CIRCULAR NO. A–11

PREPARATION, SUBMISSION, AND EXECUTION OF THE BUDGET

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
DECEMBER 2020

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

THE DIRECTOR

December 23, 2020

MEMORANDUM FOR USERS OF OMB CIRCULAR NO. A-11

FROM: Russell T. Vought
Director

SUBJECT: Revisions to OMB Circular No. A-11 dated July 10, 2020

This version of OMB Circular No. A-11 (the Circular) has been updated to reflect technical and policy-related revisions. The technical revisions are highlighted in an addendum to the summary of changes document.

This revision removes Part 6 from the Circular. Part 6, "The Federal Performance Framework for Improving Program and Service Delivery," discusses an array of Federal management topics and statutes, particularly in the realm of performance management. Agencies are responsible for continuing to meet the related statutory requirements. A forthcoming memorandum will provide further guidance concerning this revision and the statutory requirements for agencies.

Efforts to reduce the burden and expense of low-value Government work have been a hallmark of this Administration. We have consistently sought to streamline or eliminate bureaucratic processes that do not lead to impactful change or measurable efficiencies.

The Government Performance and Results Act (GPRA) was originally enacted to provide data useful to three audiences: Congress (as an oversight tool); the Executive Branch (as a management tool); and the general public, to inform taxpayers what Federal spending yields. But GPRA itself has yielded few tangible results. Indeed, the thousands of pages of performance data generated by agencies and posted on performance.gov each year attract little interest; aggregate user time spent viewing the raw federal financial data posted on USAspending.gov is more than 30-times greater, according to Google Analytics. For its part, Congress has not held a hearing focused on performance data for years. This lack of interest in the vast bulk of GPRA-generated performance data is not new; it has persisted throughout recent Presidential administrations led by both major parties.

To be clear, OMB believes every Administration should publicly identify its highest priorities, apply meaningful metrics to measure their attainment, and make that information publicly available. Forthcoming guidance concerning GPRA implementation, therefore, will be issued to facilitate the provision of more focused and meaningful information to stakeholders.

Conforming technical revisions to the rest of the Circular with references to Part 6 will be completed in the next annual update.

This Circular supersedes all previous versions and is available at the following internet address: https://www.whitehouse.gov/wp-content/uploads/2018/06/a11_web_toc.pdf.

Enclosure

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

July 10, 2020

OMB CIRCULAR NO. A–11
REVISED
Transmittal Memorandum No. 94

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 2022 Budget and instructions on budget execution.

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.

Russell T. Vought
Acting Director

Enclosure

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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 2022 Budget, including development and submission of performance budgets for FY 2022. 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 sequestration, supplementals and amendments, deferrals and Presidential proposals to rescind or cancel funds, and investments. (Sections numbered 100 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 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 address:

https://www.whitehouse.gov/omb/information-for-agencies/

Past versions of Circular No. A–11 are available for viewing at the following MAX Community page:

https://community.max.gov/x/O4O9Kg

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

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

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.

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.

The term MAX is often referred to throughout the Circular, unless otherwise stated this is in reference to MAX A-11 DE, for more information on the MAX.gov suite of applications please visit here.

Who can answer questions about the Circular?

Reach out to your OMB program examiner or Resource Management Office.

SUMMARY OF CHANGES

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

Section No.	Change
20.3	Describes general scoring and execution concepts regarding rebasing of funds.
20.4(i)	Clarifies execution guidance of account-specific rescissions and cancellations of spending authority from offsetting collections, as well as special and trust fund receipts.
EX-20	Describes limited circumstances in which nonexpenditure transfers may be made between different fund groups.
21.4	Updates to recognize the end of the statutory caps in 2021 and to acknowledge the new guidance on Administrative PAYGO in Executive Order 13893.
22.3	Updates the materials subject to OMB clearance to be consistent with OMB Memorandum M-19-12 "Clearance of Department and Agency Materials through the Office of Management and Budget".
22.3	Clarifies that all reports, whether required by law or otherwise requested in non-statutory text, to congressional committees and subcommittees are subject to OMB clearance unless an exemption applies.
22.6(b)	Reminds agencies to continue developing machine readable files for their budget summary table(s) that normally accompany the congressional justifications.
22.6(b)	Reminds agencies to use the budget and performance framework definitions in OMB Circular No. A-11 sections 20.3 and 200.22 when developing reports such as congressional justifications, Annual Performance Plans, Annual Performance Reports, and other associated reports.
25.5	Updates the instructions and dates in "Table 1: Contents of the Budget Request" and removes the reference to the "IT Statements and IT Table" in "Table 1: Contents of the Budget Request".
25.6	Provides clarification on how MAX A-11 DE is used to produce the Budget Appendix.
31.1, 31.8	Includes enterprise risk management as a basis for budget proposals and as a management improvement initiative.
31.8	Addresses IT supply chain risk management and updates guidance for managing Government records.
31.13	Adds that if agencies identify additional spectrum relocations costs not included in their original spend plans, OMB and the National Telecommunications and Information Administration should be notified.
31.15	Reflects recent Controlled Unclassified Information guidance.
31.16	Ensures acquisitions are compliant with the Secure Technology Act of 2018.
31.16	Clarifies that payments for water and sewer to District of Columbia are coordinated with Department of the Treasury.
32.1	Provides guidance on provisional pay raise and awards estimates for the FY 2022 Budget.

Section No.	Change
32.3	Updates provisional FERS contribution rates for FY 2021 and FY 2022 and includes link to OPM guidance where final contribution rates are published.
51.3, 51.4	Removes the Information Technology (IT) Resource Statement requirement for agencies.
51.9	Simplifies requirements for providing updates on agency progress in implementing the Foundations for Evidence-Based Policymaking Act of 2018.
51.21	Adds new language instructing agencies to look for opportunities to redirect resources from lower priority activities to higher priority activities and to eliminate unnecessary spending.
55.4	Removes requirement for submission of Information Resource Management plans.
55.6	Removes requirement for IT Resource Statement.
55.8	Streamlines guidance regarding Standard IT Investment Reports.
79	Modernizes the descriptions of the budget data system to accord with current web-based data collection practices. Describes the multiple exercises used to collect information for the President's Budget.
79.4(b)	Corrects the OMB fund code in the "Fund Types and Codes" table from "4" to "1" for management funds.
80.4	States that sequestration of mandatory resources for all years that sequestration is required under current law should be reflected in the baseline.
81.2	Updates to reflect that former exhibit 81 has been moved from this Circular to a MAX Community page.
81.2	Removes the “Mandatory, Account-Specific Sequestration Policy, Authorizing Committee” budget enforcement data classification in the “Summary of Budget Enforcement Data Classifications” table.
82.18	Adds memorandum lines for changes to unobligated and obligated balances as identified in Appendix F of OMB Circular No. A-11 (2019).
82.4, 82.6(d)	Updates sections to reflect that former exhibits 82A through 82C have been moved from this Circular to a MAX Community help page.
82	Removes exhibits 82A through 82C and renumbers exhibit 82D to 82.
83.5	Updates to resolve inconsistency on the classification of obligations in non-credit revolving accounts as direct and/or reimbursable.
83.5	Updates the table describing the method for identifying whether obligations are direct or reimbursable.
85.1	Removes detailed requirements that were based on M-17-22 as the hiring freeze is no longer in place and allows agencies to provide their high-level objectives and activities.
85.5(a)	Clarifies assumptions about FTE caps and streamlines language relating to justification of FTEs.
85.5(c)	Updates table showing compensable days.
95.12	Updates guidance on performance-based information to include in Appendix narrative statements.
95A	Adds several additional words or phrases to Table 1 of the General Style Guidelines with respect to formatting, punctuation, or symbols.

Section No.	Change
95A	Adds several additional words or phrases to Table 2 of the General Style Guidelines with respect to spelling or usage.
100.3, 100.4, 100.7, 100.15	Updates to reflect current law and guidance.
113.1(d)	Clarifies that payments of interest on Federal securities to Government accounts are an intergovernmental transaction.
113.7, 113.8, 113.9	Adds guidance on the budgetary treatment of Treasury Inflation-Protected securities on the SF 133.
120 (various)	Updates all exhibits to show non-expenditure transfers on anticipated lines as opposed to actual non-expenditure transfer lines on the apportionment.
120A	Removes previous years Exhibit 120A, which had listed all apportionment line numbers, and instead directs the reader to the more detailed line guidance in Appendix F1.
120.2, 120.19	Clarifies whether or not an adjustment authority indicator ("AdjAut") dictates if an automatic adjustment can be made.
120.2	Adds to the "account-specific apportionments" definition that an approving apportionment official may also include another OMB official who has been delegated apportionment authority.
120.10	Emphasizes that if all or a portion of a TAFS is subject to apportionment, all budgetary resources, including the portion exempt from apportionment, must be shown in the Budgetary Resources section of the apportionment.
120.16	Removes the outdated reference to phone apportionments and instead states that other non-system methods should be consistent with 31 U.S.C. 1513.
120.36	Clarifies when an attachment/additional tab is apportioned and subject to the Antideficiency Act.
120.41	Clarifies that if a final full-year appropriation bill is enacted before the end of a continuing resolution (CR), the amounts automatically apportioned under the CR cannot be adjusted downward.
120.53	Explains when to use line 6180 versus 6181 on the apportionment.
123	Incorporates routine guidance from the OMB CR Bulletin (throughout section).
123.2	Provides guidance and an example for how to calculate the rate for operations of a TAFS during a CR.
123.3	Provides guidance and an example for how to calculate a TAFS' amount automatically apportioned by the CR Bulletin.
123.4	Explains CR anomalies and how they impact funding during a CR.
123.7	Discusses recurring rescissions and how they impact the rate for operations of a TAFS during a CR.
123.8	Explains when CHIMPs impact the rate for operations of a TAFS during a CR.
123.9	Clarifies how mandated and permissive transfer authorities are applied to TAFS during a CR.
123.11	Adds a new section on how appropriated entitlements and mandatory payments are apportioned during a CR.

Section No.	Change
123.18	Deletes Exhibit 123 and incorporates the example previously included in the Exhibit into credit program guidance.
124.2	Updates the summary information required at the beginning of each agency lapse plan to clarify that lapse plans should report the number of employees retained under the plan by number of individual employees, rather than number of FTEs, and include the total number of employees who will be furloughed under the plan.
EX-135	Updates list of agencies/programs that are required to submit plans.
EX-135	Updates section to reflect that former exhibits 135B through 135F have been moved from this Circular to the MAX Community Monthly Outlay Plans exercise page: https://community.max.gov/x/SgCDAw.
145.8	Clarifies reporting requirement for when GAO finds an ADA violation.
200	Updates overall performance planning and reporting timeline for strategic plans, performance plans, priority goals, learning agendas, and evaluation plans through the President's FY 2023 Budget. Adds references to FATAA and FITARA as other enacted legislation that is related to, and complementary of, principles established in the Federal Performance Framework. Clarifies and streamlines existing guidance for agency notification of COO, PIO, and Deputy PIO designations to OMB and GSA in order to ensure accurate email ListServs for communicating critical management policies, guidance, and information to agencies.
210	Provides updated guidance on expectations of agencies related to Federal Program Inventory reporting, and clarifies the FPI's relationship within the broader context of agencies' performance and strategic planning and management processes. Technical edits are made to existing guidance on the timing of performance plans and reports during an election year. Updates clarify the Content table and standard information elements that must be addressed when writing Strategic Plans, Annual Performance Plans, and Annual Performance Reports, including thematic tagging for strategic objectives and priority goals. New guidance is also provided to agencies for how to address elements related to evidence-building and evaluation plans required by the Foundations for Evidence-based Policymaking Act of 2018 in the agency SP, APP, and APR.
220	Section has been renamed and reorganized to the President's Management Agenda, Cross-Agency Priority Goals and Federal Performance Plan. It provides information on the President's Management Agenda (PMA) and its relationship to the GPRA Modernization Act of 2010. Updated guidance is provided on implementation and reporting to support efforts related to Shifting from Low-Value to High-Value Work.
230	Establishes the detailed timeline and major milestones for developing the FYs 2022-2026 Strategic Plan. Clarifies the relationship of the FY 2022 and FY 2023 APP to applicable FYs 2018-2022 and FYs 2022-2026 Strategic Plans. New guidance is also provided discussing effective implementation strategies for achieving strategic goals and objectives, and how interim revisions to Strategic Plans should be communicated and published.
240	Updates milestones for publishing the FY 2022 Annual Performance Plan and FY 2020 Annual Performance Report concurrent with agencies FY 2022 final congressional budget justifications. Guidance is also provided clarifying how agencies meet the intent of reporting provisions of the GPRA Modernization Act addressing lower-priority program activity reporting.
250	Updates planning milestones and guidance for developing the next cycle of Agency Priority Goals (FYs 2022-2023) with the FY 2023 Budget.

Section No.	Change
260	Updates guidance to clarify the relationship between strategic planning, strategic reviews, and the Agency/OMB strategic review meeting. Updates in this section also streamline existing guidance on required information elements to be reflected in agency Summary of Findings by Strategic Objective that are submitted to OMB. Agency applicability for implementing the requirements of this section is also more clearly delineated.
270	Provides strategies and guidance for strengthening program and project management across the Federal Government in implementing the Program Management Improvement Accountability Act (PMIAA). Updates incorporate dissemination and communications planning as a component of Change Management, and discussion of policies designed to build capacity within the program and project management workforce is revised and reformatted.
280	Provides continued guidance to agencies on implementing the Federal Government's customer experience framework, and information for agencies on how to effectively manage customer experience improvement efforts. Updates include additional information for agencies on leading practices for measuring and managing customer experience.
290	Provides additional guidance to agencies on implementing evaluation and evidence-building activities required by the Foundations for Evidence-Based Policymaking Act of 2018 (the "Evidence Act"), and describes the relationship of evaluation and evidence to the Federal Performance Framework, as well as the relationship between the various documents required by Title I of the Evidence Act.
Appendix B	Clarifies that all proposals involving enhanced-use leases (outleases) with leaseback mechanisms must be submitted to OMB for review.
Appendix B	Updates annual amounts for the General Services Administration prospectus threshold (as required under 40 U.S.C. 3307) and clarifies that all proposed leases with annual payments above this amount must be submitted to OMB for review.
Appendix B	Adds "or renovate" to the requirement that agencies submit for OMB review financing proposals that require contractors to "acquire, construct, or renovate assets valued at over $50 million" to clarify that renovation is a form of construction.
Appendix F.3	Amends description of line 1037 to replace "1036" with "1037".
Appendix F.3	Adds line 1039 to provide a mechanism to record changes in allocation of trust fund limitations in a general fund expenditure account. This change only impacts the Social Security Administration and is effective for FY 2021.
Appendix F.3	Adds line 1040 to address adjustments to prior year indefinite appropriations derived from the General Fund of the US Treasury in subsequent years and is effective for FY 2021.
Appendix F.3 and F.6	Adds lines 1042, 1043, 1044, 1063, 1064, 1065 and 4055 to provide a mechanism to record changes in project source funding of monies derived from the General Fund of the US Treasury and trust fund receipts. This change only impacts the Corps of Engineers-Civil Works and is effective for FY 2021.
Appendix F.3	Adds line 1041 to address other balances previously not available (i.e., shown on line 1031) to close a no-year Treasury account and is effective for FY 2021.
Appendix F.3	Removes lines 1082 "Capital transfer of expired unobligated balances to general fund" and 1083 "Expired unobligated balances applied to repay debt" because capital transfers and repayment of debt are not applicable to the expired phase.
Appendix F.3	Adds lines 1122, 1222, 1410, and 1431 to address nonexpenditure transfers of exercised borrowing authority. This change only impacts the Department of Agriculture and is effective for FY 2021.

Section No.	Change
Appendix F.3	Amends description of line 1130 “Appropriations permanently reduced” to include sequestration derived from exercised borrowing authority. This change only impacts the Department of Agriculture and is effective for FY 2021.
Appendix F.3	Adds line 1722 to display discretionary unobligated balances of spending authority from offsetting collections permanently reduced and is effective for FY 2021.
Appendix F.3	Adds line 1902 to address adjustment for total budgetary resources subject to obligation limitation. This new line will only impact the Department of Transportation and is effective for FY 2021.
Appendix F.3	Identifies the effective period (FY 2021) for the changes identified above and the renumbered lines for budget execution reporting and the schedule P display.
Appendix F.3 and F.4	Identifies the effective period (FY 2022) for the new lines added related to anticipated budgetary resources and status of budgetary resources and the renumbered lines for budget execution reporting and the schedule P display.
Appendix F.7	Amends description for lines 5331 “Direct obligated balance, start of year,” 5332 “Reimbursable obligated balance, start of year,” 5333 “Discretionary obligated balance, start of year,” and 5334 “Mandatory obligated balance, start of year” to refer to line “3060” instead of line “3061”.
Appendix F.11	Incorporates revisions from OMB Circular No. A-136 to separately display financing account net disbursements in the Outlays, net and Disbursements, net section of the Statement of Budgetary Resources.
Appendix F.13	Clarifies that the phase “reduced by” is not recorded as a reduction (i.e., rescission) of budgetary resources. This type of reduction is an adjustment to the appropriation line and is not separately shown on a reduction line.
Appendix F.18	Adds a reference table to illustrate when and how to record adjustments to budgetary resources from prior year indefinite appropriations derived from the General Fund of the US Treasury in subsequent years.
Appendix G	Amends 31 U.S.C. 1341 to reflect updates enacted in The Government Employee Fair Treatment Act of 2019 (P.L. 116-1).

SUMMARY OF CHANGES—ADDENDUM

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

Section No.	Change
81.2	Adds the "Mandatory, Sequestration Reduction, Authorizing Committee" budget enforcement data classification to the "Summary of Budget Enforcement Data Classifications" table.
82.18	Updates the mandatory budget authority lines to allow for BY entries in order to show the effects of the Joint Committee sequestration at the account level.
100.15	Updates to explain that agencies are required to show the pre-sequestration and sequestration reduction amounts in their baseline presentation in MAX A-11 DE.
130.9	Updates the table titled "Economy Act Activities between Federal Entities in Different TAFSs", including where cash advances should be required.
Appendix F.3	Updates the description for line 1910.
Appendix F.3 and F.5	Modifies line 1043, renumbers line 1044 to 1045, and adds new lines 1044 and 3072 to provide a mechanism to record changes in project source funding of monies derived from the General Fund of the U.S. Treasury and trust fund receipts. This change only impacts the Corps of Engineers-Civil Works and is effective for FY 2021.
Appendix F.3, F.5, and F.15	Removes the $500,000 threshold from the table in section 15 and in the descriptions for lines 1020, 3001, and 3061 to be consistent with the updated Fiscal Service guidance.
Appendix F.5	Updates the description for line 3200.
Appendix F.6	Updates the description for lines 4060 and 4150.
Appendix F.11	Updates the description for line 1690. This change only impacts the Department of Transportation.
Part 6	Removes Part 6, *The Federal Performance Framework for Improving Program and Service Delivery*, from this Circular. Further guidance is forthcoming.

CIRCULAR NO. A–11

PART 1

GENERAL INFORMATION

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
JULY 2020

SECTION 10—OVERVIEW OF THE BUDGET PROCESS

Table of Contents

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 the section of the *Analytical Perspectives* volume of the most recent budget, "Budget Concepts and Budget Process." To view or download budget documents, go to the budget website:

https://www.whitehouse.gov/omb/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 nine 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.)

The budget also includes the estimated budgetary effects of certain entities that may not report to the Department of the Treasury. These can be found in the Budget Appendix under the heading Federally Created Non-Federal Entitites. In such cases, the included activities are considered budgetary and occur because of authorities conferred or control exerted by the Government. For more information on capturing the full effect of governmental activity in the Budget, see Chapter 10, Coverage of the Budget, in the *Analytical Perspectives* volume of the Budget.

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 an 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
OMB issues Circular No. A–11 to all Federal agencies. This Circular provides detailed instructions for submitting budget data and materials.	June
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 opens the MAX A-11 DE application for all agencies to submit their past year budget data.	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 schedule data and text materials in MAX A-11 DE. This process continues until OMB must "lock" agencies out of MAX A-11 DE 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, Bureau of the Fiscal Service (Fiscal Service);
- 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 the Bureau of the Fiscal Service, 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. The Financial Report of the U.S. Government 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 Fiscal Service 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, the Fiscal Service, 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 Fiscal Service 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 Fiscal Service to assist in Fiscal Service’s responsibility to prepare warrants.
- OMB and Fiscal Service work together to estimate actual outlays during the course of a year.
- Fiscal Service gathers financial information through the Government-wide Treasury Account Symbol Adjusted Trail Balance System (GTAS), 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 Fiscal Service 2108 Year-End Closing Statement, and the prior-year column of the Program and Financing schedule in the President's Budget.
- OMB and Fiscal Service worked together to develop the GTAS systems. Fiscal Service develops U.S. Standard General Ledger guidance to comply with OMB definitions.
- Both Fiscal Service and GAO provide guidelines used by financial managers as they account for Federal finances.

- OMB uses GAO audits and evaluations, as well as those of agency inspectors general, as part of its review of agency programs.

SECTION 15—BASIC BUDGET LAWS

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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, as amended (BBEDCA).
- 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 mandatory 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. 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 mandatory 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 of 2010 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, known as sequestration, in non-exempt mandatory programs. BBEDCA specifies 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 21 provides more information on the Statutory Pay-As-You-Go Act and 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 the 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.

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 (FCRA) prescribes a special budget treatment for direct loans and loan guarantees that measures the net present value of cash flows to and from the Government, i.e., subsidy cost, rather than budgeting for credit programs on a cash basis. For most credit programs, the 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

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Summary of Changes

Describes general scoring and execution concepts regarding rebasing of funds (section 20.3).

Clarifies execution guidance of account-specific rescissions and cancellations of spending authority from offsetting collections, as well as special and trust fund receipts (section 20.4(i)).

Describes limited circumstances in which nonexpenditure transfers may be made between different fund groups (exhibit 20).

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 need a brief definition of a term commonly used in the budget process, go to 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 to know more about the sequestration terms and concepts defined in section 20.3, go to section 100, Sequestration.

- 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 Appropriation 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.)

Appropriation account—See "Treasury Appropriation Fund Symbol."

Balanced Budget and Emergency Deficit Control Act of 1985 (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 (PAYGO; see "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 PAYGO 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 21.3.)

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. The specific forms of budget authority are 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. (See section 21.3.)

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.

Budget year (BY) refers to the fiscal year for which the budget is being considered, that is, with respect to a session of Congress, the fiscal year of the Government that starts on October 1 of the calendar year in which that session of Congress begins.

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).

