers between Federal funds (accounts that are not trust funds; i.e., general, special, management, and revolving funds) and trust funds are treated as expenditure transfers. See section 20.4(j)(4) for additional information.
Adjustments:			
Appropriation permanently reduced (–)	1130	n/a	Amount of permanent rescissions, reductions, and cancellations of new appropriations.
Unobligated balance of appropriations permanently reduced (–)	1131	n/a	Amount of permanent rescissions, reductions, and cancellations of unobligated balances of appropriations.
Appropriations and/or unobligated balance of appropriations permanently reduced (–)	n/a	1230	Amount of permanent rescissions, reductions, and cancellations of new appropriations and unobligated balances of appropriations.
Appropriation temporarily reduced (–)	1132	n/a	Amount of temporary rescissions, reductions, and cancellations of new appropriations. *Use only for revolving (i.e., sequestered appropriations only), special and non-revolving trust funds.*
Unobligated balance of appropriations temporarily reduced (–)	1133	n/a	Amount of temporary rescissions, reductions, and cancellations of unobligated balances of appropriations. *Use only for special and non-revolving trust funds.*

Entry	Discre-tionary	Man-datory	Description
Appropriations and/or unobligated balance of appropriations temporarily reduced (–)	n/a	1232	Amount of temporary rescissions, reductions, and cancellations of new appropriations and unobligated balances of appropriations. *Use only for revolving (i.e., sequestered appropriations only), special and non-revolving trust funds*.
Appropriations precluded from obligation (–)	1134	1234	In addition to special and trust funds, this line may be used for accounts other than special and trust funds throughout the fiscal year. Refer to the specific circumstances below. For special and trust fund accounts, amount precluded from obligation in a fiscal year by a provision of law (such as a limitation on obligations or a benefit formula). This amount is treated as a balance of unavailable budgetary resources. When a mandatory amount becomes available for obligation, report it on line 1203. The following paragraphs describe the application of the above principle to specific circumstances: • A*ppropriated receipts*.—For the September 30 SF 133, include the portion of receipts collected in the current fiscal year in special or trust funds that is precluded from obligation due to a provision of law (such as a limitation on obligations or a benefit formula). For special and trust funds with mandatory appropriations, the total amount of new receipts is included on line 1201. This amount is treated as a balance of budgetary resources (see the description of line 1203). • *Appropriations provided by a part-year continuing resolution.*—When an account is operating under a part-year continuing resolution, include, as a negative amount, the portion of the annualized level included on lines 1100 and 1101 that is not available for obligation under the terms of the continuing resolution. Do not include this amount on the September 30 SF 133. • *Deferral.*—When a congressionally-initiated deferral of an amount that has been appropriated is enacted, include the amount not available for obligation, as a negative amount, on this line. Do not include this amount on the September 30 SF 133. • *Appropriations contingent upon authorizing legislation.*—Include amount not available for obligation until specifically authorized by another law, as a negative amount. For SF 132, cite the appropriations act in the stub. The full amount of the appropriation is on lines 1100 and 1101. Do not include this amount on the September 30 SF 133. • *Emergency, contingent appropriations.*—Include amount representing the funds the President has not yet designated as emergency requirements, as a negative amount. The full amount of the appropriation is on lines 1100 and 1101. Do not include this amount on the September 30 SF 133.

Entry	Discre-tionary	Man-datory	Description
			In addition, other amounts appropriated for emergencies may also be included if an emergency must exist to make the funds available for obligation, even if a Presidential declaration is not required. *Obligation limitations*.—Include amount by which an obligation limitation reduces the budget resources temporarily (the budget resources remain available after the expiration of the obligation limitation). The Impoundment Control Act (2 U.S.C. 683–684) and the Antideficiency Act (31 U.S.C. 1512) are not valid authorizing citations for this line.
Capital transfer of appropriations to general fund (–)	n/a	1235	This line is only for use by the Department of Education where appropriations were temporarily reduced via sequestration in a prior fiscal year but must be returned to the general fund in the subsequent fiscal year.
Appropriations applied to repay debt (–)	1135	1236	Amount of appropriations (including inferred appropriations) used for repayment of debt principal (when legislation is enacted that forgives outstanding debt to Treasury). Do not include new offsetting collections used to repay outstanding debt (see lines 1726 and 1825). Obligations must be recorded for interest payments on SF 132 detail lines 6001 through 6173; SF 133 detail lines 2001 through 2103; and Schedule P detail lines 0001 through 0899.
Deficiency appropriation (–)	1136	1237	As a general rule, appropriation used to liquidate obligations incurred in a prior fiscal year without sufficient budget authority to legally cover such obligations (i.e.,, "deficiency appropriation") will be deducted from the total budgetary resources available for obligation on line 1901. *Use these lines only with OMB approval.*
Appropriations applied to liquidate contract authority (–)	1137	1238	Amount of appropriations to liquidate contract authority. This amount is not available for new obligations pursuant to the appropriations act.
Appropriations applied to liquidate contract authority withdrawn (–)	1138	n/a	Amount of excess appropriations to liquidate contract authority withdrawn.
Appropriations substituted for borrowing authority (–)	1139	1239	Amount of appropriations used to liquidate obligations initially incurred against borrowing authority when the borrowing is not exercised.
Anticipated Appropriations:			
Anticipated appropriation (+ or –)	1150	1250	Amount of indefinite appropriations anticipated to become available under existing law for the remainder of the fiscal year. On the SF 133, this amount may differ from the amount on the latest SF 132 to the extent it is a more current estimate. *No amounts should be on these lines on the September 30 report*. Anticipated collection of available receipts. Anticipated amount from indefinite appropriations other than from appropriated receipts to be reduced by negative warrants issued by the Treasury or end-of-year statements. Do not include:

Entry	Discre-tionary	Man-datory	Description
			• Indefinite appropriations included on lines 1100, 1101, 1200, and 1201. • Anticipated, un-enacted supplemental appropriations.
Anticipated nonexpenditure transfers of appropriations (net) (+ or –)	1151	1251	Include the current estimate of appropriations anticipated to be transferred to this account (+) net of appropriations to be transferred from (–) this account under existing legislation. *No amounts should be on these lines on the September 30 report.* Do not include: • Transfers that have been made and included on lines 1120, 1121, 1220, and 1221. • Anticipated transfers that require legislation.
Anticipated capital transfers and redemption of debt(appropriations) (–)	1152	1252	Amount of the current estimate of additional capital transfers and redemption of debt anticipated in unexpired accounts derived from appropriations for the remainder of the fiscal year under existing laws. Report anticipated capital transfers only on line 1252. *No amounts should be on these lines on the September 30 report*.
Appropriation (total)	1160	1260	Equals the sum of lines 1100 through 1152. [SFs 132 and 133] Equals the sum of lines 1100 through 1139. [Schedule P] Equals the sum of lines 1200 through 1252. [SFs 132 and 133] Equals the sum of lines 1200 through 1239. [Schedule P]
Advance Appropriations:			
Advance appropriation	1170	1270	Amounts provided in appropriation acts that become available for obligation one fiscal year or more beyond the fiscal year for which the legislation is enacted. Report the amount in the year in which it first becomes available for obligation. For example, if you received advance appropriations for fiscal year 2012 in the regular annual appropriations act for fiscal year 2011, then include the advance appropriation on this line for the fiscal year 2012. Use line 1270 for advance appropriations of mandatory budget authority in appropriations acts.
Advance appropriation (special or trust fund)	1171	1271	
Adjustments:			
Advance appropriation permanently reduced (–)	1173	1272	Amount of permanent rescissions, reductions, and cancellations of advance appropriations.
Advance appropriation temporarily reduced (–)	1174	1273	Amount of temporary rescissions, reductions, and cancellations of advance appropriations. *Use only for special and non-revolving trust funds.*
Advance appropriation (total)	1180	1280	Equals the sum of lines 1170 through 1174. Equals the sum of lines 1270 through 1273.
Borrowing Authority:			Amount of new borrowing authority, primarily from the Treasury, to finance obligations and outlays. Include the

Entry	Discre-tionary	Man-datory	Description
			amount becoming available for obligation on or after October 1 of the fiscal year. *Repayment of principal and interest*.—Include the repayment of principal, as a negative, on lines 1023, 1135, 1236, 1726 and 1825. Include estimated interest obligations on detailed lines 2001 through 2103. *Appropriation to liquidate debt*.—Include appropriations to liquidate debt on line 1100, not on line 1300. Such appropriations are provided when proceeds to the account are insufficient to repay borrowing. *Direct loan financing accounts*.—Include the amount of new borrowing authority needed to finance the part of direct loan obligations not financed by subsidy payments from the program account and fees from borrowers. *Guaranteed loan financing accounts*.—Include the amount of new borrowing authority needed to cover any default claims and other cash outflows that cannot be financed by unobligated balances.
Borrowing authority	1300	1400	Amount of new authority authorized to be expended from moneys derived from borrowing from the Treasury or from sources other than Treasury (including the Federal Financing Bank). To the extent that indefinite borrowing authority is used to cover obligations, report borrowing authority for all such obligations even though subsequent appropriations or offsetting collections will ultimately be used to liquidate the obligations. *Definite borrowing authority.*—Include the amount specified in law. *Indefinite borrowing authority.*—Include an estimate of the amount to be obligated during the fiscal year. On the September 30 report, reduce this amount by the amount of *indefinite* borrowing authority that is not needed to cover obligations.
Adjustments:			
Borrowing authority permanently reduced (–)	1320	1420	Amount of permanent rescissions, reductions, and cancellations of new borrowing authority.
Borrowing authority temporarily reduced (–)	n/a	1421	Amount of temporary reductions (i.e., sequestration only) of borrowing authority. *Use only for revolving, special and non-revolving trust funds*.
Borrowing authority applied to repay debt (–)	n/a	1422	Amount of borrowing authority exercised but not used to liquidate obligations. *Use only in financing accounts in PY unless specifically approved by OMB.*
Anticipated Borrowing Authority:			
Anticipated reductions to current fiscal year borrowing authority (–)	1330	1430	Amount of current estimate of reductions during the fiscal year to borrowing authority. No amounts should be on these lines on the September 30 report.
Borrowing authority (total)	1340	1440	Equals the sum of lines 1300 through 1330. [SFs 132 and 133]

Entry	Discre-tionary	Man-datory	Description
			Equals the sum of lines 1300 through 1320. [Schedule P]
			Equals the sum of lines 1400 through 1430. [SFs 132 and 133]
			Equals the sum of lines 1400 through 1421. [Schedule P]
Contract Authority:			
Contract authority	1500	1600	Amount of new authority to incur obligations in advance of collections or an appropriation to liquidate contract authority. Amount of new contract authority to incur obligations that typically will require a separate appropriation of liquidating cash before payments can be made. *Definite contract authority*.—Include the amount specified in law. *Indefinite contract authority.*—Include an estimate of the amount to be obligated during the year. On the September 30 report, reduce the amount on lines 1500 and 1600 for the portion that is not needed to cover obligations. *Appropriation to liquidate contract authority*.—Do not include on lines 1500 or 1600. Include on line 1137 or 1238. If a portion of the appropriation to liquidate contract authority is not needed, then include the amount (as a negative) on line 1138 for the discretionary appropriation. Occasionally, contract authority is provided in anticipation of receiving offsetting collections. Include the amount becoming available on or after October 1 of the fiscal year.
Contract authority (previously unavailable)	n/a	1603	This line is only for use by the Department of Transportation where contract authority was temporarily reduced via sequestration in a prior fiscal year but is available for obligation in the subsequent fiscal year.
Nonexpenditure Transfers:			
Contract authority transferred to other accounts (–)	1510	1610	Amount of contract authority transferred to other accounts.
Contract authority transferred from other accounts	1511	1611	Amount of contract authority transferred from other accounts to this account.
Adjustments:			
Contract authority and/or unobligated balance of contract authority permanently reduced (–)	1520	1620	Amount of permanent rescissions, reductions, and cancellations of new contract authority and unobligated balances of contract authority.
Contract authority temporarily reduced (–)	n/a	1621	Amount of temporary reductions (i.e., sequestration only) of contract authority. *Use only for special fund in Department of the Interior and non-revolving trust fund in Department of Transportation*.

Entry	Discre-tionary	Man-datory	Description
Contract authority precluded from obligation (limitation on obligations) (–)	1522	1622	Amount precluded from obligation in a fiscal year by a provision of law (such as a limitation on obligations). *Use only with OMB approval.*
Anticipated Contract Authority:			
Anticipated nonexpenditure transfers of contract authority (net) (+ or –)	1530	1630	Include the current estimate of contract authority anticipated to be transferred to (+) this account net of contract authority to be transferred from (–) this account under existing legislation. No amounts should be on these lines on the September 30 report. Do not include: • Transfers that have been made and included on lines 1510, 1511, 1610 and 1611. • Anticipated transfers that require legislation.
Anticipated adjustments to current year contract authority (+ or –)	1531	1631	Amount of current estimate of reductions or increases during the fiscal year to contract authority. This also includes the estimated liquidation of contract authority from offsetting collections. No amounts should be on these lines on the September 30 report.
Contract authority (total)	1540	1640	Equals the sum of lines 1500 through 1531. [SFs 132 and 133] Equals the sum of lines 1500 through 1522. [Schedule P] Equals the sum of lines 1600 through 1631. [SF s 132 and 133] Equals the sum of lines 1600 through 1622. [Schedule P]
Spending Authority from Offsetting Collections:			*As a general rule, spending authority from offsetting collections from Federal sources should be classified as mandatory or discretionary based on the activities for which the offsetting collections are outlayed and spending authority from offsetting collections from non-Federal sources should be classified based on whether the legislative language that created the collection is in authorizing legislation or appropriations act (see section 81.2).*
Collected	1700	1800	*For unexpired and expired accounts:* Offsetting collections credited to expenditure accounts by law and refunds that pertain to paid obligations recorded in prior fiscal years. In most cases, these lines apply to general fund expenditure accounts, revolving funds, and trust revolving funds. In a few cases, offsetting collections for reimbursable work and payments from Federal funds may be specifically authorized by law to be credited to special fund expenditure accounts and non-revolving trust fund expenditure accounts, in which case, these lines should be used to report such amounts. Also, for special fund expenditure accounts and non-revolving trust fund expenditure accounts, include on these

Entry	Discre-tionary	Man-datory	Description
			lines refunds collected from prior year obligations that have been outlayed to the account charged with the original obligation. Do not include appropriated receipts, which should be included on lines 1101 and 1201. Amount of *reimbursements or other income earned and collected* to date during the current fiscal year, including those for revolving funds. Include *collections of receivables* in either the net unpaid obligations or the unobligated balances brought forward, if any. Include *refunds collected* from prior year obligations that have been outlayed to the appropriation of fund account charged with the original obligation. This represents one type of recoveries of prior year obligations. For recoveries of prior year unpaid obligations, see line 1021. To return a cash advance or other offsetting collection received in a prior fiscal year, obligate and outlay the amount in the current fiscal year. Amount of increase (+) or decrease (–) from October 1 in *unfilled orders* on hand *accompanied by an advance.* Amount of expenditure transfers from a trust fund account to a Federal fund account, pursuant to appropriations or other laws, to fund the activities of an agency that are (or would be) normally funded in a Federal fund account. In exceptional cases, this includes expenditure transfers from a Federal or trust fund account to a trust fund account. For example, one exception to this rule is Social Security Administration's Limitation on Administrative Expenses where the expenditure transfers are from general or trust fund accounts to a trust fund account. Another exception to this rule is for credit reform where the expenditure transfers are from (1) the program account to a financing account or (2) financing account to a liquidating account where the source of the funding for either situation is derived from trust fund receipts. *Exceptions must be pre-approved by OMB.* For special and trust fund accounts, include offsetting collections for reimbursable work and payments from Federal funds when specifically authorized by law. For initial apportionments, include anticipated collections on line 1740 or 1840 as appropriate. If the TAFS is reapportioned during the fiscal year, include actual amounts on lines 1700, 1701, 1800, 1801 and anticipated amount on lines 1740 or 1840. Report offsetting collections *earned and collected* even if they are used to liquidate the contract authority, rather than provide new spending authority. Include the collections as a positive amount on line 1700 or 1800 and as a negative amount on line 1727 or 1826. Report offsetting collections *earned* and collected that is substituted for borrowing authority to liquidate obligations initially incurred against borrowing authority when the

Entry	Discre-tionary	Man-datory	Description
			borrowing is not exercised. Include the collections as a positive amount on line 1700 or 1800 and as a negative amount on line 1728 or 1827. Exclude cash refunds of amounts obligated and outlayed during the current year. For SF 133, these should be netted against the appropriate detailed lines 2001 through 2103 and lines 4010, 4011, 4100, and 4101. For credit financing accounts, include the subsidy collected from the program account when loans are disbursed. Exclude any adjustments to current year beginning balances recorded on line 1020 and 3011. For annual accounts and the last year of multi-year accounts, advanced received on this line should reflect *obligated amounts* only on the September 30 report. For no-year accounts, amounts on this line may remain unobligated on the September 30 report. See section 130.9 for further details on Economy Act transactions involving different periods of availability. *For expired accounts:* Amount of decrease (–) from October 1 in *unfilled customer orders* on hand *accompanied by an advance.* Amount of collections of receivables included in either the net unpaid obligations or the unobligated balances brought forward, if any. Include collections from trust fund accounts for reimbursable work. Exclude any adjustments to current year beginning balances recorded on lines 1020 and 3011.
Change in uncollected payments, Federal sources (+ or –)	1701	1801	Amount of increase (+) or decrease (–) in accounts receivable from Federal sources and unpaid, unfilled orders from Federal sources from the start of year to the end of year. *For unexpired accounts:* Amount of reimbursements from another Federal Government account that is *earned, but not collected*, to date during the current fiscal year, including those for revolving funds. If during the fiscal year, the amount is collected, move the amount to lines 1700 and 1800, above. Amount of expenditure transfers from a trust fund account to a Federal fund account is *authorized by law, but not collected*, to date during the current fiscal year. If during the fiscal year, the amount is collected, move the amount to lines 1700 and 1800, above. For *collections of receivables* included in either the net unpaid obligations or the unobligated balances brought forward, include, as a negative: The decrease in reimbursable receivables, and Receivables written off.

Entry	Discre-tionary	Man-datory	Description
			Amount of increase (+) or decrease (–) from October 1, in unfilled orders on hand from other Federal Government accounts, that are valid obligations of the ordering account and are *not* accompanied by an advance. For annual accounts and the last year of multi-year accounts, unpaid, unfilled orders from Federal sources on this line should reflect *obligated amounts* only on the September 30 report. For no-year accounts, unpaid, unfilled orders from Federal sources on this line may remain unobligated on the September 30 report. See section 130.9 for further details on Economy Act transactions involving different periods of availability. *For expired accounts:* For *collections of receivables* included in either the net unpaid obligations or the unobligated balances brought forward, include, as a negative, the decrease in reimbursable receivables. Also include, as a negative, receivables written off. Amount of decrease (–) from October 1, in unfilled customer orders on hand from other Federal Government accounts that are valid obligations of the ordering account and are *not* accompanied by an advance. *For unexpired and expired accounts:* Amounts reported as an accounts receivable from a trust fund must be accompanied by a valid accounts payable from that trust fund account. These receivables should be included in either the net unpaid obligations or the unobligated balances at the end of the fiscal year. Federal agencies should only write-off accounts receivable from a Federal source under limited circumstances. Circumstances include, but are not limited to, denials from Congress on requests for appropriations in order to satisfy the accounts receivable (supplemental or deficiency appropriations). If the Federal agency is permitted to write-off account receivables from a Federal source, this action reduces the total budgetary resources available in the TAFS. If sufficient budgetary resources are not available to cover the obligations incurred in the TAFS, refer to section 145 of OMB Circular No. A-11 for further action to take. Applies only to budgetary account receivable. Does not impact the proprietary account receivable.
Offsetting collections (previously unavailable)	1702	1802	For accounts with limitations on the use of offsetting collections, unappropriated or temporarily reduced, the amount of budget authority that is expected to become available for obligation pursuant to law from unavailable balances of offsetting collections. *Previously precluded or unappropriated.*—Amount of offsetting collections collected in the previous year but precluded from obligation or was unappropriated in a previous fiscal year. Include the amounts expected to become available pursuant to law during the fiscal year on this line.

Entry	Discre-tionary	Man-datory	Description
			Previously temporarily reduced.—Amount of (1) account-specific offsetting collections rescinded or cancelled and (2) across-the-board reductions in budget authority (percentage or other) mandated in appropriations law taken from more than one account, and the agency head or other Executive Branch official was authorized to distribute the reduction to affected accounts. Include the amounts on this line in the fiscal year in which the amount is needed.
Nonexpenditure Transfers:			
Spending authority from offsetting collections transferred to other accounts (–)	1710	1810	Amount transferred to another account in the same year the authority becomes available for obligation when the transfer is treated as an adjustment in budget authority (spending authority from offsetting collections) to the accounts and does not involve an obligation or outlay (see the description of line 1120 for more information). Transfers of balances should be reported on lines 1010, 3060 or 3070, as appropriate. Although the spending authority is transferred to another account, the offsetting collection will be credited to the account that initially received the collection on lines 4030 through 4034 or 4120 through 4124.
Spending authority from offsetting collections transferred from other accounts	1711	1811	Amount transferred from other accounts in the same year the authority becomes available for obligation when the transfer is treated as an adjustment in budget authority to the accounts and does not involve an obligation or outlay (see the description of line 1121 for more information). Transfers of balances should be reported on lines 1011, 3061 or 3071, as appropriate. Although the spending authority is transferred from another account, the offsetting collection will be credited to the account that initially received the collection on lines 4030 through 4034 or 4120 through 4124.
Adjustments:			
Capital transfer of spending authority from offsetting collections to general fund (–)	1720	1820	Amount of spending authority from offsetting collections deposited to Treasury capital transfer receipt accounts, such as "Earnings of Government-owned enterprises," or "Repayments of capital investment, Government-owned enterprises." These are nonexpenditure transfers. Don't include interest payments or capital transfers of offsetting collections received during the year (see lines 1720 and 1820). Include interest obligations on detailed SF 132 lines 6001 through 6173 and detailed SF 133 lines 2001 through 2103. Primarily used by revolving funds, however may be used by other accounts with OMB approval.
Spending authority from offsetting collections permanently reduced (–)	1722	1822	Amount of permanent rescissions, reductions, and cancellations of new spending authority from offsetting collections.
New and/or unobligated balance of spending authority from offsetting collections temporarily reduced (–)	1723	1823	Amount of temporary rescissions, reductions, and cancellations of new spending authority from offsetting collections and unobligated balances of spending authority from offsetting collections.
Spending authority from offsetting collections	1725	1824	Amount precluded from obligation in a fiscal year by a provision of law (such as a limitation on obligations or a

Entry	Discre-tionary	Man-datory	Description
precluded from obligation (limitation on obligations) (–)			benefit formula). This amount is treated as a balance of unavailable budgetary resources. When the amount becomes available for obligation, report it on line 1702 or 1802. *Spending authority from offsetting collections provided by a part-year continuing resolution*.—When an account is operating under a part-year continuing resolution, include, as a negative amount, the portion of the annualized level included on lines 1700/1701 and 1800/1801 that is not available for obligation under the terms of the continuing resolution. Do not include this amount on the September 30 SF 133. *Limitation on revolving fund*.—Include amount not available for obligation due to a provision of law, such as a limitation on administrative expenses or construction. *Obligation limitations*.—Include amount by which an obligation limitation reduces the budget resources temporarily (the budget resources remain available after the expiration of the obligation limitation). The Impoundment Control Act (2 U.S.C. 683 – 684) and the Antideficiency Act (31 U.S.C. 1512) are not valid authorizing citations for this line.
Spending authority from offsetting collections applied to repay debt (–)	1726	1825	Amount of offsetting collections used for repayment of debt principal. Do not include appropriations used to repay outstanding debt (see lines 1135 and 1236). Obligations must be recorded for interest payments on SF 132 detail lines 6001 through 6173; SF 133 detail lines 2001 through 2103; and Schedule P detail lines 0001 through 0899. Primarily use budgetary resources to pay interest, and the balance to repay principal as a negative on this line.
Spending authority from offsetting collections applied to liquidate contract authority (–)	1727	1826	Amount of offsetting collections used to liquidate contract authority that is not available for new obligations. Include portion of spending authority from offsetting collections used to replace the contact authority initially obligated against. The spending authority from offsetting collections may include cash, receivables from Federal sources, and unfilled customer orders.
Spending authority from offsetting collections substituted for borrowing authority (–)	1728	1827	Amount of offsetting collections used to liquidate obligations initially incurred against borrowing authority when the borrowing is not exercised.
Anticipated Spending Authority from Offsetting Collections:			
Anticipated collections, reimbursements, and other income	1740	1840	Amount of the current estimate of anticipated collections (for example, anticipated orders from Federal sources or anticipated refunds) expected for the remainder of the year. *No amounts should be on these lines on the September 30 report*. Amount of expenditure transfers anticipated for the remainder of the year. For direct loan financing accounts, include a current estimate for the rest of the year of the loan subsidy anticipated from the program account.

