

Program Reporting Categories in FACTS II Changes for FY 2006

In response to questions that several agencies raised in August 2005, we have put together some information on program reporting categories in FACTS II, and try to highlight changes that will take effect in FY 2006. Here are the questions we answer:

What are program reporting categories used for?

Where can you find additional information on program reporting categories?

How do program reporting categories fit in with obligations reported in FACTS II?

How do program reporting categories relate to Category B projects?

What's changing from 2005 to 2006, and why?

Do OMB and/or FMS validate the Program Reporting Codes submitted in FACTS II?

Does FACTS II always have the Program Reporting Codes required for a particular TAFS?

What happens if a different Program Reporting Code is reported for quarter 3 than what was reported in previous quarters for Category A or B? Will it be rejected?

What are program reporting categories used for?

As of FY 2005, most executive branch Treasury Appropriation Fund Symbols (TAFSs) that use FACTS II to submit their SF 133s do not describe in a programmatically meaningful way where their obligations take place. The program reporting categories provide a vehicle that facilitates reporting obligations in meaningful ways.

As part of the apportionment process, agencies and OMB may make arrangements for agencies to use meaningful program reporting categories when reporting obligations in their SF 133 Reports on Budget Execution and Budgetary Resources. For example, rather than reporting a single number for its obligations, a Department of the Interior account may separately show obligations for: maintaining land resources; protecting endangered species; and, managing recreational sites. Other kinds of accounts would use program reporting categories suited to their needs.

OMB and agencies work together to determine what program categories agencies will report upon. Program categories should be based on elements that agencies track in their financial systems. In some cases, agencies may report upon programs that are or will be evaluated using the Program Assessment Rating Tool. In other cases, agencies may report upon the same programs that appear in the Program and Financing Schedule of the President's Budget. Though agencies are encouraged to use program reporting categories, there are some cases where OMB and agencies will choose not to use any reporting categories.

Where can you find additional information on program reporting categories?

You can find additional information on program reporting categories at:

http://www.whitehouse.gov/omb/circulars/a11/current_year/s120.pdf

and

http://www.whitehouse.gov/omb/circulars/a11/current_year/s121.pdf

How do program reporting categories fit in with obligations reported in FACTS II?

When agencies report obligations to FACTS II, they use several attributes including the US SGL account (for example, 4801 or 4902); begin_end indicator (is it a beginning or ending balance); and, direct_reimbursable indicator.

Agencies also report three other pieces of information that facilitate tying the obligations back to the apportioned amounts.

First, agencies provide the apportionment category. A, B, or C (Not Subject To)

Second, for Category B apportionments, agencies must always report the Category B Number and the Category B Text.

Third, **sometimes** OMB requires agencies to report program category code and program report code text for Category A or B obligations.

In cases where OMB uses Category A apportionments, the SF 133 reports show total direct and reimbursable obligations, but don't include any programmatic stubs. In many cases, OMB also uses a single Category B apportionment for a given TAFS, and in these cases the SF 133 reports also do not include any meaningful programmatic stubs.

The table below shows when a TAFS will use Category B projects and/or program reporting categories when submitting obligations data to FACTS II.

| <u>Type of Apportionment</u> | <u>Program Report Categories Used?</u> | <u>TAFS reports Category B Project</u> | <u>TAFS reports Program Report Categories</u> |
|------------------------------|--|--|---|
| Category A | No | No | No |
| Category A | Yes | No | Yes |
| Category B | No | Yes | No |
| Category B | Yes | Yes | Yes |

How do program reporting categories relate to Category B projects?

In substance, Category B projects are subject to the anti-deficiency Act. In simple terms, a TAFS that obligates more than was apportioned for a Category B project is anti-deficient. The program categories, by contrast, are not subject to the anti-deficiency Act.

If a TAFS has a single Category B project apportioned with \$10 million, and has five program reporting categories that were estimated to be \$2 million each, the TAFS will NOT be anti-

deficient if the obligations in one or more of the five program reporting categories exceed \$2 million. However, the TAFS will be anti-deficient if total obligations exceed \$10 million.

What's changing from 2005 to 2006, and why?

Some agencies used program reporting categories in 2005. When they were first introduced into FACTS II in 2004, FACTS II used a single attribute for program reporting categories and Category B stubs. The attribute (which includes the text description) was available to FACTS II users in a drop-down menu. OMB sends the text descriptions from its apportionment system to FACTS II each quarter.

In 2005, agencies used a single attribute to report **both** Category B and Program Report Code information.

In 2005, whenever using the single attribute for Category A, OMB knew that the attribute meant Program Report Code.

In 2005, OMB found there were some cases where it was impossible in an automated way to determine whether a stub coming from FACTS II referred to a Category B project or a program reporting category. (In many cases, OMB could do this in an automated way, and it could always check "by hand".) This is why things are changing in 2006.

In 2006, we want to remove any confusion and have separate attributes to keep track of the Category B code (and text) and the program reporting code (and text).

Do OMB and/or FMS validate the Program Reporting Codes submitted in FACTS II?

OMB sends FACTS II a list of Category B projects and program reporting categories at the start of each quarter. Agencies may not change any entries on this list, but they may add new Cat B projects or program reporting categories when the FACTS II reporting window is open.

Does FACTS II always have the Program Reporting Codes required for a particular TAFS?

No, there are times when OMB will not have provided FACTS II with all of the program reporting categories or Category B project stubs that are required for a particular TAFS. This is why FACTS II users can add their own codes – so long as these codes agree with the latest apportionment.

What happens if a different Program Reporting Code is reported for quarter 3 than what was reported in previous quarters for Category A or B? Will it be rejected?

Agencies should NOT use a program reporting code in one quarter, and then re-use the code for a different purpose in a later quarter. For example, if a TAFS has two 2 program categories (1 for research and development, and 2 for applied technologies) in the first quarter, but then decides to change things in the second quarter, it should NOT re-use the numbers like this (1 for research, 2 for development, and 3 for applied technologies). Rather, the TAFS should use something like this: 10 for research, 11 for development, and 3 for applied technologies.