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 "**CH**ange (either a cost or a savings) **I**n a **M**andatory **P**rogram" that is proposed or enacted in an appropriations bill rather than in authorizing legislation. The term applies only to provisions in appropriations acts that change mandatory budget authority, outlays, offsetting collections, or offsetting receipts relative to the baseline. For the purposes of scoring those appropriations acts, such changes are scored as discretionary. After enactment, these changes are rebased (see "Rebase"). In OMB's budget database, proposed CHIMPs are separately identified with a specific budget enforcement subcategory classification known as a "discretionary change in a mandatory program" until they are enacted in full-year appropriations bills (see section 81.2). This classification only applies to policy estimates—not baseline estimates.

Under the Statutory Pay-As-You-Go Act of 2010, the outlay effects of CHIMPs that alter mandatory budget authority in an outyear are classified as PAYGO (mandatory) impacts except when their net outlay effect is zero over a six-year period beginning with the current year. All changes in revenues in any year are classified as PAYGO, and are not scored as discretionary, even if they are included in an appropriations bill.

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, the 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 OMB Circular No. A–21; for estimating costs for user charges, see OMB Circular No. A–25; for rental and construction costs of Government quarters, see OMB Circular No. A–45; for allowable costs for audits, see OMB Circular No. A–50; for cost estimates in performing commercial activities, see OMB Circular No. A–76; and for cost principles for State, local, and Indian Tribal Governments, see OMB 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 the Congress by special message. Deferrals 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 20.11.)

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 21.3.) (Compare to "Mandatory spending.")

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 subject to an annual obligation limitation, the budget authority remains mandatory, although the funds' outlays are discretionary.

Emergency requirement means an amount that the 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 the Children's Health Insurance Program (CHIP) and Temporary Assistance for Needy Families (TANF). Some programs, such as veteran's compensation, Medicaid, Supplemental Security Income (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 appropriated entitlements. (See "Mandatory spending;" section 21.3.)

Expenditure transfer—See "Transfers."

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 20.11.) (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-1991 direct 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 (FY) 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) mean private enterprises that were established and chartered by the Federal Government for public policy purposes. GSEs 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.")

Governmental 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. Receipts and revenues are common terms used in place of governmental receipts. (See section 20.7.) (Compare to "Offsetting collections" and "Offsetting receipts.")

GTAS means the Governmentwide Treasury Account Symbol Adjusted Trial Balance System. 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 schedule P (see sections 82.15 and 130.2). This system replaced the Treasury Federal Agencies' Centralized Trial Balance System II (FACTS II).

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 spending means spending controlled by laws other than appropriations acts (including spending for entitlement programs) and spending for the Supplemental Nutrition Assistance Program. Although the Statutory Pay-As-You-Go Act of 2010 uses the term "direct spending" instead of "mandatory spending" to describe this concept, "mandatory spending" is the term to describe the concept that is commonly used. (See section 21.3.) (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.")

Nonexpenditure 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 contract 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 used in certain Transportation programs.

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, offsetting collections 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 "Governmental 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 "Governmental 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 has 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 been associated with, for example, 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 21.3.)

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 sections 20.4(h) and 120.66.)

Rebase means to change the classification of funds from how they were scored for budget enforcement in a particular piece of legislation. Items can be "rebased" either direction—from mandatory to discretionary or discretionary to mandatory, depending on the original jurisdiction of the scored bill, the directed scoring provided in a bill, and the underlying program characteristics. This happens most often with changes in mandatory programs enacted in appropriations acts (see "CHIMP"), which are scored as discretionary but executed as mandatory. It is also possible, however, for an authorizing bill to change a discretionary program, which would be scored as mandatory but executed as discretionary.

In general, appropriations should be rebased to match the mandatory or discretionary classification of existing funds that an account receives for similar activities. For example, if an authorizing bill provides additional appropriations for salaries and expenses-related activities normally funded by an annual appropriations Act, those funds are usually rebased as discretionary. The same concept applies even if an existing account funded by discretionary dollars receives a transfer from an appropriation provided in an authorizing bill classified as mandatory. In this case, the transferred funds should be rebased as discretionary in the receiving account. See section 21.3 for a more detailed explanation on determining the budget enforcement category of funding.

Receipts—See "Governmental receipts" or "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 100).

Refund means the return of excess payments to or by the Government. (See section 20.9.)

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 20.11.)

Scorekeeping means measuring the budget effects of legislation in terms of budget authority, governmental receipts, and outlays, for purposes of measuring adherence to the President's Budget, other budget targets, or budget enforcement laws. (See section 21.)

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. BBEDCA requires annual across-the-board cancellations to selected mandatory programs through 2030 and would require cancellations if discretionary appropriations exceed the statutory limits on discretionary spending. (See section 100.)

Special fund means a Federal fund account for receipts earmarked for specific purposes and the expenditure of these receipts. (See section 20.11.)

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 A-11 DE.)

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. All financial transactions of the Federal Government are classified by TAS for reporting to the Department of the Treasury and the Office of Management and Budget. TAS includes all the component pieces of Treasury Appropriation Fund Symbol plus any sub-accounts established by Treasury.

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 agency; allocation agency, when applicable; 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 20.11.) (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 20.11.) (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 No. 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 the 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 the 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 Federal accounts only if an obligation is recorded by the paying account; obligations

Form of budget authority	Summary of Characteristics
	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.) The 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 when to request 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, the 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, the 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, the 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 20.11 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 20.11, 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. 31 U.S.C. 1555 provides for the closing of appropriation accounts that are available for indefinite periods if the agency head or the President determines that the purposes of the appropriation have been carried out and no disbursement has been made for two consecutive fiscal years. See Appendix F for a description of line 1029, other balances withdrawn.

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**, as defined by the Congressional Budget Act of 1974 (31 U.S.C. 1105(a)(17)), means appropriations of new budget authority provided in an annual appropriations Act 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 2013, it would provide an advance appropriation for fiscal year 2014: "For operating expenses, $1,500,000, to become available on October 1, 2013." The term “advance appropriation” applies only to discretionary funding in appropriations Acts or to mandatory funding provided in appropriations Acts and classified as "appropriated entitlements" or "appropriated mandatories" by the Balanced Budget Act of 1997 (see section 21.3(c)).

  Under current scoring guidelines, new discretionary 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 discretionary spending caps for that year (see section 21.3 (g)). 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 2014, would provide forward funding, which would be recorded in fiscal year 2014: "... of which $2,000,000,000 shall become available on July 1, 2014 and shall remain available through September 30, 2015 for academic year 2014–2015."

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 95.8). 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 when the language provides a ceiling, for example "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, or a floor, for example "not less than" a specified 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. Instead, these laws act much like a revolving line of credit where you may repeatedly borrow up to a limit, make repayments, and borrow again up to the limit, so that over time your total borrowing exceeds the limit on credit outstanding at any point in time. 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.

The Congress may enact laws that preclude agencies from using all of their potential budget authority. For example, in some cases the 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 a limitation on obligations 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 21.3.

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 the 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 GTAS (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 2014 included in an FY 2015 appropriations act enacted in August, 2014) 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).

The 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. Sequestration is also cancellation of budgetary resources (see section 100 for complete guidance on sequestration). 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, are considered to be temporary reductions unless legislation states that the reduction is permanent.

- Temporary reductions remain in the expenditure account from which amounts are being rescinded or cancelled (or in the associated unavailable special or trust fund receipt account in limited situations). Amounts temporarily reduced will be unavailable in the fiscal year they are rescinded or cancelled and are only available in the subsequent fiscal year in accordance with the statutory terms of that appropriations account.

- Permanent reductions 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 as a cap adjustment pursuant to a Concurrent Resolution on the Budget or BBEDCA (e.g., as an emergency requirement or Overseas Contingency Operations/Global War or Terrorism) are not counted as discretionary offsets for base appropriations.

(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), except in limited cases. See also Exhibit 20.

If the transfer...	Record as...
(1) purchases goods or services that benefit the transferring account; for example, transactions under the Economy Act or other authorities, 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), except in limited cases (see item 6 below)...	An expenditure transfer.
(3) shifts budgetary resources between a program account and a salaries and expenses account for the purpose of credit program administration…	An expenditure transfer.
(4) 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 expenses account to fund pay raises) other than as listed in items 2 and 3...	A nonexpenditure transfer.
(5) corresponds to a transfer of an activity from one account to another (such as in a reorganization)...	A nonexpenditure transfer.
(6) is for the purpose of a repayable advance between Federal funds and trust funds …	A nonexpenditure 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 budget 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	A decrease in budget authority in the transferring account and an increase in budget

If you transfer...	And the transfer...	Record...
	used, other than general transfer authority provided in a standing provision of law enacted before the budget authority was provided.	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 to another agency, of its authority to obligate budget authority and outlay funds. 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. 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 cannot 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 U.S.C. 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 expenses incident to relocation at the request of the Government	The individual travel orders are approved	The travel is a bona fide need at the time the order is approved.
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.

Type of obligations...	At the time ...	Because...
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 maximum amount indicated in the letter that the contractor is	

Contracts with...	Amount obligated is…	At the time ...
the contractor is authorized to proceed	authorized to incur to cover expenses prior to the execution of a definitive contract	
Contracts for variable quantities The contracts are usually followed by "purchase orders" that do obligate the Government	Normally, no amount is obligated The amount of actual orders	The contract is signed. 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 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. In contrast, offsetting receipts generally are not netted against gross outlays at the bureau level, but when general fund payments are used to finance trust fund outlays to the public, the associated trust fund offsetting receipts are netted against the bureau totals to prevent double-counting budget authority and outlays at the bureau level. (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.

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 20.9).

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. 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 outlay rate (sometimes informally 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.

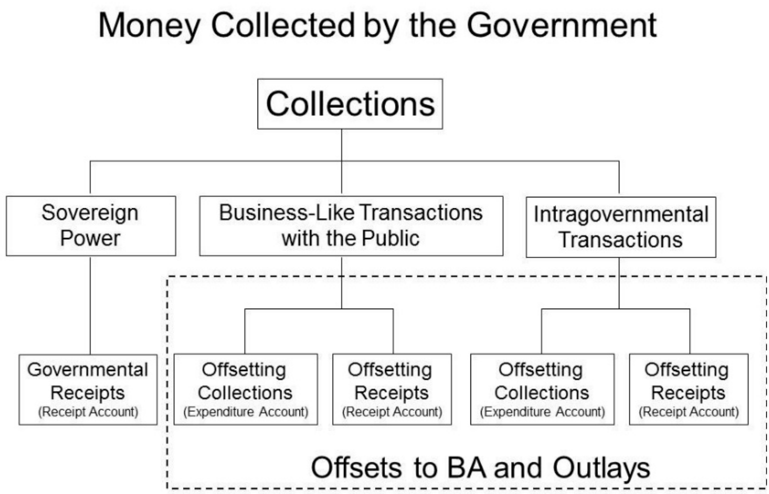
The universe of money collected also includes the proceeds of borrowing and the other means of financing which are not treated as collections in the budget. Means of financing are discussed in section 20.7(h).

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.

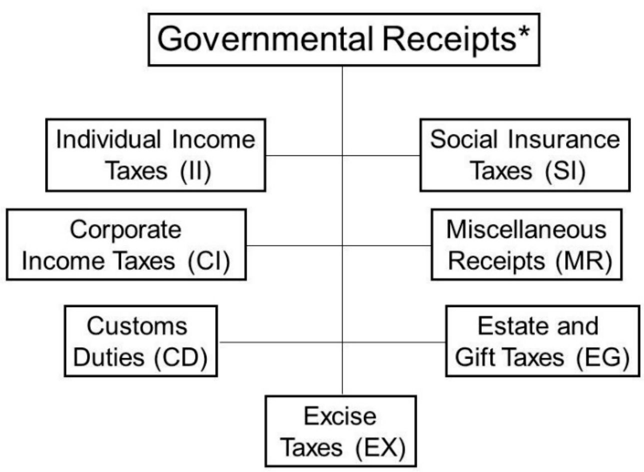


(b) Governmental receipts

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 the "Governmental Receipts" and “Offsetting Collections and Offsetting Receipts” chapters in the *Analytical Perspectives* volume of the Budget.



* Sometimes called “receipts” or “Federal receipts.”

(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.

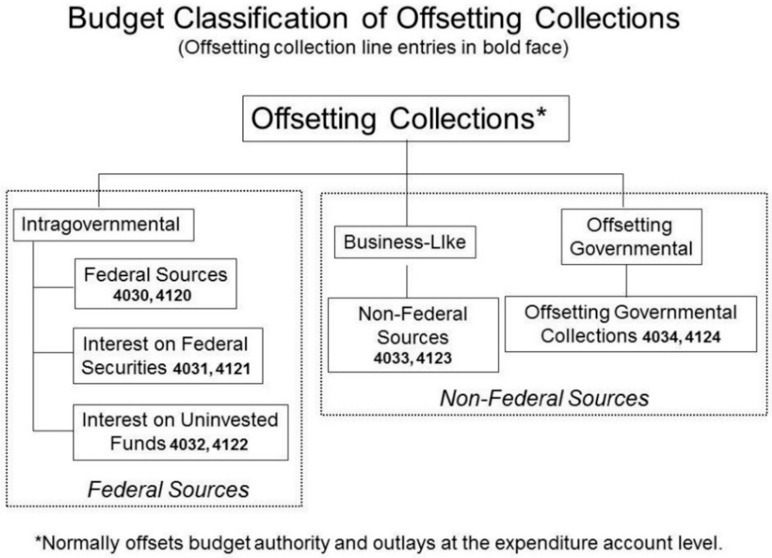
Offsetting governmental transactions—collections from the public that are governmental in nature (e.g., tax receipts, regulatory fees, compulsory user charges), but required by law to be misclassified as offsetting. The budget records amounts from non-Federal sources that are governmental in nature as 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 A-11 DE:

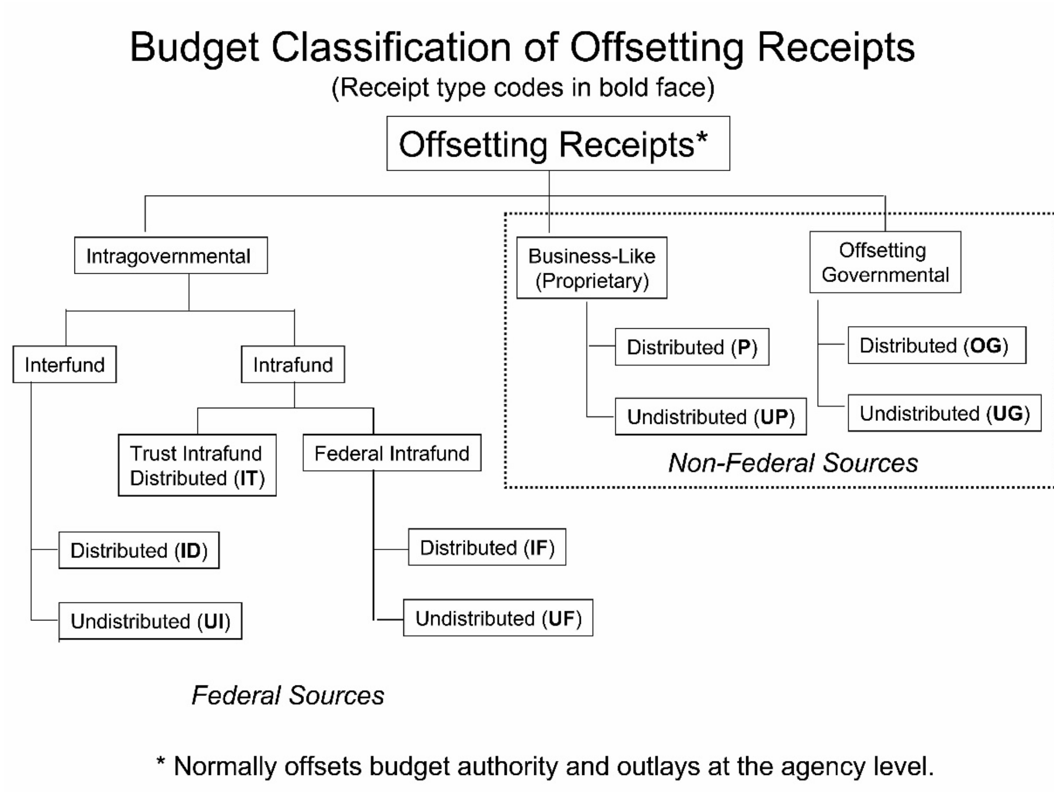


(e) Offsetting receipts

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, and the offsetting receipts of certain general fund payments are offset at the bureau 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 25-1 in the *Analytical Perspectives* volume of the President's Budget.

Within OMB's budget database, offsetting receipts are coded to identify the types of offsetting receipt (e.g., 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 A-11 DE 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 U.S.C. 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 the Congress (i.e., available), or (ii) not available for obligation or outlay until the 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 the 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 9, "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 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 receive a refund of funds that were...	**And the appropriation against which the obligation was incurred...**	**You...**
(1) 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) obligated and outlayed in a previous year and credited to the same appropriation or fund account	remains available for new obligations	record the refund as offsetting collections (cash) credited to unexpired accounts (i.e., as offsetting collections on lines 4030-4034 or 4120-4124) and as recoveries of prior year paid obligations, unexpired accounts on line 4053 or 4143; increasing unobligated balances. These offsetting collections are not reported as new budget authority;

If you receive a refund of funds that were...	And the appropriation against which the obligation was incurred...	You...
		they are offset against gross outlays but not against gross budget authority.
(3) obligated and outlayed in a previous year and credited to a different appropriation or fund account	remains available for new obligations	record the refund as offsetting collections (cash) credited to unexpired accounts (i.e., as offsetting collections on lines 4030-4034 or 4120-4124); increasing spending authority from offsetting collections.
(4) 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; as offsetting collections credited to expired accounts on line 4052 or 4142 of the schedule P); and recoveries of prior year paid obligations on line 4054 or 4144 of the SF 133). These offsetting collections are not reported as new budget authority; they are offset against gross outlays but not against gross budget authority.
(5) 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.

20.10 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.

20.11 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 (also commonly referred to as an OMB account). When the 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 (also commonly referred to as an OMB 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 2017 column of the program and financing schedule for a "Salaries and expenses" account in the 2019 Appendix would include, as appropriate, outlays made in FY 2017 from the FY 2017 appropriation, the FY 2015–2017 multi-year appropriation, the no-year appropriation, and the five expired annual appropriations (FY 2012 through FY 2016).

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 (0000–3599)	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]
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	Not applicable. Collections credited to the expenditure account.	Yes.

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?
	conducted primarily within the Government.		
Management funds (3900-3999)	Record the permanent appropriations and expenditures of collections from two or more appropriations to carry out a common purpose or project not involving a continuing cycle of business-type operations. These funds facilitate the administration and accounting for intragovernmental activities.	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.
Custodial Clearing accounts (3600-3699)	Record custodial collections that have no net effect on the budget.	No.	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?
Deposit funds (6000–6999)	Record deposits and disbursements of monies not owned by the Government or not donated to the Government (amounts donated to the Government are deposited in a special or trust fund account).	Not applicable. Deposits and disbursements are recorded in the same account.	No.

[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~~ add 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, the 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).

In cases where the law provides an appropriation from the General Fund of the U.S. Treasury to a trust fund, a general fund expenditure account and an associated trust fund receipt account are used to record the financial transaction that moves resources between fund types.

(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.

20.12 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.

Additionally, only activity resulting from a “reimbursable agreement” (e.g., an interagency agreement or a buyer/seller relationship) should be classified as reimbursable. For more information on direct and reimbursable authority, see sections 82.5(c) and 83.5.

(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 20.10 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.
C. REPAYABLE ADVANCE (limited cases; involves moving funds between the two fund groups)	Transfers to carry out the purposes of the RECEIVING special or trust non-revolving fund ACCOUNT.	TRANSFER via S.F. 1151	The RECEIVING ACCOUNT (i.e., special or trust non-revolving fund) reports borrowing authority. Amount of repayable advance must be paid back with interest to the General Fund of the U.S. Treasury by the agency.
II. EXPENDITURE TRANSFERS			
A. EXPENDITURE TRANSFER PAYMENTS BETWEEN TWO FEDERAL FUNDS OR BETWEEN TWO TRUST	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	Nearly 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 resources 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 21—OVERVIEW OF SCORING LEGISLATION

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Summary of Changes

Updates to recognize the end of the statutory caps in 2021 and to acknowledge the new guidance on Administrative PAYGO in Executive Order 13893 (section 21.4).

21.1 What is scoring?

Scoring is the process of estimating the change in Government spending and collections resulting from enacted or proposed legislation, compared to what would happen in the absence of that legislation. These estimates are prepared both to inform policy makers of the budgetary effects of proposed legislation, and to inform congressional and statutory budget enforcement procedures.

21.2 When does scoring occur during the budget process?

Scoring occurs typically during budget formulation, the consideration of proposed legislation, and after a law has been enacted.

Budget formulation. As part of the budget formulation process, agencies submit baseline program levels and discretionary, mandatory, and governmental receipt proposals to OMB for consideration. Agencies work with OMB to determine the effect of proposals on budget authority, collections, and outlays based on the Administration's economic and technical assumptions. The scored level of budget authority, collections, and outlays for each approved budget proposal and the baseline for all programs create an overall picture of the President's proposed fiscal path.

Congressional process and enactment. During the congressional legislative process, CBO is required by statute to score legislation. Such scoring advises congressional committees on compliance with congressional budget enforcement procedures. During a legislative session, pursuant to statute, OMB updates the Congress on its estimates of the costs of the annual appropriations bills and publishes PAYGO scorecards that include estimates of enacted legislation that affects mandatory spending or governmental receipts. A sequestration is triggered at the end of a legislative session if OMB's scoring of appropriations Acts determines a breach of the discretionary caps has occurred or if OMB's PAYGO scorecards show a debit in the budget year. See section 100.3 for more information on sequestration, section 100.4 for the budget enforcement reports issued by OMB, and section 15.3 for more information on the congressional budget process.

21.3 What are the basic concepts I need to know to score legislation?

(a) Overview of budget laws

The Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) divides spending into two categories—discretionary and mandatory. The Explanatory Statement of the Committee of Conference for the Balanced Budget Act of 1997 (BBA of 1997) classified all accounts under the Appropriations Committee's jurisdiction at the time as discretionary, mandatory, or split between discretionary and mandatory. The "scorekeepers" (House and Senate Budget Committees, CBO, and OMB) consult on the classification of spending, determine the classification of new accounts, and may reclassify the designation of an existing account.

Discretionary and mandatory spending are controlled by different statutory enforcement procedures. The Budget Control Act of 2011 amended BBEDCA, and instituted limits ("caps") on the amount of discretionary budget authority for 2012 through 2021. For mandatory spending, the Statutory Pay-As-You-Go Act of 2010 (PAYGO) reestablished and made permanent a statutory procedure to enforce deficit neutrality on new revenue and mandatory spending legislation.