Entry	Discre-tionary	Man-datory	Description
			Deposit advances (as defined in section 20.11) without orders from Federal customers in budget clearing account F3885 "Undistributed intergovernmental payments" until an order is received. Deposit advances without orders from non-Federal customers in deposit fund X6500 "Advances without orders from non-Federal sources."
Anticipated nonexpenditure transfers of spending authority from offsetting collections (net) (+ or –)	1741	1841	Include the current estimate of spending authority from offsetting collections anticipated to be transferred to (+) or from (–) the account under existing legislation. *No amounts should be on these lines on the September 30 report*. Do not include: • Transfers that have been made and included on lines 1710, 1711, 1810, or 1811. • Anticipated transfers that require legislation.
Anticipated capital transfers and redemption of debt (spending authority from offsetting collections) (–)	1742	1842	Amount of the current estimate of additional capital transfers and redemption of debt anticipated in unexpired accounts derived from spending authority from offsetting collections for the remainder of the fiscal year under existing laws. *No amounts should be on these lines on the September 30 report*.
Spending authority from offsetting collections (total)	1750	1850	Equals the sum of lines 1700 through 1742. [SFs 132 and 133] Equals the sum of lines 1700 through 1728. [Schedule P] Equals the sum of lines 1800 through 1842. [SFs 132 and 133] Equals the sum of lines 1800 through 1827. [Schedule P]
Budget authority (total)	1900	1900	Equals the sum of combined total of mandatory and discretionary budget authority (lines 1100 through 1152, 1170 through 1174, 1200 through 1252, 1270 through 1273, 1300 through 1330, 1400 through 1430, 1500 through 1531, 1600 through 1631, 1700 through 1742, and 1800 through 1842). [SFs 132 and 133] Equals the sum of combined total of mandatory and discretionary budget authority (lines 1100 through 1139, 1170 through 1174, 1200 through 1239, 1270 through 1273, 1300 through 1320, 1400 through 1421, 1500 through 1522, 1600 through 1622, 1700 through 1728, and 1800 through 1827). [Schedule P]
Adjustment for new budget authority used to liquidate deficiencies (–)	1901	1901	Report the amount of new budget authority used to liquidate obligations that were incurred in a prior fiscal year without sufficient budget authority to legally cover such obligations. The line adjusts the total budgetary resources available for new obligation without reducing the amount of budget authority appropriated.
Total budgetary resources Total budgetary resources available	1910 1920	1910 1920	Always generated from the sum of combined total of unobligated balances, budget authority, and line 1901: The sum of lines 1000 through 1042, 1100 through 1152, 1170 through 1174, 1200 through 1252, 1270 through 1273, 1300 through 1330, 1400 through 1430, 1500 through 1531, 1600

Entry	Discre-tionary	Man-datory	Description
	1930	1930	through 1631, 1700 through 1742, 1800 through 1842, and 1901. [SFs 132 and 133] Always generated from the sum of combined total of unobligated balances, budget authority, and line 1901: The sum of lines 1000 through 1031, 1100 through 1139, 1170 through 1174, 1200 through 1239, 1270 through 1273, 1300 through 1320, 1400 through 1421, 1500 through 1522, 1600 through 1622, 1700 through 1728, 1800 through 1827, and 1901. [Schedule P] Line 1910 is used for the SF 133, line 1920 is used for the SF 132, and line 1930 is used for the budget Program and Financing schedule. *For unexpired accounts:* This amount will differ from the amount on line 1920 on the latest SF 132 to the extent that individual amounts have changed that do not require the submission of a reapportionment request (see section 120.37). *For expired accounts:* This amount is not available for new obligations. See sections 130.10–130.13 for additional instructions.

In a limited number of cases, the following guidance applies to specific Treasury Appropriation Fund Symbols. Affected amounts are included on SF 132 line 1100:

- Appropriations of Specific Amounts of which "Not to Exceed" a Portion Remains Available Beyond the Remainder of the Appropriation. In a limited number of cases, the basic amount of the appropriation is available for one year (or for a fixed amount of time) and the law permits "not to exceed" or "up to" a specific amount to be available for a longer period of time or until expended.

Initial apportionment requests for these accounts should display the maximum possible amount in the Treasury account with the extended availability and the balance in the Treasury account with the lesser time availability (on this line).

Note.—Treasury will warrant the full amount in the one-year account. You should move the funds to the account with the extended fund availability using the SF 1151. This movement of funds is not a transfer because the original appropriation is for the extended availability, even though the SF 1151 is titled "Nonexpenditure Transfer of Funds."

If you subsequently determine that the maximum amount is not needed in the account with the extended availability, you should submit a reapportionment request proposing to transfer the funds to the account of lesser time availability. Show this transfer on SF 132 lines 1120 "Appropriation transferred to other account (–)," 1151 "Anticipated nonexpenditure transfers of appropriations (net) (+ or –)," 1010 "Unobligated balance transferred to other accounts (–)" or 1040 "Anticipated nonexpenditure transfers of unobligated balances (net) (+ or –)," as appropriate.

After OMB has approved the transfer, use the SF 1151 to transfer the funds to the account of lesser time availability. Such transfers are irreversible. That is, once the availability of funds is reduced, subsequent apportionments and SF 1151 may not extend the availability of these funds.

- *Interest on the public debt.* For the Interest on the Public Debt account, "interest" includes both the interest paid and the change in interest payable for public issues of Treasury debt securities and for certain special issues (i.e., Government account series) of Treasury debt securities—zero coupon bonds and DoD's Education Benefits Fund, Military Retirement Fund, Defense Cooperation Fund, and Medicare-Eligible Retiree Health Care Fund. The change in interest payable will be warranted when paid.

Entry	Description
Memorandum (non-add) Entries:	
All Accounts:	
1940 Unobligated balance expiring (–)	Amount available for obligation during the year that ceased to be available for obligation during the fiscal year (other than amounts rescinded by law). Include expiring unobligated balances (even if they have been reappropriated) and unobligated balances returned to unappropriated receipts.
1941 Unexpired unobligated balance, end of year	Unobligated balance carried forward and available for obligation in the following year. Include all unobligated balances available for obligation (appropriations, borrowing authority, contract authority, fund balances) at the end of the year. Do not include expired unobligated balances. Do not include special and trust fund amounts and offsetting collections that are not available for obligation *because* of provisions of law, such as benefit formulas or limitations on obligations (see section 20.4(f)).
Special and Non-Revolving Trust Funds Only:	
1950 Other balances withdrawn and returned to unappropriated receipts	Amount of unexpired and expired unobligated balances written off or withdrawn by administrative action in special and trust non-revolving funds. Include cancellations in no-year accounts pursuant to 31 USC 1555; otherwise, do not include amounts rescinded or canceled by law. Only include the amounts returned to unappropriated receipts.
1951 Unobligated balance expiring	Amount available for obligation during the year that ceased to be available for obligation during the fiscal year (other than amounts rescinded by law) in special and non-revolving trust funds. Include expiring unobligated balances (even if they have been reappropriated). Exclude unexpired unobligated balances that are written off or withdrawn by administrative action, which are reported on line 1950, "Other balances withdrawn."
1952 Expired unobligated balance, start of year	Amount excluded in the start of year unobligated balances reported on line 1000 in special and non-revolving trust funds.
1953 Expired unobligated balance, end of year	Amount excluded from the end of year unobligated balances reported on line 1941 in special and non-revolving trust funds.
1954 Unobligated balance canceling	Amount of expired balances (e.g. the fifth expired year that is canceling) that are returned to unappropriated receipts and become available for subsequent appropriation in special and non-revolving trust funds.
1955 Other balances withdrawn and returned to general fund	Amount of unexpired and expired unobligated balances written off or withdrawn by administrative action in special and trust non-revolving funds. Include cancellations in no-year accounts pursuant to 31 USC 1555; otherwise, do not include amounts rescinded or canceled by law. Only include the amounts returned to general fund.

4. STATUS OF BUDGETARY RESOURCES

Use the entries in the following table to prepare the "Status of Budgetary Resources" section of the SF 133. For additional guidance, see section 130 (SF 133).

Entry	Description
Obligations Incurred	You are required to report direct and reimbursable obligations. See section 83.5 for instructions on classifying obligations as direct versus reimbursable. In general, "direct obligations" means obligations not financed from reimbursements. In general, "reimbursable obligations" means obligations financed by offsetting collections that are payment to the performing account for goods and services provided to the ordering entity. *For unexpired accounts:* Amount of obligations incurred from the beginning of the current fiscal year to the end of the reporting period, net of refunds received that pertain to obligations incurred in the current year. Include upward adjustments of prior obligations. Do not include cancellations or downward adjustments of obligations due to recoveries of prior year unpaid obligations reported on line 1021. (See section 20.5 for a discussion of the concept of obligations.) *For expired accounts:* Amount of upward adjustments of obligations previously incurred. Upward adjustments are limited by the amount available for adjustments. No new obligations may be incurred against expired or canceled accounts. (See sections 130.10–130.14 on expired and canceled appropriations.) For downward adjustments, see line 1021. *For unexpired and expired accounts:* Exclude any adjustments to current year beginning balances recorded on lines 1020 and 3001.
Direct	
2001 Category A (by quarter)	Amount of direct obligations incurred against amounts apportioned under category A on the latest SF 132. Category A may sometimes include program categories.
2002 Category B (by project) Category B [project 1] Category B [project 2 / program category 1] Category B [project 3 / program category 2]	Amount of direct obligations incurred against amounts apportioned under categories B and AB on the latest SF 132. Use a separate line for each administrative subdivision identified on the latest SF 132. Category B detail information describes the type of activity, project, etc. apportioned on lines 6011 through 6110 of the latest SF 132. Four alphanumeric characters are used to identify subcategories. Category AB detail information describes the combination of fiscal quarters and projects apportioned on lines 6111 through 6112 of the latest SF 132.
2003 Exempt from apportionment	Amount of direct obligations incurred for accounts that are exempt from apportionment.
2004 Direct obligations (total)	Equals the sum of lines 2001 through 2003.

Entry	Description
Reimbursable	
2101 Category A (by quarter)	Amount of reimbursable obligations incurred against amounts apportioned under category A on the latest SF 132. Category A may sometimes include program categories.
2102 Category B (by project) Category B [project 1]	Amount of reimbursable obligations incurred against amounts apportioned under categories B and AB on the latest SF 132. Use a separate line for each administrative subdivision identified on the latest SF 132.
Category B [project 2 / program category 1] Category B [project 3 / program category 2]	Category B detail information describes the type of activity, project, etc. apportioned on lines 6011 through 6110 of the latest SF 132. Four alphanumeric characters are used to identify subcategories. Category AB detail information describes the combination of fiscal quarters and projects apportioned on lines 6111 through 6112 of the latest SF 132.
2103 Exempt from apportionment	Amount of reimbursable obligations incurred for accounts that are exempt from apportionment.
2104 Reimbursable obligations (total)	Equals the sum of lines 2101 through 2103.
2190 Obligations incurred	Equals the sum of lines 2001 through 2003 and 2101 through 2103. Also equals the sum of lines 2004 and 2104.
Unobligated Balance	
Apportioned	
2201 Available in the current period	Include the balances of amounts apportioned under Category A, Category B, and Category AB, as well as amounts apportioned by letter from OMB or by OMB bulletin. Do not include amounts apportioned but still anticipated. For amounts apportioned under Category A and Category AB, include the difference between the amount apportioned through the current period and the obligations incurred under those apportionments through the end of the reporting period. Where Category B apportionments are based upon time periods within the year, include the difference between the cumulative amount apportioned through the current period and the obligations incurred under those apportionments through the end of the reporting period. Where funds are apportioned for the year as a whole, this entry will equal the total amount thus apportioned less the obligations incurred under those apportionments through the end of the reporting period.
2202 Available in subsequent periods	Amount apportioned by time periods (in both Categories A and B) and for future fiscal years (Category C) that are available for obligation in a subsequent reporting period, as approved on the latest SF 132. This includes both actual and anticipated amounts available in the subsequent periods.

Entry	Description
2203 Anticipated (+ or –)	Amount anticipated and apportioned year-to-date on the latest SF 132 less amounts no longer anticipated. The amount on this line should equal the sum of the apportioned amounts on lines 1040, 1041, 1042, 1150, 1151, 1152, 1250, 1251, 1252, 1330, 1430, 1530, 1531, 1630, 1631, 1740 through 1742, and 1840 through 1842 that are still anticipated for the current period. The amounts not apportioned on these lines should be included on line 2403. Although this amount is not immediately available for obligation, it will become available for obligation upon realization (e.g. upon actual receipt of the anticipated collection).
Exempt from Apportionment	
2301 Available in the current period	Amount of the total unobligated balance available for obligation (including commitments) in accounts exempt from apportionment available in the current period. Do not include amounts exempt from apportionment and available in the subsequent period or still anticipated.
2302 Available in subsequent periods	Amount of the total unobligated balance available for obligation (including commitments) in accounts exempt from apportionment available in the subsequent period. This includes both actual and anticipated amounts available in the subsequent periods.
2303 Anticipated (+ or –)	Amount anticipated in accounts exempt from apportionment for the current period.
Unapportioned	
2401 Deferred	Amount deferred as shown on line 6181 on the latest SF 132. This is the amount of budgetary resources being set aside for possible use at a later date (pursuant to a special message transmitted, or to be transmitted, by the President), before the funds expire.
2402 Withheld pending rescission	Amount withheld pending rescission as shown on line 6180 on the latest SF 132 (pursuant to a special message transmitted, or to be transmitted, by the President).
2403 Other	*For unexpired accounts:* For other balances not available for obligation, include the unobligated balances of amounts that are not included on lines 6001 through 6173, 6180, or 6181 on the latest SF 132. Include amounts on lines 1021, 1740 and 1840 that exceed apportioned amounts. This entry will include any excess of budgetary resources realized over amounts estimated to become available for obligation on the latest SF 132, when such amounts exceed the parameters set forth in section 120.37. (Do not use this line for accounts and funds that are not subject to apportionment. Unobligated balances of such accounts will be reported on lines 2301 through 2303.) This balance will be reported as a negative amount if budgetary resources (including estimates through the end of the year) are less than reported on the latest SF 132. If, on the September 30 report, a negative amount is reported on this line, the amount must be offset by remaining balances. For accounts that are apportioned, the offset must be against apportioned funds reported on line 2201 or an apparent violation of the Antideficiency Act (31 U.S.C. 1341, 1342, or 1517) will have occurred. For accounts

Entry	Description
	exempt from apportionment, the offset must be against lines 2301 - 2303 or an apparent violation of the Antideficiency will have occurred. Unrealized budgetary resources will, in effect, be considered an offset against amounts apportioned (lines 2201 through 2203) or exempt from apportionment (lines 2301 through 2303) rather than an unobligated balance not available for obligation (lines 2401 through 2403). This line will be used for the un-apportioned balance of public enterprise and intragovernmental revolving funds, as well as trust funds that are subject to apportionment. For these types of funds, include the amount shown on line 6182 on the latest SF 132 (un-apportioned balance) plus the amount of upward adjustments in income until a reapportionment request is approved. *Appropriated receipts.* For the September 30 report, exclude from this line the portion of receipts collected in the current year in special or trust funds that is precluded from obligation due to a provision of law. The full amount appropriated in on line 1201. The amount precluded from obligation is subtracted on line 1234. *For expired accounts:* Amount of expired unobligated balances that have not been used for valid adjustments. (These amounts are no longer available for new obligations.) The amount on line 2403 should be the difference between line 1910 and detailed lines 2001 through 2103. For the final September 30 report before an account will be closed, the amount on this line should be zero.
2413 Expired unobligated balance: end of year	Equals the amount on line 2403 for expired accounts only. The amount on this line is excluded from the total on line 2500.
2490 Unobligated balance, end of year	Sum of the amounts on detailed lines 2201, 2202, 2203, 2301, 2302, 2303, 2401, 2402, and 2403.
2500 Total budgetary resources	Sum of the amounts on detailed lines 2001 through 2403. This amount equals the amount on line 1910.
Memorandum (non-add) Entries:	
2501 Subject to apportionment	Both the obligations incurred and unobligated balance of the Status of Budgetary Resources that are subject to apportionment. The sum of lines 2501 and 2502 equal line 2500.
2502 Exempt from apportionment	Both the obligations incurred and unobligated balance of the Status of Budgetary Resources that are exempt from apportionment. The sum of lines 2501 and 2502 equal line 2500.
2503 Direct unobligated balance, end of year	Portion of the sum of the amounts on detailed lines 2201, 2202, 2203, 2301, 2302, 2303, 2401, 2402, and 2403 that is classified as direct. The sum of lines 2503 and 2504 equal line 2490.
2504 Reimbursable unobligated balance, end of year	Portion of the sum of the amounts on detailed lines 2201, 2202, 2203, 2301, 2302, 2303, 2401, 2402, and 2403 that is classified as reimbursable. The sum of lines 2503 and 2504 equal line 2490 or the sum of the amounts on detailed lines 2201, 2202, 2203, 2301, 2302, 2303, 2401, 2402, and 2403 .

5. CHANGE IN OBLIGATED BALANCE

Use the entries in the following table to prepare the "Change in Obligated Balances" section of the SF 133 and Schedule P. For additional guidance, see section 130 (SF 133) and section 82 (Combined Schedule X).

Entry	Description
Unpaid obligations:	
3000 Unpaid obligations, brought forward, Oct 1	Unpaid obligations as of October 1of the current fiscal year. This amount will equal the sum of the beginning balance of (a) accounts payable and (b) undelivered orders. This line should equal line 3090 of the final SF 133 or budget Program and Financing schedule for the preceding year. Include uninvested balances; balances invested in Federal securities (par value), adjusted for unrealized discounts (a negative amount); and amounts obligated against contract authority.
3001 Adjustment to unpaid obligations, brought forward Oct 1(+ or –)	Changes to unpaid obligations that occurred in a prior fiscal year and that were not recorded in the unpaid obligations as of October 1 of the current fiscal year. These may be identified by the financial statement auditors, agency personnel, or others. Include adjustments posted to the agency financial system that are either material or non-material. When reporting to FACTS II, agencies will use an attribute to show that their USSGL account balances are not current-year activity—even though these balances would otherwise look like current-year activity. FACTS II will use this attribute to crosswalk these USSGL account balances to this adjustment line. OMB and the Department of the Treasury's FMS will review the FBWT component of the adjustments that agencies report to FACTS II each quarter. FMS will only backdate prior year adjustments on a transaction basis in a TAFS that round to $1 million or more. This range includes amounts greater than or equal to $500,000. Agencies should generally exclude reclassifications from clearing accounts to other TAFSs, but may consult OMB if they want to include some of these reclassifications as adjustments. Exclude the following amounts from this line: • Downward adjustments of unpaid obligations incurred in prior fiscal years, as reported on line 1021, that were not outlayed; • Upward adjustments of obligations previously incurred as reported on detailed lines 2001 through 2103; and • Refunds collected from prior year obligations that have been outlayed to the appropriation of fund account charged with the original obligations as reported on line 1700 and 1800. On the SF 133, material and non-material adjustments to the unpaid obligations as of October 1 of the current fiscal year should be included on line 3001. On the Statement of Budgetary Resources, material amounts are part of the unpaid obligations as of October 1 of the current fiscal year because the prior year's financial statements are restated.

Entry	Description
3010 Obligations incurred, unexpired accounts	Includes both direct and reimbursable obligations. Equals the sum of amounts on lines 2001 through 2003 and 2101 through 2103. Exclude any adjustments to current year beginning balances recorded on lines 1020 and 3001.
3011 Obligations incurred, expired accounts	Amount of upward adjustments of obligations previously incurred. Upward adjustments are limited by the amount available for adjustments. No new obligations may be incurred against expired or canceled accounts. (See sections 130.10–130.14 on expired and canceled appropriations.) For downward adjustments, see line 1021. Includes both direct and reimbursable obligations. Equals the sum of amounts on lines 2001 through 2003 and 2101 through 2103. Exclude any adjustments to current year beginning balances recorded on lines 1020 and 3001.
3020 Outlays (gross) (–)	Total disbursements made by the account. Equals the sum of the amounts on lines 4010, 4011, 4100, and 4101, but with the opposite sign.
3030 Unpaid obligations transferred to other accounts (–)	Amount of unpaid obligations from other Federal Government accounts actually transferred to (–) other accounts during the current fiscal year.
3031 Unpaid obligations transferred from other accounts	Amount of unpaid obligations from other Federal Government accounts actually transferred from (+) other accounts during the current fiscal year.
3040 Recoveries of prior year unpaid obligations, unexpired accounts (–)	Equals the amount on line 1021, but with the opposite sign.
3041 Recoveries of prior year unpaid obligations, expired accounts (–)	Amount of any cancellations or downward adjustments of obligations incurred in *prior fiscal years* that were *not outlayed.* Include the adjustments since October 1 of the current year. Show the actual recoveries, as shown on the SF 133, on reapportionment requests. Include recovered amounts obligated against *indefinite* borrowing authority that was borrowed. Then subtract the same amount on line 1022. Include recovered amounts obligated against *indefinite* borrowing authority that was *not* borrowed. Then subtract the same amount on line 1024. Include recovered amounts obligated against *indefinite* contract authority that was funded or *unfunded* contract authority. Then subtract the same amount on line 1025. Exclude any cancellations or downward adjustments of obligations incurred and outlayed in prior fiscal years since they must be accompanied by cash refunds. Cash refunds collected (i.e., recoveries of prior year obligations incurred and outlayed in prior fiscal years) are to be included on line 1700 or 1800. For upward adjustments, see detailed lines 2001 through 2103. Exclude recoveries of current year unpaid obligations, which will be netted against obligations on detailed lines 2001 through 2103. Exclude any adjustments to current year beginning balance recorded on lines 1020 and 3001.

Entry	Description
	For the final September 30 report before an account will be closed, all remaining unobligated and obligated balances must be canceled. To present these obligated balances as canceled, include the amount to be canceled, as a positive. Then, subtract the same amount on line 1029, *Other balances withdrawn*.
3050 Unpaid obligations, end of year	Equals the sum of the amounts on lines 3000, 3001, 3010, 3011, 3020, 3030, 3031, 3040, and 3041. For the final September 30 report before an expired account will be closed, the amounts on these lines should be zero.
Uncollected payments:	
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 (–)	Uncollected customer payments from other Federal Government accounts as of October 1of the current fiscal year. This amount will equal the sum of the beginning balance of (a) accounts receivable from other Federal Government accounts and the non- Federal (but only if specifically authorized by law to obligate against orders from the non-Federal) and (b) unfilled customers' orders from other Federal Government accounts not accompanied by an advance, unless specifically authorized by law to obligate against orders from the non-Federal. This line should equal line 3090 of the final SF 133 for the preceding year. Include uninvested balances; balances invested in Federal securities (par value), adjusted for unrealized discounts (a negative amount); and amounts obligated against contract authority.
3061 Adjustment to uncollected pymts, Fed sources, brought forward, Oct 1 (+ or –)	Changes to uncollected customer payments from Federal sources that occurred in a prior fiscal year and that were not recorded in the uncollected customer payments from Federal sources as of October 1 of the current fiscal year. These may be identified by the financial statement auditors, agency personnel, or others. Include adjustments posted to the agency financial system that are either material or non-material. When reporting to FACTS II, agencies will use an attribute to show that their USSGL account balances are not current-year activity—even though these balances would otherwise look like current-year activity. FACTS II will use this attribute to crosswalk these USSGL account balances to this adjustment line. OMB and the Department of the Treasury's FMS will review the FBWT component of the adjustments that agencies report to FACTS II each quarter. FMS will only backdate prior year adjustments on a transaction basis in a TAFS that round to $1 million or more. This range includes amounts greater than or equal to $500,000. Agencies should generally exclude reclassifications from clearing accounts to other TAFSs, but may consult OMB if they want to include some of these reclassifications as adjustments.

Entry	Description
	Exclude the following amounts from this line: • Downward adjustments of unpaid obligations incurred in prior fiscal years, as reported on line 1021, that were not outlayed; • Upward adjustments of obligations previously incurred as reported on detailed lines 2001 through 2103; and • Refunds collected from prior year obligations that have been outlayed to the appropriation of fund account charged with the original obligations as reported on lines 1700 and 1800. On the SF 133, material and non-material adjustments to the uncollected customer payments from Federal sources as of October 1 of the current fiscal year should be included on line 3011. On the Statement of Budgetary Resources, material amounts are part of the uncollected customer payments from Federal sources as of October 1 of the current fiscal year because the prior year's financial statements are restated.
3070 Change in uncollected pymts, Fed sources, unexpired accounts (+ or –)	Equals the sum of the amounts on lines 1701 and 1801, but with the opposite sign.
3071 Change in uncollected pymts, Fed sources, expired accounts (+ or –)	For *collections of receivables* included in either the net unpaid obligations or the unobligated balances brought forward, include, as a positive, the decrease in reimbursable receivables. Also include, as a positive, receivables written off. Amount of decrease (+) from October 1, in unfilled customer orders on hand from other Federal Government accounts that are valid obligations of the ordering account and are *not* accompanied by an advance.
3080 Uncollected pymts, Fed sources transferred to other accounts	Amount of uncollected customer payments from other Federal Government accounts actually transferred from this account to other accounts during the current fiscal year.
3081 Uncollected pymts, Fed sources transferred from other accounts (–)	Amount of uncollected customer payments from other Federal Government accounts actually transferred to this account from other accounts during the current fiscal year.
3090 Uncollected pymts, Fed sources, end of year (–)	Equals the sum of the amounts on lines 3060, 3061, 3070, 3071, 3080, and 3081. Do not include refunds receivable. Do not include unfilled customer orders from other Federal Government accounts accompanied by an advance or from non-Federal sources with an advance. See lines 1700 and 1800. For the final September 30 report before an expired account will be closed, the amounts on these lines should be zero.
Memorandum (Non-Add) Entries:	
3100 Obligated balance, start of year (+ or –)	Equals the sum of lines 3000, 3001, 3060 and 3061.
3200 Obligated balance, end of year (+ or –)	Equals the sum of detailed obligated balance lines: 3000, 3001, 3010, 3011, 3020, 3030, 3031, 3040, 3041, 3060, 3061, 3070, 3071, 3080, and 3081. Also, equals the sum of lines 3050 and 3090.

6. BUDGET AUTHORITY AND OUTLAYS, NET

Use the entries in the following table to prepare the "Budget Authority and Outlays, Net" section of the SF 133 and Schedule P. For additional guidance, see section 130 (SF 133) and section 82 (Combined Schedule X).

Entry	Discre-tionary	Man-datory	Description
Gross Budget Authority and Outlays:			
Budget authority, gross	4000	4090	Equals the sum of discretionary budget authority (lines 1100 through 1152, 1170 through 1174, 1300 through 1330, 1500 through 1531, and 1700 through 1742) [SF 133]. Equals the sum of discretionary budget authority (lines 1100 through 1139, 1170 through 1174, 1300 through 1320, 1500 through 1522, and 1700 through 1728) [Schedule P]. Equals the sum of mandatory budget authority (lines 1200 through 1252, 1270 through 1273, 1400 through 1430, 1600 through 1631, and 1800 through 1842) [SF 133]. Equals the sum of mandatory budget authority (lines 1200 through 1239, 1270 through 1273, 1400 through 1421, 1600 through 1622, and 1800 through 1827) [Schedule P].
Outlays, gross			
Outlays from new authority	4010	4100	Amount of obligations paid. Includes payments in the form of cash (currency, checks, or electronic fund transfers) and in the form of debt instruments (bonds, debentures, notes, or monetary credits) when they are used to pay obligations. Include refunds of payments made in the current year. Not applicable to *financing accounts.* For the Interest on the Public Debt account, "interest" includes both the interest paid and the change in interest payable for public issues of Treasury debt securities and for certain special issues (i.e., Government account series) of Treasury debt securities (see section 20.6). Exclude any adjustments to current year beginning balances recorded on lines 1021 and 3001. These are also known as "Disbursements." This is a positive amount. You should not use these lines for credit financing accounts.
Outlays from balances	4011	4101	
Outlays, gross (total)	4020	4110	Equals the sum of the amounts on lines 4010 through 4011. Equals the sum of the amounts on lines 4100 through 4101 except for financing accounts. Financing accounts will only have line 4110.
Offsets Against Gross Budget Authority and Outlays:			
Offsetting Collections (Collected) from:			
			Amount of reimbursements from other Federal Government accounts and other collections credited to the account from the beginning of the year to the end of the reporting period.

Entry	Discre-tionary	Man-datory	Description
			Include refunds of payments originally made in **prior** fiscal years that are received in the **current fiscal year**. Note: Refunds of payments made in the current fiscal year are netted against the appropriate detailed lines 2001 through 2103 and lines 4010, 4011, 4100, and 4101. These are also known as "Offsetting collections (collected)." This is a negative amount. Amount of cash credited to the account. (Includes refunds that pertain to obligations recorded in prior fiscal years, as long as the account has not been canceled.) Identify the source of the payment (see the descriptions below). Use subentries when there are significant amounts of different types of income, such as insurance premiums, loan repayments, interest, fees, etc. Exclude any adjustments to current year beginning balances recorded lines 1021 and 3011.
Federal sources (–)	4030	4120	Amount from other Federal Government accounts except interest received from investments in Federal securities and interest on uninvested funds. Include collections from general, special, trust, revolving, and management fund accounts as well as from off-budget Federal entities.
Interest on Federal securities (–)	4031	4121	Amount of interest on investments in marketable and nonmarketable Federal securities. Use for general and revolving fund accounts only. Include amount of amortized discount for investments in zero coupon bonds. Include amount of inflation compensation for investments in Treasury inflation indexed securities.
Interest on uninvested funds (–)	4032	4122	Amount of interest from Federal securities on balances not invested in marketable and nonmarketable Treasury securities.
Non-Federal sources (–)	4033	4123	Amount received from non-Federal sources as a result of business-type transactions (e.g., repayments of loan principal, interest on outstanding loans, user charges, sale of assets) and advances that accompany orders from non-Federal sources. Use line titles to identify separately the primary sources of collections. Small amounts may be aggregated. See exhibits 185C, 185F and 185I.
Offsetting governmental collections (–)	4034	4124	Amount received from non-Federal sources that arise from the Government's sovereign or governmental powers (e.g., tax receipts, regulatory fees, compulsory user charges, custom duties, license fees) but are required by law to be credited to the account (see section 20.7(d)). Use line titles to identify separately the primary sources of collections.
Offsets against gross budget authority and outlays (total) (–)	4040	4130	Equals the sum of the amounts on lines 4030 through 4034. Equals the sum of lines 4120 through 4124.

Entry	Discre-tionary	Man-datory	Description
Additional Offsets Against Gross Budget Authority only:			
Change in uncollected pymts, Fed sources, unexpired accounts (+ or –)	4050	4140	Equals the amount on line 1701 or 1801 respectively, but with the opposite sign. .
Change in uncollected pymts, Fed sources, expired accounts (+ or –)	4051	4141	Amount of increase (–) or decrease (+) in accounts receivable from Federal sources and unpaid, unfilled orders from Federal sources from the start of year to the end of year.
Offsetting collections credited to expired accounts	4052	4142	Amount of offsetting collections (collected) and refunds that pertain to an account that has expired but is not yet canceled (see section 20.10). Equals the amount on line 1700 plus the sum of the amounts on lines 4030 through 4034. Equals the amount on line 1800 plus the sum of the amounts on lines 4120 through 4124.
Anticipated offsetting collections (+ or –)	4053	4143	Amount of the current estimate of anticipated collections (for example, anticipated orders from Federal sources or anticipated refunds) expected for the remainder of the year. Amount of expenditure transfers anticipated for the remainder of the year. For direct loan financing accounts, include a current estimate for the rest of the year of the loan subsidy anticipated from the program account. Deposit advances (as defined in section 20.11) without orders from Federal customers in budget clearing account F3885 "Undistributed intergovernmental payments" until an order is received. Deposit advances without orders from non-Federal customers in deposit fund X6500 "Advances without orders from non-Federal sources". Do not include: • Transfers that have been made and included on lines 1710, 1711, 1810, or 1811. • Anticipated transfers that require legislation. Amount of the current estimate of additional capital transfers and redemption of debt anticipated in unexpired accounts derived from spending authority from offsetting collections for the remainder of the fiscal year under existing laws. No amount should be on this line on the September 30 report.
Additional offsets against budget authority only (total)	4060	4150	Equals the sum of the amounts on lines 4050, 4051, and 4053. [SF 133] Equals the sum of the amounts on lines 4050 and 4052. [Schedule P] Equals the sum of the amounts on lines 4140, 4141 and 4143.[SF 133]

Entry	Discre-tionary	Man-datory	Description
			Equals the sum of the amounts on lines 4140 and 4142. [Schedule P]
Budget authority, net	4070	4160	Equals the total new budget authority (gross) on line 4000 plus the amounts on lines 4030 through 4034 and on lines 4050, 4051, and 4053. [SF 133] Equals the total new budget authority (gross) on line 4000 plus the amounts on lines 4030 through 4034 and on lines 4050 and 4052. [Schedule P] Equals the total new budget authority (gross) on line 4090 plus the amounts on lines 4120 through 4124 and on lines 4140, 4141, and 4143. [SF 133] Equals the total new budget authority (gross) on line 4090 plus the amounts on lines 4120 through 4124 and on lines 4140 and 4142. [Schedule P]
Outlays, net	4080	4170	Equals the total outlays (gross) on lines 4010 through 4011 plus the amounts on lines 4030 through 4034. Equals the total outlays (gross) on lines 4110 plus the amounts on lines 4120 through 4124.
Budget Authority and Outlays, Net (total):			
Budget authority, net (total)	4180		Equals the sum of the amounts on lines 4070 and 4160. This line will always be used, even if the amount is zero.
Outlays, net (total)	4190		Equals the sum of the amounts on lines 4080 and 4170. This line will always be used, even if the amount is zero.

7. MEMORANDUM (NON-ADD) ENTRIES

Use the entries in the following table to prepare the "Memorandum (non-add) Entries" section of Schedule P. For additional guidance, see section 82 (Combined Schedule X).

Entry	Description
Investments in Federal securities:	*Report the par value of Federal securities; do not reflect unrealized discounts.*
5000 Total investments, SOY: Federal securities: Par value	Amount of start of year balances that have been invested in Federal securities, brought forward from the end of the preceding year.
5001 Total investments, EOY: Federal securities: Par value	Amount of end of year balances that have been invested in Federal securities.
Investments in non-Federal securities:	*Report the market value of non-Federal securities.*
5010 Total investments, SOY: non-Federal securities: Market value	Amount of start of year balances that have been invested in non-Federal securities, brought forward from the end of the preceding year.
5011 Total investments, EOY: non-Federal securities: Market value	Amount of end of year balances that have been invested in non-Federal securities.
Contract authority:	*Contract authority is unfunded. When appropriations or offsetting collections are provided to liquidate contract authority, the amounts*

Entry	Description
	are no longer considered to be contract authority, and the balance should no longer be included as contract authority.
5050 Unobligated balance, SOY: Contract authority	Unobligated balance of unfunded contract authority at the beginning of the year. Excludes contract authority for which spending authority from offsetting collections or appropriations to liquidate are not provided or requested.
5051 Unobligated balance, EOY: Contract authority	Unobligated balance of unfunded contract authority at the end of the year.
5052 Obligated balance, SOY: Contract authority	Obligated balance of unfunded contract authority at the beginning of the year. Excludes contract authority for which spending authority from offsetting collections or appropriations to liquidate are not provided or requested.
5053 Obligated balance, EOY: Contract authority	Obligated balance of unfunded contract authority at the end of the year.
5054 Fund balance in excess of liquidating requirements, SOY: Contract authority	Amount of appropriation to liquidate contact authority in excess of ability to incur obligations at the beginning of the year (either because the appropriation exceeds the contract authority available for obligation or the limitation on obligations).
5055 Fund balance in excess of liquidating requirements, EOY: Contract authority	Amount of appropriation to liquidate contact authority in excess of ability to incur obligations at the end of the year (either because the appropriation exceeds the contract authority available for obligation or the limitation on obligations).
5061 Limitation on obligations (Transportation trust funds)	Limitations on program levels that is enacted or proposed for the Department of Transportation non-revolving trust funds.
Outstanding debt(Special and Non-Revolving Trust Funds only):	*The amount of outstanding debt, SOY and EOY and borrowing including repayable advances. Only applies to special and non-revolving trust funds in USDA, DoC, DoE, DoL and RRB.*
5080 Outstanding debt, SOY(–)	Outstanding debt derived from repayable advance (borrowing authority) at the beginning of a year.
5081 Outstanding debt, EOY(–)	Outstanding debt derived from repayable advance (borrowing authority) at the end of a year. Equals the amount on line 5080 minus the sum of the amounts on detailed lines 1135, 1236, 1421, and 5082 for the special and non-revolving trust funds in USDA, DoL and RRB.
5082 Borrowing (–)	Borrowing exercised to be used to liquidate obligations.
Unavailable unobligated balances:	*The amount of offsetting collections that was previously precluded from obligation, or temporarily reduced but has not yet become budget authority available for obligation in general, revolving and non-revolving trust funds. Also, the amount of appropriations in revolving funds; the amount of borrowing authority in revolving, special, and non-revolving trust funds; and contract authority in special and non-revolving trust funds temporarily reduced by sequestration.*
5090 Unavailable balance, SOY: Offsetting collections	Unavailable balance of offsetting collections at the beginning of the year.
5091 Unavailable balance, EOY: Offsetting collections	Unavailable balance of offsetting collections at the end of the year. Equals the amount on line 5090 minus the sum of the amounts on lines 1702, 1723, 1725, 1802, 1823, and 1824.
5092 Unavailable balance, SOY: Appropriations	Unavailable balance of sequestered appropriations in revolving funds at the beginning of the year.
5093 Unavailable balance, EOY:	Unavailable balance of sequestered appropriations in revolving funds at

Entry	Description
Appropriations	the end of the year. Equals the amount on line 5092 minus the sum of the amounts on lines 1102, 1132, 1203 and1232 for revolving funds only.
5094 Unavailable balance, SOY: Contract authority	Unavailable balance of contract authority (i.e., sequestration only) in special and non-revolving trust funds at the beginning of the year.
5095 Unavailable balance, EOY: Contract authority	Unavailable balance of contract authority (i.e., sequestration only) in special and non-revolving trust funds at the end of year. Equals the amount on line 5094 minus the sum of the amounts on lines 1603 and 1621.
5096 Unavailable balance, SOY: Borrowing authority	Unavailable balance of borrowing authority in revolving, special and non-revolving trust funds at the beginning of the year.
5097 Unavailable balance, EOY: Borrowing authority	Unavailable balance of borrowing authority in revolving, special and non-revolving trust funds that was sequestered. Equals the amount on line 5096 minus the sum of the amounts on lines 1400 (i.e., only previously sequestered amount) and 1621.
Discretionary mandated transfers:	*The amount of discretionary transfers mandated by law.*
5100 Discretionary mandated transfer to other accounts (–)	Amount transferred to another account in the same year the authority becomes available for obligation when the transfer does not involve an obligation or an outlay.
	The line represents the discretionary transfers mandated by law included in line 1120. In exceptional cases, this line may represent the discretionary transfers mandated by law included in line 1010.
5101 Discretionary mandatory transfer from other accounts	Amount transferred to another account in the same year the authority becomes available for obligation when the transfer does not involve an obligation or an outlay.
	The line represents the discretionary transfers mandated by law included in line 1121. In exceptional cases, this line may represent the discretionary transfers mandated by law included in line 1011.

8. APPLICATION OF BUDGETARY RESOURCES

Use the entries in the following table to prepare the "Application of Budgetary Resources" section of the SF 132. For additional guidance, see sections 120 and 121 (SF 132).

Entry	Description
Apportioned:	When both Category A and Category B are used, insert a descriptive label on the Category A line to distinguish the amounts apportioned by quarter from the remaining amounts.
	All apportioned amounts by activity, project or object (Category B) should be positive. Amounts apportioned by time period (Category A) may be negative in order to reduce the cumulative amounts available. (See exhibit 121M).
Category A (by quarter)	Amount requested to be apportioned for each calendar quarter in the fiscal year.
6001 1st quarter	Apportionments previously approved are not subject to change after the close of the period for which the apportionment is made.

Entry	Description
6002 2nd quarter 6003 3rd quarter 6004 4th quarter	Where the cumulative amount apportioned through the current period is to be decreased below the cumulative amount previously apportioned through the end of the preceding period, revise the amount apportioned for the current period to a negative amount. (See exhibit 121M). The apportionment includes a column for Memo obligations. When submitting a reapportionment request for a TAFS that has incurred new obligations, include the obligations in this column. The obligations should agree with the obligations reported on the most recent SF 133 if more recent amounts are not available. You should provide the memo obligations for Category A or Category B apportioned amounts. You must include the date of the obligations on the same row as the BEA Category (See exhibit 121G).
Category B (by project)	Amounts requested to be apportioned on a basis other than calendar quarters, such as time periods other than quarters, activities, projects, objects, or a combination thereof (See section 120.9).
6011 [project name] 6012 [project name] 6013 [project name] 6014 [project name] ↓ 6110 [project name]	Include in the stub column a line number (8B1 through 8Bn) and a description of the activity, project, or object for which funds are requested. Coordinate the line number assigned to each number with the preparer of the SF 133 so that the same line numbers are used. Once a number is assigned, it should be reserved for that activity, project, or object only. Also, include the amount of obligations incurred for each Category B item as of the latest SF 133, if more recent amounts are not available. The periods covered by such amounts should be the same as the period for Category A. Where the SF 132 has insufficient space to list the categories by which apportionments are to be made or where apportionments are to be made both by activities (or projects or objects) and by time periods within the fiscal year, add lines to the SF 132. Other than adding lines to Category B, changes should not be made to the SF 132 without prior approval by OMB.
Category AB (by fiscal quarter and project) 6111 [project \ quarter] 6112 [project \ quarter] ↓ 6169 [project \ quarter]	Amounts requested to be apportioned by a combination of fiscal quarters and projects (See section 120.9).
Category C (for future years) 6170 [Designated 1st FY beyond the current year] 6171 [Designated 2nd FY beyond the current year] 6172 [Designated 3rd FY beyond the current year] 6173 [Designated 4th FY beyond the current year]	When you plan to obligate amounts appropriated in a no-year or multi-year TAFS over more than one fiscal year, you may propose to apportion funds planned for obligation after the current fiscal year into a subsequent fiscal year. Include the amount planned for obligation after the current fiscal year on lines 6170 through 6173, apportioned for future fiscal years. OMB will not apportion annual TAFSs and the last year of multi-year TAFSs for periods longer than one fiscal year, as this would be an impoundment (i.e., a deferral during the year, and a de-facto rescission after the funds expire).

Entry	Description
Unapportioned:	
6180 Withheld pending rescission	For instructions on the use of this line, see section 112.3.
6181 Deferred	For instructions on the use of this line, see section 112.3.
6182 Unapportioned balance of revolving fund	This line will be used primarily for public enterprise funds, intragovernmental revolving funds, and trust funds that are subject to apportionment. For these types of funds, include the amount of budgetary resources that is not apportioned (made available for obligation) in order to preserve a portion of the fund's capital so it can continue to revolve and be available for its authorized purposes (see section 20.13(a)). Typically, in a guaranteed loan financing account, include the uninvested funds that serve as a reserve against loan guarantee defaults on this line. Do not include amounts deferred or proposed for rescission on this line. The amount on this line should equal the amount shown on line 1920, less the amounts apportioned on lines 6001 through 6173, less any amounts withheld pending rescission on line 6180 or deferred on line 6181.
6183 Exempt from apportionment	For accounts that have both apportioned and exempt from apportionment amounts, identify the amount of the exempt from apportionment portion.
6190 Total budgetary resources available	Sum of the amounts on lines 6001 through 6173, 6180, 6181, 6182 and 6183. This amount equals the amount reported on line 1920.

9. UNFUNDED DEFICIENCIES

Use the entries in the following table to prepare the "Budgetary Resources" section of the SF 133 and Schedule P. For additional guidance, see section 130 (SF 133) and section 82 (Combined Schedule X). Note: See section 145 for additional reporting requirements on deficiencies.

Entry	Description
7000 Unfunded deficiency, start of year (–)	Amount of obligations included in unpaid obligations, start of year that exceeded the resources available when the obligations were incurred and will require an appropriation or offsetting collections to liquidate the deficiency.
7010 New deficiency (–)	Includes only amount of obligations (as of the end of the year) that exceeds the budgetary resources available for obligation or amount of obligations that exceeds budgetary resources deferred or withheld pending rescission and requires an appropriation or future offsetting collections to liquidate. Does not include obligations in excess of apportionments, allotments, or other agency subdivisions of funds even though such amounts are reportable as a violation of the Antideficiency Act. Use this entry in the year in which the deficiency is incurred.
7011 Deficiency appropriation	Amount of new appropriations or offsetting collections specifically applied by law to deficiencies. Equals the sum of the amounts on detailed lines 1136 and 1237.

Entry	Description
7012 New budget authority used to liquidate deficiencies	Amount of budgetary resources used to liquidate deficiencies other than those specifically applied to deficiencies by law. Equals the amount on line 1901, with the opposite sign.
7020 Unfunded deficiency, end of year (–)	Amount of obligations included in unpaid obligations, end of year that exceeded the resources available when the obligations were incurred and will require an appropriation or offsetting collections to liquidate the deficiency. Equals the sum of the amounts on lines 7000 through 7011.

10. GUARANTEED LOAN LEVELS AND APPLICATIONS

Use the entries in the following table to prepare the "Guaranteed Loan Levels and Applications" section of the SF 132. For additional guidance, see section 185 (Federal Credit).

Entry
Guaranteed Loan Limitation
8000 Program Level, Current Year
8100 Program Level, Unused from prior year
Application of Guaranteed Loan Limitation
8201 Application, Category A, First quarter
8202 Application, Category A, Second quarter
8203 Application, Category A, Third quarter
8204 Application, Category A, Fourth quarter
8211 Application, Category B [project level] or risk category
↓
8235 Application, Category B [project level] or risk category

11. STATEMENT OF BUDGETGARY RESOURCES

While the above entries include tables to prepare the SF 133, Report on Budget Execution and Budgetary Resources, the Statement of Budgetary Resources is a financial statement that is based on the SF 133 format but only includes the following lines. Refer to OMB Circular No. A-136 for guidance on preparing financial statements. The descriptions below identify the relationships of the lines of the SBR with the lines on the SF 133 and Schedule P.

Entry		Description
Budgetary Resources:		
1000	Unobligated balance brought forward, Oct 1	See description above. This line is common to the SF 132, SF 133, schedule P and SBR.
1020	Adjustment to unobligated balance, brought forward, Oct 1 (+ or –)	See description above. This line is common to the SF 133, Schedule P and SBR. Limited to the material components that lead to restatement of the SBR. Immaterial adjustments are shown

Entry		Description
		on the SBR as current year activity. Refer to OMB Circular No. A-136 for further details.
1020.5	Unobligated balance brought forward, Oct 1, as adjusted	Sum of lines 1000 and 1020 on the SF 133 and Schedule P. See description above.
1021	Recoveries of prior year unpaid obligations	See description above. This line is common to the SF 133, Schedule P and SBR.
1043	Other changes in unobligated balance (+ or –)	Sum of lines 1010 through 1013, and 1022 through 1042.
1051	Unobligated balance from prior year budget authority, net	Equals line 1050 of the SF 133 and Schedule P. See description above.
1290	Appropriations (discretionary and mandatory)	Sum of lines 1100 through 1152, 1170 through 1174, 1200 through 1252, and 1270 through 1273 on the SF 133.
1490	Borrowing authority (discretionary and mandatory)	Sum of lines 1300 through 1330 and 1400 through 1430 on the SF 133.
1690	Contract authority (discretionary and mandatory)	Sum of lines 1500 through 1531 and 1600 through 1631 on the SF 133.
1890	Spending authority from offsetting collections (discretionary and mandatory)	Sum of lines 1700 through 1742 and 1800 through 1842 on the SF 133.
1910	Total budgetary resources	See description above. This line is common to the SF 133 and SBR. Equals Schedule P line 1930 but only for unexpired amounts.
Status of Budgetary Resources:		
2190	Obligations incurred	Sum of lines 2001 through 2003 and 2101 through 2103 on the SF 133. See descriptions above.
2204	Apportioned	Sum of lines 2201 through 2203 on the SF 133. See descriptions above.
2304	Exempt from apportionment	Sum of lines 2301 through 2303 on the SF 133. See descriptions above.
2404	Unapportioned	Sum of lines 2401 through 2403 on the SF 133. See descriptions above.
2490	Unobligated balance, end of year	Sum of lines 2204, 2304 and 2404 on the SBR.
2500	Total budgetary resources	See description above. This line is common to the SF 133 and SBR.
Change in Obligated Balance:		
Unpaid obligations:		
3000	Unpaid obligations, brought forward, Oct 1	See description above. This line is common to the SF 133, Schedule P and SBR.
3006	Adjustment to unpaid obligations, start of year (+ or –)	Equals line 3001 on the SF 133 and Schedule P. See descriptions above. Limited to the material components that lead to restatement of the SBR. Immaterial adjustments are shown on the SBR as current year activity. Refer to OMB Circular No. A-136 for further details.

Entry		Description
3012	Obligations incurred	Sum of lines 3010 and 3011 on the SF 133 and Schedule P. See descriptions above.
3020	Outlays (gross) (–)	See description above. This line is common to the SF 133, Schedule P and SBR.
3032	Actual transfers, unpaid obligations (net) (+ or –)	Sum of lines 3030 and 3031 on the SF 133 and Schedule P. See descriptions above.
3042	Recoveries of prior year unpaid obligations (–)	Sum of lines 3040 and 3041 on the SF 133 and Schedule P. See descriptions above.
3050	Unpaid obligations, end of year	See description above. This line is common to the SF 133, Schedule P and SBR.
Uncollected payments:		
3060	Uncollected pymts, Fed sources, brought forward, Oct 1(–)	See description above. This line is common to the SF 133, Schedule P and SBR.
3066	Adjustment to uncollected pymts, Fed sources, start of year (+ or –)	Equals line 3061 on the SF 133 and Schedule P. See descriptions above. Limited to the material components that lead to restatement of the SBR. Immaterial adjustments are shown on the SBR as current year activity. Refer to OMB Circular No. A-136 for further details.
3072	Change in uncollected pymts, Fed sources (+ or –)	Sum of lines 3070 and 3071 on the SF 133 and Schedule P. See descriptions above.
3082	Actual transfers, uncollected pymts, Fed sources (net) (+ or –)	Sum of lines 3080 and 3081 on the SF 133 and Schedule P. See descriptions above.
3090	Uncollected customer pymts, Fed sources, end of year (–)	See description above. This line is common to the SF 133, Schedule P and SBR.
Memorandum (Non-Add) Entries:		
3100	Obligated balance, start of year (+ or –)	See description above. This line is common to the SF 133, Schedule P and SBR.
3200	Obligated balance, end of year (+ or –)	See description above. This line is common to the SF 133, Schedule P and SBR.
Budget Authority and Outlays, Net:		
4175	Budget authority, gross (discretionary and mandatory)	Sum of lines 4000 and 4090 on the SF 133 and Schedule P. See descriptions above.
4177	Actual offsetting collections (discretionary and mandatory) (–)	Sum of lines 4030 through 4034 and 4120 through 4124 on the SF 133 and Schedule P. See descriptions above.
4178	Change in uncollected customer payments from Federal sources (discretionary and mandatory) (+ or –)	Sum of lines 4050, 4051, 4140, and 4141 on the SF 133 and Schedule P. See descriptions above.
4179	Anticipated offsetting collections (discretionary and mandatory) (+ or –)	Sum of lines 4053 and 4143 on the SF 133. See descriptions above.
4180	Budget authority, net (discretionary and mandatory)	See description above. This line is common to the SF 133, Schedule P and SBR.

Entry		Description
4185	Outlays, gross (discretionary and mandatory)	Sum of lines 4010, 4011, 4100 and 4101 on the SF 133 and Schedule P. See descriptions above.
4187	Actual offsetting collections (discretionary and mandatory) (–)	Sum of lines 4030 through 4034 and 4120 through 4124 on the SF 133 and Schedule P. See descriptions above.
4190	Outlays, net (discretionary and mandatory)	See description above. This line is common to the SF 133, Schedule P and SBR.
4200	Distributed offsetting receipts (–)	Collections that are offset against gross outlays and budget authority but are not authorized to be credited to expenditure accounts are credited to receipt accounts and are offset at the agency level.
4210	Agency outlays, net (discretionary and mandatory)	Sum of line 4190 minus 4200.

12. HOW DO I TREAT EXTENSIONS OF THE AVAILABILITY OF UNOBLIGATED BALANCES?

Extensions of the availability of unobligated balances of budget authority are treated as new budget authority (e.g., reappropriations) or balance transfers depending on:

- The underlying authority to extend the availability; and
- Whether availability is extended before or after the balances have expired.

Based on the factors above, the extensions are shown as follows:

(a) *Apportionment*

Reappropriations described in paragraph (a) are reflected on line 1105: "BA: Disc: Reappropriation", and 1204: "BA: Mand: Reappropriation." Initial apportionments for FY 2009 should reflect an estimate of the amount to be reappropriated from the estimated expiring FY 2008 balances. A reapportionment may be required after the actual amount of the expiring balances is known. You may wish to reflect these amounts on lines 1134, "BA: Disc: Appropriations precluded from obligation," or 1234, "BA: Mand: Appropriations precluded from obligation" until an appropriate time after the required reprogramming notice has been transmitted to Congress.

Balance transfer amounts from expired to unexpired funds, described in paragraph (b) are reflected on line 1012: " Unob Bal: Expired balance transfer to unexpired acct."

(b) *SF 133 Report on Budget Execution and Budgetary Resources*

For the SF 133 for September 30, all expiring balances, including amounts subject to reappropriation or balance transfer in the following fiscal year, should be reflected on either line 2201 "Unob Bal: Apportioned: Avail in the current period" or line 2403 "Unob Bal: Unapportioned: Other," as appropriate.