For more information on these statutes and budget enforcement, see the "Budget Concepts" and "Budget Process" chapters in the *Analytical Perspectives* volume of the Budget. For detailed information on how sequestration is applied for purposes of budget enforcement, see section 100.

(b) Definition of discretionary spending

Discretionary spending is 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 expenses of Federal personnel and other operating expenses of Government agencies are usually provided by annual appropriations Acts and, therefore, are usually discretionary.

(c) Definition of mandatory spending

Mandatory spending, also referred to as "direct spending," is budget authority and outlays provided by permanent laws. For example, permanent laws authorize payments for Medicare, 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, such as Medicaid, is treated as mandatory. Such accounts are called "appropriated entitlements" or "appropriated mandatories." The BBA of 1997 classified these accounts as such, predominantly because the authorizing legislation directs that the Government make or beneficiaries receive payments. While mandatory and discretionary classifications are used for measuring compliance with BBEDCA and PAYGO, 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.

(d) Committee of jurisdiction

When scoring legislative language or a Budget proposal, it is important to know which congressional committees have jurisdiction over the proposal and whether the affected spending is mandatory or discretionary, or whether the proposal would affect governmental receipts. While most scoring concepts apply to each type of spending and to governmental receipts, the budget enforcement laws differ. Authorizing committees have jurisdiction over mandatory (or "direct") spending and governmental receipts, and budget enforcement for this spending is governed by PAYGO. The Appropriations Committees have jurisdiction over discretionary spending, and budget enforcement is governed by the spending limits (caps) set in BBEDCA when there are statutory caps in place.

In some cases, legislative action by an appropriations committee may affect spending or receipts under the jurisdiction of an authorizing committee, and vice versa. In these cases, the budgetary effects are scored using the budget enforcement associated with the committee taking the legislative action.

Explicit OMB approval is required to include authorizing language in the Budget *Appendix*, either as account-specific appropriations language or as a general provision. Please consult first with your OMB representative if your agency has such a proposal. Both scoring and jurisdictional issues will be part of the consideration for inclusion of a proposal in the Budget. See section 95.5 and 95.6 for guidance on the legislative language included in the Budget *Appendix*.

(e) How are scoring estimates measured?

Authorizing legislation is measured as a change to outlays or governmental receipts from the President's Budget baseline, updated for enacted legislation and certain other actions. See section 80 for how to construct the baseline. Scoring for discretionary programs is generally measured in terms of budget authority provided in appropriations Acts. For both authorizing legislation and discretionary programs, offsetting collections and offsetting receipts net against both budget authority and outlays in the year they are collected.

(f) Economic and technical assumptions

BBEDCA requires agency and OMB scoring to use the economic and technical assumptions underlying the most recently released President's Budget. OMB provides agencies with economic assumptions to be used for Budget estimates. Examples of economic assumptions include interest rate projections, housing price projections, and projections of inflation. Technical assumptions are assumptions that are not determined by economic factors, such as outlay rates, caseload projections, fee collection, and loan volume. For more information on the economic and technical assumptions underlying baseline and policy estimates see section 80 and section 31.

For Mid-Session Review, OMB normally provides revised economic assumptions to agencies, and asks agencies to update their technical assumptions. Updates of economic and technical assumptions for the Mid-Session Review are not used for scoring, which is based on the economic and technical assumptions from the most recently released President's Budget. For more information on Mid-Session Review, see section 10.6.

(g) Scoring timeframes

The budgetary effects of authorizing legislation and discretionary appropriations are scored over different timeframes. Authorizing legislation is scored as the change to outlays or governmental receipts from the President's Budget baseline in each year of the budget window (the current year, the budget year, and the nine subsequent years). Discretionary appropriations are scored in the current and budget year only, and the overall score for those years includes discretionary amounts provided for those years in previous appropriation Acts (i.e., advance appropriations).

21.4 What are the budget enforcement mechanisms for discretionary and mandatory spending?

(a) Caps on discretionary budget authority

BBEDCA specifies spending limits or "caps," on discretionary budget authority for fiscal years 2012 through 2021. As of the date of the publishing of this section, there are no caps for fiscal year 2022 and beyond. Through fiscal year 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 the Congress and the President as either emergency requirements or for Overseas Contingency Operations/Global War on Terrorism. BBEDCA also specifies adjustments to the caps for appropriations for continuing disability reviews and redeterminations by the Social Security Administration; the health care fraud and abuse control program at the Department of Health and Human Services; and appropriations designated by the Congress as being for disaster relief.

BBEDCA requires OMB to provide cost estimates of each appropriations Act in a report to the 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 (see section 100.4).

If OMB's final discretionary 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 to eliminate the breach. See section 100 for guidance on sequestration.

(b) Pay-as-you-go for mandatory spending

PAYGO requires that new legislation changing governmental receipts or mandatory spending or collections must be enacted on a "pay-as-you-go" basis; that is, that the cumulative effects of such legislation must not increase projected on-budget deficits. The PAYGO statute established special scorekeeping rules, scorecards, an annual report, and a sequestration requirement.

The enforcement requirements in PAYGO are permanent, unlike the budget enforcement mechanism for discretionary programs, and do not impose a cap on spending or a floor on governmental receipts. Instead, PAYGO requires that bills reducing governmental receipts or increasing mandatory spending must be fully offset by enacting revenue increases or mandatory spending reductions. This requirement of deficit neutrality is not enforced on a bill-by-bill basis, but is based on two scorecards that tally the cumulative budgetary effects of PAYGO legislation over the course of a congressional session.

The PAYGO rules also apply to the outlays resulting from changes in outyear budget authority for mandatory programs made in appropriations Acts (CHIMPs) and to all changes to governmental receipts made in appropriations Acts.

The PAYGO rules do not apply to increases in mandatory spending or decreases in governmental 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. Note, however, that increases in mandatory spending that result from regulations and other administrative actions are subject to Administrative PAYGO under Executive Order 13893, as explained in section 31.3. Also, if the Congress designates a provision of mandatory spending or governmental receipts legislation as an emergency requirement, the effect of the provision is not scored as PAYGO, but the scored cost or savings, if any, are recorded on the PAYGO scorecard for informational purposes.

Over the course of a congressional session, all PAYGO legislation is scored to determine the budgetary effects—costs and savings—except if exempted in law. The score for each bill is recorded by OMB on two PAYGO scorecards in which costs or savings are averaged over rolling five-year and 10-year periods (see section 100.4). OMB is required to update the scorecards on a continuous basis.

In addition, within 14 business days after the end of a congressional session, OMB is required to issue an annual PAYGO report and determine whether a violation of the PAYGO requirement has occurred. If costs exceed 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. This sequestration process is separate from that described above for a breach of the discretionary caps.

(c) Congressional enforcement procedures

Congress has procedural requirements for bills to advance through the legislative process. Agencies may be asked to develop cost estimates to inform the Congress of the budgetary effects of potential legislation. For more information on congressional enforcement procedures see section 10.5 in this circular and the section on Congressional Action in the "Budget Concepts" chapter in the *Analytical Perspectives* volume of the Budget.

21.5 What resources are available to help me score legislation?

The general concepts used by scorekeepers are found throughout Circular A-11, including the resources cited below. Your OMB representative can provide assistance in applying the concepts, rules, and conventions for scoring legislation.

Appendix A, *Scorekeeping Guidelines*, is used by the House and Senate Budget Committees, CBO, and OMB in measuring compliance with the Congressional Budget Act of 1974, as amended; BBEDCA, as amended; and PAYGO.

Appendix B, *Budgetary Treatment of Lease-Purchases and Leases of Capital Assets*, is also used to assist in scoring legislative authority to enter into a variety of leasing contracts.

Section 20.4 addresses a variety of scoring concepts, including reappropriations, cancellations and rescissions, and transfers.

Additional information on PAYGO and the special rules for certain PAYGO estimates can be found on the OMB website.

21.6 When are scores of legislation due to OMB?

Mandatory and governmental receipt proposals for the Budget. OMB requires that all proposals included in the Budget be scored and included in the appropriate transmittal code in MAX A-11 Data Entry by the deadlines provided in the annual budget season guidance. See section 79.3 for information on transmittal codes. The schedule for the 2022 Budget can be found in section 25.

Enacted authorizing legislation. Agencies should work with their OMB representative to finalize PAYGO estimates by no more than two weeks after legislation is signed into law. Agencies should follow legislation affecting their programs as it moves through the congressional process in order to identify difficult scoring issues as soon as possible and to be prepared to provide scores in a timely manner to meet the requirements outlined in section 21.4(b).

Discretionary appropriations. The annual budget formulation schedule requires the annual appropriations request in time to complete the President's Budget. In addition, throughout the appropriations season, and particularly upon enactment of full-year appropriations Acts, agencies are required to work with their OMB representatives to resolve any questions on scoring effects so that OMB can meet the statutory reporting requirements as outlined above in section 21.4(a).

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

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Summary of Changes

Updates the materials subject to OMB clearance to be consistent with OMB Memorandum M-19-12 "Clearance of Department and Agency Materials through the Office of Management and Budget" (section 22.3).

Clarifies that all reports, whether required by law or otherwise requested in non-statutory text, to congressional committees and subcommittees are subject to OMB clearance unless an exemption applies (section 22.3).

Reminds agencies to continue developing machine readable files for their budget summary table(s) that normally accompany the congressional justifications (section 22.6(b)).

Reminds agencies to use the budget and performance framework definitions in OMB Circular No. A-11 sections 20.3 and 200.22 when developing reports such as congressional justifications, Annual Performance Plans, Annual Performance Reports, and other associated reports (section 22.6(b)).

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;
- Reports to committees and subcommittees (e.g., studies, assessments, materials with budget implications) that are required by statute or requested by report language;
- Capability statements;
- Appeals letters;
- Reprogramming requests and Congressional Notifications;
- Administrative actions affecting mandatory spending (see section 31.1);
- Related cost information;
- Financial management documents addressing budget and policy issues (e.g., certain accountability reports, transmittal documents for audited financial statements, or spend plans); and
- Proposed press releases relating to the President's Budget.

Provide this information to OMB as far in advance as feasible and no less than five working days in advance of transmittal to congressional committees, individual Members of the Congress or their staff, or the media 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, agencies will provide OMB with a schedule of anticipated congressional reviews that require agency oral and written participation. Agencies will 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, or 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 a 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. § 1703(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.

Agencies should continue to develop machine-readable (CSV, XML, TSV, or JSON) file(s) for the budget summary table(s) that normally accompany the congressional budget justification, including footnotes (please see section 200.22 for a definition of machine-readable format). Please work with your OMB representative on timelines and plans for preparing this machine readable information.

When developing reports such as congressional justifications, Annual Performance Plans (APP), or Annual Performance Reports (APRs) agencies should use the definitions found in the following sections of this Circular:

- Budget Definitions: Section 20.3
- Organizational Planning and Performance Definitions: Section 200.22

Use of these definitions is required by the Evidence Act, M-13-13, Federal Data Strategy 5 (Identify Priority Data Assets for Agency Open Data Plans), and Action 6 (Publish and Update Data Inventories).

Agencies are reminded of the reporting requirements of the Good Accounting Obligation in Government Act (Public Law 115-414). This Act requires agencies to include, in their congressional budget justifications, information on recommendations from the Government Accountability Office (GAO) and the Office of Inspector General (OIG) of the agency. Information on outstanding GAO and OIG recommendations is available from agency OIGs, GAO.gov, or oversight.gov.

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.

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 at a vanity federal government URL (e.g., agencyXYZ.gov/CJ) 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 2020

SECTION 25—SUMMARY OF REQUIREMENTS

Table of Contents

Key Dates for the FY 2021 Budget

Initial budget submissions to OMB	September 14
GTAS closes for 4th quarter, FY 2019	October 16
GTAS revision window opens	October 16
MAX A-11 database opens	October 23
Economic assumptions released	November 5
Agency MAX A-11 PY lock and GTAS revision window closes	November 5[1]
Receipt PY revision window closes	November 5
Agency baseline lock	December 1
Final database: Agency lock-out	January 5
Transmittal of the FY 2021 Budget	February 1

[1]The PY lock applies to all schedules.

Summary of Changes

Updates the instructions and dates in "Table 1: Contents of the Budget Request" and removes the reference to the "IT Statements and IT Table" in "Table 1: Contents of the Budget Request" (section 25.5).

Provides clarification on how MAX A-11 DE is used to produce the Budget Appendix (section 25.6).

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]

If your agency is subject to Executive Branch Review and...	**Then include this...**	**See section or link…**
	Justification materials	51
Has motor vehicles	Motor vehicle fleet report ***(Due August 28, 2020, 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	51.14, 185.3(l)
Has geospatial data investments $100,000 or greater	Information on geospatial data investments[2] ***(Due within 90 days of enactment of an agency's appropriations bill)***	Instructions
Has technology transfers	Information on technology transfers ***(Due January 31, 2021)***	Instructions
Subject to GPRA requirements	Performance budget	51.7, 200

TABLE 1: CONTENTS OF THE BUDGET REQUEST[1]

If your agency is subject to Executive Branch Review and...	Then include this...	See section or link…
Is requesting funds for information technology	General guidance on IT budget submissions, including the IT Portfolio Summary and IT Portfolio Detail	55.6
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-20-06, 31.3
Provides major formula grants to State or local governments	State-by-State data and other information (due after passback)	Instructions

[1] Materials are due September 14, 2020, 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 is MAX A-11 DE used to produce the Appendix?

(a) *Overview*

After the President has considered the estimates and made his decisions, you will be notified. You submit information after passback through the PB20xx President's Budget, PA20xx Budget Appendix Appropriation Language, PN20xx Budget Appendix Narrative exercises in MAX A-11 DE, as explained in more detail in *sections* 79-86 *and* 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 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 A-11 DE data

As an agency, you may be required to submit data into MAX A-11 DE through the PB20xx President's Budget exercise for each applicable budget account. Below is a table where we indicate the schedule or schedules involved and tell you where to find guidance on the requirement.

TABLE 2: MAX A-11 DE DATA [1,2]

If your agency has…	Then submit for each applicable budget account…	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 of dollars	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

[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*

As an agency, you may be required to submit data into MAX A-11 DE through the PA20xx Budget Appendix Appropriation Language and PN20xx Budget Appendix Narrative exercises for the following print materials that are 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 A-11 DE under certain circumstances (see section 95).

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

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Summary of Changes

Includes enterprise risk management as a basis for budget proposals (section 31.1) and as a management improvement initiative (section 31.8).

Addresses IT supply chain risk management and updates guidance for managing Government records (section 31.8).

Adds that if agencies identify additional spectrum relocations costs not included in their original spend plans, OMB and the National Telecommunications and Information Administration should be notified (section 31.13).

Reflects recent Controlled Unclassified Information guidance (section 31.15).

Ensures acquisitions are compliant with the Secure Technology Act of 2018 (section 31.16).

Clarifies that payments for water and sewer to District of Columbia are coordinated with Department of the Treasury (section 31.16).

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, performance management and strategic planning, evaluation, enterprise risk management, and budgeting and appropriately incorporates the analyses and assessments resulting from the agency's annual strategic reviews (see section 260 for more on strategic reviews). 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. For mandatory estimates, 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. For discretionary budget authority estimates, unless directed otherwise, assume that MAX A-11 DE will generate the outyears using current inflation factors.

(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 Administrative PAYGO

Administrative PAYGO is a budget neutrality requirement for executive branch discretionary administrative actions affecting net mandatory spending. This requirement is established in Executive Order 13893 *Increasing Government Accountability for Administrative Actions by Reinvigorating Administrative PAYGO* and additional implementation guidance is available to agencies in OMB Memorandum M-20-06 and Budget Procedures Memorandum 986.

E.O 13893 requires agencies to submit proposed administrative actions to OMB for Administrative PAYGO review. 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. Additionally, agencies must comply with the Recording Statute (31 U.S.C. 1501).

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."

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 computer 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 and service delivery. Part 6 of this Circular, *The Federal Performance Framework for Improving Program and Service Delivery*, provides an integrated and coordinated policy framework for key management initiatives and functions that support organizational and program performance and management efforts in agencies. In addition to the Federal Performance Framework guidance found in Part 6, guidance on specific areas is provided below.

- *Information technology capital planning and investment control.* Agency estimates should reflect the Administration's commitment to information technology investments that directly support agency missions as identified through strategic information resources management planning as described in sections 51 and 55.

- *Enterprise Risk Management (ERM).* Agency estimates should leverage and incorporate risk information from agency ERM programs, including risk profiles specified by OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, and section 260 of Circular A-11 Part 6.

- *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." Your estimates should also reflect work necessary to meet the requirements of OMB Memorandum M-19-21 "Transition to Electronic Records," OMB Circular No. A-130, the E-Government Act, and OMB's guidance. Initiatives should create a customer-centered electronic presence (maximizing the reuse of current assets) and advancing agency missions as identified through strategic information resources management plans.

- *Security.* Your estimates should reflect a comprehensive understanding of OMB security policies, such as OMB Circular No. A-130, and National Institute of Standards and Technology (NIST) guidance, including compliance with the Federal Information Security Modernization Act, and current year OMB Guidance on Federal Information Security and Privacy Management Requirements, 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; and

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

- Reflecting the cost considerations used to establish a supply chain risk management program per the SECURE Technology Act, including the costs associated with addressing supply chain risk management in IT and National Security Systems, down to the individual component level, as appropriate. Agencies should estimate for the exclusion or removal of dangerous products identified through legislation or by the Federal Acquisition Security Council.

• *Privacy.* Your estimates should reflect the Administration's commitment to privacy and, consistent with OMB Circular No. A-130, should include a description of your agency's privacy program and the resources required to ensure compliance with applicable privacy requirements, develop and evaluate privacy policy, and manage privacy risks. At a minimum, your estimate should:

  - Demonstrate that your agency is aware of applicable privacy requirements and has fully assessed the cost to the agency for ensuring compliance with those requirements and managing privacy risks;

  - Reflect the consideration of your agency's inventory of information systems that create, collect, use, process, store, maintain, disseminate, disclose, or dispose of personally identifiable information; and

  - Reflect the consideration of your privacy continuous monitory strategy and the resources and associated costs required to ensure that privacy controls are effectively monitored on an ongoing basis at an assessment frequency sufficient to ensure compliance with applicable privacy requirements and to manage privacy risks.

• *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) and the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA).

• *Systems Modernization Projects*. Implementation or planning activities for areas in which there is a pre-designated/designated Quality Service Management Office should reflect plans to achieve compliance with OMB Memorandum M-19-26, “Centralized Mission Support Capabilities for the Federal Government” and other guidance as appropriate including, M-10-26, "Immediate Review of Financial Systems IT Projects," Appendix D to OMB Circular No. A-123, "Compliance with the

Federal Financial Management Improvement Act of 1996," and use data from readiness assessments for such planning activities.

- *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 consulted with and reviewed the General Services Administration (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 any applicable requirements of Executive Order 13834 Regarding Efficient Federal Operations. Buildings that meet green building certification requirements are to be reported annually in the Federal Real Property Profile, which captures information on Federal real property. Agency users can access general information about the Federal Real Property Profile at http://www.gsa.gov/portal/content/104199.

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 the Capital Programming Guide and section 55, and the agency's Capital Planning and Investment Control (CPIC) process.
- Life Cycle Cost Analysis consistent with OMB Circular No. 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, and the utilization rate for all space and if applicable, office space as a subset of all space.

- 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 No. 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 No. A–94. For additional information on the budgetary treatment of leases, see Appendix B. Occupancy Agreements entered into with the GSA are not lease agreements.

(f) Real property acquisition

If you plan to acquire real property, you must:

- Include estimates consistent with the policies of Executive Orders 13327 and 13834 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 No. 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 radio spectrum-dependent communications-electronics systems should be considered, 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

[1] OMB Circular No. 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.

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 radio spectrum-dependent communications-electronics 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]

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 radio spectrum-dependent communications-electronics 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 systems/operations and, if so, the nature and extent of the sharing relationship.
- When proposing a new system, whether using an existing or alternative Federal system to meet the capability requirement is possible, or whether using 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.

[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).

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

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) Methodology for Determining a Baseline to Evaluate Improvements in Efficiency

The purpose of this section is to provide a methodology to evaluate relative 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, 3) the size of the spectrum frequency band or bands used, and 4) the percentage of overall spectrum capacity utilized within that band or bands. The 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]:

1. **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.

[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.

Table 1: Example Frequency Weighting Factors	
Frequency (MHz)	Weighting Factors
0-500	0.05
500-2999	1.00
3000-5999	0.50
6000 and above	0.10

2. **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.

3. **Estimate percentage of the spectrum frequency band used by a Federal system.** Agencies should identify the percentage of bandwidth utilized by a Federal system. This percentage should include the total amount of bandwidth needed to operate the system in terms of megahertz divided by the total available spectrum (in megahertz) available for the system, regardless of whether that spectrum is necessary to support transmitting or receiving equipment. If more than one band will be used, the percentage should include the total amount of bandwidth needed in each band, divided by the total available spectrum across all bands used. To the extent possible this calculation should include necessary guard bands.

4. **Estimate percentage of overall spectrum capacity utilized.** Within those spectrum bands used by a Federal system, agencies should identify the percentage of overall spectrum capacity utilized. This may be done by estimating the average percentage of time in a day when the Federal system is expected to operate, by estimating the average percentage of the total data capacity within that band the Federal system is expected to use, or both. For each frequency assignment agencies are required to provide estimated time of use based on the guidance provided in Table 2.

Table 2: Guidance on Time of Use	
Frequency of Actual Use	Percentage of Time Used per Day
Constant or nearly constant	50 to 100
Regular/Frequent	10 to 50
Intermittent	1 to 10
Sporadic/occasional	Less than 1

5. **Multiply the frequency weighting factor by population, frequency bandwidth, and utilization**. To calculate the baseline to evaluate spectrum efficiency improvements, multiply together the preceding four factors. The product provides a baseline that can be used to evaluate the extent of efficiency gains, as discussed in subsection (a). When comparing to systems with the same capability, a higher weighting would be considered less efficient.

(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. The NTIA, which is responsible for assigning spectrum to Federal users, may also review these analyses, during the assignment process.[6]

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 commercial 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 and, for certain reallocations after February 2012, for funding spectrum sharing (as well as relocation). Auction receipts from the sale of eligible frequencies will be deposited into the Spectrum Relocation Fund (SRF), unless otherwise directed by statute, and these funds will be used to facilitate Federal agencies' relocation or sharing.

The Federal Communications Commission (FCC) concluded an auction in January 2015 for licenses in the 1695-1710 MHz and 1755–1780 MHz bands, which are eligible frequency bands under the CSEA, as amended, along with the non-Federal 2155-2180 MHz band (collectively, the AWS-3 bands). Under the amended CSEA, agency reimbursements from the SRF for these bands are proceeding in a similar manner as occurred for previous eligible bands, with two main changes. First, agencies may recover for certain pre-auction costs, including through pre-auction transfers, if identified in the agency's transition plan. Agencies' requests for AWS-3 pre-auction funds were submitted to the Congress in September 2014, and agencies became eligible for transfers from the SRF for pre-auction costs in October 2014. Second, agencies may recover costs for spectrum sharing, in addition to relocating or modifying systems.