SF 133s prepared for later years should treat reappropriations and balance transfers in the same manner as the apportionment in the available columns. For reappropriations, the amounts moved from the expired TAFS to the available TAFS should show as negative amounts on lines 1131 or 1230 (see exhibit 130G). For balance transfers, the amounts moved from the expired TAFS to the available TAFS should show as negative amounts on line 1012.

(Treasury Financial Manual U.S. Government Standard General Ledger Supplement, which contains crosswalks from the U.S. Standard General Ledger to the SF 133, FMS 2108, and Program and Financing Schedule, is available at http://www.fms.treas.gov/ussgl/index.html).

(c) *Schedule P of the President's Budget*

When the MAX A–11 database opens, all amounts expiring on September 30 of the prior year should be reflected on schedule P line 1940 " Unobligated balance expiring (memorandum)" in the prior year column.

Amounts reappropriated (such as the example in paragraph (a)) should be reflected on line 1105 " BA: Disc: Reappropriation" in the current year column.

Amounts treated as balance transfers between expired to unexpired funds (such as the example in paragraph (b)) should be reflected on line 1012 " Unob Bal: Expired balance transf to unexpired acct" in the 2012 column.

Extensions of the Availability of Unobligated Balances

If the authority is provided by...	Then the extension is treated as...
A standing provision of law *enacted before* the budget authority was provided.	For unexpired funds: *BA transfer* if the transfer occurs in the same year the resource became available for obligation; *balance transfer* for transfers of prior year resources. For expired funds: *Balance transfer* for transfers of prior year resources.
A provision *enacted in the same law* that provides the budget authority.	For unexpired funds: *BA transfer* if the transfer occurs in the same year the resource became available for obligation; *balance transfer* for transfers of prior year resources. For expired funds: *Balance transfer* for transfers of prior year resources.
Legislation *enacted after* the budget authority was provided.	For unexpired funds: *BA transfer* if the transfer occurs in the same year the resource became available for obligation; *balance transfer* for transfers of prior year resources. For expired funds: *Reappropriation* if the transfer occurs in the year for which the legislation is enacted; *balance transfer* for transfers in subsequent years.

Line Numbers for the SF 132, SF 133, Schedule P and SBR

Line No	Line Description	Applicability[1] to SF 132	SF 133	Sched P	SBR
	OBLIGATIONS BY PROGRAM ACTIVITY	No	No	Yes	No
	Direct obligations:				
0001-0700	Direct Program Activity			U	
	Credit program obligations:				
0701	Direct loan subsidy			U	
0702	Loan guarantee subsidy			U	
0703	Subsidy for modifications of direct loans			U	
0704	Subsidy for modifications of loan guarantees			U	
0705	Reestimates of direct loan subsidy			U	
0706	Interest on reestimates of direct loan subsidy			U	
0707	Reestimates of loan guarantee subsidy			U	
0708	Interest on reestimates of loan guarantee subsidy			U	
0709	Administrative expenses			U	
0710	Direct loan obligations			U	
0711	Default claim payments on principal			U	
0712	Default claim payments on interest			U	
0713	Payment of interest to Treasury			U	
0715-0739	Other			U	
0740	Negative subsidy obligations			U	
0741	Modification savings			U	
0742	Downward reestimate paid to receipt account			U	
0743	Interest on downward reestimates			U	
0744	Adjusting payments to liquidating account			U	
	Reimbursable obligations:				
0801-0899	Reimbursable Program Activity			U	
0900	Total new obligations			U	
	BUDGETARY RESOURCES	Yes	Yes	Yes	Yes
	Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	U	U/E	U	U/E
1001	Discretionary unobligated balance brought forward, Oct 1			U	
1010	Unobligated balance transferred to other accounts (-)	U	U/E	U	[U/E][3]
1011	Unobligated balance transferred from other accounts	U	U/E	U	[U/E][3]
1012	Unobligated balance transfers between expired and unexpired accounts	U	U/E	U	[U/E][3]
1013	Unobligated balance of contract authority transferred to or from other accounts (net) (+ or -)	U	U	U	[U][3]
1020	Adjustment of unobligated balance brought forward, Oct 1 (+ or -)	U	U/E	U	U/E
1020.5	Unobligated balance, brought forward, Oct 1, as adjusted				U/E
1021	Recoveries of prior year unpaid obligations	U	U/E	U	U/E
1022	Capital transfer of unobligated balances to general fund (-)	U	U/E	U	[U/E][3]
1023	Unobligated balances applied to repay debt (-)	U	U/E	U	[U/E][3]
1024	Unobligated balance of borrowing authority withdrawn (-)	U	U	U	[U][3]
1025	Unobligated balance of contract authority withdrawn (-)	U	U	U	[U][3]
1026	Adjustment for change in allocation of trust fund limitation or foreign exchange valuation	U	U/E	U	[U/E][3]
1027	Adjustment in unobligated balances for change in investments of zero coupon bonds (special and non-revolving trust funds)	U	U	U	[U][3]
1028	Adjustment in unobligated balances for change in investments of zero coupon bonds (revolving funds)	U	U	U	[U][3]
1029	Other balances withdrawn (-)	U	U/E	U	[U/E][3]
1031	Refunds and recoveries temporarily precluded from obligation (special and trust funds) (-)	U	U	U	[U][3]
1040	Anticipated nonexpenditure transfers of unobligated balances (net) (+ or -)	U	U[2]		[U[2]][3]
1041	Anticipated recoveries of prior year unpaid obligations	U	U[2]		[U[2]][3]
1042	Anticipated capital transfers and redemption of debt (unobligated balance) (-)	U	U[2]		[U[2]][3]
1043	Other changes in unobligated balance (+ or -)				U/E
1050	Unobligated balance (total)	U	U/E	U	

+Updated line

[1]Applicability to Unexpired Accounts is noted with a U and Expired Accounts is noted with an E

[2]No entry in Fourth Quarter

[3]Included in line 1043.

Line Numbers for the SF 132, SF 133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to SF 132	SF 133	Sched P	SBR	
	BUDGETARY RESOURCES cont.	Yes	Yes	Yes	Yes	
1051	Unobligated balance from prior year budget authority, net				U/E	
1060	Expired unobligated balance brought forward, Oct 1		E			+
	Expired unobligated balance available for adjustment only:					
1070	Expired unobligated balance transferred to other accounts (-)		E			+
1071	Expired unobligated balance transferred from other accounts		E			+
1072	Expired unobligated balance transfers between expired and unexpired accounts		E			+
1080	Adjustment of expired unobligated balance brought forward, Oct 1 (+ or -)		E			+
1081	Recoveries of prior year unpaid obligations in expired accounts		E			+
1082	Capital transfer of expired unobligated balances to general fund (-)		E			+
1083	Expired unobligated balances applied to repay debt (-)		E			+
1086	Adjustment for change in allocation of trust fund limitation in expired accounts		E			+
1089	Other expired unobligated balances withdrawn (-)		E			+
1099	Expired unobligated balance (total)		E			
	Budget authority:					
	Appropriations, discretionary:					
1100	Appropriation	U	U	U	[U][4]	
1101	Appropriation (special or trust fund)	U	U/E	U	[U/E][4]	
1102	Appropriation (previously unavailable)	U	U/E	U	[U/E][4]	+
1103	Appropriation available from subsequent year	U	U	U	[U][4]	
1104	Appropriation available in prior year (-)	U	U	U	[U][4]	
1105	Reappropriation	U	U	U	[U][4]	
1120	Appropriations transferred to other accounts (-)	U	U/E	U	[U/E][4]	
1121	Appropriations transferred from other accounts	U	U/E	U	[U/E][4]	
1130	Appropriations permanently reduced (-)	U	U	U	[U][4]	
1131	Unobligated balance of appropriations permanently reduced (-)	U	U/E	U	[U/E][4]	
1132	Appropriations temporarily reduced (-)	U	U	U	[U][4]	
1133	Unobligated balance of appropriations temporarily reduced (-)	U	U	U	[U][4]	
1134	Appropriations precluded from obligation (-)	U	U	U	[U][4]	
1135	Appropriations applied to repay debt (-)	U	U	U	[U][4]	
1136	Deficiency appropriation (-)	U	U	U	[U][4]	
1137	Appropriations applied to liquidate contract authority (-)	U	U	U	[U][4]	
1138	Appropriations applied to liquidate contract authority withdrawn (-)	U	U	U	[U][4]	
1139	Appropriations substituted for borrowing authority (-)	U	U	U	[U][4]	
1150	Anticipated appropriation (+ or -)	U	U[2]		[U[2]][4]	
1151	Anticipated nonexpenditure transfers of appropriations (net) (+ or -)	U	U[2]		[U[2]][4]	
1152	Anticipated capital transfers and redemption of debt (appropriations) (-)	U	U[2]		[U[2]][4]	+
1160	Appropriation, discretionary (total)	U	U/E	U		
	Advance appropriations, discretionary:					
1170	Advance appropriation	U	U	U	[U][4]	
1171	Advance appropriation (special or trust fund)	U	U	U	[U][4]	
1173	Advance appropriations permanently reduced (-)	U	U	U	[U][4]	
1174	Advance appropriations temporarily reduced (-)	U	U	U	[U][4]	
1180	Advance appropriation, discretionary (total)	U	U	U		
	Appropriations, mandatory:					
1200	Appropriation	U	U/E	U	[U/E][4]	
1201	Appropriation (special or trust fund)	U	U/E	U	[U/E][4]	
1203	Appropriation (previously unavailable)	U	U/E	U	[U/E][4]	+
1204	Reappropriation	U	U	U	[U][4]	
1220	Appropriations transferred to other accounts (-)	U	U/E	U	[U/E][4]	
1221	Appropriations transferred from other accounts	U	U/E	U	[U/E][4]	

+Updated line
[1]Applicability to Unexpired Accounts is noted with a U and Expired Accounts is noted with an E
[2]No entry in Fourth Quarter
[4]Included in line 1290.

Line Numbers for the SF 132, SF 133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to SF 132	SF 133	Sched P	SBR	
	BUDGETARY RESOURCES cont.	Yes	Yes	Yes	Yes	
1230	Appropriations and/or unobligated balance of appropriations permanently reduced (-)	U	U/E	U	[U/E][4]	
1232	Appropriations and/or unobligated balance of appropriations temporarily reduced (-)	U	U	U	[U][4]	
1234	Appropriations precluded from obligation (-)	U	U	U	[U][4]	+
1235	Capital transfer of appropriations to general fund (-)	U	U	U	[U][4]	+
1237	Deficiency appropriation (-)	U	U	U	[U][4]	
1236	Appropriations applied to repay debt (-)	U	U	U	[U][4]	
1237	Deficiency appropriation (-)	U	U	U	[U][4]	
1238	Appropriations applied to liquidate contract authority (-)	U	U	U	[U][4]	
1239	Appropriations substituted for borrowing authority (-)	U	U	U	[U][4]	
1250	Anticipated appropriation (+ or -)	U	U[2]		[U[2]][4]	
1251	Anticipated nonexpenditure transfers of appropriations (net) (+ or -)	U	U[2]		[U[2]][4]	
1252	Anticipated capital transfers and redemption of debt (appropriations) (-)	U	U[2]		[U[2]][4]	+
1260	Appropriations, mandatory (total)	U	U/E	U		
	Advance appropriations, mandatory:					
1270	Advance appropriation	U	U	U	[U][4]	
1271	Advance appropriation (special or trust fund)	U	U	U	[U][4]	
1272	Advance appropriations permanently reduced (-)	U	U	U	[U][4]	
1273	Advance appropriations temporarily reduced (-)	U	U	U	[U][4]	
1280	Advance appropriation, mandatory (total)	U	U	U		
1290	Appropriations (discretionary and mandatory)				U/E	
	Borrowing authority, discretionary:					
1300	Borrowing authority	U	U	U	[U][5]	
1320	Borrowing authority permanently reduced (-)	U	U	U	[U][5]	
1330	Anticipated reductions to current fiscal year borrowing authority (-)	U	U[2]		[U[2]][5]	
1340	Borrowing authority, discretionary (total)	U	U	U		
	Borrowing authority, mandatory:					
1400	Borrowing authority	U	U	U	[U][5]	
1420	Borrowing authority permanently reduced (-)	U	U	U	[U][5]	
1421	Borrowing authority temporarily reduced (-)	U	U	U	[U][5]	+
1422	Borrowing authority applied to repay debt (-)	U	U	U	[U][5]	+
1430	Anticipated reductions to current fiscal year borrowing authority (-)	U	U[2]		[U[2]][5]	
1440	Borrowing authority, mandatory (total)	U	U	U		
1490	Borrowing authority (discretionary and mandatory)				U	
	Contract authority, discretionary:					
1500	Contract authority	U	U	U	[U][6]	
1510	Contract authority transferred to other accounts (-)	U	U/E	U	[U/E][6]	
1511	Contract authority transferred from other accounts	U	U/E	U	[U/E][6]	
1520	Contract authority and/or unobligated balance of contract authority permanently reduced (-)	U	U	U	[U][6]	
1522	Contract authority precluded from obligation (limitation on obligations) (-)	U	U	U	[U][6]	
1530	Anticipated nonexpenditure transfers of contract authority (net) (+ or -)	U	U[2]		[U[2]][6]	
1531	Anticipated adjustments to current year contract authority (+ or -)	U	U[2]		[U[2]][6]	
1540	Contract authority, discretionary (total)	U	U/E	U		

+Updated line

[1]Applicability to Unexpired Accounts is noted with a U and Expired Accounts is noted with an E

[2]No entry in Fourth Quarter

[4]Included in line 1290.

[5]Included in line 1490.

[6]Included in line 1690.

Line Numbers for the SF 132, SF 133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to SF 132	SF 133	Sched P	SBR	
	BUDGETARY RESOURCES cont.	Yes	Yes	Yes	Yes	
	Contract authority, mandatory:					
1600	Contract authority	U	U	U	[U][6]	
1603	Contract authority (previously unavailable)	U	U	U	[U][6]	+
1610	Contract authority transferred to other accounts (-)	U	U/E	U	[U/E][6]	
1611	Contract authority transferred from other accounts	U	U/E	U	[U/E][6]	
1620	Contract authority and/or unobligated balance of contract authority permanently reduced (-)	U	U	U	[U][6]	
1621	Contract authority temporarily reduced (-)	U	U	U	[U][6]	+
1622	Contract authority precluded from obligation (limitation on obligations)(-)	U	U	U	[U][6]	
1630	Anticipated nonexpenditure transfers of contract authority (net) (+ or -)	U	U[2]		[U[2]][6]	
1631	Anticipated adjustments to current year contract authority (+ or -)	U	U[2]		[U[2]][6]	
1640	Contract authority, mandatory (total)	U	U/E	U		
1690	Contract authority (discretionary and mandatory)				U/E	
	Spending authority from offsetting collections, discretionary:					
1700	Collected	U	U/E	U	[U/E][7]	
1701	Change in uncollected payments, Federal sources (+ or -)	U	U/E	U	[U/E][7]	
1702	Offsetting collections (previously unavailable)	U	U	U	[U][7]	
1710	Spending authority from offsetting collections transferred to other accounts (-)	U	U	U	[U][7]	
1711	Spending authority from offsetting collections transferred from other accounts	U	U	U	[U][7]	
1720	Capital transfer of spending authority from offsetting collections to general fund (-)	U	U	U	[U][7]	
1722	Spending authority from offsetting collections permanently reduced (-)	U	U	U	[U][7]	
1723	New and/or unobligated balance of spending authority from offsetting collections temporarily reduced (-)	U	U	U	[U][7]	
1725	Spending authority from offsetting collections precluded from obligation (limitation on obligations) (-)	U	U	U	[U][7]	
1726	Spending authority from offsetting collections applied to repay debt (-)	U	U	U	[U][7]	
1727	Spending authority from offsetting collections applied to liquidate contract authority (-)	U	U	U	[U][7]	
1728	Spending authority from offsetting collections substituted for borrowing authority (-)	U	U	U	[U][7]	
1740	Anticipated collections, reimbursements, and other income	U	U[2]		[U[2]][7]	
1741	Anticipated nonexpenditure transfers of spending authority from offsetting collections (net) (+ or -)	U	U[2]		[U[2]][7]	
1742	Anticipated capital transfers and redemption of debt (spending authority from offsetting collections) (-)	U	U[2]		[U[2]][7]	
1750	Spending authority from offsetting collections, discretionary (total)	U	U/E	U		
	Spending authority from offsetting collections, mandatory:					
1800	Collected	U	U/E	U	[U/E][7]	
1801	Change in uncollected payments, Federal sources (+ or -)	U	U/E	U	[U/E][7]	
1802	Offsetting collections (previously unavailable)	U	U	U	[U][7]	

[1]Applicability to Unexpired Accounts is noted with a U and Expired Accounts is noted with an E
[2]No entry in Fourth Quarter
[6]Included in line 1690.
[7]Included in line 1890.

Line Numbers for the SF 132, SF 133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to SF 132	SF 133	Sched P	SBR	
	BUDGETARY RESOURCES cont.	Yes	Yes	Yes	Yes	
1810	Spending authority from offsetting collections transferred to other accounts (-)	U	U	U	[U][7]	
1811	Spending authority from offsetting collections transferred from other accounts	U	U	U	[U][7]	
1820	Capital transfer of spending authority from offsetting collections to general fund (-)	U	U	U	[U][7]	
1822	Spending authority from offsetting collections permanently reduced (-)	U	U	U	[U][7]	+
1823	New and/or unobligated balance of spending authority from offsetting collections temporarily reduced (-)	U	U	U	[U][7]	
1824	Spending authority from offsetting collections precluded from obligation (limitation on obligations) (-)	U	U	U	[U][7]	
1825	Spending authority from offsetting collections applied to repay debt (-)	U	U	U	[U][7]	
1826	Spending authority from offsetting collections applied to liquidate contract authority (-)	U	U	U	[U][7]	
1827	Spending authority from offsetting collections substituted for borrowing authority (-)	U	U	U	[U][7]	
1840	Anticipated collections, reimbursements, and other income	U	U[2]		[U[2]][7]	
1841	Anticipated nonexpenditure transfers of spending authority from offsetting collections (net) (+ or -)	U	U[2]		[U[2]][7]	
1842	Anticipated capital transfers and redemption of debt (spending authority from offsetting collections) (-)	U	U[2]		[U[2]][7]	
1850	Spending authority from offsetting collections, mandatory (total)	U	U/E	U		
1890	Spending authority from offsetting collections (discretionary and mandatory)				U/E	
1900	Budget authority (total)	U	U/E	U		
1901	Adjustment for new budget authority used to liquidate deficiencies (-)	U	U	U		
1910	Total budgetary resources		U/E		U/E	
1920	Total budgetary resources available	U				
1930	Total budgetary resources available			U		
	Memorandum (non-add) entries:					
1940	Unobligated balance expiring (-)			U/E		
1941	Unexpired unobligated balance, end of year			U		
	Special and non-revolving trust funds only:					
1950	Other balances withdrawn and returned to unappropriated receipts			U		+
1951	Unobligated balance expiring			U		
1952	Expired unobligated balance, start of year			E		
1953	Expired unobligated balance, end of year			E		
1954	Unobligated balance canceling			E		
1955	Other balances withdrawn and returned to general fund			U		+
	STATUS OF BUDGETARY RESOURCES	No	Yes	No	Yes	
	Obligations incurred					
	Direct					
2001	Category A (by quarter)		U/E		[U/E][8]	

+Updated line

[1]Applicability to Unexpired Accounts is noted with a U and Expired Accounts is noted with an E

[2]No entry in Fourth Quarter

[7]Included in line 1890.

[8]Included in line 2190.

Line Numbers for the SF 132, SF 133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to SF 132	SF 133	Sched P	SBR
	STATUS OF BUDGETARY RESOURCES cont.	No	Yes	No	Yes
2002	Category B (by project)		U/E		[U/E][8]
2003	Exempt from apportionment		U/E		[U/E][8]
2004	Direct obligations (total)		U/E		
	Reimbursable				
2101	Category A (by quarter)		U/E		[U/E][8]
2102	Category B (by project)		U/E		[U/E][8]
2103	Exempt from apportionment		U/E		[U/E][8]
2104	Reimbursable obligations (total)		U/E		
2190	Obligations incurred		U/E		U/E
	Unobligated balance				
	Apportioned				
2201	Available in the current period		U		[U][9]
2202	Available in subsequent periods		U		[U][9]
2203	Anticipated (+ or -)		U[2]		[U[2]][9]
2204	Apportioned				U
	Exempt from apportionment				
2301	Available in the current period		U		[U][10]
2302	Available in subsequent periods		U		[U][10]
2303	Anticipated (+ or -)		U[2]		[U[2]][10]
2304	Exempt from apportionment				U
	Unapportioned				
2401	Deferred		U		[U][11]
2402	Withheld pending rescission		U		[U][11]
2403	Other		U/E		[U/E][11]
2404	Unapportioned				U/E
2413	Expired unobligated balance: end of year		E		+
2490	[Total] Unobligated balance, end of year		U/E		U/E
2500	Total budgetary resources		U/E		U/E
	Memorandum (non-add) entries:				
2501	Subject to apportionment		U/E		
2502	Exempt from apportionment		U/E		
2503	Direct unobligated balance, end of year		U/E		
2504	Reimbursable unobligated balance, end of year		U/E		
	CHANGE IN OBLIGATED BALANCE	No	Yes	Yes	Yes
	Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1		U/E	U/E	U/E
3001	Adjustments to unpaid obligations, brought forward, Oct 1 (+ or -)		U/E	U/E	[U/E][12]
3006	Adjustment to obligated balance, start of year (+ or -)				U/E
3010	Obligations incurred, unexpired accounts		U	U	[U][13]
3011	Obligations incurred, expired accounts		E	E	[E][13]
3012	Obligations incurred				U/E
3020	Outlays (gross) (-)		U/E	U/E	U/E
3030	Unpaid obligations transferred to other accounts (-)		U/E	U/E	[U/E][14]
3031	Unpaid obligations transferred from other accounts		U/E	U/E	[U/E][14]
3032	Actual transfers, unpaid obligations (net) (+ or -)				U/E

+Updated line
[2]No entry in Fourth Quarter
[8]Included in line 2190.
[9]Included in line 2204.
[11]Included in line 2404.
[12]Included in line 3006.
[13]Included in line 3012.
[14]Included in line 3032.

Line Numbers for the SF 132, SF 133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to SF 132	SF 133	Sched P	SBR
	CHANGE IN OBLIGATED BALANCE cont.	No	Yes	Yes	Yes
3040	Recoveries of prior year unpaid obligations, unexpired accounts (-)		U	U	[U][15]
3041	Recoveries of prior year unpaid obligations, expired accounts (-)		E	E	[E][15]
3042	Recoveries of prior year unpaid obligations (-)				U/E
3050	Unpaid obligations, end of year		U/E	U/E	U/E
	Uncollected payments:				
3060	Uncollected pymts, Fed sources, brought forward, Oct 1 (-)		U/E	U/E	U/E
3061	Adjustments to uncollected pymts, Fed sources, brought forward, Oct 1 (+ or -)		U/E	U/E	[U/E][16]
3066	Adjustments to uncollected pymts, Fed sources, brought forward, Oct 1 (+ or -)				U/E
3070	Change in uncollected pymts, Fed sources, unexpired accounts (+ or -)		U	U	[U][17]
3071	Change in uncollected pymts, Fed sources, expired accounts (+ or -)		E	E	[E][17]
3072	Change in uncollected customer payments from Federal sources (+ or -)				U/E
3080	Uncollected pymts, Fed sources transferred to other accounts		U/E	U/E	[U/E][18]
3081	Uncollected pymts, Fed sources transferred from other accounts (-)		U/E	U/E	[U/E][18]
3082	Actual transfers, uncollected customer payment from Federal sources (net) (+ or -)				U/E
3090	Uncollected pymts, Federal sources, end of year (-)		U/E	U/E	U/E
	Memorandum (non-add) entries:				
3100	Obligated balance, start of year (+ or -)		U/E	U/E	U/E
3200	Obligated balance, end of year (+ or -)		U/E	U/E	U/E
	BUDGET AUTHORITY AND OUTLAYS, NET	No	Yes	Yes	Yes
	Discretionary:				
4000	Budget authority, gross		U/E	U	[U/E][19]
	Outlays, gross				
4010	Outlays from new discretionary authority		U/E	U/E	[U/E][20]
4011	Outlays from discretionary balances		U/E	U/E	[U/E][20]
4020	Outlays, gross (total)		U/E	U/E	
	Offsets against gross budget authority and outlays:				
	Offsetting collections (collected) from:				
4030	Federal sources (-)		U/E	U/E	[U/E][21]
4031	Interest on Federal securities (-)		U/E	U/E	[U/E][21]
4033	Non-Federal sources (-)		U/E	U/E	[U/E][21]
4034	Offsetting governmental collections (-)		U/E	U/E	[U/E][21]
4040	Offsets against gross budget authority and outlays (total) (-)		U/E	U/E	
	Additional offsets against gross budget authority only:				
4050	Change in uncollected pymts, Fed sources, unexpired accounts (+ or -)		U	U	[U][22]
4051	Change in uncollected pymts, Fed sources, expired accounts (+ or -)		E		[E][22]
4053	Anticipated offsetting collections (+ or -)		U[2]	E	[U[2]][23]
4060	Additional offsets against budget authority only (total)		U/E	U/E	
4070	Budget authority, net (discretionary)		U/E	U	
4080	Outlays, net (discretionary)		U/E	U/E	

[1]Applicability to Unexpired Accounts is noted with a U and Expired Accounts is noted with an E
[2]No entry in Fourth Quarter
[12]Included in line 3016.
[15]Included in line 3042.
[16]Included in line 3066.
[17]Included in line 3072.
[18]Included in line 3082.
[19]Included in line 4175.
[20]Included in line 4185.
[21]Included in lines 4177 and 4187.
[22]Included in line 4178.
[23]Included in line 4179.

Line Numbers for the SF 132, SF 133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to SF 132	SF 133	Sched P	SBR
	BUDGET AUTHORITY AND OUTLAYS, NET cont.	Yes	Yes	Yes	Yes
	Mandatory:				
4090	Budget authority, gross		U/E	U	[U/E][19]
	Outlays, gross				
4100	Outlays from new mandatory authority		U/E	U/E	
4101	Outlays from mandatory balances		U/E	U/E	
4110	Outlays, gross (total)		U/E	U/E	[U/E][20]
	Offsets against gross budget authority and outlays:				
	Offsetting collections (collected) from:				
4120	Federal sources (-)		U/E	U/E	[U/E][21]
4121	Interest on Federal securities (-)		U/E	U/E	[U/E][21]
4122	Interest on uninvested funds (-)		U/E	U/E	[U/E][21]
4123	Non-Federal sources (-)		U/E	U/E	[U/E][21]
4124	Offsetting governmental collections (-)		U/E	U/E	[U/E][21]
4130	Offsets against gross budget authority and outlays (total) (-)		U/E	U/E	
	Additional offsets against gross budget authority only:				
4140	Change in uncollected pymts, Fed sources, unexpired accounts (+ or -)		U	U	[U][22]
4141	Change in uncollected pymts, Fed sources, expired accounts (+ or -)		E		[E][22]
4142	Offsetting collections credited to expired accounts			E	
4143	Anticipated offsetting collections (+ or -)		U[2]		[U[2]][23]
4150	Additional offsets against budget authority only (total)		U/E	U/E	
4160	Budget authority, net (mandatory)		U/E	U	
4170	Outlays, net (mandatory)		U/E	U/E	
	Discretionary and Mandatory:				
4175	Budget authority, gross (discretionary and mandatory)				U/E
4177	Actual offsetting collections (discretionary and mandatory) (-)				U/E
4178	Change in uncollected customer payments from Federal sources (discretionary and mandatory) (+ or -)				U/E
4179	Anticipated offsetting collections (discretionary and mandatory) (+ or -)				U/E[2]
4180	Budget authority, net (total) [discretionary and mandatory]		U/E	U	U/E
4185	Outlays, gross (discretionary and mandatory)				U/E
4187	Actual offsetting collections (discretionary and mandatory) (-)				U/E
4190	Outlays, net (total) [discretionary and mandatory]		U/E	U/E	U/E
4200	Distributed offsetting receipts (-)				**[24]
4210	Agency outlays, net (discretionary and mandatory)				U/E
	MEMORANDUM (NON-ADD) ENTRIES:	No	No	Yes	No
5000	Total investments, SOY: Federal securities: Par value			U	
5001	Total investments, EOY: Federal securities: Par value			U	
5010	Total investments, SOY: non-Federal securities: Market value			U	
5011	Total investments, EOY: non-Federal securities: Market value			U	
5050	Unobligated balance, SOY: Contract authority			U	
5051	Unobligated balance, EOY: Contract authority			U	
5052	Obligated balance, SOY: Contract authority			U	
5053	Obligated balance, EOY: Contract authority			U	
5054	Fund balance in excess of liquidating requirements, SOY: Contract authority			U	
5055	Fund balance in excess of liquidating requirements, EOY: Contract authority			U	
5061	Limitation on obligations (Transportation trust funds)			U	

[1]Applicability to Unexpired Accounts is noted with a U and Expired Accounts is noted with an E

[2]No entry in Fourth Quarter

[19]Included in line 4175.

[20]Included in line 4185.

[21]Included in lines 4177 and 4187.

[22]Included in line 4178.

[23]Included in line 4179.

[24]Applicability to unexpired and expired accounts does not apply to receipt accounts

Line Numbers for the SF 132, SF 133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to SF 132	SF 133	Sched P	SBR	
	MEMORANDUM (NON-ADD) ENTRIES (cont):	No	No	Yes	No	
5080	Outstanding debt, SOY (-)			U		+
5081	Outstanding debt, EOY (-)			U		+
5082	Borrowing (-)			U		+
5090	Unavailable balance, SOY: Offsetting collections			U		+
5091	Unavailable balance, EOY: Offsetting collections			U		+
5092	Unavailable balance, SOY: Appropriations			U		+
5093	Unavailable balance, EOY: Appropriations			U		+
5094	Unavailable balance, SOY: Contract authority			U		+
5095	Unavailable balance, EOY: Contract authority			U		+
5096	Unavailable balance, SOY: Borrowing authority			U		+
5097	Unavailable balance, EOY: Borrowing authority			U		+
5100	Discretionary mandated transfer to other accounts (-)			U		
5101	Discretionary mandated transfer from other accounts			U		
	APPLICATION OF BUDGETARY RESOURCES	Yes	No	No	No	
	Category A (by quarter)					
6001	1st quarter	U				
6002	2nd quarter	U				
6003	3rd quarter	U				
6004	4th quarter	U				
	Category B (by project)					
6011-6110	Project Label	U				
	Category AB (by fiscal quarter and project)					
6111-6169	Project Label	U				
	Category C (for future years)					
6170	[Designate 1st FY beyond the current year]	U				
6171	[Designate 2nd FY beyond the current year]	U				
6172	[Designate 3rd FY beyond the current year]	U				
6173	[Designate 4th FY beyond the current year]	U				
	Unapportioned					
6180	Withheld pending rescission	U				
6181	Deferred	U				
6182	Unapportioned balance of revolving fund	U				
6183	Exempt from apportionment	U				
6190	Total budgetary resources available	U				
	UNFUNDED DEFICIENCIES:	No	Yes	Yes	No	
7000	Unfunded deficiency, start of year (-)		U/E	U		
	Change in deficiency during the year:					
7010	New deficiency (-)		U	U		
7011	Deficiency appropriation		U	U		
7012	New budget authority used to liquidate deficiencies		U	U		
7020	Unfunded deficiency, end of year (-)		U/E	U		
	Guaranteed Loan Levels and Applications	Yes	No	No	No	
	Guaranteed Loan Limitation					
8100	Program Level, Current Year	U				
8200	Program Level, Unused from prior years	U				
	Application of Guaranteed Loan Limitation					
8202	Application, Category A, Second quarter	U				
8203	Application, Category A, Third quarter	U				
8204	Application, Category A, Fourth quarter	U				
8211-8235	Application, Category B (by project) or risk category	U				

+Updated line

[1]Applicability to Unexpired Accounts is noted with a U and Expired Accounts is noted with an E

Abbreviated Line Titles for the SF 132 and SF 133

Line No	Line Description	Applicability[1] to		
		SF 132	SF 133	
	BUDGETARY RESOURCES	Yes	Yes	
1000	Unob Bal: Brought forward, October 1	U	U/E	
1010	Unob Bal: Transferred to other accounts	U	U/E	
1011	Unob Bal: Transferred from other accounts	U	U/E	
1012	Unob Bal: Transfers betw expired\unexpired accts	U	U	
1013	Unob Bal: Contract authority transferred	U	U	
1020	Unob Bal: Adj to SOY bal brought forward, Oct 1	U	U/E	
1021	Unob Bal: Recov of prior year unpaid obligations	U	U/E	
1022	Unob Bal: Capital transfer to general fund	U	U/E	
1023	Unob Bal: Applied to repay debt	U	U/E	
1024	Unob Bal: Borrowing authority withdrawn	U	U	
1025	Unob Bal: Contract authority withdrawn	U	U	
1026	Unob Bal: Adj for change in allocation\valuation	U	U/E	
1027	Unob Bal: Change in zero coupon bonds(spec/trust)	U	U	
1028	Unob Bal: Change in zero coupon bonds (revolving)	U	U	
1029	Unob Bal: Other balances withdrawn	U	U/E	
1031	Unob Bal: Refunds/recov temp precl ob (spec/trust)	U	U	
1040	Unob Bal: Antic nonexpenditure transfers (net)	U	U[2]	
1041	Unob Bal: Antic recov of prior year unpaid obl	U	U[2]	
1042	Unob Bal: Antic cap trans and redemption of debt	U	U	
1050	Unob Bal: Unobligated balance (total)	U	U/E[2]	
1060	Exp Unob Bal: Brought forward, Oct 1		E	+
1070	Exp Unob Bal: Transferred to other accounts		E	+
1071	Exp Unob Bal: Transferred from other accounts		E	+
1072	Exp Unob Bal: Transfer btw expired\unexpired accts		E	+
1080	Exp Unob Bal: Adj to SOY bal brought fwd, Oct 1		E	+
1081	Exp Unob Bal: Recov of prior year unpaid obs		E	+
1082	Exp Unob Bal: Capital transfer to general fund		E	+
1083	Exp Unob Bal: Applied to repay debt		E	+
1086	Exp Unob Bal: Adj for change in allocation		E	+
1089	Exp Unob Bal: Other balances withdrawn		E	+
1099	Exp Unob Bal: Expired bal for adj only (total)		E	+
1100	BA: Disc: Appropriation	U	U	
1101	BA: Disc: Appropriation (special or trust fund)	U	U/E	
1102	BA: Disc: Appropriation (previously unavailable)	U	U/E	+
1103	BA: Disc: Approp available from subsequent year	U	U	
1104	BA: Disc: Appropriation available in prior year	U	U	
1105	BA: Disc: Reappropriation	U	U	
1120	BA: Disc: Approps transferred to other accounts	U	U/E	
1121	BA: Disc: Approps transferred from other accounts	U	U/E	
1130	BA: Disc: Appropriations permanently reduced	U	U	
1131	BA: Disc: Unob bal of approps permanently reduced	U	U/E	
1132	BA: Disc: Appropriations temporarily reduced	U	U	
1133	BA: Disc: Unob bal of approps temporarily reduced	U	U	
1134	BA: Disc: Appropriations precluded from obligation	U	U	
1135	BA: Disc: Appropriations applied to repay debt	U	U	
1136	BA: Disc: Deficiency appropriation	U	U	
1137	BA: Disc: Approps applied to liq contract auth	U	U	
1138	BA: Disc: Approp applied to liq cont auth withdrwn	U	U	

[1]Applicability to Unexpired Accounts is noted with a U and Expired Accounts is noted with E

[2]No entry in Fourth Quarter

+Updated line

Abbreviated Line Titles for the SF 132 and SF 133—Continued

Line No	Line Description	Applicability[1] to		
		SF 132	SF 133	
	BUDGETARY RESOURCES cont.	Yes	Yes	
1139	BA: Disc: Approps substituted for borrowing auth	U	U	
1150	BA: Disc: Anticipated appropriation	U	U	
1151	BA: Disc: Appropriations:Antic nonexpend trans net	U	U[2]	
1152	BA: Disc: Appropriatons: Antic cap trans redemp debt	U	U[2]	+
1160	BA: Disc: Appropriation (total)	U	U/E	
1170	BA: Disc: Advance appropriation	U	U	
1171	BA: Disc: Adv approp (special or trust fund)	U	U	
1173	BA: Disc: Advance approps permanently reduced (-)	U	U	
1174	BA: Disc: Advance approps temporarily reduced (-)	U	U	
1180	BA: Disc: Advance appropriation (total)	U	U	
1200	BA: Mand: Appropriation	U	U/E	
1201	BA: Mand: Appropriation (special or trust fund)	U	U/E	
1203	BA: Mand: Appropriation (previously unavailable)	U	U/E	+
1204	BA: Mand: Reappropriation	U	U	
1220	BA: Mand: Approps transferred to other accounts	U	U/E	
1221	BA: Mand: Approps transferred from other accounts	U	U/E	
1230	BA: Mand: New\Unob bal of approps perm reduced	U	U/E	
1232	BA: Mand: New\Unob bal of approps temp reduced	U	U	
1234	BA: Mand: Appropriations precluded from obligation	U	U	+
1235	BA: Mand: Approps: Cap trans to general fund	U	U	+
1236	BA: Mand: Appropriations applied to repay debt	U	U	
1237	BA: Mand: Deficiency appropriation	U	U	
1238	BA: Mand: Approps applied to liq contract auth	U	U	
1239	BA: Mand: Approps substituted for borrowing auth	U	U	
1250	BA: Mand: Anticipated appropriation	U	U[2]	
1251	BA: Mand: Appropriations:Antic nonexpend trans net	U	U[2]	
1252	BA: Mand: Approrps: Antic cap trans redemp debt	U	U[2]	+
1260	BA: Mand: Appropriations (total)	U	U/E	
1270	BA: Mand: Advance appropriation	U	U	
1271	BA: Mand: Adv appropriation(special or trust fund)	U	U	
1272	BA: Mand: Advance approps permanently reduced	U	U	
1273	BA: Mand: Advance approps temporarily reduced	U	U	
1280	BA: Mand: Advance appropriation (total)	U	U	
1300	BA: Disc: Borrowing authority	U	U	
1320	BA: Disc: Borrowing authority permanently reduced	U	U	
1330	BA: Disc: Borrowing auth: Antic reduc to curr FY	U	U[2]	
1340	BA: Disc: Borrowing authority (total)	U	U	
1400	BA: Mand: Borrowing authority	U	U	
1420	BA: Mand: Borrowing authority permanently reduced	U	U	
1421	BA: Mand: Borrowing authority temporarily reduced	U	U	+
1422	BA: Mand: Borrowing authority applied repay debt	U	U	+
1430	BA: Mand: Borrowing auth: Antic reduc to curr FY	U	U[2]	
1440	BA: Mand: Borrowing authority (total)	U	U	
1500	BA: Disc: Contract authority	U	U	
1510	BA: Disc: Contract auth: Trans to other accounts	U	U/E	
1511	BA: Disc: Contract auth: Trans from other accounts	U	U/E	
1520	BA: Disc: Contract auth: New\Unob bal perm reduced	U	U	
1522	BA: Disc: Contract auth: Precluded from ob (lim)	U	U	
1530	BA: Disc: Contract auth: Antic nonexpend trans net	U	U[2]	
1531	BA: Disc: Contract auth: Antic adj to current FY	U	U[2]	

[1]Applicability to Unexpired Accounts is noted with a U and Expired Accounts is noted with E

[2]No entry in Fourth Quarter

+Updated line

Abbreviated Line Titles for the SF 132 and SF 133—Continued

Line No	Line Description	Applicability[1] to		
		SF 132	SF 133	
	BUDGETARY RESOURCES cont.	Yes	Yes	
1540	BA: Disc: Contract authority (total)	U	U/E	
1600	BA: Mand: Contract authority	U	U	
1603	BA: Mand: Contract auth (previously unavailable)	U	U	
1610	BA: Mand: Contract auth: Trans to other accounts	U	U/E	
1611	BA: Mand: Contract auth: Trans from other accounts	U	U/E	
1620	BA: Mand: Contract auth: New\Unob bal perm reduced	U	U	
1621	BA: Mand: Contact authority temporarily reduced	U	U	+
1622	BA: Mand: Contract auth: Precluded from ob (lim)	U	U	
1630	BA: Mand: Contract auth: Antic nonexpend trans net	U	U[2]	
1631	BA: Mand: Contract auth: Antic adj to current FY	U	U[2]	
1640	BA: Mand: Contract authority (total)	U	U/E	
1700	BA: Disc: Spending auth: Collected	U	U/E	
1701	BA: Disc: Spending auth: Chng uncoll paymt Fed src	U	U/E	
1702	BA: Disc: Spending auth: Previously unavailable	U	U/E	+
1710	BA: Disc: Spending auth: Trans to other accounts	U	U	
1711	BA: Disc: Spending auth: Trans from other accounts	U	U	
1720	BA: Disc: Spending auth: Cap trans to general fund	U	U	
1721	BA: Disc: Spending auth: Applied to defic by law	U	U	
1722	BA: Disc: Spending auth: Permanently reduced	U	U	
1723	BA: Disc: Spending auth: New\Unob bal temp reduced	U	U	
1725	BA: Disc: Spending auth: Precluded from ob (lim)	U	U	
1726	BA: Disc: Spending auth: Applied to repay debt	U	U	
1727	BA: Disc: Spending auth: Applied to liq cont auth	U	U	
1728	BA: Disc: Spending auth: Subbed for borrowing auth	U	U	
1740	BA: Disc: Spending auth:Antic colls, reimbs, other	U	U[2]	
1741	BA: Disc: Spending auth: Antic nonexpend trans net	U	U[2]	
1742	BA: Disc: Spending auth: Antic cap tran, red debt	U	U[2]	
1750	BA: Disc: Spending auth: Total	U	U/E	
1800	BA: Mand: Spending auth: Collected	U	U/E	
1801	BA: Mand: Spending auth: Chng uncoll paymt Fed src	U	U/E	
1802	BA: Mand: Spending auth: Previously unavailable	U	U/E	+
1810	BA: Mand: Spending auth: Trans to other accounts	U	U	
1811	BA: Mand: Spending auth: Trans from other accounts	U	U	
1820	BA: Mand: Spending auth: Cap trans to general fund	U	U	
1821	BA: Mand: Spending auth: Applied to defic by law	U	U	
1822	BA: Mand: Spending auth: Permanently reduced	U	U	+
1823	BA: Mand: Spending auth: New\Unob bal temp reduced	U	U	
1824	BA: Mand: Spending auth: Precluded from ob (lim)	U	U	
1825	BA: Mand: Spending auth: Applied to repay debt	U	U	
1826	BA: Mand: Spending auth: Applied to liq cont auth	U	U	
1827	BA: Mand: Spending auth: Subbed for borrowing auth	U	U	
1840	BA: Mand: Spending auth:Antic colls, reimbs, other	U	U[2]	
1841	BA: Mand: Spending auth: Antic nonexpend trans net	U	U[2]	
1842	BA: Mand: Spending auth: Antic cap tran, red debt	U	U[2]	
1850	BA: Mand: Spending auth: Total	U	U/E	
1900	Budget authority total (disc. and mand.)	U	U/E	
1901	Adj for new BA used to liquidate deficiencies	U	U	
1910	Total budgetary resources (disc. and mand.)		U/E	
1920	Total budgetary resources avail (disc. and mand.)	U		
	STATUS OF BUDGETARY RESOURCES	No	Yes	
2001	Direct obs incurred: Category A (by quarter)		U/E	
2002	Direct obs incurred: Category B (by project)		U/E	
2003	Direct obs incurred: Exempt from apportionment		U/E	
2004	Direct obligations incurred (total)		U/E	

[1]Applicability to Unexpired Accounts is noted with a U and Expired Accounts is noted with E

[2]No entry in Fourth Quarter

+Updated line

Abbreviated Line Titles for the SF 132 and SF 133—Continued

Line No	Line Description	Applicability[1] to SF 132	Applicability[1] to SF 133	
	STATUS OF BUDGETARY RESOURCES cont.	No	Yes	
2101	Reimbursable obs incurred: Category A (by quarter)		U/E	
2102	Reimbursable obs incurred: Category B (by project)		U/E	
2103	Reimbursable obs incurred: Exempt fm apportionment		U/E	
2104	Reimbursable obligations incurred (total)		U/E	
2201	Unob Bal: Apportioned: Avail in the current period		U	
2202	Unob Bal: Apportioned: Avail in subsequent periods		U	
2203	Unob Bal: Apportioned: Anticipated		U[2]	
2301	Unob Bal: Exempt fm Appor: Avail in current period		U	
2302	Unob Bal: Exempt fm Appor: Avail in subsequent per		U	
2303	Unob Bal: Exempt from Appor: Anticipated		U[2]	
2401	Unob Bal: Unapportioned: Deferred		U	
2402	Unob Bal: Unapportioned: Withheld pend rescission		U	
2403	Unob Bal: Unapportioned: Other		U/E	
2413	Expired Unobligated Balance: end of year		E	+
2490	Unob Bal: end of year		U/E	
2500	Total budgetary resources		U/E	
2501	Memo: Budgetary resources, subj to apportionment		U/E	
2502	Memo: Budgetary resources, exempt fm apportionment		U/E	
2503	Memo: Budgetary resources, direct unob bal, end of year		U/E	
2504	Memo: Budgetary resources, reimb unob bal, end of year		U/E	
	CHANGE IN OBLIGATED BALANCE	No	Yes	
3000	Ob Bal: SOY: Unpaid obs brought forwd, Oct 1		U/E	
3001	Ob Bal: SOY: Adj to unpaid obs brought forwd Oct 1		U/E	
3010	Ob Bal: Obligations incurred: Unexpired accounts		U/E	
3011	Ob Bal: Obligations incurred: Expired accounts		E	
3020	Ob Bal: Outlays (gross)		U/E	
3030	Ob Bal: Nonexpend trans: Unpaid obs: To oth accts		U/E	
3031	Ob Bal: Nonexpend trans: Unpaid obs: Frm oth accts		U/E	
3040	Ob Bal: Recov, prior year unpaid obs, unexp accts		U/E	
3041	Ob Bal: Recov, prior year unpaid obs, exp accts		E	
3050	Ob Bal: EOY: Unpaid obligations		U/E	
3060	Ob Bal: SOY: Uncoll cust paymt brought forwd Oct 1		U/E	
3061	Ob Bal: SOY: Adj, uncoll cust paymt brought forwd		U/E	
3070	Ob Bal: Change, uncoll cust paymt, Fed srcs, unexp		U/E	
3071	Ob Bal: Change, uncoll cust paymt, Fed srcs, exp		E	
3080	Ob Bal: Nonexp trans: Uncol pay Fed src:To oth acc		U/E	
3081	Ob Bal: Nonexp trans: Uncol pay Fed src:Fm oth acc		U/E	
3090	Ob Bal: EOY: Uncoll cust payments fm Fed srcs, EOY		U/E	
3100	Memo: Obligated balance, start of year		U/E	
3200	Memo: Obligated balance, end of year		U/E	
	BUDGET AUTHORITY AND OUTLAYS, NET:	No	Yes	
4000	Disc: Budget authority, gross		U/E	
4010	Disc: Outlays from new authority		U/E	
4011	Disc: Outlays from balances		U/E	
4020	Disc: Total outlays, gross		U/E	
4030	Disc: Offsets, BA and OL: Collections fm Fed srcs		U/E	
4031	Disc: Offsets, BA and OL: Collect, int, Fed secur		U/E	
4033	Disc: Offsets, BA and OL: Collections, nonFed srcs		U/E	

[1]Applicability to Unexpired Accounts is noted with a U and Expired Accounts is noted with E

[2]No entry in Fourth Quarter

+Updated line

Abbreviated Line Titles for the SF 132 and SF 133—Continued

Line No	Line Description	Applicability[1] to	
		SF 132	SF 133
	BUDGET AUTHORITY AND OUTLAYS, NET cont.	No	Yes
4034	Disc: Offsets, BA and OL: Offsetting Gov collects		U/E
4040	Disc: Offsets against gross BA and outlays (total)		U/E
4050	Disc: Offset, BA: Chng in uncol pay, Fed src, unex		U/E
4051	Disc: Offset, BA: Chng in uncol pay, Fed src, exp		E
4053	Disc: Offsets, BA only: Antic offsetting collect		U[2]
4060	Disc: Additional offsets against BA only (total)		U/E
4070	Disc: Budget authority, net		U/E
4080	Disc: Outlays, net		U/E
4090	Mand: Budget authority, gross		U/E
4100	Mand: Outlays from new authority		U/E
4101	Mand: Outlays from balances		U/E
4110	Mand: Total outlays, gross		U/E
4120	Mand: Offsets, BA and OL: Collections fm Fed srcs		U/E
4121	Mand: Offsets, BA and OL: Collect, int, Fed secur		U/E
4122	Mand: Offsets, BA and OL: Collect, int, uninvested		U/E
4123	Mand: Offsets, BA and OL: Collections, nonFed srcs		U/E
4124	Mand: Offsets, BA and OL: Offsetting Gov collects		U/E
4130	Mand: Offsets against gross BA and outlays (total)		U/E
4140	Mand: Offset, BA: Chng in uncol pay, Fed src, unex		U/E
4141	Mand: Offset, BA: Chng in uncol pay, Fed src, exp		E
4143	Mand: Offsets, BA only: Antic offsetting collect		U[2]
4150	Mand: Additional offsets against BA only (total)		U/E
4160	Mand: Budget authority, net		U/E
4170	Mand: Outlays, net		U/E
4180	Budget authority, net (disc. and mand.)		U/E
4190	Outlays, net (disc. and mand.)		U/E
	APPLICATION OF BUDGETARY RESOURCES	Yes	No
6001	1st quarter	U	
6002	2nd quarter	U	
6003	3rd quarter	U	
6004	4th quarter	U	
6011-6110	[Designate Project]	U	
6111-6169	[Designate Project]	U	
6170	[Designate 1st FY beyond the current year]	U	
6171	[Designate 2nd FY beyond the current year]	U	
6172	[Designate 3rd FY beyond the current year]	U	
6173	[Designate 4th FY beyond the current year]	U	
6180	Budgetary Resources: Withheld pending rescission	U	
6181	Budgetary Resources: Deferred	U	
6182	Budgetary Resources: Unappor bal, revolving fnd	U	
6183	Budgetary Resources: Exempt from apportionment	U	
6190	Total budgetary resources available	U	
	UNFUNDED DEFICIENCIES:	No	Yes
7000	Unfunded deficiency, start of year		U/E
7010	Unfunded Defic: New deficiency		U
7011	Unfunded Defic: Deficiency appropriation		U
7012	Unfunded Defic: New BA used to liq defic		U
7020	Unfunded deficiency, end of year		U/E
	Guaranteed Loan Levels and Applications	Yes	No
8100	Program Level, Current Year	U	
8200	Program Level, Unused from prior years	U	
8201	Application, Category A, First quarter	U	
8202	Application, Category A, Second quarter	U	
8203	Application, Category A, Third quarter	U	
8204	Application, Category A, Fourth quarter	U	
8211-8299	[Designate Project]	U	
8300-8399	Loan guarantee risk category 1	U	

[1]Applicability to Unexpired Accounts is noted with a U and Expired Accounts is noted with E

[2]No entry in Fourth Quarter

+Updated line

APPENDIX G—CROSSWALK BETWEEN ANTIDEFICIENCY ACT AND TITLE 31 OF THE U.S. CODE

In 1982, Congress reworded and reorganized the language of the Antideficiency Act along with the rest of Title 31 of the United States Code. The intent of Congress was to modernize the language of the Act, without changing its meaning. This appendix presents a crosswalk between the provisions of law that made up the Antideficiency Act before it was modernized and the current language.