Spectrum relocation funds have no-year authority, though agencies are expected to adhere to the timeframes approved by OMB. 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 SRF 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 or if agencies identify additional relocation costs not included in their original spend plans, 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 SRF, 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 SRF immediately after NTIA has notified the FCC that the agency's relocation is complete.

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

As pertains to other frequency bands to which the CSEA applies, the FCC will notify NTIA at least 18 months prior to the auction of eligible frequencies. Upon such notification, CSEA relocation processes will commence consistent with the Act, as with the above implementation.

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 Controlled Unclassified Information

Agency estimates should reflect consideration of Executive Order 13556, Controlled Unclassified Information (CUI), and the policies issued by the National Archives and Records Administration (NARA), 32 CFR 2002, "Controlled Unclassified Information," and CUI Notice 2020-01, "CUI Program Implementation Deadlines" (and any successor CUI notices on implementation). The Information Security Oversight Office within NARA was designated as the Executive Agent to implement the CUI program that will eventually replace all existing Sensitive-But-Unclassified (SBU) information handling regimes (e.g., "For Official Use Only," etc.) across the Executive Branch.

Agency estimates should reflect:

- The hiring of full-time employees and/or contractor support to implement and manage the CUI Program at headquarters, regional locations, and within component agencies;
- The development and deployment of automated marking tools that will ensure the uniform application of CUI Markings as well as ensure the timely dissemination of CUI to authorized recipients;
- Development of internal policies to phase-in and transition to the CUI program;
- The modification of agency incident reporting mechanisms and systems to include CUI categories and requirements;
- The modification and issuance of contracts and agreements to reflect the standards of the CUI Program;
- Development and implementation of training and awareness programs to inform affected employees of their responsibilities when handling CUI basic and specified categories;
- Assessment and any transition of information systems which handle or are used to process CUI to the moderate confidentiality impact value;
- Assessment and transition of physical environments as required for CUI;
- Development of an internal agency CUI self-inspection program; and
- Costs to align and integrate the agency's Insider Threat Program with the agency's CUI Program.

31.16 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 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 and 13834.
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 services 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. Ensure information technology acquisitions are in compliance with the Secure Technology Act of 2018.
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. Payments are coordinated with the Department of the Treasury.

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. 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

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Summary of Changes

Provides guidance on provisional pay raise and awards estimates for the FY 2022 Budget (section 32.1).

Updates provisional FERS contribution rates for FY 2021 and FY 2022 and includes link to OPM guidance where final contribution rates are published (section 32.3).

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

Personnel compensation

(a) *Pay scales.* For the purpose of planning agency budget requests for the FY 2022 Budget, agencies should include a provisional estimate of a one percent civilian pay raise for January 2022. Agencies should consult with their OMB representative on the provisional estimate for the military pay raise for January 2022. In making their final estimates for the FY 2022 Budget, agencies should anticipate revising pay raise amounts after the President makes a pay raise decision. Your OMB representative will provide additional guidance during Budget season. The pay guidance above 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. You should be prepared to provide supporting detail on calculating pay costs, including separate identification of the wage base reflected in the submission. For compensation costs, you must explicitly justify any increases in average compensation for the budget year.

(b) *Awards and recognition.* In FY 2022 budget requests, agencies must provide the following information on agency-wide salary and awards spending: (1) an estimate of FY 2021 salary spending, excluding salary spending for Senior Executive Service (SES), Senior Level (SL), and Scientific or Professional (ST) positions, (2) an estimate of FY 2021 awards spending as a percent of FY 2021 non-SES/SL/ST salary spending, and (3) the amount requested for FY 2022 non-SES/SL/ST salary spending.

Further, agency budget requests must maintain awards spending, as a percent of non-SES/SL/ST salary spending, from FY 2021 to FY 2022. Awards spending should be no less than one percentage point above FY 2020 awards spending.

For example, if an agency estimates that awards spending in FY 2020 will equal 1.25 percent of FY 2020 non-SES/SL/ST salary spending, that agency must allocate an amount towards awards equal to no less than 2.25 percent of requested non-SES/SL/ST salary spending in FY 2022.

Consistent with these directions, agency budget requests must clearly denote: (1) the amount allocated for awards spending in FY 2022, and (2) the amount allocated for awards spending in FY 2022 as a percent of requested FY 2022 non-SES/SL/ST salary spending.

Awards spending is defined as the sum of: (1) individual performance awards for non-SES/SL/ST employees (Nature of Action 840) and, (2) individual contribution awards (e.g., special act awards) for non-SES/SL/ST employees (Nature of Action 849).

Agencies should be prepared to supply additional information on planned and actual expenditures upon request by OMB. Consistent with forthcoming guidance, this increased level of awards spending will enable agencies to strategically plan incentive awards, bonuses, relocation, recruitment, and retention allowances toward rewarding high-performing employees and those with critical skill sets.

(c) *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).

(d) *Within-grade increases*. 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.

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

(f) *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.

(g) *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.

(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 physicians 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). Note that FERS contributions have changed as described in section 32.3.

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, the Treasury, the Social Security Administration, and the Office of Personnel Management, should reflect the effects of changes to the agency contribution rates for employee retirement and of civilian and military pay raises using the provisional pay raise assumptions specified for these accounts in section 32.1.

Contribution rates for CSRS employees remain unchanged.

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

1. Governmental receipt accounts containing Federal employee contributions to Federal employee retirement;
2. 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
3. General fund contributions to Federal employee retirement.

FERS Contribution Rates

Agency FERS contribution rates that became effective beginning FY 2020 can be found in the Benefits Administration Letter 19-305. The provisional FY 2021 and FY 2022 contribution rates are listed in the tables below. Agencies should use these contribution rates in their FY 2022 budget requests. Contribution rates, when finalized, will be published in OPM Benefits Administration Letters posted at https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/.

FERS Employees (other than RAE and FRAE)

	FY 2021 Employing Agency Contribution	FY 2022 Employing Agency Contribution	FY 2022 Employee Contribution	FY 2022 Normal Cost
Regular	17.3%	18.4%	0.8%	19.2%
Law Enforcement	35.8%	37.6%	1.3%	38.9%
Air Traffic Controller	35.7%	37.5%	1.3%	38.8%
Military Reserve Technicians	20.1%	21.1%	0.8%	21.9%
CIA Special Overseas*	24.8%	26.2%	0.8%	27.0%
Members of Congress**	23.1%	24.3%	1.3%	25.6%
Congressional Staff**	24.3%	25.8%	1.3%	27.1%
Capitol Police**	35.8%	37.6%	1.3%	38.9%

United States Postal Service and Postal Regulatory Commission				
Postal Regular	15.7%	16.2%	0.8%	17.0%
Postal Law Enforcement	35.8%	37.6%	1.3%	38.9%

FERS Revised Annuity Employees (FERS-RAE)

Retirement Groups	Contributions as a percent of pay FY 2021 Employing Agency Contribution	FY 2022 Employing Agency Contribution	FY 2022 Employee Contribution	FY 2022 Normal Cost
Regular - RAE	15.5%	16.6%	3.1%	19.7%
Law Enforcement - RAE	34.0%	35.8%	3.6%	39.4%
Air Traffic Controller - RAE	33.9%	35.8%	3.6%	39.4%
Military Reserve	18.2%	19.3%	3.1%	22.4%
CIA Special Overseas - RAE*	23.1%	24.5%	3.1%	27.6%
Members of Congress - RAE**	15.5%	16.6%	3.1%	19.7%
Congressional Staff-RAE**	15.5%	16.6%	3.1%	19.7%
Capitol Police-RAE**	34.0%	35.8%	3.6%	39.4%
United States Postal Service and Postal Regulatory Commission				
Postal Regular – RAE	13.8%	14.4%	3.1%	17.5%
Postal Law Enforcement - RAE	34.0%	35.8%	3.6%	39.4%

FERS Further Revised Annuity Employees (FERS-FRAE)

Retirement Groups	Contributions as a percent of pay FY 2021 Employing Agency Contribution	FY 2022 Employing Agency Contribution	FY 2022 Employee Contribution	FY 2022 Normal Cost
Regular - FRAE	15.5%	16.6%	4.4%	19.9%
Law Enforcement - FRAE	34.0%	35.8%	4.9%	39.6%

Air Traffic Controller - FRAE	33.9%	35.8%	4.9%	39.5%
Military Reserve	18.2%	19.3%	4.4%	22.6%
CIA Special Overseas - FRAE*	23.1%	24.5%	4.4%	27.8%
Members of Congress - FRAE**	15.5%	16.6%	4.4%	19.9%
Congressional Staff - FRAE**	15.5%	16.6%	4.4%	19.9%
Capitol Police- FRAE**	34.0%	35.8%	4.9%	39.6%
United States Postal Service and Postal Regulatory Commission				
Postal Regular – FRAE	12.7%	13.4%	4.4%	17.8%
Postal Law Enforcement - FRAE	32.9%	34.7%	4.9%	39.6%

* 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.
- 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 Circular 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)
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 (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

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Summary of Changes

Removes the Information Technology (IT) Resource Statement requirement for agencies (sections 51.3 and 51.4).

Simplifies requirements for providing updates on agency progress in implementing the Foundations for Evidence-Based Policymaking Act of 2018 (section 51.9).

Adds new language instructing agencies to look for opportunities to redirect resources from lower priority activities to higher priority activities and to eliminate unnecessary spending (section 51.21).

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 5- to 10-year period beyond the budget year and their relationship to outyear planning guidance and the policies proposed for the current and budget year;

- A separate submission that proposes and justifies (if your agency so determines) the need for additional funding for individual programs in excess of the budget year guidance levels to meet the President's priorities. This separate submission should also identify potential discretionary offsets in lower priority programs within your agency's budget;

- A separate submission of the Agency Reform Plan per OMB Memorandum M-17-22. Where agency reform proposals have a budgetary or legislative impact, agencies should reflect those impacts in their FY 2022 budget submission to OMB. Where agencies are proposing major changes to account or organizational structures, agencies should discuss changes with their RMO prior to submission; 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 230, 240 and 210 provide detailed instruction on developing and submitting an updated agency strategic plan and performance plan as required by GPRA Modernization Act of 2010.

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.

Where programs are jointly administrated by or impact multiple agencies, information on shared program budgets should be coordinated through OMB.

Your request should include any new appropriations language provisions or changes to complex appropriations language, including general provisions. Any change to appropriations language with a budgetary impact, including changes to general provisions, requires OMB approval. See section 95 for additional information on appropriations language.

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 IT Capital Planning and Investment Control Milestones

Agencies are no longer required to submit an IT Resources Statement as part of their agency budget submission to OMB. Other IT related materials are required, as detailed in section 55, and submitted according to the following IT Capital Planning and Investment Control Milestones:

- August
    - Draft Agency IT Investment Portfolio Summary submission

    - Verification that the required E-Gov/Line of Business (LoB) contribution levels are being included in the agency's budget plans.
- September
    - Agency IT Portfolio Summary submission;
    - Agency IT Portfolio Summary Details.
- January
    - Final Agency IT Portfolio Summary and IT Portfolio Summary Details based on the President's Budget submissions.
- June
    - Optional Mid-Session Review submission

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

51.4 Relationship of justification to account structure

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. 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 IT 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.

51.7 Performance goals, measures, and indicators

Agency budget submissions for the FY 2022 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 of 2010. Sections 240 and 210 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;
- Enterprise Risk Management Profiles; and
- Impact of capital investment proposals on productivity.

Use productivity measurement, unit costs, enterprise risk management, 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 and evaluation

Agencies should strengthen the use of evidence (defined in section 200.22) and data to drive better decision-making and more effectively deliver on mission. To further these efforts, agencies' budget justifications should be supported by credible evidence. Agencies are also required to submit an Evidence Submission as part of their FY 2022 budget submissions. This submission is designed to provide OMB with required updates on:

- The agency's progress in implementing the Foundations for Evidence-Based Policymaking Act of 2018 (Public Law 115-435), OMB Memorandum M-19-23, and OMB Memorandum M-20-12, including development of an evaluation policy.

- The agency's progress in implementing monitoring and evaluation policies and practices aligned with the guidelines issued in OMB Memorandum M-18-04, as required by the Foreign Aid Transparency and Accountability Act of 2016, (as applicable.

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 $10 million 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

Your budget request should reflect the results of your biennial review of existing user charges and of the potential for establishing user charges, as required by section 8 of OMB Circular No. A-25. 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 No. A-25 for additional information and requirements regarding user charges. You may also find GAO's Federal User Fees: A Design Guide useful.

51.14 Unobligated balances in liquidating accounts

All unobligated balances in liquidating accounts must be transferred to the general fund at the end of the fiscal year unless an exemption has been granted by OMB. 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 and refer to OMB Circular A-129 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.

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 (OIG);
- 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 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 the 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 by agencies reporting through the IT Dashboard addressing both overall IT investment spending (the agency's IT portfolio), and the information required for major IT investments, as described at:

https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/assets/egov_docs/fy20_it_budget_guidance.pdf

Agencies not reporting data to the IT Dashboard are also accountable for adhering to the guidance provided to all agencies on how to conduct IT capital planning internally, as addressed in the above guidance, and also in Circular A-130, and the Capital Programming Guide. Budget process guidance is communicated to such agencies individually, regarding the data to be submitted as part of their agency budget submissions in the fall, based on the requirements of OMB RMO with agency oversight responsibility, and other considerations.

(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.

51.20 Requests for increases to reception and representation allowances

If your agency's request for reception and representation (R&R) expenses exceeds the FY 2021 budget level or the current enacted level, the information below must be included in the initial budget submission:

- The proposed increase in the R&R account;
- The account title, account number, and draft of appropriations language for the account; and
- A brief rationale for why the FY 2022 Budget should propose this increase.

51.21 Analysis of Spending Priorities for Low-Value Programs

OMB's spring planning guidance provides funding targets and policy guidance to agencies for their budget submissions. While these planning targets vary, and Administration priorities change in response to emerging needs, the budget formulation process always requires agencies and OMB to balance competing demands for Federal resources. Since Federal resources are always limited, it is critical for all agencies to closely scrutinize their current spending when preparing their budget submissions to OMB. In particular, agencies should look for opportunities to redirect resources from lower priority activities to higher priority activities and eliminate unnecessary spending altogether.

Opportunities to redirect resources may include:

- Identifying activities that duplicate or overlap with other Federal efforts, both within agencies and across Government;

- Proposing to reallocate funding for activities where a Federal role is improper, no longer necessary, or not the most efficient means of achieving agency priorities;
- Recommending restructuring programs or offices that receive funds for activities described in the previous two bullets; and
- Proposing reduction or elimination of unnecessary or high-cost administrative spending, as outlined in section 31.6 and section 31.16.

Agencies should review OMB's spring planning guidance for additional instructions on identifying low priority spending to highlight in their budget submissions.

SECTION 54—RENTAL PAYMENTS FOR SPACE AND LAND

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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 CGAC 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.

Total Workplace FIT (Furniture, Information Technology) Program Budget Request will be included on the exhibit 54, if you intend to classify those charges as object class 23.1, rental payments to GSA. The

FIT estimate should be entered on the SUM worksheet in row 33 for the BY "Budget Year" (column N) and BY+1 (column Q). More information can be found on the GSA web site http://www.gsa.gov/exhibit54 by downloading the PDF file "Total Workplace FIT (Furniture and IT) Booklet–GSA".

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.

Entry	Description
PART 1-B: FUNDING SOURCES FOR RENTAL PAYMENTS TO GSA	
Funded by direct appropriations Account title and ID code	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. If there are more than three accounts listed, change the electronic spreadsheet to add rows, as needed.
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 GSA 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). This includes payments for furniture and information technology equipment made to GSA under the FIT program.
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) Federal sources other than GSA (object class 25.3)	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). 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

Entry	Description
	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.

54.6 What is new for this fiscal year?

There are no revisions for this fiscal year.

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.

Agency______________________
Bureau ______________________
GSA Bureau Code_____________

Shaded entries are automatically generated by the electronic spreadsheet.

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

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Summary of Changes

Removes requirement for submission of Information Resource Management plans (section 55.4).

Removes requirement for IT Resource Statement (section 55.6).

Streamlines guidance regarding Standard IT Investment Reports (section 55.8).

55.1 Overview

Agencies must submit information on their respective information technology (IT) investment portfolios, using the required formats, as applicable, as stated in the FY 2022 IT Budget – Capital Planning Guidance. 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.

This Administration is maintaining a continued focus on strengthening IT Portfolio management and remains firmly committed to assessing the effectiveness of current IT management practices in order to address opportunities to improve management of IT resources. IT and business leaders must have access to authoritative data in order to effectuate data-driven discussions about cost and value of IT to best support business goals.

Provide more granular data for IT spending.

To gain increased granularity about IT spending across the Federal IT Portfolio, agencies will be asked to provide the following data for each investment:

- Development, Modernization, and Enhancement (DME) and Operations and Maintenance (O&M);
- IT Cost Pools; and
- IT Towers.

The FY 2021 cycle will complete the phased implementation of more granular IT cost reporting. While there is no expectation that agencies will change authoritative data systems at this time, agencies should continue to categorize costs into IT Cost Pools and IT Towers. Over time, OMB will work with agencies to determine how to automate authoritative data collection.

Completed implementation of Standard Investment types to promote Government-wide consistency.

Through the FY 2020 cycle, the Platform, Output, Application, and Delivery Standard Investments were optional. These four Standard Investment categories are now required for the FY 2021 reporting cycle. This will enable Government-wide comparisons and improve benchmarking metrics.

- Some Standard Investments will have corresponding reports, relevant to their investment type.
- All Standard Investments will enable agency CIOs to compare like costs, capabilities and functions across organizational components and support FITARA implementation.

55.2 Why must I report on information technology investments?

As part of the Budget process, OMB is required to develop and oversee a process for IT budgeting and portfolio management, with a detailed focus on all major capital investments, to include "analyzing, tracking, and evaluating the risks, including information security risks, and results of all major capital investments made by an executive agency for information systems" (40 U.S.C. 11302). OMB also is responsible for IT Portfolio oversight (44 U.S.C. 3602), i.e. the use of information technologies to enhance access of information and delivery of services; and to increase the effectiveness, efficiency, service quality, or transformation of government operations.

Agencies must provide required data on total IT funding using the formats specified in the FY 2022 IT Budget – Capital Planning Guidance. IT funding information should be consistent with the overall agency budget submission (see section 51.19), Agency IT Portfolio Summary components, and Agency IT Portfolio Detail components.

IT investment costs must include funding from all Federal budgetary resources (e.g., direct appropriation, collections, transfers, and unobligated balances) and must:

- ensure security of Federal information systems and data and account for a modernization process to secure information systems by design;
- account for regular software and product lifecycle refreshment; and
- leverage best practices from other organizations to increase agility and flexibility in technology programs.

55.3 What specific guidance applies, and when is the information required?

Submissions should be consistent with OMB Budget Guidance. Timing details for IT budget submission requirements are outlined in the FY 2022 IT Budget – Capital Planning Guidance.

Additional updates to the Agency IT Portfolio Summary, Major IT Business Cases, and Standard Investment Reports may be applicable after final Budget release in order 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 MAX Community.

Chief Information Officers (CIOs), Senior Agency Officials for Privacy (SAOPs), Chief Financial Officers (CFOs), and budget officers must coordinate to ensure that IT budget data is consistent with the agency's budget submission.

The annual E-Gov MAX collection of information on expected agency contributions to E-Government and Line-of-Business initiatives. This data collection includes:

- the collection of three years of contribution levels (PY, CY and BY) in MAX A-11 DE;

- a requirement milestone in September, CFOs certify that required contribution levels are being included in the agency's budget planning to OMB; and
- each agency managing or contributing to E-Government and Line-of-Business initiatives must report as a distinct investment within their IT Portfolio Summary.

55.4 How should agencies align IT investments with their strategic plans?

An agency's IT investment management and reporting of IT investments must clearly demonstrate that each investment is needed to help meet the agency's strategic goals and mission and show how governance processes are used to plan, select, develop, implement, and operate those IT investments. Furthermore, each IT investment should demonstrate the enabling and improvement of mission and program performance by providing meaningful data. Agencies demonstrate the IT Investment requirements and governance processes through Agency Major IT Business Cases, supporting documentation, strategic information resources management plans, and Agency IT Portfolio Summary submissions. The agency must further demonstrate how the investment supports a business line or enterprise service performance goal as documented in the agency's enterprise architecture or strategic plans. In particular, Investments should indicate when they include spending on Geospatial-related costs. 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 made readily available if requested by OMB. Agency strategic planning should incorporate the requirement for regular software and product lifecycle refresh.

The individual agency's Agency IT Portfolio Summary submissions are used to create an overall "Federal IT Portfolio," 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 or performance goals, as captured in the agency's Strategic Plan and Annual Performance Plan.

Agencies are required to develop and maintain strategic information resources management plans which should fully align with the current Agency Strategic Plan and shall be reviewed annually alongside the Annual Performance Plan Reviews, required by the GPRA Modernization Act, to determine if there are any performance gaps or changes to mission needs, priorities, or goals as described in section 230.4. Agencies should identify where they are making investments and performing activities in support of 44 U.S.C. 3506. At a minimum, agencies should include Open Data Plans to demonstrate how they are supporting priority data improvements that support agency goals and missions. Open Data Plans support agency compliance with the statutory requirements described in 44 U.S.C. 3506 per the Foundations for Evidence-Based Policymaking Act of 2018 (Public Law 115-435). Pursuant to 44 U.S.C. 3506, agencies are required to describe how information resources management activities help accomplish agency missions; this includes but is not limited to developing an open data plan that is updated annually and made publicly available on the website of the agency.

55.5 Do these requirements apply to me?

Agencies must submit information on the Agency IT Portfolio, and Agency IT Portfolio Detail, using the format specified in this guidance, as applicable, for Agency annual, quarterly, and regular reporting of their IT budget and IT Management information. This requirement applies to any agency subject to Executive Branch review (see section 25.1), unless otherwise directed.

The following agencies must adhere to these IT reporting requirements:

Department of Agriculture	Department of the Treasury
Department of Commerce	Department of Veterans Affairs

Department of Defense	U.S. Agency for International Development
Department of Education	U.S. Army Corps of Engineers
Department of Energy	Environmental Protection Agency
Department of Health and Human Services	General Services Administration
Department of Homeland Security	National Aeronautics and Space Administration
Department of Housing and Urban Development	National Archives and Records Administration
Department of the Interior	National Science Foundation
Department of Justice	Nuclear Regulatory Commission
Department of Labor	Office of Personnel Management
Department of State	Small Business Administration
Department of Transportation	Social Security Administration

Separate guidance may be issued amending the above specifications regarding agency submissions, for non-CIO Council agencies.