THE ANTIDEFICIENCY ACT	TITLE 31—MONEY AND FINANCE
The following contains the provisions of the Antideficiency Act, formerly section 3679 of the Revised Statutes, and section 210 of the General Government Matters Appropriation Act, 1958. (Formerly 31 U.S.C. 665, 665a, and 669.)	The following provides the section in Title 31 that was enacted without substantive change
665 Appropriation (a) Expenditures or contract obligations in excess of funds prohibited No officer or employee of the United States shall make or authorize any expenditure from or create or authorize an obligation under any appropriation or fund in excess of the amount available therein: nor shall any such officer or employee involve the Government in any contract or other obligation, or the payment of money for any purpose, in advance of appropriations made for such purpose, unless such contract or obligation is authorized by law.	Section 1341: (a)(1) An officer or employee of the United States Government or the District of Columbia government may not— (A) make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation; (B) involve either government in a contract or obligation for the payment of money before an appropriation is made unless authorized by law; (C) make or authorize an expenditure or obligation of funds required to be sequestered under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985; or (D) involve either government in a contract or obligation for the payment of money required to be sequestered under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.
(b) Voluntary service forbidden No officer or employee of the United States shall accept voluntary service for the United States or employ personal service in excess of that authorized by law, except in cases of emergency involving the safety of human life or the protection of property.	Section 1342: An officer or employee of the United States Government or of the District of Columbia government may not accept voluntary services for either government or employ personal services exceeding that authorized by law except for emergencies involving the safety of human life or the protection of property. This section does not apply to a corporation getting amounts to make loans (except paid in capital amounts) without legal liability of the United States Government. As used in this section, the term "emergencies involving the safety of human life or the protection of property" does not include ongoing,

THE ANTIDEFICIENCY ACT	TITLE 31—MONEY AND FINANCE
	regular functions of government the suspension of which would not imminently threaten the safety of human life or the protection of property.
(c) Apportionment of appropriations; reserves; distribution; review (1) Except as otherwise provided in this section, all appropriations or funds available for obligation for a definite period of time shall be so apportioned as to prevent obligation or expenditure thereof in a manner which would indicate a necessity for deficiency or supplemental appropriations for such period; and all appropriations or funds not limited to a definite period of time, and all authorizations to create obligations by contract in advance of appropriations, shall be so apportioned as to achieve the most effective and economical use thereof.	Section 1512: (a) Except as provided in this subchapter, an appropriation available for obligation for a definite period shall be apportioned to prevent obligation or expenditure at a rate that would indicate a necessity for a deficiency or supplemental appropriation for the period. An appropriation for an indefinite period and authority to make obligations by contract before appropriations shall be apportioned to achieve the most effective and economical use. An apportionment may be reapportioned under this section.
As used hereafter in this section, the term "appropriation" means appropriations, funds and authorizations to create obligations by contract in advance of appropriations.	Section 1511: (a) In this subchapter, "appropriations" means— (1) appropriated amounts; (2) funds; and (3) authority to make obligations by contract before appropriations.
(2) In apportioning any appropriation, reserves may be established solely to provide for contingencies or to effect savings whenever savings are made possible by or through changes in requirements or greater efficiency of operations.	Section 1512(c): (1) In apportioning or reapportioning an appropriation, a reserve may be established only— (A) to provide for contingencies; (B) to achieve savings made possible by or through changes in requirements or greater efficiency of operations; or (C) as specifically provided by law.
Whenever it is determined by an officer designated in subsection (d) of this section to make apportionments and reapportionments that any amount so reserved will not be required to carry out the full objectives and scope of the appropriation concerned, he shall recommend the rescission of such amount in the manner provided in the Budget and Accounting Act, 1921 (31 U.S.C. 1 *et seq.*), for estimates of appropriations. Except as specifically provided by particular appropriations acts or other laws, no reserves shall be established other than as authorized by this subsection. Reserves established pursuant to this subsection shall be reported to the Congress in accordance with the Impoundment Control Act of	Section 1512(c): (2) A reserve established under this subsection may be changed as necessary to carry out the scope and objectives of the appropriation concerned. When an official designated in section 1513 of this title to make apportionments decides that an amount reserved will not be required to carry out the objectives and scope of the appropriation concerned, the official shall recommend the rescission of the amount in the way provided in chapter 11 of this title for appropriation requests. Reserves established under this section shall be reported to Congress as provided in the Impoundment Control Act of 1974 (2 U.S.C. 681 *et seq.*).

THE ANTIDEFICIENCY ACT	TITLE 31—MONEY AND FINANCE
1974 (31 U.S.C. 1400 *et seq.*).	
(3) Any appropriation subject to apportionment shall be distributed by months, calendar quarters, operating seasons, or other time periods, or by activities, functions, projects, or objects, or by a combination thereof, as may be deemed appropriate by the officers designated in subsection (d) of this section to make apportionments and reapportionments. Except as otherwise specified by the officer making the apportionment, amounts so apportioned shall remain available for obligation, in accordance with the terms of the appropriation, on a cumulative basis unless reapportioned.	Section 1512(b): (1) An appropriation subject to apportionment is apportioned by— (A) months, calendar quarters, operating seasons, or other time periods; (B) activities, functions, projects, or objects; or (C) a combination of the ways referred to in clauses (A) and (B) of this paragraph. (2) The official designated in section 1513 of this title to make apportionments shall apportion an appropriation under paragraph (1) of this subsection as the official considers appropriate. Except as specified by the official, an amount apportioned is available for obligation under the terms of the appropriation on a cumulative basis unless reapportioned.
(4) Apportionments shall be reviewed at least four times each year by the officers designated in subsection (d) of this section to make apportionments and reapportionments, and such reapportionments made or such reserves established, modified, or released as may be necessary to further the effective use of the appropriation concerned, in accordance with the purposes stated in paragraph (1) of this subsection.	Section 1512: (d) An apportionment or a reapportionment shall be reviewed at least 4 times a year by the official designated in section 1513 of this title to make apportionments. Section 1512(a) the last sentence: . . . An apportionment may be reapportioned under this section.
(d) Officers controlling apportionment or reapportionment (1) Any appropriation available to the legislative branch, the judiciary, the United States International Trade Commission, or the District of Columbia, which is required to be apportioned under subsection (c) of this section, shall be apportioned or reapportioned in writing by the officer having administrative control of such appropriation. Each such appropriation shall be apportioned not later than thirty days before the beginning of the fiscal year for which the appropriation is available, or not more than thirty days after approval of the Act by which the appropriation is made available, whichever is later.	Section 1513: (a) The official having administrative control of an appropriation available to the legislative branch, the judicial branch, the United States International Trade Commission, or the District of Columbia government that is required to be apportioned under section 1512 of this title shall apportion the appropriation in writing. An appropriation shall be apportioned not later than the later of the following: (1) 30 days before the beginning of the fiscal year for which the appropriation is available; or (2) 30 days after the date of enactment of the law by which the appropriation is made available.
(2) Any appropriation available to an agency, which is required to be apportioned under subsection (c) of this section, shall be apportioned or reapportioned in writing by the Director of the Office of Management and Budget. The head of each agency to which any such appropriation is available shall submit to the Office of Management and Budget	Section 1513(b): (1) The President shall apportion in writing an appropriation available to an executive agency (except the Commission) that is required to be apportioned under section 1512 of this title. The head of each executive agency to which the appropriation is available shall submit to the President information

THE ANTIDEFICIENCY ACT	TITLE 31—MONEY AND FINANCE
information, in such form and manner and at such time or times as the Director may prescribe, as may be required for the apportionment of such appropriation. Such information shall be submitted not later than forty days before the beginning of any fiscal year for which the appropriation is available, or not more than fifteen days after approval of the Act by which such appropriation is made available, whichever is later. The Director of the Office of Management and Budget shall apportion each such appropriation and shall notify the agency concerned of his action not later than twenty days before the beginning of the fiscal year for which the appropriation is available or not more than thirty days after approval of the Act by which such appropriation is made available, whichever is later.	required for the apportionment in the form and the way and at the time specified by the President. The information should be submitted not later than the later of the following: (A) 40 days before the beginning of the fiscal year for which the appropriation is available; or (B) 15 days after the date of enactment of the law by which the appropriation is made available. (2) The President shall notify the head of the executive agency of the action taken in apportioning the appropriation under paragraph (1) of this subsection not later than the later of the following: (A) 20 days before the beginning of the fiscal year for which the appropriation is available; or (B) 30 days after the date of enactment of the law by which the appropriation is made available.
When used in this section, the term "agency" means any executive department, agency, commission, authority, administration, board, or other independent establishment in the executive branch of the Government, including any corporation wholly or partly owned by the United States which is an instrumentality of the United States.	Section 101: In this title, "agency" means a department, agency, or instrumentality of the United States Government. Also, section 102: In this title, "executive agency" means a department, agency, or instrumentality in the executive branch of the United States Government.
Nothing in this subsection shall be so construed as to interfere with the initiation, operation, and administration of agricultural price support programs and no funds (other than funds for administrative expenses) available for price support, surplus removal, and available under section 612c of title 7, with respect to agricultural commodities shall be subject to apportionment pursuant to this section.	Section 1513: (e) This section does not affect the initiation and operation of agriculture price support programs. Also, section 1511: (b) This subchapter does not apply to— (1) amounts (except amounts for administrative expenses) available— (A) for price support and surplus removal of agricultural commodities; and (B) under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c);
The provisions of this section shall not apply to any corporation which obtains funds for making loans, other than paid in capital funds, without legal liability on the part of the United States.	Section 1341(a): (2) This subsection does not apply to a corporation getting amounts to make loans (except paid in capital amounts) without legal liability of the United States Government. Also, section 1342 (in part): ... This section does not apply to a corporation getting amounts to make loans (except paid in capital amounts) without legal liability of the United States Government.

THE ANTIDEFICIENCY ACT	TITLE 31—MONEY AND FINANCE
	Also, section 1511: (b) this subchapter does not apply to— (2) a corporation getting amounts to make loans (except paid in capital amounts) without legal liability on the part of the United States Government; and
(e) Apportionment necessitating deficiency or supplemental estimates (1) No apportionment or reapportionment, or request therefore by the head of an agency, which, in the judgment of the officer making or the agency head requesting such apportionment or reapportionment, would indicate a necessity for a deficiency or supplemental estimate shall be made except upon a determination by such officer or agency head, as the case may be, that such action is required because of (A) any laws enacted subsequent to the transmission to the Congress of the estimates for an appropriation which require expenditures beyond administrative control; or (B) emergencies involving the safety of human life, the protection of property, or the immediate welfare of individuals in cases where an appropriation has been made to enable the United States to make payment of, or contributions toward, sums which are required to be paid to individuals either in specific amounts fixed by law or in accordance with formulae prescribed by law.	Section 1515(b): (1) Except as provided in subsection (a) of this section, an official may make, and the head of an agency may request, an apportionment under section 1512 of this title that would indicate a necessity for a deficiency or supplemental appropriation only when the official or agency head decides that the action is required because of— (A) a law enacted after submission to Congress of the estimates for an appropriation that requires an expenditure beyond administrative control; or (B) an emergency involving the safety of human life, the protection of property, or the immediate welfare of individuals when an appropriation that would allow the United States Government to pay, or contribute to, amounts required to be paid to individuals in specific amounts fixed by law or under formulas prescribed by law, is insufficient.
(2) In each case of an appropriation or a reapportionment which, in the judgment of the officer making such apportionment or reapportionment, would indicate a necessity for a deficiency or supplemental estimate, such officer shall immediately submit a detailed report of the facts of the case to the Congress. In transmitting any deficiency or supplemental estimates required on account of any such apportionment or reapportionment, reference shall be made to such report.	Section 1515(b): (2) If an official making an apportionment decides that an apportionment would indicate a necessity for a deficiency or supplemental appropriation, the official shall submit immediately a detailed report of the facts to Congress. The report shall be referred to in submitting a proposed deficiency or supplemental appropriation.
(f) Exemption of trust funds and working funds expenditures from apportionment (1) The officers designated in subsection (d) of this section to make apportionments and reapportionments may exempt from apportionments trust funds and working funds expenditures from which have no significant effect on the financial operations of the Government, working capital and revolving funds established for intragovernmental operations, receipts from industrial and power operations available under law and any appropriation made specifically for— (1) interest on, or retirement of, the public debt;	Section 1516: An official designated in section 1513 of this title to make apportionments may exempt from apportionment – (1) a trust fund or working fund if an expenditure from the fund has no significant effect on the financial operations of the United States Government; (2) a working capital fund or a revolving fund established for intragovernmental operations; (3) receipts from industrial and power operations available under law; and

THE ANTIDEFICIENCY ACT	TITLE 31—MONEY AND FINANCE
(2) payment of claims, judgments, refunds, and draw-backs; (3) any item determined by the President to be of a confidential nature; (4) payment under private relief acts or other laws requiring payments to designated payees in the total amount of such appropriation; (5) grants to the States under title I, IV, or X of the Social Security Act (42 U.S.C. 301 *et seq.*, 1201 *et seq.*), or under any other public assistance title in such Act.	(4) appropriations made specifically for— (A) interest on, or retirement of, the public debt; (B) payment of claims, judgments, refunds, and drawbacks; (C) items the President decides are of a confidential nature; (D) payment under a law requiring payment of the total amount of the appropriation to a designated payee; and (E) grants to the States under the Social Security Act (42 U.S.C. 301 *et seq.*).
(2) The provisions of subsection (c) of this section shall not apply to appropriations to the Senate or House of Representatives or to any Member, committee, Office (including the office of the Architect of the Capitol), officer, or employee thereof.	Section 1511: (b) This subchapter does not apply to— (3) the Senate, the House of Representatives, a committee of Congress, a member, officer, employee, or office of either House of Congress, or the office of the Architect of the Capitol or an officer or employee of that Office.
(g) Administrative division of apportionment; simplification of system for subdividing funds Any appropriation which is apportioned or reapportioned pursuant to this section may be divided and subdivided administratively within the limits of such apportionments or reapportionments. The officer having administrative control of any such appropriation available to the legislative branch, the judiciary, the United States International Trade Commission, or the District of Columbia, and the head of each agency, subject to the approval of the Director of the Office of Management and Budget, shall prescribe, by regulation, a system of administrative control (not inconsistent with any accounting procedures prescribed by or pursuant to law) which shall be designed to (A) restrict obligations or expenditures against each appropriation to the amount of apportionments or reapportionments made for each such appropriation, and (B) enable such officer or agency head to fix responsibility for the creation of any obligation or the making of any expenditure in excess of an apportionment or reapportionment.	Section 1513: (d) An appropriation apportioned under this subchapter may be divided and subdivided administratively within the limits of the apportionment. Section 1514: (a) The official having administrative control of an appropriation available to the legislative branch, the judicial branch, the United States International Trade Commission, or the District of Columbia government, and, subject to the approval of the President, the head of each executive agency (except the Commission) shall prescribe by regulation a system of administrative control not inconsistent with accounting procedures prescribed under law. The system shall be designed to— (1) to restrict obligations or expenditures from each appropriation to the amount of apportionments or reapportionments of the appropriation; and (2) to enable the official or the head of the executive agency to fix responsibility for an obligation or expenditure exceeding an apportionment or reapportionment.
In order to have a simplified system for the administrative subdivision of appropriations or funds, each agency shall work toward the objective of financing each operating unit, at the highest practical level, from not more than one administrative	(b) To have a simplified system for administratively dividing appropriations, the head of each executive agency (except the Commission) shall work toward the objective of financing each operating unit, at the highest practical level, from not more than one

THE ANTIDEFICIENCY ACT	TITLE 31—MONEY AND FINANCE
subdivision for each appropriation or fund affecting such unit.	administrative division for each appropriation affecting the unit.
(h) Expenditures in excess of apportionment; penalties No officer or employee of the United States shall authorize or create any obligation or make any expenditure (A) in excess of an apportionment or reapportionment, or (B) in excess of the amount permitted by regulations prescribed pursuant to subsection (g) of this section.	Section 1517: (a) An officer or employee of the United States Government or of the District of Columbia government may not make or authorize an expenditure or obligation exceeding— (1) an apportionment; or (2) the amount permitted by regulations prescribed under section 1514(a) of this title.
(i) Administrative discipline; reports on violation (1) In addition to any penalty of liability under other law, any officer or employee of the United States who shall violate subsections (a), (b), or (h) of this section shall be subjected to appropriate administrative discipline, including, when circumstances warrant, suspension from duty without pay or removal from office;	Section 1349: (a) An officer or employee of the United States Government or of the District of Columbia government violating section 1341(a) or 1342 of this title shall be subject to appropriate administrative discipline including, when circumstances warrant, suspension from duty without pay or removal from office. Also, section 1518: An officer or employee of the United States Government or of the District of Columbia government violating section 1517(a) of this title shall be subject to appropriate administrative discipline including, when circumstances warrant, suspension from duty without pay or removal from office.
And any officer or employee or the United States who shall knowingly and willfully violate subsections (a), (b), or (h) of this section shall, upon conviction, be fined not more than $5,000 or imprisoned for not more than two years, or both.	Section 1350: An officer or employee of the United States Government or of the District of Columbia government knowingly and willfully violating section 1341(a) or 1342 of this title shall be fined not more than $5,000, imprisoned for not more than two years, or both. Also, section 1519: An officer or employee of the United States Government or of the District of Columbia government knowingly and willfully violating section 1517(a) of this title shall be fined not more than $5,000, imprisoned for not more than 2 years, or both.
(2) In the case of a violation of subsections (a), (b), or (h) of this section by an officer or employee of an agency, or of the District of Columbia, the head of the agency concerned or the Mayor of the District of Columbia, shall immediately report to the President, through the Director of the Office of Management and Budget, and to the Congress all pertinent facts	Section 1351: If an officer or employee of an executive agency or an officer or employee of the District of Columbia government violates section 1341(a) or 1342 of this title, the head of the agency or the Mayor of the District of Columbia, as the case may be, shall report immediately to the President and Congress all relevant

THE ANTIDEFICIENCY ACT	TITLE 31—MONEY AND FINANCE
together with a statement of the action thereon.	facts and a statement of actions taken. A copy of each report shall be transmitted to the Comptroller General on the same date the report is transmitted to the President and Congress. Also, section 1517: (b) If an officer or employee of an executive agency or of the District of Columbia government violates subsection (a) of this section, the head of the executive agency or the Mayor of the District of Columbia, as the case may be, shall report immediately to the President and Congress all relevant facts and a statement of actions taken. A copy of each report shall be transmitted to the Comptroller General on the same date the report is transmitted to the President and Congress.
31 U.S.C. 665a. Basis of apportionment; need for funds for increased compensation for wage-board employees On and after June 5, 1957, any appropriation required to be apportioned pursuant to section 665 of this title, may be apportioned on a basis indicating the need for a supplemental or deficiency estimate of appropriation to the extent necessary to permit payment of such pay increases as may be granted those employees (commonly known as wage-board employees) whose compensation is fixed and adjusted from time to time in accordance with prevailing rates (5 U.S.C. 5102(c)(7), 5341 *et seq.*).	Section 1515: (a) An appropriation required to be apportioned under section 1512 of this title may be apportioned on a basis that indicates the need for a deficiency or supplemental appropriation to the extent necessary to permit payment of such pay increases as may be granted pursuant to law to civilian officers and employees (including prevailing rate employees whose pay is fixed and adjusted under subchapter IV of chapter 53 of title 5) and to retired and active military personnel
31 U.S.C. 669. Apportionment of contingent funds of departments to offices and bureaus (the following passage occurs in section 669 before the semicolon) In addition to the apportionment required by section 665 of this title, the head of each executive department shall, on or before the beginning of each fiscal year, apportion to each office or bureau of his department the maximum amount to be expended therefore during the fiscal year out of the contingent fund or funds appropriated for the entire year for the department, and the amounts so apportioned shall not be increased or diminished during the year for which made except upon the written direction of the head of the department, in which there shall be fully expressed his reasons therefore.	Section 1513: (c) By the first day of each fiscal year, the head of each executive department of the United States Government shall apportion among the major organizational units of the department the maximum amount to be expended by each unit during the fiscal year out of each contingent fund appropriated for the entire year for the department. Each amount may be changed during the fiscal year only by written direction of the head of the department. The direction shall state the reasons for the change.
31 U.S.C. 669. Apportionment of use of contingent funds by DC (the following passage occurs in section 669 after the semicolon) and there shall not be purchased out of any other fund	Section 1341: (b) An article to be used by an executive department in the District of Columbia that could be bought out or an appropriation made to a regular contingent fund of

THE ANTIDEFICIENCY ACT	TITLE 31—MONEY AND FINANCE
any article for use in any office or bureau of any executive department, in Washington, District of Columbia, which could be purchased out of appropriations made for the regular contingent funds of such department or of its offices and bureaus.	the department may not be bought out of another amount available for obligation.

APPENDIX H—CHECKLIST FOR FUNDS CONTROL REGULATIONS

You must include the following items in the funds control regulations you submit to OMB for approval:

1. Statement of purpose. At a minimum, your regulations should state broadly that their purpose is to prescribe procedures to follow in budget execution and specify basic fund control principles and concepts.

Your regulations should state that they:

- Establish policy with regard to the administrative control of funds.
- Prescribe a system for positive administrative control of funds designed to restrict obligations and expenditures (disbursements) to the amount available in each appropriation or fund account.
- Restrict *both* obligations and expenditures from each appropriation or fund account to *the lower of* the amount of apportionments made by OMB or the amount available for obligation and/or expenditure in the appropriation or fund account.
- Enable the head of your agency to identify the person responsible for any obligation or expenditure exceeding the amount available in the appropriation or fund account, the OMB apportionment or reapportionment, the allotment or suballotments made by the agency, any statutory limitations, and any other administrative subdivision of funds made by the agency.
- Provide procedures for dealing with violations of the Antideficiency Act as well as violations of other administrative subdivision of funds that are not violations of the Antideficiency Act, per se.

2. Authority. At a minimum, you should list the following authorities in the regulations:

- Money and Finance. Title 31, United States Code:
  - Sections 1341–1342, 1349–1351, 1511–1519 (part of the Antideficiency Act, as amended).
  - Sections 1101, 1104–1108, 3324 (part of the Budget and Accounting Act, 1921, as amended).
  - Sections 1501–1502 (part of section 1311 of the Supplemental Appropriations Act of 1950).
  - Sections 1112, 1531, 3511–3512, 3524 (part of the Budget and Accounting Procedures Act of 1950).
- Title X of P. L. 93–344, found at 2 U.S.C. 681–688.
- Part 4 of OMB Circular No. A–11, "Instructions on Budget Execution," and related OMB guidelines.
- Other pertinent laws governing your agency's funds and appropriate agency internal regulations, if any.

3. Scope. The regulations should state that all organizations, appropriations, and funds are subject to the provisions contained in them. If you want to make any exemptions, OMB must first approve them. Clearly identify all approved exemptions in the regulations.

4. Definitions, terminology, and concepts. Your regulations should have a section that specifies that the definitions, terminology, and concepts in OMB Circular No. A–11 applies. You may restrict this to terms that are peculiar to, or have special meaning within your agency, except that you should include the identical definition of the following terms found in OMB Circular No. A–11: apportionment, allotments, suballotments, allowances, and allocations.

- *Apportionment* means a distribution made by OMB of amounts available for obligation in an appropriation or fund account into amounts available for specified time periods, program, activities, projects, objects, or any combination of these. The apportioned amount limits the obligations that may be incurred. An apportionment may be further subdivided by an agency into allotments, suballotments, and allocations.

- *Allotments* are subdivisions of apportionments that are made by the heads of agencies.

- *Suballotments* are subdivisions of allotments.

- *Allowances* and *allocations* are subdivisions of suballotments.

In some cases, OMB has approved agency funds control regulations that use terms different from the ones defined above but with the equivalent meaning of those definitions. In these cases, continue to follow the OMB approved regulations.

Your regulation must specify that violations of allotments and suballotments are violations of the Antideficiency Act. If the agency chooses to and OMB approves, the agency may make allowances and allocations also subject to the Antideficiency Act. In this case, the agency must clearly state in its funds control regulations that obligations and expenditures that exceed allowances and allocations are violations of the Antideficiency Act.

To the extent that OMB Circular No. A–11 or Treasury regulations do not provide a definition for a technical term; this section should include a definition for the term that your agency is proposing to use in the regulations.

5. Responsibility and functions of individuals. Your agency regulations should describe those individuals within the agency charged with funds control responsibilities by title or position. At a minimum, they should:

- List the positions and describe the funds control responsibilities of each.

- Explain each position's responsibilities with regard to investigating, reporting, and following up on Antideficiency Act violations, as well as violations of agency limitations that are not violations of the Antideficiency Act.

6. Actions prohibited. At a minimum, include the following:

- *Violations of the Antideficiency Act*. List all the basic actions prohibited by sections 1341, 1342, and 1517(a) of Title 31, U.S. Code (part of the Antideficiency Act), as they are interpreted and applied within your agency.

- *Violations of limitations that do not per se violate the Antideficiency Act*. List and briefly describe all your agency's imposed restrictions, including a statement describing the conditions under which violations of these restrictions also violate the Antideficiency Act.

7. Penalties.

A. *Administrative penalties*. The law provides that any officer or employee of the United States who violates the prohibitions of 31 U.S.C. 1341(a), 1342, or 1517(a) will be subject to appropriate administrative discipline. Administrative discipline may consist of:

- Letter of reprimand or censure for the official personnel record of the officer or employee.
- Unsatisfactory performance rating.
- Transfer to another position.
- Suspension from duty without pay.
- Removal from office.

B. *Criminal penalties*. In addition, the law provides that any officer or employee of the United States who knowingly and willfully violates the prohibitions shall be fined not more than $5,000, imprisoned for not more than two years, or both.

Describe all criminal penalties for violations of the Antideficiency Act, as well as any additional disciplinary measures your agency imposes. In addition, describe penalties for violations of agency limitations and requirements that your agency does not consider subject to provisions of the Antideficiency Act.

8. Reporting violations. At a minimum, your regulations should prescribe procedures for reporting apparent violations to responsible agency officials, the President, the Congress, and the Government Accountability Office (GAO). All violations must be reported immediately upon discovery. Antideficiency Act violations must be reported by letter to the President, through OMB, signed by the head of the agency, and by letter to the Congress and GAO.

Any individual who knows of a possible Antideficiency Act violation must report it. Specify who should be notified in your regulations.

Even though you take subsequent actions to correct the cause of a violation, it does not eliminate that violation, and you must still report it.

9. Accounting support for funds control systems. Your regulations must specify that the agency accounting system must fully support agency funds control systems. The accounting systems should provide for:

- Recording all financial transactions affecting: apportionments; reapportionments; allotments; suballotments; agency restrictions; financial plans; program operating plans; obligations and expenditures; as well as anticipated, earned, and collected reimbursements.

- Preparing and reconciling financial reports that display cumulative obligations, and the remaining unobligated balance by appropriation and allotment, and cumulative obligations by budget activity and object class.

10. Apportionment procedures. Normally, you describe agency procedures for requesting apportionment of funds in other directives or manuals. However, you should include the following as part of the funds control regulations:

- Briefly describe your agency's procedures for requesting the apportionment of funds. List position(s) and organizations responsible for making the request.