55.6 What do I need to know about an agency's IT Budget and Management Requirements?

The agency's IT Budget and Management information is composed of two parts:

1. Agency IT Portfolio Summary – which includes:
   - Agency IT Investment Portfolio Summary – includes IT investment budget, management, and architecture information;
   - Budget Account Summary – includes a summarized view of IT funding levels associated with budget accounts. This summary is derived from the Funding Sources table in the Agency IT Portfolio Summary; and
   - CIO Evaluation Report – expected for all Major Investments and Part 3 Standard Investments and optional for other types of investments.
   - Submission Confirmation – includes validation of the data submitted to ensure that all required Investments have been submitted and closes the reporting window.

2. Agency IT Portfolio Detail – which includes:
   - Systems Inventory List – includes detailed system and product component information for all Investments that fund one or more IT systems.
   - Contracts Report – for Major Investments, Non-Major Investments, and Part 3 Standard Investments.
   - Major IT Business Cases – includes detailed IT investment budget and management information for major IT investments within Part 1 (Mission) and Part 2 (Administrative Services and Support Systems).
   - Standard IT Investment Reports– which includes:
     - Detailed and relevant IT investment budget and management information for Standard Investments in Part 3 (IT Infrastructure, IT Security, and IT Management).
     - Standard Investment Reports for IT Security and Compliance, Network, Data Center and Cloud, End User, Application, and Delivery investments. Additional details provided in the IT Capital Planning Guidance.
   - Submission Confirmation – includes validation of the data submitted to ensure that all required Business Cases and Standard Investment Reports have been submitted and closes the reporting window.

Funding levels in the agency's Agency IT Portfolio Summary should reflect budgetary resources and be provided for PY, CY, and BY, as outlined below:

For:	Budgetary Resources in Agency IT Portfolio Summary for preliminary agency requests	Budgetary Resources in Agency IT Portfolio Summary for President's Budget request to the Congress
PY	Estimated/Enacted actual level	Actual level
CY	Estimated/Enacted	Estimated/Enacted
BY	Agency request	President's Budget request

For each of PY, CY, and BY, Investment funding levels should reflect budgetary resource amount, section 20.3 by year, including appropriations, borrowing authority, contract authority, spending authority from offsetting collections, transfers from other accounts, and carryover of unobligated balances. Funding 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.

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).

55.7 What do I need to know about Major IT Business Cases?

OMB provides specific policy, procedural, and analytic guidelines for planning, budgeting, acquisition, and management of major IT capital investments, which is defined within the FY 2022 IT Budget – Capital Planning Guidance Appendix C, in addition to general guidance issued in OMB Circular No. A-11 and OMB Circular No. A-130.

An agency's Major IT Business Cases describe the justification, planning, implementation, and operations of individual capital assets included in the Agency IT Portfolio Summary and serve as key artifacts of the agency's EA and IT capital planning processes. The Major IT Business Case is comprised of two components:

1) The Major Business Case itself, which provides key high-level investment information to inform budget decisions, including general information and planning for resources such as staffing and personnel.

2) The regular information updates to the Major IT Business Case, which provides more temporal information, related to tracking management of an investment, such as projects and activities, risks, and operational performance of the investment. This includes the CIO's responsibility to assess each Major IT Investment pursuant to 40 U.S.C. 11315(c)(2).

55.8 What do I need to know about Standard IT Investment Reports?

Agencies shall report in their IT Portfolio Summary Part 3: Standard Investments that will be consistent throughout and across each agency. The reporting requirements are intended to provide more visibility to agency CIOs. The Standard Investments are related to costs associated with all agencies. Each Standard Investment will have its own reporting requirements and frequency.

Complete details on specifications for completing Agency IT Portfolio Summary and Major IT Business Cases are provided in the FY 2022 IT Budget – Capital Planning Guidance.

SECTION 79—THE BUDGET DATA SYSTEM

Table of Contents

Summary of Changes

Modernizes the descriptions of the budget data system to accord with current web-based data collection practices. Describes the multiple exercises used to collect information for the President's Budget (section 79.1).

Corrects the OMB fund code in the "Fund Types and Codes" table from "4" to "1" for management funds (section 79.4(b)).

79.1 How do I submit budget data, and how is the data organized?

MAX A-11 Data Entry (MAX A-11 DE) is the application used to collect and process most of the information required for preparing the President's Budget. It can be accessed here:

https://a11de.max.gov

Within MAX A-11 DE, "exercises" are used to identify types of data collections. Each exercise name begins with a two-letter designation, followed by the budget year and then a short description of the exercise.

The following exercises are used in the formulation of the President's Budget:

- PB20xx President’s Budget
- PA20xx Budget Appendix Appropriation Language
- PN20xx Budget Appendix Narrative

Additional exercises are used to collect, analyze, and produce information for other major budget processes and include, but are not limited to, the following:

- EC20xx Corrections—used to collect budget data corrections
- EA20xx Language Corrections—used to update appropriations language for budget amendments (section 110)
- MS20xx Mid-Session—used to produce Mid-Session Review (section 10.6)

- SE20xx Sequestration Execution—used to ensure proper execution of the annual sequestration order (section 100)
- SP20xx Sequestration Popup—used to analyze and track resources temporarily reduced by the sequestration order (section 100.13)
- SQ20xx Sequestration Data—used to produce the annual sequestration report (section 100)

The exercises in MAX A-11 DE used to formulate the President's Budget are organized by budget account (or "OMB account") (see section 20.11(a)). Before you can submit your budget data, an account must be present in OMB's budget database. Section 79.4 provides information on how to request new accounts or request changes to existing accounts.

The next level of organization within a budget account is the "transmittal code", or "transmit", which is used to identify the nature or timing of the request. Most accounts in any year will only use a single transmittal code, but if an account is affected by a legislative proposal or other special circumstance, that effect must be shown using a separate transmittal code. When added together, the data in all the transmittal codes equals the request. For instance, the baseline presentation of an account will be shown in transmittal code 0 of a budget account, while the changes from the baseline due to a legislative proposal may be shown in transmittal code 4. More detail on transmittal codes is provided in section 79.3 and exhibit 79C.

In the PB20xx President's Budget exercise, transmittal codes are further divided into "schedules". A schedule is a complete set of data that describes a view or slice of the account. For example, schedule O shows all the obligations for an account, organized by object class. An overview of all the schedules is provided in section 79.5.

The budget data 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).

Within the PB20xx President's Budget exercise, there are crosschecks or error messages ("edit checks") to help ensure the consistency of the data. An account is "balanced" when the edit checks no longer appear, or when OMB agrees that they do not apply to the account in a particular instance. In that case, OMB will "suppress" or "exclude" the edit. Excluded errors appear in MAX A-11 DE with "Excl" in the "Type" column on the left side of the error box, and do not appear in the reports that display outstanding error messages.

You can see the whole list of potential edit checks in the MAX Edit Checks report on the Budget Season Reports page. You can find additional account-specific reports in MAX A-11 DE when you are working on a particular account.

Consult the MAX Community page for resources about how to use MAX A-11 DE.

79.2 What should I know about account identification codes?

OMB and the Department of the Treasury collaborate to assign account identification codes. These codes are used to store and access data in MAX A-11 DE, run reports, assign user permissions, and identify accounts in OMB and Treasury documents. Each account can be identified in several ways. For example, you can access your accounts in MAX A-11 DE by entering either the budget (or "OMB") account number or the Treasury account number. Regardless of which method you use, familiarity with the following codes is helpful. See exhibit 79D for examples of various account code combinations, and Appendix C for a list of OMB agency and bureau codes, and Treasury and CGAC agency codes.

- OMB agency code—Each department or independent agency has a unique three-digit number.

- 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 multiple bureaus have a bureau code of "00". Most receipt accounts have a bureau code of "00".

- Treasury agency code—Each agency also has a two-digit number assigned by Treasury. The use of these two-digit codes is being phased out.

- Common Government-wide Accounting Classification (CGAC) agency code—Each department or independent agency has a unique three-digit agency identifier assigned by Treasury. Agencies and OMB are in the process of transitioning from the two-digit Treasury agency code to the three-digit CGAC agency code. In most cases, the CGAC agency code for departments and major independent agencies is equal to zero followed by the old two-digit Treasury agency code. For other independent agencies, it is usually equal to the OMB agency code.

- Account symbol—The information in each account has a four-digit main account code assigned by Treasury (or, in the case of budget accounts associated with multiple Treasury accounts, by OMB) that corresponds to the fund type (e.g., general, special). For receipt accounts, OMB combines this account symbol with the sub-account code to create an agency-unique six-digit symbol for display.

- Transmittal code—Each account in MAX A-11 DE has a one-digit code that identifies the nature or timing of the associated schedules as described in section 79.3.

- Fund code—Sections 79.4(b) and 20.11 explain 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 What should I know about transmittal codes?

The following codes are used to identify the nature or timing of the request.

Most accounts in the President's Budget show only estimates of the baseline or requests for appropriations for the upcoming fiscal year. This information is normally reported in transmittal code 0. The combination of those regular schedules and any non-zero transmittal code schedules should display the condition of the account as it would exist if the Congress enacts the budget proposals.

Transmittal Code	Title and description
0	Regular budget schedules, including baseline estimates and appropriations requests for the upcoming fiscal year that are not contingent on the enactment of authorizing legislation.
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, e.g., new interfund payments. 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 discretionary programs or for an extension of a mandatory program assumed to be continued in the baseline (transmittal code 0).
5	Rescission proposal pursuant to Title 10 of the Congressional Budget and Impoundment Control Act. Use only for requesting rescission of CY amounts.
7	Reserved for OMB use.
8	Overseas contingency operations. Use only for amounts requested for BY through BY+9.
9	Reserved for OMB use.

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.

When a budget account has multiple transmittal codes, MAX A-11 DE includes a "combined" display that sums the data in all the transmittal codes. The "combined" display is for MAX A-11 DE only; it does not allow data entry, and is not printed in the budget Appendix.

79.4 How do I request new accounts and changes to existing accounts from OMB?

OMB's budget database contains detailed information on budget accounts, including:

- 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 (i.e., expenditure or receipt);
- Whether more than half of the collections are user charges;
- Whether the account will finance payments for 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 (see section 84.3(d)); 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.

For new deposit funds, only a subset of the information above is required, as deposit funds are not included in OMB's budget database. Provide the citation of legal authority and any proposed account number and title.

OMB collaborates with Treasury's Bureau of the Fiscal Service to assign and reserve Treasury Account Symbols (TAS) and titles. When you request a new account, OMB will coordinate with Treasury to reserve a TAS, update the budget database, and notify you of the new account symbol.

The Bureau of the Fiscal Service establishes new Treasury appropriation fund symbols (TAFS)—which include the expenditure account period of availability along with the account symbol—derived from the annual appropriation bills without an agency request. For new account actions pursuant to other legislation, agencies must send a letter of request to Fiscal Service. For more information about the letter of request, see the Treasury Financial Manual (TFM).

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 20.11 for a detailed discussion of fund types.

FUND TYPES AND CODES

Account symbol	Type of fund	OMB Fund Code	Treasury Fund Type Code
0000–3899	General fund	1	EG
3800-3899	Any receipt accounts here are clearing accounts		
5000–5999	Special fund	2	ES
4000–4499	Public enterprise revolving fund	3	EP
4500–4999	Intragovernmental revolving fund	4	ER
3900–3999	Management fund	1	
3900-3959	Consolidated working fund		EC
3960-3999	Management fund		EM
8000–8399 and 8500–8999	Trust non-revolving fund	7	ET
8400–8499	Trust revolving fund	8	TR
6000–6999	Deposit fund	N/A	
90xx	Assigned by OMB to designate allowances		
991x–998x	Assigned by OMB for certain merged accounts		

(c) *Budget enforcement (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 expenditure account may be split between two or more subfunctions. If the subfunctions are in the same function, the account identification code in the budget Appendix includes the code of the function (e.g., 500, 550); if the subfunctions are in multiple functions, the account identification code uses "999". In MAX A-11 DE, information on policy and baseline budget authority and outlays must be submitted for each subfunction, not summed up to the function or the multi-function level.

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). Governmental 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 OMB 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) *Payments for individuals*

An account finances payments for individuals if it pays for Federal Government spending programs designed to transfer income (in cash or in kind) to individuals or families. To the extent feasible, this category does not include reimbursements for current services rendered to the Government (e.g., salaries and interest). The payments may be in the form of cash paid directly to individuals, or they may take the form of the provision of services or the payment of bills for activities generally financed from personal income.

(i) *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 appropriations 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. In the case of mergers involving trust funds and Federal funds, a trust fund may be merged into a Federal fund presentation (and vice versa) only if the amounts in the trust fund (or in the Federal fund) are too small to round to at least a million dollars.

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 budget schedules?

The following table lists the schedules used in the President's Budget exercise in MAX A-11 DE:

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
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 changes were made to lines in the budget schedules this year?

The following table lists the MAX A-11 DE changes that will affect the FY 2022 Budget:

Schedule, line code, and title		Change
Combined schedule X, including schedules P (Program and financing), A (Policy), and S (Baseline)		
1001	Discretionary unobligated balance brought forward, Oct 1	Generate
5311	Direct unobligated balance, start of year	Add
5312	Reimbursable unobligated balance, start of year	Add
5313	Discretionary unobligated balance, start of year	Add
5314	Mandatory unobligated balance, start of year	Add
5321	Direct unobligated balance, end of year	Add
5322	Reimbursable unobligated balance, end of year	Add
5323	Discretionary unobligated balance, end of year	Add

Schedule, line code, and title		Change
5324	Mandatory unobligated balance, end of year	Add
5331	Direct obligated balance, start of year	Add
5332	Reimbursable obligated balance, start of year	Add
5333	Discretionary obligated balance, start of year	Add
5334	Mandatory obligated balance, start of year	Add
5341	Direct obligated balance, end of year	Add
5342	Reimbursable obligated balance, end of year	Add
5343	Discretionary obligated balance, end of year	Add
5344	Mandatory obligated balance, end of year	Add

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 and retirement receipts:
- Employment and general retirement:
  - 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 & supplemental annuity 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:
  - Federal employees' retirement—employee share 0232
  - Non-Federal employees retirement 0233

Excise taxes:
- Federal funds:
  - Tobacco 0311
  - Alcohol 0312
  - Telephone and teletype services 0314
  - Ozone depletion 0315
  - Transportation fuels 0316
  - Medical Devices 0321
  - Miscellaneous excise taxes 0320
  - Other Federal fund excise taxes 0310
- 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 underground 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"]

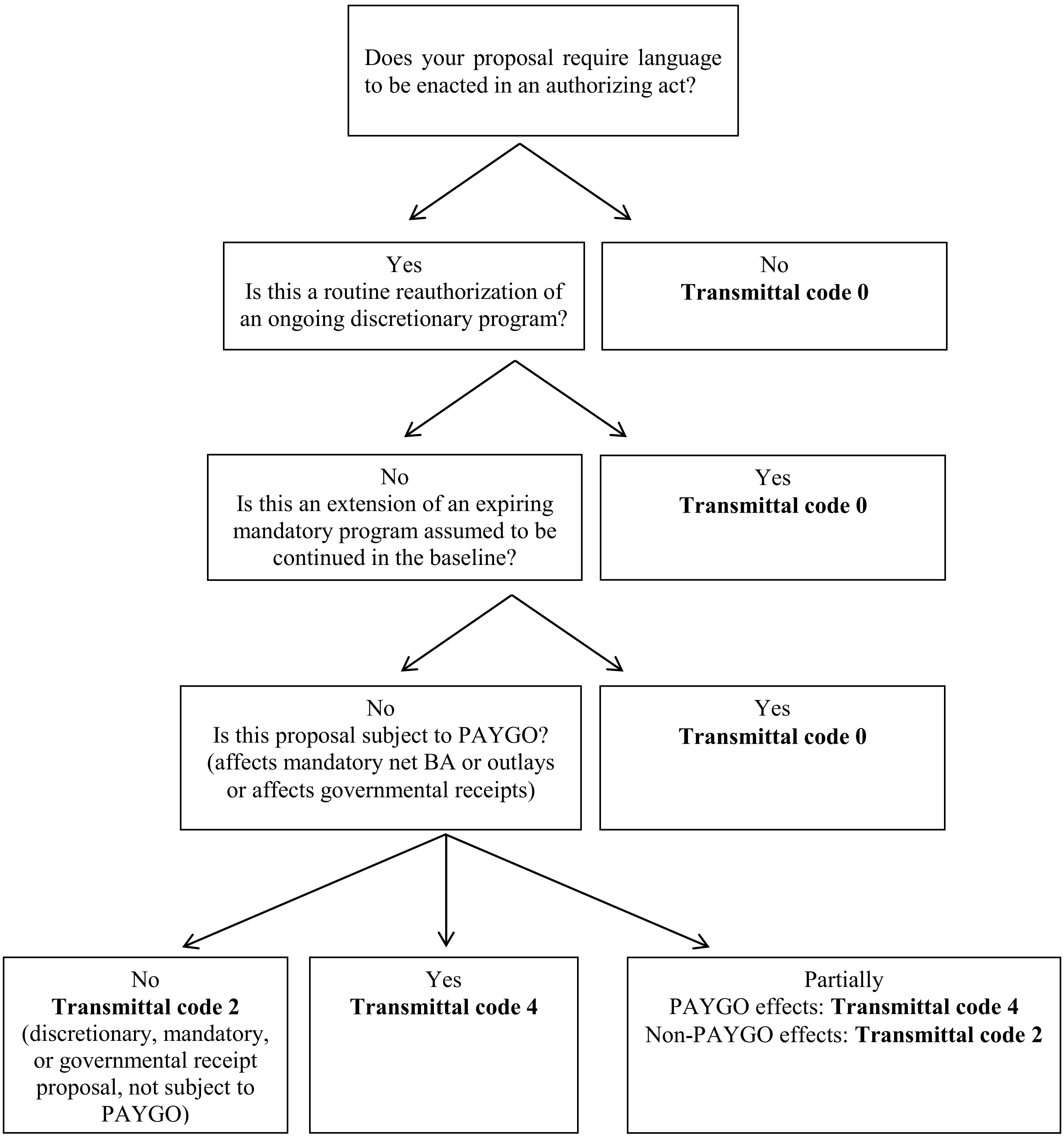
Distributed by Agency:
Defense cooperation 4001
Regulatory fees 4025
Other 4050

[RECEIPT TYPE "UG"]

Undistributed by agency:
Spectrum auction proceeds 5000

*NOTE: Functions may not be mixed within a "UP" source category.

What transmittal code should I use to reflect my proposal for the Budget?[1]



[1] Use transmittal code 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:

- Budget (or "OMB") account number

OMB Agency Code   OMB Bureau Code   Account Symbol

006 – 60 – 0550

- Treasury account number

Treasury Agency Code   Account Symbol

13 – 0550

or

CGAC Agency Code   Account Symbol

013 – 0550

- Account identification code as shown in budget Appendix

CGAC Agency Code   Account Symbol   Fund Code

013 – 0550 – 0 – 1 – 376

Transmittal Code   Subfunction

SECTION 80—DEVELOPMENT OF BASELINE ESTIMATES

Table of Contents

Summary of Changes

States that sequestration of mandatory resources for all years that sequestration is required under current law should be reflected in the baseline (section 80.4).

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 of 1985, as amended (BBEDCA). The baseline rules were 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 current year (CY) levels into the budget year (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 A-11 DE.

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 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 CY levels of budgetary resources, outlays, and receipts into the outyears for discretionary programs. Below are general rules that apply to the baseline estimates:

- *Legislative proposals*. Legislative proposals are considered to be changes from the baseline projection. Do not reflect legislative proposal budgetary effects in the baseline estimates.

- *Supplemental proposals*. 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 actions, 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 short-term 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 CY.

(a) CY base

Estimates will equal the enacted CY amounts reported in MAX A-11 DE 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 A-11 DE 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 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 BY should be the same in the baseline and in the Presidential policy estimates. Baseline budgetary resources in the CY and beyond generally should outlay at a rate that is consistent with Presidential policy outlay 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 the 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 A-11 DE 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 credit subsidy calculator 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. MAX A-11 DE inflates 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 in the CY as a result of a rescission, reduction, or transfer of balances, estimate the budget authority for BY through BY+9 as zero. Prior to setting the budget authority for BY through BY+9 to zero, contact your OMB representative to request that the MAX A-11 DE automatic calculator be turned off for this row.

- 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 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 CY outlays for the program are $50 million or less. Assume that all other expiring programs will continue in the baseline if CY outlays exceed $50 million. For programs with definite budget authority (BA), extend the BA at the same level authorized 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.

Agencies affected by these special rules 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-related portion of discretionary accounts. If a pay increase for the CY has not been enacted, you should assume a CY pay increase equal to the pay increase proposed for the CY in the previous President's Budget, unless otherwise directed by OMB. Similarly, if a Presidential policy decision on the pay increase for the BY has not been made, you should use the provisional pay increase for the BY from section 32.1, unless otherwise directed.

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 section 21 and 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.

Sequestration of mandatory resources for all years that sequestration is required under current law should be reflected in the baseline in MAX A-11 DE. Temporary reductions of budgetary resources sequestered in revolving, trust, or special fund accounts, or offsetting collections sequestered in appropriations accounts, that are determined by OMB to become available in a subsequent fiscal year without further legislative action should be included in the baseline for the fiscal year in which they become available. See section 100.14 for more information on showing these resources in budgetary reporting.

80.5 What rules apply to mandatory supplemental requests?

Baseline estimates for mandatory supplemental requests will reflect *CY* 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 outlays for CY 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 or programs assumed to be extended in the baseline;
- Expiring provisions of law or programs not 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)

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Summary of Changes

Updates to reflect that former exhibit 81 has been moved from this Circular to a MAX Community page (section 81.2).

Adds the "Mandatory, Sequestration Reduction, Authorizing Committee" budget enforcement data classification to the "Summary of Budget Enforcement Data Classifications" table (section 81.2).

Removes the "Mandatory, Account-Specific Sequestration Policy, Authorizing Committee" budget enforcement data classification in the "Summary of Budget Enforcement Data Classifications" table (section 81.2).

81.1 What are the basic requirements?

MAX A-11 DE 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 A-11 DE. The system will copy the appropriate entries from schedule X into schedules A and S.

- Baseline and policy data cover the period PY 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 section 31 and section 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 A-11 DE?

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 A-11 DE, choose the appropriate line number, subfunction, budget enforcement subcategory, and other classifications from a list provided on the screen. For more information on inserting data classifications in MAX A-11 DE, visit this MAX Community page.