- Cite the basic internal agency directives covering the apportionment of funds. At your option, you may include general guidance covering apportionment action in connection with the following:

    - Supplementals.
    - Reprogramming.
    - Transfer between accounts.

- Discuss agency administrative control of funds policies that apply specifically to revolving funds, management funds, and trust funds, including those that are not apportioned. If any of these funds are not subject to the basic provisions of these regulations (see above), describe the procedures used to control them in a separate section.

11. Policy on allotments and suballotments. Include the general policy that allotments and suballotments (or those equivalent terms as specifically defined by your agency in your OMB-approved funds control regulations) will be established at the highest practical level, and each operating unit will be financed from no more than one subdivision for each appropriation or fund (the Antideficiency Act establishes these objectives). Specify the criteria for changing the allotment structure, and identify who has authority to approve such changes. Emphasize that allotments and suballotments are subject to the provisions of the Antideficiency Act.

Include the following in the section on allotments and suballotments:

- Function and purpose of allotments and suballotments.

- Restrictions:

    - The sum of allotment amounts issued will not exceed the apportionment.

    - The sum of suballotment amounts issued will not exceed the allotment amount.

    - The amounts of allotments or other administrative subdivisions will be fixed and will be changed only when authorized by the authority who initially issued the subdivision.

    - Congressional restrictions contained in appropriation acts will be enforced.

    - Other restrictions which your agency may want with respect to administrative subdivisions. Use this Circular as a guide. However, you may establish more stringent requirements for the allotment of anticipated budgetary resources.

- Allotment procedures:

    - Make allotments and suballotments using formal documents.

    - Identify the officers authorized to issue allotments and suballotments as well as the officers and employees authorized to reduce them.

    - At a minimum, document the following:

        A. Amount available.

        B. Funding source (for example, appropriations, reimbursements).

        C. Time period of availability.

        D. The position title of the official responsible and other agency limitations.

E. Justification for changes in allotments. (In some cases, changes in allotments will create the need for a reapportionment, which requires OMB approval.)

12. Treatment of anticipated budgetary resources already enacted into law. Your agency's funds control regulations should state that apportionments may include estimated amounts of "anticipated" budgetary resources that are the result of *laws already enacted*. This is done to reduce routine reapportionments of such amounts as they actually become available. These are presented on the apportionment and SF 133 on the following lines:

- Anticipated increases (+) in budget authority (including anticipated transfers of new budget authority) into the account and anticipated decreases in budget authority (–) from the account; lines 1151, 1530, 1741, 1251, 1630, or 1841
- Anticipated transfers of unobligated balances into the account (+) and out of the account (–); line 1040
- Anticipated collections, reimbursements, and other income (+); lines 1740 or 1840
- Anticipated expenditure transfers from into the account (+); lines 1740 or 1840
- Anticipated recoveries of prior year unpaid obligations (+); line 1041 and
- Anticipated permanent reductions (–); lines 1042, 1152, 1330, 1531, 1742 or 1252, 1430, 1631, or 1842

You may choose not to allot amounts *anticipated to increase* (+) the total budgetary resources, even though the amount has been apportioned, until the increase actually occurs.

Alternatively, you may choose to allot amounts *anticipated to increase* the total budgetary resources before the increase actually occurs. If you choose this alternative, then the funds control regulations must require that all officials or employees who receive allotments of anticipated increases in budgetary resources should maintain constant and careful oversight to ensure that these amounts materialize before they incur obligations or expenditures against this type of allotment. The regulations must also require that if actual amounts are less than anticipated, the agency will make appropriate funding adjustments and take other appropriate actions including requesting a reapportionment.

The *anticipated decreases* (–) under current law do not become a part of the amount of total budgetary resources available to be apportioned. Since the OMB apportionment will not include these amounts, these amounts must not be allotted.

13. Deficiency apportionments. At a minimum, the regulations should state:

- Apportionments that anticipate the need for a deficiency appropriation or a supplemental under 31 U.S.C. 1515 will be specifically identified on the apportionment request.
- To qualify as a deficiency apportionment, the request must be required by:
  - Laws enacted subsequent to the transmittal of the annual budget for the year to Congress;
  - Emergencies involving human life, the protection of property, or the immediate welfare of individuals; or
  - Specific authorization by law.

- When OMB approves a deficiency apportionment and transmits it to Congress, OMB is merely notifying the Congress that funds appropriated to date are being obligated at a more rapid rate than previously anticipated. This notification does not guarantee that the Congress will approve any part of any associated supplemental requests and does not authorize the use of any amounts not yet provided by Congress.

APPENDIX J—PRINCIPLES OF BUDGETING FOR CAPITAL ASSET ACQUISITIONS

Introduction and Summary

The Administration plans to use the following principles in budgeting for capital asset acquisitions. These principles address planning, costs and benefits, financing, and risk management requirements that should be satisfied before a proposal for the acquisition of capital assets can be included in the Administration's budget. A Glossary describes key terms. OMB has also published the Capital Programming Guide (July 2012), a supplement to this Circular. The *Guide* is a basic reference on principles and techniques for planning, budgeting, acquisition, and management of capital assets. Agencies should consult the *Guide* when preparing their capital plans and developing their budget requests from their capital plans.

The principles are organized in the following four sections:

A. ***Planning***. This section focuses on the need to ensure that capital assets support core/priority missions of the agency; the assets have demonstrated a projected return on investment that is clearly equal to or better than alternative uses of available public resources; the risk associated with the assets is understood and managed at all stages; and the acquisition is implemented in phased, successive segments, unless it can be demonstrated there are significant economies of scale at acceptable risk from funding more than one segment or there are multiple units that need to be acquired at the same time.

B. ***Costs and Benefits***. This section emphasizes that the asset should be justified primarily by benefit-cost analysis, including life-cycle costs; that all costs are understood in advance; and that cost, schedule, and performance goals are identified that can be measured using an earned value management system.

C. ***Principles of Financing***. This section stresses that useful segments are to be fully funded with regular appropriations; that as a general rule, planning segments should be financed separately from procurement of the asset; and that agencies are encouraged to aggregate assets in capital acquisition accounts and take other steps to accommodate lumpiness or "spikes" in funding for justified acquisitions.

D. ***Risk Management***. This section is to help ensure that risk is analyzed and managed carefully in the acquisition of the asset. Strategies can include separate accounts for capital asset acquisitions, the use of apportionment to encourage sound management, and the selection of efficient types of contracts and pricing mechanisms in order to allocate risk appropriately between the contractor and the Government. In addition, cost, schedule, and performance goals are to be controlled and monitored by using an earned value management system; and if progress toward these goals is not met, there is a formal review process to evaluate whether the acquisition should continue or be terminated.

As defined here, capital assets are generally land, structures, equipment, and intellectual property (including software) that are used by the Federal Government, including weapon systems. Not included are grants to States or others for their acquisition of capital assets. A complete definition is provided in Appendix 1 of the Capital Programming Guide.

A. Planning

Investments in major capital assets proposed for funding in the Administration's budget should:

1. Support core/priority mission functions that need to be performed by the Federal Government;

2. Be undertaken by the requesting agency because no alternative private sector or governmental source can support the function more efficiently;

3. Support work processes that have been simplified or otherwise redesigned to reduce costs, improve effectiveness, and make maximum use of commercial, off-the-shelf technology;

4. Demonstrate a projected return on the investment that is clearly equal to or better than alternative uses of available public resources. Return may include: improved mission performance in accordance with measures developed pursuant to the Government Performance and Results Act (GPRA) Modernization Act of 2010; reduced cost; increased quality, speed, or flexibility; and increased customer and employee satisfaction. Return should be adjusted for such risk factors as the investment's technical complexity, the agency's management capacity, the likelihood of cost overruns, and the consequences of under- or non-performance;

5. Information technology investments ensure that security is incorporated and funded in the life-cycle planning of the system. OMB Memorandum M–00–07: "Incorporating and Funding Security in Information Systems Investments" (February 28, 2000) provides additional detail;

6. Reduce risk by: avoiding or isolating custom-designed components to minimize the potential adverse consequences on the overall investment; using fully tested pilots, simulations, or prototype implementations when necessary before going to production; establishing clear measures and accountability for investment progress; and securing substantial involvement and buy-in throughout the investment from the program officials who will use the system;

7. Be implemented in phased, successive segments as narrow in scope and brief in duration as practicable, each of which solves a specific part of an overall mission problem and delivers a measurable net benefit independent of future segments, unless it can be demonstrated that there are significant economies of scale at acceptable risk from funding more than one segment or there are multiple units that need to be acquired at the same time; and

8. Employ an acquisition strategy that appropriately allocates risk between the Government and the contractor, effectively uses competition, ties contract payments to accomplishments, and takes maximum advantage of commercial technology.

Prototypes require the same justification as other capital assets.

As a general presumption, OMB will recommend new or continued funding only for those capital asset investments that satisfy these criteria. Funding for those investments will be recommended on a phased basis by segment, unless it can be demonstrated that there are significant economies of scale at acceptable risk from funding more than one segment or there are multiple units that need to be acquired at the same time.

OMB recognizes that many agencies are in the middle of ongoing investments, and they may not be able immediately to satisfy the criteria. For those investments that do not satisfy the criteria, OMB will consider requests to use current year and budget year funds to finance additional planning, as necessary, to support the establishment of realistic cost, schedule, and performance goals for the completion of the investment. This planning could include: the redesign of work processes, the evaluation of alternative solutions, the development of information system architectures, and if necessary, the purchase and evaluation of prototypes. Realistic goals are necessary for agency portfolio analysis to determine the viability of the investment, to provide the basis for fully funding the investment to completion, and setting the baseline for management accountability to deliver the investment within goals.

Because OMB considers this information essential to agencies' long-term success, OMB will use this information both in preparing the Administration's budget and, in conjunction with cost, schedule, and performance data, as apportionments are made. Agencies are encouraged to work with their OMB representative to arrive at a mutually satisfactory process, format, and timetable for providing the requested information.

B. Costs and Benefits

The justification of the investment should evaluate and discuss the extent to which the investment meets the above criteria and should also include:

- An analysis of the investment's total life-cycle costs and benefits, including the total budget authority required for the asset, consistent with policies described in OMB Circular A–94: *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs* (October 1992);
- An analysis of the risk of the investment including how risks will be isolated, minimized, monitored, and controlled, and for major programs, an evaluation and estimate by the Chief Financial Officer of the probability of achieving the proposed cost goals;
- If after the planning phase, the procurement is proposed for funding in segments, an analysis showing that the proposed segment is economically and programmatically justified, that it is programmatically useful if no further investments are funded, and in this application its benefits exceed its costs; and
- Cost, schedule, and performance goals for the investment (or the planning segment or useful asset being proposed) that can be measured throughout the acquisition process using a performance-based management system (e.g., earned value management).

C. Principles of Financing

Principle 1: Full Funding

Budget authority sufficient to complete a useful segment of a capital project (or investment) (or the entire capital project, if it is not divisible into useful segments) must be appropriated before any obligations for the useful segment (or project or investment) may be incurred.

Explanation*:* Good budgeting requires that appropriations for the full costs of asset acquisition be enacted in advance to help ensure that all costs and benefits are fully taken into account at the time decisions are made to provide resources. Full funding with regular appropriations in the budget year also leads to tradeoffs within the budget year with spending for other capital assets and with spending for purposes other than capital assets. Full funding increases the opportunity to use performance-based fixed price contracts, allows for more efficient work planning and management of the capital project (or investment), and increases the accountability for the achievement of the baseline goals.

When full funding is not followed and capital projects (or investments) or useful segments are funded in increments, without certainty if or when future funding will be available, the result is sometimes poor planning, acquisition of assets not fully justified, higher acquisition costs, cancellation of major investments, the loss of sunk costs, or inadequate funding to maintain and operate the assets.

Principle 2: Regular Appropriations

Regular appropriations for the full funding of a capital project (or investment) or a useful segment of a capital project in the budget year are preferred. If this results in spikes that, in the judgment of OMB, cannot be accommodated by the agency or the Congress, see Principle 4 below.

Explanation*:* Principle 1 (Full Funding) is met as long as appropriations provide budget authority sufficient to complete the capital project or useful segment or investment. Full funding in the budget year with regular appropriations alone is preferred because it leads to tradeoffs within the budget year with spending for other capital assets and with spending for purposes other than capital assets. In contrast, full funding for a capital project (investment) over several years with regular appropriations for the first year and advance appropriations for subsequent years may bias tradeoffs in the budget year in favor of the proposed asset because with advance appropriations the full cost of the asset is not included in the budget year. Advance appropriations, because they are scored in the year they become available for obligation, may constrain the budget authority and outlays available for regular appropriations of that year.

Principle 3: Separate Funding of Planning Segments

As a general rule, planning segments of a capital project (or investment) should be financed separately from the procurement of a useful asset.

Explanation*:* The agency must have information that allows it to plan the capital project (investment), develop the design, and assess the benefits, costs, and risks before proceeding to procurement of the useful asset. This is especially important for high risk acquisitions. This information comes from activities, or planning segments, that include but are not limited to market research of available solutions, architectural drawings, geological studies, engineering and design studies, and prototypes. The construction of a prototype that is a capital asset, because of its cost and risk, should be justified and planned as carefully as the investment itself. The process of gathering information for a capital project (investment) may consist of one or more planning segments, depending on the nature of the asset. Funding these segments separately will help ensure that the necessary information is available to establish cost, schedule, and performance goals before proceeding to procurement.

If budget authority for planning segments and procurement of the useful asset are enacted together, OMB may wish to apportion budget authority for one or several planning segments separately from procurement of the useful asset.

Principle 4: Accommodation of Lumpiness or "Spikes" and Separate Capital Acquisition Accounts

To accommodate lumpiness or "spikes" in funding justified capital acquisitions, agencies, working with OMB, are encouraged to aggregate financing for capital asset acquisitions in one or several separate capital acquisition budget accounts within the agency, to the extent possible within the agency's total budget request.

Explanation*:* Large, temporary, year-to-year increases in budget authority, sometimes called lumps or spikes, may create a bias against the acquisition of justified capital assets. Agencies, working with OMB, should seek ways to avoid this bias and accommodate such spikes for justified acquisitions. Aggregation of capital acquisitions in separate accounts may:

- Reduce spikes within an agency or bureau by providing roughly the same level of spending for acquisitions each year;

- Help to identify the source of spikes and to explain them. Capital acquisitions are more lumpy than operating expenses; and with a capital acquisition account, it can be seen that an increase in operating expenses is not being hidden and attributed to one-time asset purchases;

- Reduce the pressure for capital spikes to crowd out operating expenses; and

- Improve justification and make proposals easier to evaluate, since capital acquisitions are generally analyzed in a different manner than operating expenses (e.g., capital acquisitions have a longer time horizon of benefits and life-cycle costs).

D. Risk Management

Risk management should be central to the planning, budgeting, and acquisition process. Failure to analyze and manage the inherent risk in all capital asset acquisitions may contribute to cost overruns, schedule shortfalls, and acquisitions that fail to perform as expected. For each major capital project (investment), a risk analysis that includes how risks will be isolated, minimized, monitored, and controlled may help prevent these problems.

The investment cost, schedule, and performance goals established through the planning phase of the investment are the basis for approval to procure the asset and the basis for assessing risk. During the procurement phase, performance-based management systems (earned value or similar system) must be used to provide contractor and Government management visibility on the achievement of, or deviation from, goals until the asset is accepted and operational. If goals are not being met, performance-based management systems allow for early identification of problems, potential corrective actions, and changes to the original goals needed to complete the investment and necessary for agency portfolio analysis decisions. These systems also allow for Administration decisions to recommend meaningful modifications for increased funding to the Congress, or termination of the investment, based on its revised expected return on investment in comparison to alternative uses of the funds. Agencies must ensure that the necessary acquisition strategies are implemented to reduce the risk of cost escalation and the risk of failure to achieve schedule and performance goals. These strategies may include:

- Having budgetary resources appropriated in separate capital asset acquisition accounts;
- Apportioning budget authority for a useful segment;
- Establishing thresholds for cost, schedule, and performance goals of the acquisition, including return on investment, which if not met may result in cancellation of the acquisition;
- Selecting types of contracts and pricing mechanisms that are efficient and that provide incentives to contractors in order to allocate risk appropriately between the contractor and the Government;
- Monitoring cost, schedule, and performance goals for the investment (or the planning segment or useful asset being proposed) using a performance-based management system (e.g., earned value management system); and
- If progress is not within 90 percent of goals, or if new information is available that would indicate a greater return on investment from alternative uses of funds, instituting senior management review of the investment through portfolio analysis to determine the continued viability of the investment with modifications, or the termination of the investment, and the start of exploration for alternative solutions if it is necessary to fill a gap in agency strategic goals and objectives.

E. Glossary

Appropriations, regular annual or advance, provide budget authority that permits Government officials to incur obligations that result in immediate or future outlays of Government funds.

Regular annual appropriations are:

- Enacted normally in the current year;
- Scored entirely in the budget year; and
- Available for obligation in the budget year and subsequent years if specified in the language (see "*Availability,*" below).

Advance appropriations may be accompanied by regular annual appropriations to provide funds available for obligation in the budget year as well as subsequent years. Advance appropriations are:

- Enacted normally in the current year;
- Scored after the budget year (e.g., in each of one, two, or more later years, depending on the language); and
- Available for obligation in the year scored and subsequent years if specified in the language (see "*Availability,*" below).

Availability refers to the period during which appropriations may be legally obligated. Appropriations made in appropriations acts are available for obligation only in the budget year, unless the language specifies that an appropriation is available for a longer period. If the language specifies that the funds are to remain available until the end of a certain year beyond the budget year, the availability is said to be "multi-year." If the language specifies that the funds are to remain available until expended, the availability is said to be "no-year." Appropriations for major procurements and construction projects are typically made available for multiple years or until expended.

APPENDIX K—SELECTED OMB GUIDANCE AND OTHER REFERENCES REGARDING CAPITAL ASSETS

EXECUTIVE ORDERS

Executive Order No. 12893, "Principles for Federal Infrastructure Investments," provides principles for the systematic economic analysis of infrastructure investments and their management. OMB Bulletin No. 94–16, Guidance on Executive Order No. 12893, "Principles for Federal Infrastructure Investments" (March 7, 1994), provides guidance for implementing this Order and appends the Order itself.

OMB CIRCULARS AND MEMORANDA

OMB Circular No. A–11, *Preparation, Submission, and Execution of the Budget:*

Part 2: *Preparation and Submission of Budget Estimates*

- Section 31.5, Full funding, requires that the agency request include full funding for procurement and construction. See the instructions for Planning, Budgeting, Acquisition and Management of Non-IT Capital Assets for more discussion of this policy. A link to the instructions can be found in Section 25.5 Table 1.

- Section 31.15, Systems acquisitions, states that agencies should develop their estimates of major systems acquisitions, including information technology systems, consistent with guidance in the *Capital Programming Guide*, the requirements of Title V of the Federal Acquisition Streamlining Act of 1994 (FASA), and the Clinger-Cohen Act of 1996.

- Section 51.19, Budgeting for capital assets, requires agencies to submit data on information technology (IT) investments and non-IT capital assets. Links to the instructions for the planning, budgeting, acquisition, and management of capital assets can be found in Section 25.5 Table 1. Links are included there regarding two required submissions regarding IT investments, a summary of IT investment spending, and justifications for major IT investments.

- Section 52, Information on financial management, requires agencies to submit data on financial management plans, systems and resources.

- Section 84, Character classification, requires information on different kinds of investment and grants to state and local governments.

Capital Programming Guide (July 2012). The *Guide* is a policy Supplement to this Circular.

OMB Circular No. A–94, *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs* (October 1992), publishes periodic revisions of the discount rate that are used to produce benefit-cost, cost-effectiveness, and lease-purchase analyses in evaluating Federal activities including capital asset acquisition. The circular includes guidelines on how to use the discount rate in calculating present value of future benefits and costs; measuring benefits and costs; and treating uncertainty and other issues. This guidance must be followed in all analyses you submit to OMB in support of legislative and budget programs.

OMB Circular No. A–127, *Financial Management Systems* (revised January 09, 2009), prescribes policies and standards for you to follow in developing, operating, evaluating, and reporting on core financial systems.

OMB Circular No. A–130, ***Management of Federal Information Resources*** (revised November 20, 2000), provides principles for internal management and planning practices of information systems and technology.

OMB Memorandum M–00–10, ***OMB Procedures and Guidance on Implementing the Government Paperwork Elimination Ac*t** (April 25, 2000). This memorandum provides guidance implementing on the Government Paperwork Elimination Act (GPEA), which requires agencies, by October 21, 2003, to provide for the (1) option of electronic maintenance, submission, or disclosure of information, when practicable as a substitute for paper; and (2) use and acceptance of electronic signatures, when practicable.

OMB Memorandum M–00–13, ***Privacy Policies and Data Collection on Federal Websites*** (June 22, 2000). This memorandum reminds agencies that they are required by law and policy to establish clear privacy policies for its web activities and to comply with those policies.

PUBLICATIONS

American National Standard Institute, ***Earned Value Management Systems***, ANSI/EIA–748–1998, (approved May 19, 1998). Electronic Industries Alliance. Arlington, VA 22201.

U.S. General Accounting Office, **Assessing Risks and Returns: A Guide for Evaluating Federal Agencies' IT Investment Decision-Making**, *GAO/AIMD–10.1.13* (February 1997).

Congressional Budget Office paper on ***Capital Budgeting***, (May 2008).

President's Commission to Study Capital Budgeting, ***Report of the President's Commission to Study Capital Budgeting***. (February 1999).

GAO Cost Estimating and Assessment Guide GAO-09-3SP (March 2009).

INDEX

A

A–11, Purpose of xxi
Account and budget structure, changing 79.4
Accountability reports, combining with program performance reports 260
Accounts .... 20.7(f), 20.12, see Budget accounts
Actuals reporting 82.11, 82.12
Adjustments, below reporting threshold, object class 83.6
Administration policy, compliance with 31
Administrative control of funds 150
  OMB approval 150.7
Administrative expenses, credit .... 95.6, 95.12, 185.3(a)
Advance
  Appropriations .... 20.4, 31.2, 80.3(c), 82.6, 82.18
  Funding 20.4
Advances 20.11
Advisory committees 31.11
Advisory/assistance services, object class 83.6
Agency 20.3
Agency administration actions 31.3
Agency Priority Goal 250
Agency reports on violations of the Antideficiency Act
  Letter to Comptroller General 145.7
  Letter to the President 145.7, Ex-145B
  Transmittal letter to Director of OMB 145.7, Ex-145A
Allocation FTE 85.7
Allocations .... 20.4(l), 120.1, 120.29, see Budget authority
  Object classes Ex-83C
  P&F schedule and 82.17
  SF 133 and 130.17
  Transfer allocations 120.29
  Transfers, apportionment reporting 120.67
Allowance 20.3
Amendments 20.3, 110
Amendments, appropriations language examples Ex-110B
Amounts precluded from obligation .... 20.4(b)
Annual Performance Report (APR) 210, 260
Antideficiency Act
  Crosswalk to Title 31, US Code .... Appendix G
  Fund control systems and regulations 150
  Requirements of the Act 15.4, 145.1
  Violation 145
Appendix, Budget 95
Apportionment line descriptions .... Appendix F
Apportionments
  Allocations 120.29
  Apportionment process 120
  Apportionment sample formats Ex-120A-Q
  Automatic apportionments of newly enacted full-year appropriations 120.41
  Changes to Previously Approved 120.49-.51
  Continuing resolutions 120.61-.63, Ex-120F-H
  Continuing resolutions and 123, Ex-120F-H
  Credit accounts .... see Credit, Federal
  Deferrals 112.13, 112.16, Ex-112D
  Deficiency apportionments .... 20.4(b), 120.67, Appendix H
  Definition 20.3
  Footnotes 120.34–.38
  Format of apportionment 120.10, 120.13-.15, 120.19
  Introduction 120.1-.9
  Preparing requests 120.16–.29
  Program reporting categories 120.68-.73
  Reappropriations 120.66
  Rescission proposals 112.14–.15, 112.18–.19, Ex-112B
  Special issues 120.6, 120.20, 120.54
  Submission 120.30-.33
  Time periods by 120.52–.60
Apportioned entitlements 20.3
Appropriations
  Advance .... 20.4, 31.2, 80.3(c), 82.6, 82.18
  In program and financing schedule 82.18
  Justification materials 51
  Multi-year 31.7
  Supplementals 110
Appropriations language
  Amendments, budget Ex-110B
  Cancellations 95.8
  Credit 95.6
  Disaster designation 95.9
  Disburse longer than 5 years 95.7
  Emergency designation 95.9
  Supplemental requests Ex-110A
Asset sales reporting 135.7, Ex-135F
Assets .... see Capital assets
  Asset acquisition, object class 83.6, Ex-83A
Assumptions, basic 31.1
Audited financial statements 52.6, 86.1, Ex-52
Awards, cash incentive 32.1

B

Backdated treasury documents .... 82.12(c)
Balance sheets (schedule F) 86.1, Ex-86A
Balanced Budget and Emergency Deficit Control Act
  Of 1985 (BBEDCA) 15.3, 20.3, 20.9, 79.3, 81.2
Baseline 20.4
Baseline estimates (schedule A,S,R,K) 80, 81
BEA .... see Budget Enforcement Act
Benefit payments 32.2
Benefits, personnel 32
Bonuses… 32.1
Borrowing authority 20.4, 82.18
Budget
  Agencies the budget covers 10.4
  Budget process overview 10
  Budget submissions, contents of 25.5
  Clearance of changes 22.4
  Communications with the public 22.5