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 schedules A and S, the first four digits describe the type of data being reported and the last two digits distinguish between policy and baseline data or describe the types of outlays (see section 82.4). 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 A-11 DE automatically provides the subfunction designation. For accounts with multiple subfunctions, you must enter data for each subfunction separately.
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.*** (i.e., 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

Classification	Description
	mandatory if the legislative language that creates the collection is in authorizing legislation or discretionary if the legislative language is in an appropriations act. • ***Subcategory.*** Includes subcategories from before discretionary enforcement expired in 2002 (e.g. third scorecard, highway, mass transit, non-emergency supplemental funding, and discretionary change in a mandatory program), as well as the 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. Only accounts that have been approved by OMB should include mandatory resources under the jurisdiction of the appropriations committees. • ***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 5250-00).

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 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

If the resource is classified as ...	And is controlled by the ...	And the following conditions apply ...	Then the data classification is ...
			discretionary categories described below.
		The amounts are under the discretionary highway category of BBEDCA.	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.	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) and is limited to emergency amounts that are not for overseas contingency operations/global war on terrorism, or disaster relief.	DISCRETIONARY, EMERGENCY PURSUANT TO 2011 BUDGET CONTROL ACT 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.
		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 BBEDCA.	OVERSEAS CONTINGENCY OPERATIONS/GLOBAL WAR ON TERRORISM Use only with OMB approval.
		Use for enacted or proposed funding for the current year	PROGRAM INTEGRITY FUNDING

If the resource is classified as ...	**And is controlled by the ...**	**And the following conditions apply ...**	**Then the data classification is ...**
		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. This may also be used for additional approved Administration program integrity cap adjustment proposals.	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.	DISASTER RELIEF 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 additional new budget authority for wildfire suppression operations pursuant to Section 251(b)(2)(F) of BBEDCA.	WILDFIRE SUPPRESSION OPERATIONS Use only with OMB approval.
		Use for *proposed* changes to mandatory spending requested in appropriations laws (CHIMPs). Changes to budget authority and the associated outlays resulting from *enacted* CHIMPs should be classified under the appropriate mandatory category.	DISCRETIONARY, DISCRETIONARY CHANGE IN A MANDATORY PROGRAM Does not apply to baseline estimates. Use only with OMB approval. (Unless otherwise instructed by OMB, this category only applies to proposed CHIMPs. 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.
		The amounts include the sequestration reduction required by the Joint Committee sequestration.	MANDATORY, SEQUESTRATION REDUCTION, AUTHORIZING COMMITTEE
		The amounts include funding sequestered in the previous year that becomes available for obligation without further legislative action.	MANDATORY, SEQUESTRATION POP-UP, AUTHORIZING COMMITTEE Use only with OMB approval. Do not use in PY.
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	(Not applicable)	GOVERNMENTAL RECEIPTS Applies to governmental receipts in schedules K and R.

81.3 What information do I need to report?

(a) Expenditure accounts

Report all budgetary resources, limitations, outlays, and offsets in schedule X and MAX A-11 DE 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 A-11 DE 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 A-11 DE 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 A-11 DE 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 A-11 DE 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 A-11 DE 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 A-11 DE will copy PY amounts, 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 A-11 DE 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 84.3(d)). 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 A-11 DE 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 A-11 DE 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 A-11 DE 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

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Summary of Changes

Updates the mandatory budget authority lines to allow for BY entries in order to show the effects of the Joint Committee sequestration at the account level (section 82.18).

Adds memorandum lines for changes to unobligated and obligated balances as identified in Appendix F of OMB Circular No. A-11 (2019) (section 82.18).

Updates sections to reflect that former exhibits 82A through 82C have been moved from this Circular to a MAX Community help page (section 82.4, 82.6(d)).

Removes exhibits 82A through 82C and renumbers exhibit 82D to 82 (exhibit 82).

82.1 What is schedule X?

Schedule X facilitates entering like data into MAX A-11 DE. Instead of entering similar or identical data into three 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 (BA) 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 BA 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 5000–5250)	(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 SF 133 report on budget execution, and the apportionment schedule. The Change in Obligated Balance; the Budget Authority and Outlays, Net is used in schedule X and the SF 133.

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 BA (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 A-11 DE will copy your data entry from baseline lines to policy. MAX A-11 DE 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 the MAX Community help page 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 A-11 DE Line and Line Numbers		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 A
xxxx–62	Outlays from balances	Schedule A
xxxx–63	Outlays from end of PY balances	Schedule A
xxxx–64	Outlay subtotal	Schedule A
Outlays (baseline):		
xxxx–81	Outlays from new authority	Schedule S
xxxx–82	Outlays from balances	Schedule S
xxxx–83	Outlays from end of PY balances	Schedule S
xxxx–84	Outlay subtotal	Schedule S
Offsets:		
xxxx–41	Policy program	Schedule A
xxxx–71	Baseline program	Schedule S

MAX A-11 DE Line and Line Numbers		Schedule
Other:		
xxxx–10	Sum of detail lines	
xxxx–20	Computed totals	
	Sum of the detail lines	
xxxx–30	Pick list placeholders	
	MAX A-11 DE 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.	
5250–00	Number of beneficiaries (in thousands)	Schedule S
	Use only with OMB approval	

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 of unexpired accounts 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.

In cases where a single program activity line is used to group a variety of activities that do not lend themselves to a more specific description, the line title will start with the name of the account and indicate whether the obligations are direct or reimbursable, as follows:

- Account Title (Direct)
- Account Title (Reimbursable)

This naming convention will better standardize and improve the program activity line descriptions reported in the Budget.

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. For classifying obligations as direct or reimbursable see section 83.5.

Report all the obligations in credit program, financing, or liquidating account and associated with a credit program as direct. For classifying obligations in non-credit fund accounts see section 83.5.

(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 A-11 DE 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 A-11 DE. 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

Entry	Description
	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 A-11 DE 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. For *discretionary* baseline budget authority and spending authority from offsetting collections, as a general rule, MAX A-11 DE 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 A-11 DE 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 A-11 DE drop down menu that is accessible for each budgetary resource, as described in the MAX Community help page. 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 A-11 DE, you must enter information developed using the method of calculation (i.e., the waterfall method) that is specified in this Circular and the MAX Community help page. As a general rule, you cannot override automatically generated discretionary outlay amounts.

Mandatory outlays. If you enter outlay rates for mandatory resources, MAX A-11 DE 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 A-11 DE 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 A-11 DE 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. 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 several items that further adjust only gross budget authority: changes in uncollected customer payments; offsetting collections credited to expired accounts; and recoveries of prior year paid obligations.

(1) 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.

(2) 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.

(3) Recoveries of prior-year paid obligations credited to unexpired accounts are shown as positive amounts here so that there is no total effect on budget authority of receiving a cash refund that is credited to an unexpired account. The amounts on this line (line 4053 or 4143) and the amount on the cash collection line (e.g., line 4030) have opposite signs and sum to zero. We do this because gross budget authority does not include recoveries of prior-year paid obligations.

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 4144–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 and recoveries of prior-year paid obligations credited to unexpired 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 A-11 DE 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 A-11 DE 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 in schedule X?

Lines 0910 and 0911 of schedule X display supplementary information related to amount of appropriations used to liquidate deficiencies of lease payments. Use only with OMB approval.

While lines 1940 and 1941 of schedule X display supplemental information related to unobligated balances at the end of the fiscal year for all accounts, lines 1950 through 1955 specifically address unobligated balances of special and trust non-revolving trust funds including canceling amounts.

Lines 5000–5201 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, offsetting collections), and discretionary mandated transfers.

In addition, certain accounts will use line 5250–00 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 A-11 DE uses this data to generate discretionary baseline budget authority for administrative expenses for these programs. Use only with OMB approval.

None of the amounts on the lines above are added or deducted from the budget authority or outlay amounts reported above.

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 A-11 DE 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:

GTAS. 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 Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS).

In the 2021 Budget, almost all the lines that are used to populate schedule X/P will be edit checked against your GTAS submission. The PY amounts on the edit checked schedule X/P lines must also equal the amounts reported in GTAS within a +/- one or two million tolerance. The following types of lines are not edit checked against GTAS:

- Individual obligations by program activities (X0001–X0899)
- Non-expenditure transfers, e.g. appropriation transfers from other accounts (–) (X1120)
- Specific MAX A-11 DE -generated detail entries, e.g. new obligations, unexpired accounts (X3010)
- Specific MAX A-11 DE-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: CTA, FS 1219, and FS 1220. The data is loaded into MAX A-11 DE by OMB and locked. The PY net outlay amount on schedule X/P line 4190 must equal the net outlays reported in GTAS within a +/- one million tolerance.

- If you do not agree with the amount on line X/P 4190 "Outlays, net (discretionary and mandatory)", after the GTAS database is locked (late-October) and the amount is reported in GTAS and imported into MAX A-11 DE, 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://community.max.gov/x/6YLrHQ. Applies to GTAS and non-GTAS users.
- Follow the process in the bullet above if your agency does not agree with the receipt actuals that have been imported into schedule R from Treasury FS 224 data. (See section 81.1). Receipt account information is not collected via GTAS.

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 Bureau of the Fiscal Service in Business Event Type Codes associated with the previous subclasses 42 and 43 on the Statements of Transactions.

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 A-11 DE, 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 the Fiscal Service.

Federal securities (Par value). Lines X5000 and X5001, Total investments, start and end of year: Federal securities: Par value is checked against amounts reported by Treasury's Bureau of the Fiscal 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 the Fiscal Service for financing accounts only.

Capital transfers. Lines X1022 (capital transfer of unobligated balances to general fund), X1235 (capital transfer of appropriations to general fund) and X1720/1820 (capital transfer of spending authority from offsetting collections to general fund) are checked against amounts reported by Treasury's Bureau of the Fiscal Service.

Unobligated balance transfers between expired and unexpired accounts. Line X1012 (unobligated balance transfers between expired and unexpired accounts) is checked against amounts reported by Treasury's Bureau of the Fiscal Service.

(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 four types of edit checks which compare net discretionary levels in MAX A-11 DE to OMB control totals. Control total amounts are in whole millions.

For each OMB account, these lines are included in each type of check:

- **BA/Obligation Limitation**: The sum of lines X1160, X1340, X1540, and X1966, which are associated with budget authority (excluding advance appropriations) and obligation limitations.

- **Advance Appropriation**: Line X1180 associated with advance appropriations.

- **Spending Authority and Offsetting Collections (Net Offset)**: The sum of line X1750 (discretionary spending authority and orders on hand) and lines X4030, X4031, X4032, X4033, X4034, X4050, X4052, X4053, and X4054 (offsetting collections) are compared to the net totals for each OMB account.

- **Offsetting Receipts**: The total for lines R2004-03 and R1330-03 for discretionary offsetting receipts.

Contact your OMB representative about how to view reports comparing live MAX A-11 DE 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 the 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 GTAS 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 Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS), which was developed by agencies, Treasury, and OMB. The GTAS 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); and

- Much of the PY column of schedule P.

- For more information about GTAS 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 GTAS information is submitted, the information must not only pass a number of GTAS 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 GTAS 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 GTAS data.

During the preparation of the Budget, refer to https://community.max.gov/x/h4CpAg for budget season GTAS reports that include the following:

- MAX A-11 DE Issue Status Report – GTAS only
- GTAS submissions that will lead to errors in MAX
- GTAS suppression requests (link)
- GTAS revision reports (link)
- GTAS TAFSs revised after 4th quarter window
- GTAS TAFSs with budgetary changes
- GTAS TAFSs with budgetary and proprietary changes

The following table summarizes the actions you need to take if MAX A-11 DE does not agree with GTAS edit-checked amounts:

If an error is found…	Then…
Before GTAS and MAX A-11 DE agency lock-out AND Financial audit was ongoing or complete	• Consult with your accounting office. • Correct the amount in MAX A-11 DE. • Ensure that your accounting office revises the amount in GTAS. Your accounting office *must* revise both material and non-material amounts in GTAS. • 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 GTAS. • For limited situations where there appears to be insufficient budgetary accounting to support the budget presentation, submit a PY GTAS-related suppression request to https://community.max.gov/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 DE 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 GTAS and MAX A-11 DE agency lock-out AND Financial audit was on-going or complete	• Consult with OMB representative. • Submit a PY GTAS-related suppression request to https://community.max.gov/x/kQJuFw for any situation where appropriate revisions were not made in the FY 2020 GTAS revision window. Refer to section 82.12(d) below. • Submit a CY GTAS-related suppression request to https://community.max.gov/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 DE. Refer to section 82.12(d) below.

If an error is found…	Then…
	• Ensure that your accounting office revises the amount in GTAS no later than 2nd quarter FY 2021 GTAS reporting window for both PY and CY changes. Include a statement in your action plan of your GTAS-related suppression request. Your accounting office *must* revise both material and non-material amounts in GTAS. • OMB will review the suppression requests on a case-by-case basis.

- The GTAS 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 GTAS-related suppression request exercise (https://community.max.gov/x/kQJuFw) will also be available. Agencies may prepare suppression requests during and after the GTAS revision window. As a general rule, OMB will not suppress any MAX A-11 DE edit-checks related to GTAS data before the GTAS revision window closes.

While the GTAS revision window is open, OMB will use the revised GTAS data in its edit checks. If your agency accounting office has made all the appropriate revisions in GTAS, then your agency should have no edit-checks problems related to GTAS.

(b) *What do I do if I do not agree with GTAS non-edit-checked PY amounts imported from Treasury?*

You may over-write amounts imported from GTAS that are not edit-checked. However, before over-writing an amount in the PY column of Schedule P in MAX A-11 DE, you should talk with the person who entered the data into GTAS to see why they entered that amount. If you both find that an amount reported via GTAS was incorrect, then over-write the amount and let the person who entered the information in GTAS know, so that they can revise it. This may indirectly impact other GTAS data that is edit checked.

(c) *What do I need to do if a backdated Treasury document is required to revise MAX A-11 DE 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 (Classification Transactions and Accountability, non-expenditure 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 A-11 DE data, then you are required to submit a request in the exercise (located at https://community.max.gov/x/6YLrHQ) and identify the appropriate information such as an explanation of why the error happened, affected Treasury Appropriation Fund Symbol, MAX A-11 DE edit error, the amount of the adjustment in actual dollars, an action plan, and agency contact information. Refer to Appendix F for more details.

Once you have submitted your request and your backdated document in the exercise, 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.

The following table summarizes the actions you need to take to process a backdated Treasury document:

If an error is found…	Then…
Before GTAS and MAX A-11 DE agency lock-out AND Financial audit was ongoing or complete	• Consult with your accounting office. • Submit a backdated Treasury document (Classification Transactions and Accountability, non-expenditure transfer, or warrant) request to https://community.max.gov/x/6YLrHQ. If your action impacts line X/P 4190 “Outlays (net)” or receipt data, and your request is approved, line X/P 4190 or the receipt data will be centrally changed. • If the action impacts any line X/P other than line P 4190, ensure that your accounting office revises the amount in GTAS. Refer to section 82.11. Your accounting office *must* revise both material and non-material amounts in GTAS. • 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 GTAS.
After GTAS and MAX A-11 DE agency lock-out AND Financial audit was on-going or complete	• Consult with OMB representative. • Submit a backdated Treasury document (Classification Transactions and Accountability, non-expenditure transfer, and/or warrant) request to https://community.max.gov/x/6YLrHQ. If the action impacts line X/P 4190 "Outlays (net)" or receipt data, and your request is approved, line X/P 4190 or the receipt data will be centrally changed where appropriate. • If the action impacts any line X/P other than line X/P 4190, submit a PY GTAS-related suppression request to https://community.max.gov/x/kQJuFw for any situation where appropriate revisions were not made in the FY 2020 GTAS revision window. Refer to section 82.12(d) below. • If the action impacts any line X/P other than line X/P 4190, submit a CY GTAS-related suppression request to https://community.max.gov/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 DE. 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 GTAS if I do not agree with PY amounts imported from Treasury?*

Before the MAX A-11 DE agency lock-out, the GTAS database opens for revisions. You must revise the incorrect information in GTAS because the revised GTAS database is used as a basis for revised SF 133s, audited Statements of Budgetary Resources (if material), and central analysis. Information is copied from GTAS to MAX A-11 DE once per year before MAX A-11 DE opens to agency budget offices. However, information is never copied from MAX A-11 DE to GTAS.

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 GTAS 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 GTAS that result in differences between the Statement of Budgetary Resources and the Budget. For GTAS reporting periods, see http://www.fms.treas.gov/factsii/.

(e) *What actions do I need to take if I changed amounts imported from GTAS in MAX A-11 DE for the Budget but did not change them in the GTAS revision window?*

Before OMB will suppress any PY or CY GTAS-related edit error request, agencies must submit a suppression request to https://community.max.gov/x/kQJuFw and identify the appropriate information such as affected Treasury Appropriation Fund Symbol, MAX A-11 DE 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 GTAS in the next fiscal year GTAS 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 GTAS after the revision window has closed.

If the changes *affect ending balances* (e.g., changes to amounts of budget authority, new obligations and upward adjustments, gross outlays, beginning balances), you will need to make changes in GTAS in the next fiscal year GTAS reporting window. You should consult with the person who entered the data into GTAS. If you both agree that the amount should have been revised in GTAS, then the person who entered the information in GTAS should adjust the appropriate beginning balances (whether material or non-material) in the next fiscal year GTAS reporting window. For example, if you increased the amount of new obligations (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 GTAS reporting window should be decreased by 100, and the beginning obligated balance reported in the preceding fiscal year GTAS reporting window should be increased by 100.

Until changes are made in both GTAS and MAX A-11 DE, there will be an ongoing difference in the balances reported in GTAS 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://community.max.gov/x/HAAQAw to prevent these differences from reoccurring. The website also includes reports that show FY 2020 quarterly GTAS 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 GTAS (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 DE. GTAS 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://community.max.gov/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 A-11 DE 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*

- Non-expenditure transfers: When you enter a line in schedule X for a non-expenditure 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(i)), 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.

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)).

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 A-11 DE 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 A-11 DE 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 A-11 DE will generate line 0799 for the total direct obligations if there are multiple direct detail lines and at least one reimbursable detail line.

Entry	MAX A-11 DE Details
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.
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 A-11 DE 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: The following lines are generated from information submitted through the Credit Supplement Report Exercise (CSR): 0705, 0706, 0707, 0708, 0742, and 0743.	
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
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

Entry	MAX A-11 DE Details
0740	Negative subsidy obligations
0741	Modification savings
0742	Downward reestimates paid to receipt accounts
0743	Interest on downward reestimates
0744	Adjusting payments to liquidating account
All accounts:	
0900	Total new obligations, unexpired accounts. MAX A-11 DE will generate this line from the detail amounts on the detail lines 0001 to 0899. Equals line 3010.

Memorandum (non-add) entries:
Entries only include data from unexpired Treasury Appropriation Fund Symbols.

Entry		MAX A-11 DE Details
0910	Appropriations used to liquidate unpaid lease obligations	Amount of appropriations used to liquidate deficiencies of lease payments. Use only with OMB approval.
0911	**Total new obligations, unexpired accounts; and lease payments**	Automatically generated from the sum of lines 0900 and 0910.

BUDGETARY RESOURCES

This section only includes budgetary resources from unexpired Treasury Appropriation Fund Symbols.

Entry		MAX A-11 DE Details
Unobligated balance:		
1000	**Unobligated balance brought forward, Oct 1**	For CY and BY, MAX A-11 DE automatically generates this entry from the end of year amounts reported on line 1941 for the previous year. 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 GTAS for PY-1, including all changes made during the PY-1 GTAS 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.

Entry		MAX A-11 DE Details
Non-expenditure transfers:		
1010	Unobligated balance transferred to other accounts (–)	Note: You must identify each account involved in each transfer (gaining and losing) in MAX A-11 DE using the 6-digit Treasury basic account symbol (see section 79.2 and Appendix C).
1011	Unobligated balance transferred from other accounts	Note: You must identify each account involved in each transfer (gaining and losing) in MAX A-11 DE using the 6-digit Treasury basic account symbol (see section 79.2 and Appendix C).
1012	Unobligated balance transfers between expired and unexpired accounts	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 A-11 DE 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 –)	Changes to the PY start of year balances made after the PY-1 GTAS revision window closed. Use only for PY, unless specifically approved by 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 balances to general fund (–)	
1023	Unobligated balances applied to repay debt (–)	
1024	Unobligated balance of borrowing authority withdrawn (–)	The sum of the amounts on lines 1024 and 1025 with the opposite sign 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 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	Use only for special and non-revolving trust funds.

Entry		MAX A-11 DE Details
	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)	Use only for revolving funds.
1029	Other balances withdrawn to Treasury (–)	
1030	Other balances withdrawn to special or trust funds (–)	Equals line 1950, but with opposite sign.
1031	Other balances not available (–)	
1032	Refunds and recoveries temporarily precluded from obligation (special and trust funds)(–)	
1033	Recoveries of prior year paid obligations	Equals the sum of lines 4053 and 4143. Use only for PY or CY if recoveries have already occurred prior to transmittal of the budget—unless specifically approved in advance by OMB.
1034	Adjustment for unobligated balance used to liquidate deficiencies (–)	Report the amount of unobligated balance used to liquidate obligations that were incurred in a prior fiscal year without sufficient budget authority to legally cover such obligations.
1035	Unobligated balance precluded from obligation (limitation on obligations) (special and trust) (-)	
1036	Adjustment for debt forgiveness	
1037	Unobligated balance of appropriations withdrawn (-)	
1038	Sequester (previously unavailable) for withdrawal	This line is only for PY use by the Patient-Centered Outcomes Research Trust Fund for the 2021 Budget.
1050	**Unobligated balance (total)**	Automatically generated by MAX A-11 DE.

Entry	Discre-tionary	Man-datory	MAX A-11 DE Details
Budget authority:			
Appropriations:			
Appropriation	1100	1200	For indefinite authority, record only the amount that will be obligated.
Appropriation (special or trust)	1101	1201	
Appropriation (previously unavailable)	1102	1202	This line is used to calculate line 5093 for revolving funds that had appropriations previously sequestered. Use only with OMB approval.