Compliance with Administration policies.................... 31
Confidentiality of budget deliberations 22.1
Congress and the laws 15.3
Definition.. 10.1
Formulation overview... 10.5
Kinds of information... 10.3
Laws, basic 15
Mid-session review 10.6
OMB responsibilities, function................................. 10.8
Performance integration..................................... 51, 240
Performance plans 51, 240
Preparation.. 10.2
Preparation/submission requirements, summary 25
Terms/concepts 20.3
Treasury, responsibilities, functions 10.9, 10.12
Budget accounts
Account identification codes 79.2, Ex-79D
Agency identification codes... 79.2, Ex-79D, Appendix C
Appendix account sequence...................................... 95.3
Expenditures and receipts .... 20.7(f), 20.12
Relationship of justification to account structure....... 51.4
Budget and Accounting Act 15.2
Budget authority
Baseline estimates.. 81
Definition.. 20.4
In program and financing schedule......................... 82.18
Policy estimates 81
Summary of budget authority and outlays 86.5
Budget Control Act of 2011 (BCA) 20.3, 20.9
Budget Enforcement Act (BEA)
BEA categories 79.4, 81.2
Mandatory/discretionary classifications 81.2
Budget Enforcement Act (BEA) baseline
Construction of 80
Budget enforcement categories 81.2
Budget execution
Budget execution/budgetary resources,
report on...see SF 133
Cancellation of unobligated/obligated balances 130.13
Expired TAFS... 130.10
Laws that govern.. 15.4
Overview 10.5
Reporting credit accounts 185.22–.31, Ex-185U-CC
Budget Execution and Budgetary Resources
(SF 133) .... 130, Appendix F
Budget justification
materials.........................see Justification, basic materials
Budget laws, basic 15
Budget submissions, contents of 25.5
Budget totals.. 20.3
Budget, Office of Management and .... see OMB
Budgetary resources 20.4
Bureau 20.3

C

Cancellation of budget authority
Definition... 20.4(i)
Presidential proposals to cancel.............................. 112.2
Rescission 112.2
Cancellation of unobligated/obligated balances
Closing accounts.. 130.13
Language requirements 95.8
Capital assets
Acquisitions, principles of budgeting for .... Appendix J
Aircraft procurement 51.19
E-Government 25.5. 51.19
Full funding of.. 31.5
Information technology 25.5, 51.19
Non-IT investments 51.19
Planning and investment control 31.8-.9
Selected OMB guidance ....Appendix K
Capital leases ....Appendix B
Capital planning and investment control.................. 31.8-.9
Capital transfers 82.18
Caps 20.9
Cash equivalent transactions.. 20.8
Category B projects in FACTS II....................... 120.72-.73
Change in mandatory program..................................... 20.3
Character classifications 84, Ex-84
Chief financial officers responsibilities.................... 52.2–.3
Chief Operating Officer 200.10-.11
CHIMP 20.3
Civil rights policy 31.5
Clearance of materials.. 22.3
Clearing accounts... 20.12
Closed account Antideficiency Act violations 145.5
Coastal Barrier Resources Act 31.15
Codes
Account identification 79.2, Ex-79D
Character classification 84, Ex-84
Common government-wide accounting classification
agency codes..Appendix C
Functional/subfunctional .... 79.2, 79.4(d), Ex-79A
Fund types ....79.2, 79.4(b)
MAX line code changes 79.6
Object class..83.6–.16, Ex-83A
OMB agency codes.......................................Appendix C
Receipts source category codes Ex-79B
Transmittal.. 79.2–.3, Ex-79C
Treasury agency codes ....Appendix C
Cohort ....185.3(c)
Collections, discretionary, baseline.............................. 80.3
Collections, mandatory, baseline 80.4
Communications/utilities rent, object classes 83.6
Compensation, personnel ....see Personnel compensation
Congress, sending annual performance reports....... 260.5-.6
Congressional Budget Act 15.3
Congressional Budget Office, responsibilities/
functions... 10.10, 10.12
Congressional budget process, overview 10.5
Congressional justification... 22.6
Performance plans 51, 220
Posting on the Internet... 22.6
Congressional materials 22.2–.3, 22.6
Congressional report 290
Congressional testimony 22.2
Construction
Federal/DC facilities... 31.9
Federally-owned housing 31.9
Nuclear reactors.. 31.15
Construction/rehabilitation, character class 84.4, Ex-84

Consultants, special pay rates for ... 32.1
Continuing resolutions,
apportionments ... see Apportionments
Contract authority ... 20.4, 82.18
Contractor claims ... 31.15
Contractual services/supplies, object class ... 83.6, Ex-83A
Control of funds, administrative ... 150
Cost ... 20.3
Credit, Federal ... 185
  Administrative expenses ... 95.6, 95.12, 185.3(a)
  Antideficiency Act violations ... 145.3
  Apportionments/
    reapportionments ... 185.14–21, Ex-185M-T
  Appropriations language ... 95.6
  Baseline estimates ... 80.1–.2, 80.3(d)
  Budget execution reporting ... 185.22–.31, Ex-185U-CC
  Budget formulation reporting ... 185.9–.13, Ex-185A-L
  Cohort ... 185.3(c)
  Continuing resolutions ... 123.8
  Direct Loans ... 20.3,185
  Discretionary credit accounts, baseline ... 80.3(d)
  Financing account reporting ... 135.6, Ex-135E
  Financing accounts ... 185.3(j), 185.11, Ex-185C-H
  Guaranteed loans ... 185.3(h), 185.6, Ex-185G, Ex-185K
  Interest in credit accounts ... 185.32–.37
  Justification materials ... 51.15
  Liquidating accounts ... 185.3(l), 185.12, Ex-185I-L
  Loan asset sales ... 185.3(m), 185.8
  Loan guarantees ... 185
  Modifications ... 185.3(s), 185.7, 185.21, 185.30–.31
  Narrative statements ... 95.12
  Negative subsidies ... 185.3(v), 185.13
  Object class ... 83.5
  Program accounts ... 20.3, 185.3(y), 185.10, Ex-185A-B
  Program and financing line codes ... 82.5
  Requirements of the Federal Credit
  Reform Act ... 15.6, 185
  Sales of loans ... 135.4, 135.6, Ex-135C, Ex-135E,
  Special terms, definitions ... 185.3
  Subsidies ... 185.3, 185.5-.6, Ex-185B
Cross-Agency Priority Goal ... 220
Crosswalks
  Actuals data across schedules/reports ... 130.19
  Antideficiency Act to Title 31, US Code ... Appendix G
  OMB agency/bureau to Treasury codes ... Appendix C
  SF 133 to Treasury Combined Statement ... Ex-130I
CSRS, object class ... 83.12
Current services estimates ... see Baseline estimates

D

Deferrals ... 112.1–.2, 112.7–.9, 112.13, 112.16
Deficiency appropriations ... 20.4(b), 82.10, 82.18
Deficit ... 20.3
Definition
  Indicator ... 200.21
  Performance goal ... 200.21
  Performance Management ... 200.21
  Program ... 200.21
  Program Activity ... 200.21
  Program Evaluation ... 200.21
  Strategic Objective ... 200.21
Deposit funds ... 20.12
Direct loans ... 20.3, see Credit, Federal
Direct spending ... 20.9
Disaster funding ... 20.3, 95.9, 110.3
Disbursements ... 20.6
Disbursements during cancelled phase ... 130.14
Discount rates ... 185.2, 185.3(h)(t), 185.5-.7, 185.36
Discounting ... 185.3, 185.5, 185.7, 185.36, Appendix B
Discretionary offsetting collections/receipts,
  Baseline ... 80.3(e), see Budget Enforcement Act
Discretionary outlays, automatic generation of ... Ex-82C
Discretionary spending ... 20.9
Discretionary spending/collections,
  Baseline. ... 80.3, see Budget Enforcement Act
Discretionary/mandatory
  classifications ... 79.4(c), 81.2, see Budget Enforcement
District of Columbia, construction ... 31.9
Donations in object classifications ... 83.5

E

Economic assumptions ... 31.1(c)
Economy Act activities ... 20.13
Education and training, character class ... 84.1, 84.4, Ex-84
Education and training, object class ... 83.10
E-Government
  Information technology and ... 25.5, 51.3, 51.5, 51.19
  Strategies ... 31.8
Electronic transactions/recordkeeping ... 31.8
Employment
  Employment summary (schedule Q) ... 85.6
  Object classes ... 83.6
Employment reporting requirements ... 85.4
Entitlement ... 20.9
Environmental management ... 31.4
Environmental projects, remedial ... 31.15
Equal opportunity ... 31.4
Equipment
  Character Class ... 84.4
  Object class ... 83.6
Execution, budget ... see Budget execution
Executive Branch Review, agencies subject to ... 25.1
Exhibit 300 ... 55.7
Exhibit 53 ... 55.6
Experts, special pay rates for ... 32.1
Expired account Antideficiency Act violations ... 145.5
Expired accounts in budget execution ... 130.10–.11

F

Facilities, object class ... 83.6
FACTS II ... 20.3, 130.2
FACTS II control totals to OMB ... 82.11, 82.12
Federal Credit Reform Act ... see Credit, Federal
Federal funds ... 20.12
Federal Performance Plan ... 220

Federal Program Inventory... 280
Federal securities....................... see Investments, Securities
Financial internal/fund control 150.3–.6
Financial management... 52, Ex-52
Financial performance, improved.................................... 52
Financial plans/
apportionments 120.45, 120.48, 120.70, 120.72
Financial statements, audited 52.6, 86.1
Financial transfers, object class.................................... 83.6
Financing accounts....................... 20.3, see Credit, Federal
Fiscal year 20.3
Footnotes and tables, narrative tables......................... 95.13
Foreign currencies 31.15
Foreign currency (FT) TAFS, apportioning 120.64
Forward funding 20.4
Freedom of Information Act (FOIA)............................ 22.5
Full funding 31.5
Full-time equivalent (FTE) employment................ see FTE
Allocation FTE 85.7
Data requirements 85.6
Definition 20.3, 85
Employment summary (Schedule Q)......................... 85.6
Military Average Strength 85.9
Prior year FTE validation 85.8
Reimbursable FTE 85.7
Reporting FTE to OPM... 85.4
Functional/subfunctional
classifications................................ 79.2, 79.4(d), Ex-79A
Fund control regulations checklist.....................Appendix H
Funding hiatus 124.1
Funds, types and codes..................................20.12, 79.4(b)

G

GAO
Responsibilities, function............................. 10.11, 10.12
GAO High Risk List items 210.12
General fund 20.12
Geospatial data collection 25.5
Goal Leader 200.14-.17
Goods and services, object class 83.6
Government Paperwork Elimination Act 31.8
Government Performance/Results Act 15.5
Government perquisites.. 31.6
Governmental receipts.. 20.7
Baseline estimates.. 80.6
Government-Sponsored Enterprises (GSEs)..20.3, 25.1, 86.1
GPRA Modernization Act 2010
Agencies covered by 200.1
Central Website 210
Performance and accountability report 260.1
Performance report 260
Requirements of the Act ....15.5, Part 6
Summary schedule 200.23
Terms/concepts 200.4, 200.6
Grants
Grants and fixed charges, object class 83.6, Ex-83A
Grants management 52.6
Major formula grants—State and local 25.5
Programs, justifying.. 51.6
State/local governments, character class.. 84, 84.2, Ex-84
Subsidies, and contributions, object class................. 83.6
GSA operating delegations 83.11
Guaranteed loans.................................. see Credit, Federal

H

Health care, Uniformed Services 32.5
Hierarchy of spending "mixed" funding 130.20
Historically Black Colleges and Universities............. 31.14
Homeland security data collection 25.5
Hourly rates.. 32.1
Human capital, strategic management of...................... 85.1

I

Identification codes, account..........................79.2, Ex-79D
Identification codes, agency............................. Appendix C
Impoundment 112.1–.2
Impoundment Control Act 15.4
Improper payments 31.8
Information technology
Capital planning/investment control.......................... 31.8
Classifying purchases, object class............................ 83.9
Cloud Computing 25.5
Investments... 55.1
Investments and strategic plans 55.4
Priority investments.. 25.5
Reporting capital assets 25.5, 51.19
Reporting requirements 55.2, 55.3, 55.5
Systems acquisitions... 31.15
Infrastructure investment, justifying 51.6
Inpatient care facilities 31.10
Inspectors General
Funding information 51.16
Insurance and indemnities, object class 83.6
Interagency groups... 31.11
Interest and dividends, object class 83.6
Interest in credit accounts .... see Credit, Federal
Interest on Federal securities........................... 82.11, 82.18
Interest on uninvested funds....................................... 82.18
Interest rate reestimates......................... see Credit, Federal
Intergovernmental Personnel Act, object class 83.15
Intragovernmental fund.. 20.12
Intragovernmental transactions, object class.............. 83.14
Investigation or audit undertaken or conducted
by agency 145.9
Investments
Aircraft acquisition and maintenance 25.5, 51.19
Balance sheets 86.1, Ex-86A
Capital assets 25.5, 51.19
Capital planning/investment control...................... 31.8-.9
Character class...84.4, Ex-84
Federal securities 82.18
Federal/non-Federal securities................................... 113
Information technology 25.5, 51.19
Infrastructure, justifying 51.6
Interest 82.18
Investment account reporting 135.5, Ex-135D
Investments and loans, object class 83.6
Non-Federal securities..113.1(c)
Non-investment activities, character

class 84.1, 84.4, Ex-84
Non-IT investments 25.5, 51.19
Terms/concepts ..... 113.1(b)
Unrealized discounts ..... 113.1(d)

J

Judicial Branch 25.1

L

Land acquisition, national capital area ..... 31.9(d)
Land and structures, object class 83.6
Language, appropriations ..... see Appropriations language
Large transactions reporting 135.4, Ex-135C
Lease-purchases ..... 20.8, Appendix B
Leases
Budgetary treatment ..... Appendix B
Capital assets 31.5, 31.9
Capital leases ..... Appendix B
Leasebacks from public-private partnerships Appendix B
Operating leases ..... Appendix B
Legislative Branch 25.1
Legislative proposals 79.3, 80.2, Ex-79C
Liabilities in balance sheets 86.1, Ex-86A
Life-cycle costs
On obligations ..... 82.6(a)
Trust fund apportionments Ex-120J, Ex-120M-N
Liquidating accounts ..... 20.3, see Credit, Federal
Loan asset sales 185.8
Loan guarantee accounts ..... 20.3, see Credit, Federal
Loans ..... see Credit, Federal
Loans and investments, object class 83.6
Loans, asset sales ..... see Credit, Federal
Lower-Priority Program 240.11-.13

M

Mail 31.15
Management improvement initiatives/policies 31.8
Mandatory collections, baseline 80.4
Mandatory spending 20.9
Mandatory supplemental requests, baseline 80.5
Mandatory/discretionary classifications 81.2
MAX budget system ..... 79, see Schedules, MAX
Agency/account identification
codes ..... 79.2, Appendix C, Ex-79D
MAX schedules, listing of 79.5
MAX web page 79.1
New accounts request 79.4
Requirements summary 25.6
Special schedules 86
User's Guide 79.1
Means of financing ..... 20.7(h)
Medical care services 31.10
Medical care, object class 83.6
Merged/merging accounts 79.4, 82.16
Mid-session review 10.6
Military personnel 83.6–.7, 85.9
Military retirement, object class 83.13
Mixed funding 130.20
Motor vehicles 25.5
MSAVER ..... see CHIMP
Multi-year apportionments 120.7, 120.57
Multi-year appropriations 31.7

N

Narrative statements 95.10–.13
Negative budget authority, baseline ..... 80.3(g)
Net proceeds ..... 185.3(x)
New accounts request 79.4
Non-Federal securities ..... 113.1(c)
Non-investment activities, character
class 84.1, 84.4, Ex-84
No-year apportionments 120.7, 120.57
No-year appropriation reapportionment Ex-120E

O

Object classifications ..... 83, 185.10(b), Ex-83A-C
Obligated balances ..... 20.4(g)
Obligations
By program/performance activity 82.5
Continuing resolutions, under. 123.2, 123.4–5, 123.11–12
Definition 20.5
In program and financing schedule 82.5, 82.18
Intergovernmental Personnel Act, object class 83.15
Limitation ..... 20.3, 20.4(b), 20.9, 20.12
Object classes 83.5–.16, 83.4–.6
Program and financing line codes 82.18
Reimbursable, direct 83.5
Reporting on SF 133 ..... 130.5–.6
Off-budget 20.3, 20.6
Office of Management and Budget ..... see OMB
Offsets 82.8
Offsetting collections ..... 20.4(b), 20.7(d), 82.18
Character classifications ..... 84.3(b), 84.3(c)
Offsetting receipts 20.3, 20.7
Character class ..... 84.3(d)
OMB
Budget process overview 10.5
Responsibilities, functions 10.8, 10.12
Web site link 10.1
On-budget 20.3, 20.6
One percent apportionment requirement 120.38
Open-ended indemnification clause 145.2
Operating leases ..... Appendix B
Operation/maintenance of equipment/facilities,
object class 83.6
Outlays 20.3, 20.6
In program and financing schedule 82.8
Outlay calculations Ex-82B-C
Policy estimates 81.3
SF 133 outlay formula Ex-130H
Summary of budget authority and outlays 86.5
Outyear discretionary data 22.1
Outyear estimates 20.3
Overseas staffing 25.5

Overview of budget process 10, 10.5

P

PAR 260
  Financial management 52
  Materials required 52.4
  Performance budgets and 260
Passback, after 25.6
Pay raises 32.1
Pay/non-pay 81.2
Pay-as-you-go (PAYGO) 20.9
Performance and accountability reports .... see PAR
Performance goal target levels 210.12, 240.8
Performance Improvement Council 200.18
Performance Improvement Officer 200.12
Performance integration 51, 240
Performance Management Framework 200
Performance Plan (budgets) 51, 240
  Congressional justification 22.6
  General requirements, justifying 51.2
  GPRA and 240
  Integration and 51
  Overview 51, 240
  PAR and 200, 240.4, 260
  Performance data 260
  Preparation and submission 240
  Summary schedule 200.23
  Terms/concepts 200.21
Performance Review 270.1-.7
Performance, terms and concepts 200.21
Performance.gov 210
Period of availability .... 20.4(c)
Personal services payments, object class 83.6
Personnel .... see Employment, FTE
Personnel benefits 32.1–.2
Personnel benefits, object class 83.6
Personnel compensation 32
  Benefits, object class 83.6
  Experts/consultants, special rates for 32.1
  Federal Employees' Compensation Act 32.2
  Intergovernmental Personnel Act object class 83.15
  Object classification 83.6, Ex-83A
  Pay in baseline, object class 83.6
  Pay raises 32.1
  Pay scales 32.1
  Unemployment compensation 32.4
Personnel estimates 85.3
Physical assets, character class 84.1, 84.4, Ex-84
Physicians comparability allowance, estimates for 32.1
Policy estimates .... 31.1(b), 81
Premium pay 32.1
Prescription drug coverage, Medicare 31.15
Print materials 25.6, 95
Privacy policies 31.8
Productivity measures 51.8
Program and financing schedule
  (schedule P) .... see Schedules, MAX
Program assessment rating tool .... see PAR
Program evaluation and evidence 51.9
Public communications 22.5
Public enterprise fund 20.12
Public enterprise funds .... see Revolving funds
Public-private partnerships, leasebacks .... Appendix B

R

Radio spectrum-dependent communications.... 31.12, 51.18
Real property, object classes 83.11
Reapportionments .... see Apportionments
Reappropriation .... 20.4(h), 82.18
Receipts 20.7, 81
  Baseline estimates .... 80, 81.3(b)
  Changes in estimates 51.12
  Data classifications 81.2
  Discretionary offsetting collections, baseline .... 80.3(e)
  Line codes for schedules K,R 81.3
  Negative subsidies .... 185.3(v), 185.13
  Offsetting, character class .... 84.3(d)
  Policy estimates 81
  Source category codes .... 79.4(g), Ex-79B
  Special/trust fund receipts (schedule N) ..... 86.4, 113.1(d)
  Types .... 79.4(f)
Records storage 31.15
Reduction in budgetary resources .... 20.4(i)
Refunds 20.10
Refunds, object class .... 83.5, 83.6, Ex 83A
Regulations, effects in the baseline 80.2
Reimbursable FTE 85.7
Reimbursable obligations 20.13, 83.5, 83.18
Relocation expenses, object class 83.8
Remedial environmental projects 31.15
Rent, communications, utilities, object classes 83.6
Rental payment estimates 25.5
Rental payments, reporting requirements 54.1–.2
Rental space/land justification 54, Ex-54
Reorganizations 82.14
Reporting burden reduction 290
Reports
  Apportionment/reapportionment
    schedule .... see Apportionments
  Budget execution/budgetary resources
    (SF 133) .... see SF 133
  Combining financial statements/program
    performance .... see PAR
  Deferrals 112.8, Ex-112C
  Outlay reports 135.3, 135.9, Ex-135A-B
  Performance evaluation
    reports .... see PAR; Annual program performance
  Report on budget execution/budgetary
    resources .... see SF 133
  Rescissions 112.8, Ex-112A
  Unvouchered expenditures 140, Ex-140
Rescissions .... 20.4(i), 112.1–.2, 112.6, 112.9, 112.14–.15
Research and development 25.5
Research and development, character
  class .... 84.1, 84.3(g), 84.4, Ex-84
Research and development, object class 83.6
Restructuring 51.5
Results Act .... see GPRA
Retirement (civilian), object class 83.12
Retirement (military), object class 83.13

Retirement costs 32.1, 32.3, 32.5
Revised annuity employee (RAE) 32.3
Revolving funds
Antideficiency Act violations 145.4
Federal securities Ex-113A-D
Feeder accounts .... 79.4(h)
Financial statements, audited 86.1
Limitations and object classes 83.6, Ex-83A
Public enterprise funds.........................Ex-120I, Ex-130E
Terms/concepts 20.12

S

Schedule P Line Descriptions........................... Appendix F
Schedules, MAX ....see MAX budget system
Listing of... 79.5
Schedule A (Budget authority and outlays—Policy)81, 82
Schedule C (Character classification)...... 84, 84.4, Ex-84
Schedule F (Balance sheets) 86.1, Ex-86A
Schedule F (Direct loans and financing accounts)...Ex-185E
Schedule F (Guaranteed loans and financing loans) Ex-185H
Schedule F (Liquidating accounts) Ex-185L
Schedule G (Direct loans and financing accounts).. Ex-185D
Schedule G (Liquidating accounts)......................Ex-185J
Schedule H (Guaranteed loans and financing accounts).. Ex-185G
Schedule H (Liquidating accounts).................... Ex-185K
Schedule J (Status of funds)........................86.3, 113.1(d)
Schedule K (Receipts—Baseline).................... 80, 81, 82
Schedule N (Special/trust fund receipts).....86.4, 113.1(d)
Schedule O (Object classification)...........................83.5, 83.17–.18, Ex-83A
Schedule P (Direct loan financing accounts) Ex-185C
Schedule P (Guaranteed loan financing accounts)...Ex-185F
Schedule P (Liquidating accounts) Ex-185I
Schedule P (Program accounts) Ex-185A
Schedule P (Program and financing)82, 83.4–.5, 113.1(d)
Schedule Q (Employment summary)......................... 85.6
Schedule R (Receipts—Policy) 81
Schedule S (Budget authority/outlays—Baseline) 80, 81, 82
Schedule T (Appropriations requests-thousands of dollars 86.2, Ex-86B
Schedule U (Program accounts)..........................Ex-185B
Schedule X (schedules P, A, S Combined).................. 82
Schedule Y (Federal credit data, Net financing disbursements ....185.11(d)
Scorekeeping ....20.3, Appendix A
Securities .... 113.1(c), see Investments
Securities, Federal ....113.1(d), 113.2, Ex-113A-D
Securities, Federal/non-Federal 113
Security policies 31.8
Sequestration 20.9, 82.18
Severance pay...32.1
SF 132 .... see Apportionments
SF 133 .... 130, see Budget execution
SF 133 Line Descriptions................................. Appendix F
Shutdown plans 124.2–.3
Source category codes............................... 79.4(g), Ex-79B
Space and related requirements.................................. 31.15
Space budget justification 54.4–.5, Ex-54
Special and trust fund receipts (schedule N)..86.4, 113.1(d)
Special fund 20.12
Spectrum Relocation Fund.. 31.13
Spending authority from offsetting collections ....20.4(b), Appendix F
Standard Form SF-113 .... 85.4
State and local grants 25.5, 84, 84.2, Ex-84
Status of funds (schedule J)............................86.3, 113.1(d)
Statutory Pay-As-You-Go Act of 2010.......................... 20.9
Strategic Objective Annual Review 270.8-.23
Strategic plans
Interim adjustments to 230.17-.18
PAR and 240.4
Performance budgets and 240.3
Preparing and submitting.. 230
Program evaluations 51.9, 210.12, 230, 270
Summary schedule 200.23
Terms/concepts...200.20-.21
Subfunction codes/classifications ..... 79.2, 79.4(d), Ex-79A
Subsidy estimates 20.3, 185
Subsistence and support, object class............................ 83.6
Summary of budget authority and outlays 86.5
Supplementals 20.3, 110.2
Apportionments 120.67
Appropriations justifications 51.10
Appropriations language examples Ex-110A
Baseline, mandatory 80.5
Supplies and materials, object class 83.6
Surplus 20.3
Systems acquisitions 31.15

T

Taxes and tax expenditures 51.11
Telecommunications systems..................................... 31.12
Tort claims 31.15
Transfers
Allocation accounts on SF 133 .... 130.17
Allocation accounts, apportionments 120.29, 120.67, Ex-120O-P
Capital transfers... 82.18
Expenditure/Nonexpenditure......................20.4(j), Ex-20
In program and financing schedule 82.18
Of resources.. 82.14
Technology 25.5
Transmittal codes 79.3, Ex-79C
Travel 31.15
Government 31.6, 31.15
Object class... 83.6
Treasury agency codes ....Appendix C
Treasury appropriation fund symbol (TAFS) 20.3-.4, 20.12
Adjustments to expired................................... 130.11–13
Apportionments and 120.3, 120.5, 120.26

SF 133 and ....130.2, see SF 133
Tribal consultation process.... 51.16

Trust funds 20.3, 20.12
Apportionment limitations....Ex120J, Ex-120M-N
Collections precluded from obligation (SF 133)..Ex-130J
Federal securities Ex-113D
Limitations and object classes 83.6, Ex-83A
Special and trust fund receipts (schedule N).... 86.4
Status of funds (schedule J) 86.3

U

Undistributed charges, object class 83.6
Unemployment compensation.... 32.4
Uniformed services health care 32.5
Unnecessary plans and reports, elimination of.... 290
Unobligated balance.... 20.4(f)
Unobligated balances in liquidating accounts,
Justifying 51.13
Unrealized discounts .... 113.1(d)
Unvouchered expenditures.... 83.6, 140, Ex-140
User charges....20.7(g), 31.13, 79.4
Utilities, object class 83.6

V

Vacancies 32.1
Vehicles, motor 25.5

W

Warrant 20.3
Water and sewer payments (DC) 31.15
Within-grade increases.... 32.1
Work process redesign 51.5
Workforce planning 85.1
Work-out assumptions .... 185.3(ac)

Z

Zero coupon bond 113.5–.6