Entry	Discre-tionary	Man-datory	MAX A-11 DE Details
Appropriation (previously unavailable)(special or trust)	1103	1203	
Appropriation available from subsequent year	1104	n/a	Use only in PY and CY and only with OMB approval.
Appropriation available in prior year (–)	1105	n/a	Use only in PY and CY and only with OMB approval.
Reappropriation	1106	1206	Use line 1012 for transfers of expired balances to unexpired accounts that are not considered to be reappropriations.
Non-expenditure transfers:			
Appropriations transferred to other accounts (–)	1120	1220	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 A-11 DE error messages that occur. Identify each account involved in each transfer (gaining and losing) in MAX A-11 DE using the 6-digit Treasury basic account symbol (see section 79.2 and Appendix C).
Appropriations transferred from other accounts	1121	1221	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 A-11 DE using the 6-digit Treasury basic account symbol (see section 79.2 and Appendix C).
Adjustments:			
Appropriations permanently reduced (–)	1130	n/a	
Unobligated balance of appropriations permanently reduced (–)	1131	n/a	
Appropriations and/or unobligated balance of	n/a	1230	

Entry	Discre-tionary	Man-datory	MAX A-11 DE Details
appropriations permanently reduced (–)			
Appropriations temporarily reduced (–)	1132	n/a	This line is used to calculate line 5093 for revolving funds that have sequestered appropriations.
Unobligated balance of appropriations temporarily reduced (–)	1133	n/a	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 used to calculate line 5093 revolving funds that have sequestered appropriations.
Appropriations precluded from obligation (–)	1134	1234	When the amount on line 1134 becomes available for obligation, report it on line 1102. When the amount on line 1234 becomes available for obligation, report it on line 1202. Use only with OMB approval.
Appropriations precluded from obligation (special or trust) (–)	1135	1235	When the amount on line 1135 becomes available for obligation, report it on line 1103. When the amount on line 1235 becomes available for obligation, report it on line 1203. Use only with OMB approval.
Appropriations applied to repay debt (–)	1136	1236	
Appropriations applied to liquidate contract authority (–)	1138	1238	
Appropriations substituted for borrowing authority (–)	1139	1239	
Capital transfer of appropriations to general fund (–)	1140	1240	This line is only for use by the Department of Education and the Department of Defense.
Appropriations applied to liquidate contract authority withdrawn (–)	1141	n/a	Use only in PY or CY and only with OMB approval.
Appropriation (total)	**1160**	**1260**	Automatically generated by MAX A-11 DE.
Advance Appropriations:			
Advance appropriation	1170	1270	
Advance appropriation (special or trust fund)	1171	1271	
Non-expenditure transfers:			
Advance appropriations transferred to other accounts (–)	1172	1272	Identify each account involved in each transfer (gaining and losing) in MAX A-11 DE using the 6-digit Treasury basic account symbol (see section 79.2 and Appendix C).
Advance appropriations transferred from other accounts	1173	1273	
Adjustments:			

Entry	Discre-tionary	Man-datory	MAX A-11 DE Details
Advance appropriations permanently reduced (–)	1174	1274	For line 1274, no BY amount can be entered.
Advance appropriations temporarily reduced (–)	1175	1275	
Advance appropriation (total)	**1180**	**1280**	Automatically generated by MAX A-11 DE.
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	
Borrowing authority temporarily reduced (–)	n/a	1421	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 precluded from obligation (limitation on obligations) (–)	n/a	1423	This line is only for use by the U.S. Department of Agriculture.
Capital transfers of borrowing authority to general fund (–)	n/a	1424	
Borrowing authority (total)	**1340**	**1440**	Automatically generated by MAX A-11 DE.
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.
Non-expenditure transfers:			
Contract authority transferred to other accounts (–)	1510	1610	Identify each account involved in each transfer (gaining and losing) in MAX A-11 DE 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 A-11 DE using the 6-digit Treasury basic account symbol (see section 79.2 and Appendix C).
Adjustments:			
Contract authority and/or unobligated balance of	1520	1620	For contract authority permanently reduced, no amount can be entered for BY. For unobligated balance of contract

Entry	Discre-tionary	Man-datory	MAX A-11 DE Details
contract authority permanently reduced (–)			authority permanently reduced, use only for PY of CY unless specifically approved by OMB.
Contract authority temporarily reduced (–)	n/a	1621	This line is only used by the Departments of the Interior and Transportation.
Contract authority precluded from obligation (limitation on obligations) (–)	1522	1622	Use only with OMB approval.
Contract authority (total)	**1540**	**1640**	Automatically generated by MAX A-11 DE.
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.
Non-expenditure transfers:			
Spending authority from offsetting collections transferred to other accounts (–)	1710	1810	Identify each account involved in each transfer (gaining and losing) in MAX A-11 DE 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	Identify each account involved in each transfer (gaining and losing) in MAX A-11 DE 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	1720	1820	Primarily used by revolving funds; however, may be used by other accounts with OMB approval.

Entry	Discre-tionary	Man-datory	MAX A-11 DE Details
collections to general fund (–)			
Spending authority from offsetting collections permanently reduced (–)	1722	1822	
New and/or unobligated balance of spending authority from offsetting collections temporarily reduced (–)	1723	1823	
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	
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 A-11 DE.
Budget authority (total)	**1900**	**1900**	Automatically generated by MAX A-11 DE.
Adjustment for 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 A-11 DE. Sums the adjusted amounts of unobligated balances and budget authority.

Memorandum (non-add) entries:
Entries include data from unexpired and expired Treasury Appropriation Fund Symbols.

Entry		MAX A-11 DE Details
	All Accounts:	
1940	Unobligated balance expiring (–)	
1941	**Unexpired unobligated balance, end of year**	Automatically generated from the sum of the detailed entries on lines 1930 plus 1940 minus 0900.
Special and non-revolving trust funds only:		
1950	**Other balances withdrawn and returned to unappropriated receipts**	Automatically copied from line 1030, but with the opposite sign.
1951	**Unobligated balance expiring**	Use only for accounts with schedule J (see section 86.3). Automatically generated by MAX A-11 DE.
1952	**Expired unobligated balance, start of year**	Use only for accounts with schedule J (see section 86.3). Automatically generated by MAX A-11 DE. 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	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 4999.
1954	Unobligated balance canceling	
1955	Other balances withdrawn and returned to general fund	

CHANGE IN OBLIGATED BALANCE

This section only includes change in obligation balances from unexpired and expired Treasury Appropriation Fund Symbols.

Entry		MAX A-11 DE Details
Unpaid obligations:		
3000	**Unpaid obligations, brought forward, Oct 1**	MAX A-11 DE copies CY and BY from the end of year amount reported on line 3050 for the previous year. For PY, this amount must tie to the PY end of year amounts reported in GTAS for PY-1, including all changes made during the PY-1 GTAS revision window.

Entry		MAX A-11 DE Details
3001	Adjustment to unpaid obligations, brought forward, Oct 1 (+ or –)	Report any changes to the PY start of year balances made after the PY-1 GTAS revision window closed. Use only for PY, unless specifically approved by OMB.
3010	**New obligations, unexpired accounts**	Automatically generated by MAX A-11 DE.
3011	Obligations ("upward adjustments"), expired accounts	Use only for PY, unless specifically approved by OMB.
3020	**Outlays (gross) (–)**	Automatically generated by MAX A-11 DE.
3030	Unpaid obligations transferred to other accounts (–)	Note: You must identify each account involved in each transfer (gaining and losing) in MAX A-11 DE using the 6-digit Treasury basic account symbol (see section 79.2 and Appendix C).
3031	Unpaid obligations transferred from other accounts	Note: You must identify each account involved in each transfer (gaining and losing) in MAX A-11 DE using the 6-digit Treasury basic account symbol (see section 79.2 and Appendix C).
3040	**Recoveries of prior year unpaid obligations, unexpired accounts (–)**	Automatically copied from line 1021, but with the opposite sign.
3041	Recoveries of prior year unpaid obligations, expired accounts (–)	Use only for PY, unless specifically approved by OMB.
3050	**Unpaid obligations, end of year**	Automatically generated by MAX A-11 DE.
Uncollected payments:		
3060	**Uncollected pymts, Fed sources, brought forward, Oct 1 (–)**	MAX A-11 DE copies CY and BY from the end of year amount reported on line 3090 for the previous year. For PY, this amount must tie to the PY end of year amounts reported in GTAS for PY-1, including all changes made during the PY-1 GTAS revision window.
3061	Adjustment to uncollected pymts, Fed sources, brought forward, Oct 1 (+ or –)	Report any changes to the PY start of year balances made after the PY-1 GTAS 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 A-11 DE.
3071	Change in uncollected pymts, Fed sources, expired accounts (+ or –)	
3080	Uncollected pymts, Fed sources transferred to other accounts	Note: You must identify each account involved in each transfer (gaining and losing) in MAX A-11 DE using the 6-digit Treasury basic account symbol (see section 79.2 and Appendix C).
3081	Uncollected pymts, Fed sources transferred from other accounts (–)	Note: You must identify each account involved in each transfer (gaining and losing) in MAX A-11 DE using the 6-digit Treasury basic account symbol (see section 79.2 and Appendix C).

Entry		MAX A-11 DE Details
3090	**Uncollected pymts, Fed sources, end of year (–)**	Automatically generated by MAX A-11 DE.

Memorandum (non-add) entries:
Entries include data from unexpired and expired Treasury Appropriation Fund Symbols.

Entry		MAX A-11 DE Details
3100	**Obligated balance, start of year (+ or –)**	For PY, this amount must tie to the PY end of year amounts reported in GTAS for PY-1 including all changes made during the PY-1 GTAS revision window. Automatically generated by MAX A-11 DE.
3200	**Obligated balance, end of year (+ or –)**	Automatically generated by MAX A-11 DE.

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 A-11 DE Details
Gross budget authority and outlays:			
Budget authority, gross	4000	4090	Automatically generated by MAX A-11 DE.
Outlays, gross			
Outlays from new authority	4010	4100	
Outlays from balances	4011	4101	
Outlays, gross (total)	4020	4110	Automatically generated by MAX A-11 DE. 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	
Interest on Federal securities (–)	4031	4121	
Interest on uninvested funds (–)		4122	

Entry	Discre-tionary	Man-datory	MAX A-11 DE Details
Non-Federal sources (–)	4033	4123	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	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 A-11 DE.
Additional offsets against gross budget authority only:			
Change in uncollected pymts, Fed sources, unexpired accounts (+ or –)	**4050**	**4140**	Automatically generated by MAX A-11 DE.
Offsetting collections credited to expired accounts	4052	4142	
Recoveries of prior year paid obligations, unexpired accounts	4053	4143	The sum of lines 4053 and 4143 equals the amount on line 1033.
Additional offsets against budget authority only (total)	**4060**	**4150**	Automatically generated by MAX A-11 DE.
Budget authority, net	**4070**	**4160**	Automatically generated by MAX A-11 DE.
Outlays, net	**4080**	**4170**	Automatically generated by MAX A-11 DE.
Budget authority and outlays, net (total):			
Budget authority, net (total)	**4180**	**4180**	Automatically generated by MAX A-11 DE. This line will always be used, even if the amount is zero.
Outlays, net (total)	**4190**	**4190**	Automatically generated by MAX A-11 DE. This line will always be used, even if the amount is zero.

Memorandum (non-add) entries:

Entry		MAX A-11 DE 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 (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 A-11 DE 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	

Entry		MAX A-11 DE Details
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 (schedule N). 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 A-11 DE 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 A-11 DE 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 A-11 DE 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 A-11 DE 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 A-11 DE 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 A-11 DE copies CY and BY from the end of year amounts reported on line 5081 for the previous year.
5081	Outstanding debt, EOY (-)	Automatically generated by MAX A-11 DE.
5082	Borrowing (-)	

Entry		MAX A-11 DE Details
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.*
5090	**Unexpired unavailable balance, SOY: Offsetting collections**	Does not generally apply to special and non-revolving trust funds. MAX A-11 DE copies CY and BY from the end of year amounts reported on line 5092 for the previous year.
5091	Expiring unavailable balance: Offsetting collections (-)	
5092	**Unexpired unavailable balance, EOY: Offsetting collections**	Automatically generated by MAX A-11 DE.
5093	**Expired unavailable balance, SOY: Offsetting collections**	Does not generally apply to special and non-revolving trust funds. MAX A-11 DE copies CY and BY from the end of year amounts reported on line 5095 for the previous year.
5094	Canceling unavailable balance: Offsetting collections (-)	
5095	**Expired unavailable balance, EOY: Offsetting collections**	Automatically generated by MAX A-11 DE.
5096	**Unexpired unavailable balance, SOY: Appropriations**	*Does not generally apply to special and non-revolving trust funds.* MAX A-11 DE copies CY and BY from the end of year amounts reported on line 5098 for the previous year.
5097	Expiring unavailable balance: Appropriations (-)	
5098	**Unexpired unavailable balance, EOY: Appropriations**	Automatically generated by MAX A-11 DE.
5099	**Unexpired unavailable balance, SOY: Contract authority**	MAX A-11 DE copies CY and BY from the end of year amounts reported on line 5100 for the previous year.
5100	**Unexpired unavailable balance, EOY: Contract authority**	Automatically generated by MAX A-11 DE.
5101	**Unexpired unavailable balance, SOY: Borrowing authority**	MAX A-11 DE copies CY and BY from the end of year amounts reported on line 5102 for the previous year.
5102	Unexpired unavailable balance, EOY: Borrowing authority	
5103	**Unexpired unavailable balance, SOY: Fulfilled purpose**	MAX A-11 DE copies CY and BY from the end of year amounts reported on line 5104 for the previous year.
5104	Unexpired unavailable balance, EOY: Fulfilled purpose	Automatically generated by MAX A-11 DE.
International Monetary Fund:		
5110	IMF quota reserve tranche increase (P.L. xxx-xxx)	Identify the public law. An example is the Consolidated Appropriations Act of 2018 (e.g., P.L. 115-41).
5111	IMF quota letter of credit increase (P.L. xxx-xxx)	Identify the public law. An example is the Consolidated Appropriations Act of 2018 (e.g., P.L. 115-41).
5112	IMF quota reserve tranche, total	

Entry		MAX A-11 DE Details
5113	IMF quota letter of credit, total	
5114	New Arrangements to Borrow (P.L. xxx-xxx)	Identify the public law. An example is the Consolidated Appropriations Act of 2018 (e.g., P.L. 115-41).
5115	New Arrangements to Borrow (exchange rate)	
5116	New Arrangements to Borrow, total	
Discretionary mandated transfers:		
5200	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 A-11 DE using the 6-digit Treasury basic account symbol (see section 79.2 and Appendix C).
5201	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 A-11 DE using the 6-digit Treasury basic account symbol (see section 79.2 and Appendix C).
Unexpended balances:		*Identifies the amount of available unobligated and obligated balances as direct or reimbursable and discretionary or mandatory for start of year and end of year. Use only for PY.*
Unobligated balance:		*Applies to unexpired accounts.*
5311	Direct unobligated balance, start of year	The sum of lines 5311 and 5314 equals the amount on line 1000.
5312	Reimbursable unobligated balance, start of year	
5313	Discretionary unobligated balance, start of year	
5314	Mandatory unobligated balance, start of year	
5321	Direct unobligated balance, end of year	The sum of lines 5321, 5322, 5323, and 5324 equals the sum of lines 1940 (with the opposite sign) and 1941 for unexpired accounts only.
5322	Reimbursable unobligated balance, end of year	
5323	Discretionary unobligated balance, end of year	
5324	Mandatory unobligated balance, end of year	
Obligated balance:		*Applies to both unexpired and expired accounts.*

	Entry	MAX A-11 DE Details
5331	Direct obligated balance, start of year	The sum of lines 5331, 5332, 5333, and 5334 equals the sum of lines 3000 and 3061. Also equals line 3100.
5332	Reimbursable obligated balance, start of year	
5333	Discretionary obligated balance, start of year	
5334	Mandatory obligated balance, start of year	
5341	Direct obligated balance, end of year	The sum of lines 5341, 5342, 5343, and 5344 equals the sum of lines 3050 and 3090. Also equals line 3200.
5342	Reimbursable obligated balance, end of year	
5343	Discretionary obligated balance, end of year	
5344	Mandatory obligated balance, end of year	

UNFUNDED DEFICIENCIES

Note: See section 145 for additional reporting requirements on deficiencies.

	Entry	MAX A-11 DE Details
7000	**Unfunded deficiency, start of year (–)**	Automatically generated by MAX A-11 DE in CY and BY.
7010	**New deficiency (–)**	Automatically generated by MAX A-11 DE.
7012	**Budgetary resources used to liquidate deficiencies**	Automatically generated by MAX A-11 DE.
7020	**Unfunded deficiency, end of year (–)**	Automatically generated by MAX A-11 DE.

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			
0001-0799	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 reestimates paid to receipt accounts	✓		
0743	Interest on downward reestimates	✓		
0744	Adjusting payments to liquidating accounts	✓		
	Reimbursable obligations			
0800-0899	Reimbursable program activity	✓		
0900	Total new obligations, unexpired accounts	✓		
	Memorandum (non-add) entries			
0910	Appropriations used to liquidate unpaid lease obligation	✓		
0911	Total new obligations, unexpired accounts; and lease payment	✓		
	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 (net)	✓		
1020	Adjustment to unobligated balance brought forward, Oct 1	✓		
1021	Recoveries of prior year unpaid obligations	✓		
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 to Treasury	✓		
1030	Other balances withdrawn to special or trust funds	✓		
1031	Other balances not available	✓		
1032	Refunds and recoveries temporarily precluded from obligation (special and trust funds)	✓		
1033	Recoveries of prior year paid obligations	✓		
1034	Adjustment for unobligated balance used to liquidate deficiencies	✓		
1035	Unobligated balance precluded from obligation (limitation on obligations) (special and trust) (-)	✓		
1036	Adjustment for debt forgiveness	✓		
1037	Unobligated balance of appropriations withdrawn (-)	✓		
1038	Sequester (previously unavailable) for withdrawal	✓		
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)	✓		
1102	Appropriation (previously unavailable)	✓		
1103	Appropriation (previously unavailable) (special or trust)	✓		
1104	Appropriation available from subsequent yea	✓		
1105	Appropriation available in prior year (-)	✓		
1106	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 precluded from obligation (special or trust) (-)	✓		
1136	Appropriations applied to repay debt (-)	✓		
1138	Appropriations applied to liquidate contract authority (-)	✓		
1139	Appropriations substituted for borrowing authority (-)	✓		
1140	Capital transfer of appropriations to general fund (-)	✓		
1141	Appropriations applied to liquidate contract authority withdrawn (-)	✓		
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)	✓		
1172	Advance appropriations transferred to other accounts	✓		
1173	Advance appropriations transferred from other accounts	✓		
1174	Advance appropriations permanently reduced	✓		
1175	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	✓		
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 transferred to other accounts	✓		
1273	Advance appropriations transferred from other accounts	✓		
1274	Advance appropriations permanently reduced	✓		
1275	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 (-)	✓		
1423	Borrowing authority precluded from obligation (limitation on obligations) (-)	✓		
1424	Capital transfers of borrowing authority to general fund (-)	✓		
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, discretionary (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 source	✓		
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, mandatory (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, 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, start of year	✓		
1953	Expired unobligated balance, 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	Adjustment to unpaid obligations, brought forward, Oct 1	✓		
3010	New obligations, unexpired accounts	✓		
3011	Obligations ("upward adjustments"), 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	Adjustment to uncollected pymts, Fed sources, brought forward, Oct 1	✓		
3070	Change in uncollected pymts, Fed sources, unexpired accounts	✓		
3071	Change in uncollected pymts, Fed sources, expired accounts	✓		
3080	Uncollected pymts, Fed sources transferred to other accounts	✓		
3081	Uncollected pymts, Fed sources transferred from other accounts	✓		
3090	Uncollected pymts, Fed sources, end of year	✓		
	Memorandum (non-add) entries			
3100	Obligated balance, start of year	✓		
3200	Obligated balance, end of year	✓		

+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]			✓
4053	Recoveries of prior year paid obligations, unepxired accounts	✓		
	Discretionary, {BEA Subcategory}			
4053-41	Policy Program [Text]		✓	
4053-71	Baseline Program [Text]			✓
4060	Additional offsets against budget authority only (total)	✓		
4070	Budget authority, net (discretionary)	✓		
4080	Outlays, net (discretionary)	✓		

+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 (cont.)			
	Mandatory			
4090	Budget authority, gross	✓		
	Outlays, gross			
4100	Outlays from new mandatory authority	✓		
4101	Outlays from mandatory balances	✓		
4110	Outlays, gross (total)	✓		
	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]			✓
4143	Recoveries of prior year paid obligations, unexpired accounts	✓		
	Mandatory, {BEA Subcategory}			
4143-41	Policy Program [Text]		✓	
4143-71	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	Schedule A	Schedule 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	Unexpired unavailable balance, SOY: Offsetting collections	✓			
5091	Expiring unavailable balance: Offsetting collections	✓			
5092	Unexpired unavailable balance, EOY: Offsetting collections	✓			
5093	Expired unavailable balance, SOY: Offsetting collections	✓			
5094	Canceling unavailable balance: Offsetting collections	✓			
5095	Expired unavailable balance, EOY: Offsetting collections	✓			
5096	Unexpired unavailable balance, SOY: Appropriations	✓			
5097	Expiring unavailable balance: Appropriations	✓			
5098	Unexpired unavailable balance, EOY: Appropriations	✓			
5099	Unexpired unavailable balance, SOY: Contract authority	✓			
5100	Unexpired unavailable balance, EOY: Contract authority	✓			
5101	Unexpired unavailable balance, SOY: Borrowing authority	✓			
5102	Unexpired unavailable balance, EOY: Borrowing authority	✓			
5103	Unexpired unavailable balance, SOY: Fulfilled purpose	✓			
5104	Unexpired unavailable balance, EOY: Fulfilled purpose	✓			
5110	IMF quota reserve tranche increase (P.L. xxx-xxx)	✓			
5111	IMF quota letter of credit increase (P.L. xxx-xxx)	✓			
5112	IMF quota reserve tranche, total	✓			
5113	IMF quota letter of credit, total	✓			
5114	New Arrangements to Borrow (P.L. xxx-xxx	✓			
5115	New Arrangements to Borrow (exchange rate)	✓			
5116	New Arrangements to Borrow, total	✓			
5200	Discretionary mandated transfer to other accounts	✓			
5201	Discretionary mandated transfer from other accounts	✓			
5250-00	Number of beneficiaries (in thousands) - Adj. Baseline			✓	
5311	Direct unobligated balance, start of year	✓			+
5312	Reimbursable unobligated balance, start of year	✓			+
5313	Discretionary unobligated balance, start of year	✓			+
5314	Mandatory unobligated balance, start of year	✓			+
5321	Direct unobligated balance, end of year	✓			+
5322	Reimbursable unobligated balance, end of year	✓			+
5323	Discretionary unobligated balance, end of year	✓			+
5324	Mandatory unobligated balance, end of year	✓			+
5331	Direct obligated balance, start of year	✓			+
5332	Reimbursable obligated balance, start of year	✓			+
5333	Discretionary obligated balance, start of year	✓			+
5334	Mandatory obligated balance, start of year	✓			+
5341	Direct obligated balance, end of year	✓			+
5342	Reimbursable obligated balance, end of year	✓			+
5343	Discretionary obligated balance, end of year	✓			+
5344	Mandatory obligated balance, end of year	✓			+
	Unfunded deficiencies				
7000	Unfunded deficiency, start of year	✓			
7010	New deficiency	✓			
7012	Budgetary resources used to liquidate deficiencies	✓			
7020	Unfunded deficiency, end of year	✓			

+Updated line

SECTION 83—OBJECT CLASSIFICATION (SCHEDULE O)

Table of Contents

Summary of Changes

Updates to resolve inconsistency on the classification of obligations in non-credit revolving accounts as direct and/or reimbursable (section 83.5).

Updates the table describing the method for identifying whether obligations are direct or reimbursable (section 83.5).

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 *grant* 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. The following table identifies the criteria used to identify whether obligations are direct or reimbursable. Fund types apply to Treasury Account Symbols (for information on fund types, please refer to section 79). For completing budget schedules in MAX A-11 DE, use the fund type identified with the OMB account.

CLASSIFYING OBLIGATIONS AS "DIRECT" OR "REIMBURSABLE"

If the obligations are . . .	And if the fund type is:	And if . . .	And the schedule P offsetting collections lines are from . . .	Then the classification is . . .
NOT financed from offsetting collections	General fund Special fund Public enterprise revolving fund Intragovernmental revolving fund Management fund Trust non-revolving fund Trust revolving fund			Direct
Financed from any type of budgetary resources, including offsetting collections	General fund Public enterprise revolving fund Intragovernmental revolving fund Management fund Trust non-revolving fund	The activity is in a credit program, financing, or liquidating account and associated with a credit program		Direct
Financed from offsetting collections from:	General fund Public enterprise revolving fund Intragovernmental revolving fund Management fund Trust revolving fund			Direct
• Asset sales (including GSA recycling funds);			Non-Federal sources (lines 4033 or 4123)	

CLASSIFYING OBLIGATIONS AS "DIRECT" OR "REIMBURSABLE"

If the obligations are . . .	And if the fund type is:	And if . . .	And the schedule P offsetting collections lines are from . . .	Then the classification is . . .
• 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;			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	General fund Special fund Public enterprise revolving fund Intragovernmental revolving fund Management fund Trust non-revolving fund Trust revolving fund	The account is not a credit program, financing, or liquidating account, OR the activity is unrelated to the credit program in that account	Federal sources (lines 4030 or 4120) or Non-Federal Sources (lines 4033 or 4123)	Reimbursable

CLASSIFYING OBLIGATIONS AS "DIRECT" OR "REIMBURSABLE"

If the obligations are . . .	And if the fund type is:	And if . . .	And the schedule P offsetting collections lines are from . . .	Then the classification is . . .
Financed from offsetting collections from other Federal government account(s)	General fund Special fund Public enterprise revolving fund Intragovernmental revolving fund Management fund Trust non-revolving fund Trust revolving fund	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 schedule O and P for a budget account should be identical with the following exceptions:

- Line 9995, *Adjustment for rounding*, 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 schedule O.

Schedule O. Use the 4–digit object class line numbers in exhibit 83A when you enter obligations by object class in schedule O. Be sure to use the correct prefix to distinguish reimbursable from direct obligations.

Schedule P. Use the 4–digit program activity codes described in section 82.5 when you report obligations. For reimbursable obligations, use 08xx.

83.6 What object class codes and definitions should I use?

Major object classes are divided into smaller classes. 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 schedule O.

Entry		Description
10	PERSONNEL	This major object class consists of object classes 11, 12, and 13.
	COMPENSATION AND BENEFITS	
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*

Entry		Description
		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). • 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

Entry		Description
		(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. • 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

Entry		Description
		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 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).

Entry		Description
		• 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). • Recruitment, retention, and other incentives, such as: o Payments above the basic rate for recruitment bonuses, relocation bonuses, and retention allowances authorized by 5 U.S.C. 5753 and 5754. o Payment to the loan holder (e.g., the bank) to repay an employee's student loan as a recruitment incentive. o Extended assignment incentives. o 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). o Cash allowances for separate maintenance, education for dependents, transfers for employees stationed abroad, and personal allowances based upon assignment or position, and overseas differentials. o 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.

Entry		Description
		o Student loan repayments authorized by 5 U.S.C. 5379. o 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, payments of employer share to other funds or direct payments to 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. • Continuation pay. • Payments to other funds, such as the employer's share of military retirement, Thrift Savings Plan, 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 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. • <u>Exclude</u> 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

Entry		Description
		"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.
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. • <u>Exclude</u> other postage and charges that are classified under object class 23.3.

Entry		Description
		• Transportation of household goods related to permanent change of station (PCS). • Temporary storage of household goods, including those associated with a permanent change of station (PCS), is an intervening and temporary layover of goods. 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 information, such as mainframe, mid-tier, and workstation computers. • <u>Exclude</u> 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*.

Entry		Description
		• 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 Publishing Office, other agencies, or other units of the same agency on a reimbursable basis, and commercial printers or photographers. *Note*: In determining subclasses for administrative use, agencies may appropriately maintain a distinction between traditional printing technologies and photo static reproduction.

Entry		Description
25	Other contractual services	Object class 25 covers object classes 25.1 through 25.8.
25.1	Advisory and assistance services	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.

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. • Information technology consulting services, such as information technology architecture design and capital programming, and investment control support services. • 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*

Entry		Description
		maintenance of facilities, or 32.0, *Land and structures*, as appropriate. • 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).

Entry		Description
		• Payments to HHS for medical care provided by Public Health Service officers. 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*).
25.7	Operation and maintenance of equipment	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*. • Temporary storage of household goods related to an intervening layover, which are classified in object class 22.0 *Transportation of things*.
25.8	Subsistence and support of persons	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*.
26.0	Supplies and materials	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

Entry		Description
		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. • <u>Exclude</u> 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. • <u>Exclude</u> 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.

Entry		Description
		• 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*. • 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.

Entry		Description
		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).
		• 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:
		    o Lump sum or quota of expenses.
		    o Fixed by treaty.
		    o 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.

Entry		Description
		• 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. • 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 (including the payments of principal, in exceptional cases, where the repayment is made via an obligation and outlay). • Distribution of earnings to owners of trust or other funds. • Interest payments under lease-purchase contracts for construction of buildings. • Payment of interest charges to vendors for late payment should not be included in this object class. Interest charges for late payment should be classified under the object class of the acquisition for which the payment was late.
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 or special or trust fund receipts received in a prior fiscal year (see section 20.10). *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).

Entry		Description
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.
99.0	Subtotal, obligations	This entry is automatically generated by MAX A-11 DE: • For *direct* 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.
99.5	Adjustment for rounding	Use this object class adjustment line when the sum of the object class detail lines differ from total obligations due to rounding the detail amounts to the million. Amounts can be negative. 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 A-11 DE. Do not report amounts of more than +/- $4 million in this object class, unless approved by OMB.
99.9	Total new obligations, unexpired accounts	

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 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).	12.1 Civilian personnel benefits
All other relocation expenses for *military* personnel	12.2 Military personnel benefits

83.9 How do I classify purchases related to information technology (IT)?

The general rule on how to classify IT obligations among the various object classes 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	25.7 Operation and maintenance of equipment
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?

The general rule on how to classify education and training obligations among the various object classes 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
Payments to other Federal government agencies for training courses	25.1 Advisory and assistance services
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	13.0 Benefits for former personnel

If the obligations are for ...	Then classify in object class ...
Note: This applies to OPM's "Payment to the Civil Service Retirement and Disability Fund" account only.	
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 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).	12.2 Military personnel benefits
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 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 Health 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 servicemembers. This is paid to the DoD Medicare-Eligible Retiree Health Care Fund. *Note:* This applies to the "Payment to the DoD 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 schedule O and the *Appendix*?

You must first enter all object class information in 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.

Schedule O. Object class data are displayed in on the basis of a 4–digit line number followed by a 2-digit line serial number. The 4-digit line number is made up of a *prefix* and a *3-digit object class code*. The prefix for direct obligations is 1xxx and for reimbursable obligations is 2xxx. See exhibit 83A for a list of the 3-digit object class codes.

Note: The 3-digit object class code in 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). 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, unexpired accounts. 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 printed in the *Appendix*, you must enter the data in 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. The default 2-digit line serial number is 01. However, you may insert additional object class lines in MAX A-11 DE 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 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. The parent account must enter the data in schedule O. The parent account may use additional object class lines (as described above) to separately present the parent and allocation account activity.

83.18 When I report data in schedule O, will it generate subtotals or totals?

Yes. MAX A-11 DE will generate subtotals for different types of obligations from the amounts that you entered, as follows:

- For reimbursable obligations (lines 2xxx), MAX A-11 DE will automatically generate a subtotal line 2990 when you enter at least one amount on lines 2xxx.

- For direct obligations (lines 1xxx), MAX A-11 DE will automatically generate a subtotal line 1990 when you enter more than one amount on lines 1xxx.

MAX A-11 DE will generate "Total new obligations, unexpired accounts" on line 9999, when you enter more than one amount above this line.

Summary of Object Class Codes and Standard Titles (Schedule O)

4-digit object class line number in schedule O.

Prefix	Type of obligation
1xxx	Parent account—direct
2xxx	Parent account—reimbursable

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	Adjustment for rounding
9999	**Total new obligations, unexpired accounts ***

* Automatically calculated by MAX A-11 DE

Object Classification presentation in the Appendix

Use to show payments that do not represent salaries or wages paid directly to Federal employees (section 83.5).

DEPARTMENT OF GOVERNMENT
OFFICE OF THE SECRETARY
Salaries and Expenses

Object Classification (in millions of dollars)

Identification code 099-2650-0-1-301		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 - Program 1	4	4	4
25.4	Operation and maintenance of facilities - Program 2	1	1	1
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	Adjustment for rounding	1	2	2
99.9	Total new obligations, unexpired accounts	238	237	239

Additional detail lines can be used to break out object class obligations (e.g., different programs, allocation account obligations). Line stubs can be altered.

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. If total obligations do not match thesum of the object class detail amounts due to rounding, report the adjustment using object class 99.5 adjustments for rounding.

SECTION 84—CHARACTER CLASSIFICATION (SCHEDULE C)

Table of Contents

84.1 What is the purpose of the character classification system?

Character classification is used to distinguish between funding for investment and non-investment activities in the Budget and also to distinguish funding for grants-in-aid from funding for direct Federal programs. Character classification is used to capture gross spending on these activities even when they are financed by offsetting collections within an account. Character classification is recorded in schedule C of MAX A-11 DE. See exhibit 84 for a summary of character classification line numbers in schedule C and see section 79 for more information about MAX A-11 DE. The data entered in schedule C are used in the production of tables for the Historical Tables volume of the budget as well as special analysis in the budget.

84.2 What are the different character classifications and how are they used?

Investment activities in schedule C are coded as Construction and rehabilitation (lines 1311-1314); Major equipment (lines 1321-1324); Commodity inventories (line 1330); Purchases and sales of land and structures for Federal use (line 1340); Other physical assets (lines 1351-1352); Conduct of research and development (lines 1411-1432); and Conduct of education and training (lines 1511-1512).

Non-investment activities are coded as Grants, other than shared revenues (line 2001); Grants, shared revenues (line 2003); and Direct Federal programs (line 2004).

In every classification series, grants are coded on odd numbered lines while direct Federal programs are coded on even numbered lines. See section 84.4 for detailed descriptions of all of the line numbers that you must use to report character classification.

(a) Federal Investment (character class codes 1xxx)

Federal investment is spending for programs and activities that will yield benefits largely in the future.

(b) Physical Assets (character class codes 13xx)

Physical assets are land, structures, equipment, and intellectual property (e.g., software or applications) that have an estimated useful life of two years or more; or commodity inventories. This character class code is used to enter 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. The cost of the asset includes both its purchase price and all other costs incurred to bring it to a form and location for its intended use. Within this character class code, agencies are also required to identify spending for research and development (R&D) facilities and major equipment.

For reporting Construction and Rehabilitation, R&D facilities (lines 1311 and 1312), include the following:

- Construction of facilities that are necessary for the execution of an R&D program. This may include land, major fixed equipment, and supporting infrastructure such as a sewer line, or housing at a remote location. Many laboratory buildings will include a mixture of R&D facilities and office space. The fraction of the building directly related to the conduct of R&D may be calculated as a percentage of the building's total square footage.

Exclude:

- Construction of other facilities, such as office space (which should be reported in the other construction and rehabilitation category on line 1313 or 1314).

- Major movable R&D equipment.

For reporting Major Equipment, R&D equipment (lines 1321 and 1322), include the following:

- Acquisition, design, or production of major movable equipment, such as mass spectrometers, research vessels, DNA sequencers, and other movable major instruments for use in R&D activities.

- Programs of $1 million or more that are devoted to the purchase or construction of R&D major equipment (see section 84.3(a)).

Exclude:

- Minor equipment purchases, such as personal computers, standard microscopes, and simple spectrometers.

For reporting Other Major Equipment (non-R&D, lines 1323 and 1324), include the following:

- Acquisition, design, integration, recapitalization, improvement or production of major movable equipment, not used for R&D activities.

- User demonstrations where the cost and benefits of a system are being validated for a specific use case.

- Pre-production development, which is defined as non-experimental work on a product or system before it goes into full production.

For reporting Other Physical Assets (lines 1351 and 1352), include the following:

- Amounts for all physical assets not captured under another category, 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 sales of such land and structures.

- Offsetting receipts collected from the sale of physical assets not used by the Federal Government.

Exclude:

- The operation and maintenance of land and structures.

(c) Conduct of Research and Development (character class codes 14xx)

Research and experimental development activities are defined as creative and systematic work undertaken in order to increase the stock of knowledge—including knowledge of people, culture, and society—and to devise new applications using available knowledge.

For reporting R&D activities, include the following:

- Administrative expenses for R&D, such as the operating costs of research facilities and equipment and other overhead costs.

Exclude:

- Investments in physical assets such as major equipment and facilities that support R&D programs. These investments should generally be reported under physical assets (13xx), discussed above.

- Routine product testing, quality control, collection of general-purpose statistics, routine monitoring, and evaluation of an operational program (when that program is not R&D). Spending of this type should generally be reported as non-investment activities (2xxx).

- Training of scientific and technical personnel should be reported as conduct of education and training (15xx). However, if an activity includes a mixture of R&D objectives as well as the education of graduate students, agencies should report under the lowest relevant line number in the 14xx series (see section 84.3(a)).

  Additional discussion and examples of activities to include or exclude are available in the R&D Reporting Community of Practice page in the MAX Community.

  Agencies should use these character classifications to identify three different types of R&D:

1. *Basic research (character class codes 141x).* Experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts. Basic research may include activities with broad or general applications in mind, such as the study of how plant genomes change, but should exclude research directed towards a specific application or requirement, such as the optimization of the genome of a specific crop species.

2. *Applied research (character class codes 142x).* Original investigation undertaken in order to acquire new knowledge. Applied research is, however, directed primarily towards a specific practical aim or objective.

3. *Experimental development (character class codes 143x).* Creative and systematic work, drawing on knowledge gained from research and practical experience, which is directed at producing new products or processes or improving existing products or processes. Like research, experimental development will result in gaining additional knowledge.

For reporting experimental development activities, include the following:

- The production of materials, devices, and systems or methods, including the design, construction and testing of experimental prototypes.

- Technology demonstrations, in cases where a system or component is being demonstrated at scale for the first time, and it is realistic to expect additional refinements to the design (feedback R&D) following the demonstration. However, not all activities that are identified as "technology demonstrations" are R&D.

Exclude:

- User demonstrations where the cost and benefits of a system are being validated for a specific use case. This includes low-rate initial production activities.

- Pre-production development, which is defined as non-experimental work on a product or system before it goes into full production, including activities such as tooling, and development of production facilities. For example, exclude activities and programs that are categorized as "Operational Systems Development" in the Department of Defense's budget activity structure. Activities and programs of this type should generally be reported as investments in other major equipment (1323 or 1324).

(d) Conduct of education and training (character class codes 15xx)

Conduct of education and training 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. This character classification excludes training of military personnel or other persons in Government service.

(e) Grants to State and local governments, also known as grants-in-aid (character class codes xxx1 or xxx3)

For preparing character classification data, State or local governments include the following:

- The 50 States and the District of Columbia.

- Cities, counties, townships, municipalities, 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 in an account that has grants to other 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.

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 include payments to State or local governments that 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).

(f) Direct Federal programs (character class codes xxx0, xxx2, or xxx4)

Federal programs that are not classified as grants to State and local governments will be classified as direct Federal programs. Direct Federal programs include both programs operated directly by Federal employees and programs operated through contract or by grants to non-Federal entities not included in the definition of "State and local governments" under (e).

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 A-11 DE will automatically generate the amounts for schedule C.

- 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 character classes, you may add (or delete) the appropriate code and enter gross budget authority and outlays in MAX A-11 DE in that code without advance approval from OMB.

- Report gross budget authority and gross outlays on character classification lines 1311-2003. Use line 2004 to capture non-investment and non-grant amounts, as well as non-investment offsetting collections, and balance the totals for schedule C with net BA and outlay amounts in schedule X.

- Report rescissions on the same line as the original funding. For example, if funding appropriated for the construction of a new Federal facility is rescinded, the funding and the rescission should be recorded on line 1314.

- Budget authority and outlay totals for each subfunction must be consistent across all schedules and transmits. If an account has multiple subfunctions, report budget authority and outlays by subfunction. See section 81 for more information on entering estimates of budget authority, outlays, and receipts.

- Character classifications should be used consistently across all transmits, but can change to properly reflect program proposals (e.g., an account with investment funding on line 1512 under current law, could also have a mandatory proposal for a new grant on line 1511 in a transmit 4).

- 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 an account contains activities that fall under two or more character classifications, omit any classification involving less than $1 million in each of the three fiscal years (PY, CY, and BY), and include the amounts in the next largest classification in that particular account.

- When entering a new grant line (an odd numbered line) in schedule C, the correct Budget Enforcement Act (BEA) category (i.e. discretionary or mandatory) for those amounts should be selected. The BEA category for amounts on non-grant lines is not recorded in schedule C.

- 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.

- Avoid double counting. If an appropriation is made to a Federal fund and transferred to a Trust fund, only code the funding as investment once in the account that makes the investment (usually the Trust Fund). See also (c) below.

- If a correction in MAX A-11 DE to the character classification of current or prior year funding is necessary, it is required that the agency also provide corrected historical amounts for years prior to the current budget exercise's PY.

(b) Reporting offsetting collections (expenditure accounts)

In almost all cases, offsetting collections in the account should be included in character class Direct Federal Programs, non-investment as part of a net total on line 2004. An exception would be offsetting collections from the sale of physical assets (e.g., land, structures, equipment, or commodities), which should be reported as negative amounts in the correct physical asset character class code.

The gross budget authority and outlays for investments and grants should be identified first and classified with 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 in schedule A by subfunction. This means that, in appropriate cases, character class code 2004 amounts may be negative.

As an example, consider an account with gross BA and outlays of $100 million that receives $20 million in offsetting collections from the public and spends all of it. If $70 million of the funds in the account are for the construction of a non-R&D Federal facility (character class code 1314) and $30 million for direct Federal non-investment activities (character class code 2004), then schedule C would show $70 million in gross BA and outlays on line 1314, and character class code 2004 would show a net $10 million. The net $10 million can be thought of two ways: as a residual balancing entry to ensure that total net outlays in schedule C equal total net outlays in schedule X (in this case $80 million), or as the sum of $30 million for direct Federal non-investment spending, and -$20 million for collections from the public. The sum of all character class codes would add to net outlays and, in this example, would be $80 million.

(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 (e.g., 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). In general, 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). Record the payment from the first account to the second account as direct Federal spending.

- For direct Federal investment (which includes all investments except those through 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 (EPA) provides funds to the National Science Foundation (NSF) for research, record the R&D in the EPA account that funds the research, not in NSF. In this example, the NSF spending should be coded as non-investment spending (line 2004) rather than as spending for research. 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 (baseline) and R (policy). Classify offsetting receipts in receipt accounts as Federal investment to report:

- proceeds from the sale of physical assets (e.g., land, structures, equipment, or commodities) in the corresponding physical asset character classes; and

- credit reform offsetting receipts for downward reestimates and negative subsidies for investment-related credit 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).

OMB controls the character classification of offsetting receipts centrally. When setting up a new receipt account, discuss the usage of a character classification with your OMB representative. And to change the classification, you must get approval before you can enter data under a different code. (See section 79.4 for proposing changes to budget account classifications.)

For general guidance on reporting collections deposited in offsetting receipt accounts in Schedules K and R use the instructions in section 81.3(b).

(e) Credit programs

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 in schedule C and on the appropriate character class line. For example, credit subsidies for construction should be in the character class for construction and rehabilitation (131x), and credit subsidies for the conduct of education should be in the character class for the conduct of education and training (15xx). Classify direct loans and loan guarantees to State or local governments on a grant line. Do not report character class for credit financing accounts.

(f) Outyear projections

Agencies should enter character class data in MAX A-11 DE for PY through BY. MAX A-11 DE 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 MAX A-11 DE will assume, using an algorithm, 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, contact your OMB representative to request permission to override the projections in MAX A-11 DE.

(g) Relationships with other data requirements

You should be able to reconcile information reported in this schedule for the conduct of R&D with information reported in the National Science Foundation's *Survey of Federal Funds for R&D* (see description of line 14xx), and with information provided in the supplemental R&D data request described in (h) below. R&D spending reported in schedule C should also be consistent with financial reporting on R&D, as required by A-136 Section II.4.10 and the Statement of Federal Financial Accounting Standards 8, Chapter 7.

You should also be able to reconcile the total reported in this schedule for the construction of R&D facilities (1311 or 1312) and major movable R&D equipment (1321 or 1322) with information reported in the National Science Foundation's *Survey of Federal Funds for R&D* as R&D plant.

(h) Additional research and development reporting requirements

Crosscutting R&D data for specific topics, such as climate change research, and nanotechnology R&D, will be requested in order to meet Congressional reporting requirements. These data are collected outside of MAX A-11 DE in an online MAX Collect exercise (see section 25.5). Annual reports that complement the budget data are issued by components of the National Science and Technology Council. Detailed instructions and definitions will be distributed by OMB through a Budget Data Request.

84.4 How do I report character classification in MAX A-11 DE?

In schedules C, K, and R, character class data 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.

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.

Classify all investment activities in the 1xxx series and all non-investment activities in the 2xxx series. The two-digit suffix differentiates among budget authority, outlays, and offsetting receipts, as follows:

- 01—Budget authority
- 02—Outlays
- 03—Offsetting receipts

Use the guidance in section 84.2 to ensure that data are reported in the correct categories. 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.

For grants to State and local governments lines (odd numbered lines) make sure to select the appropriate BEA category when entering a new line. Use guidance in section 79.4(c) to assist. For non-grants lines MAX A-11 DE does not code amounts by BEA category. Also, for grants to State and local governments, MAX A-11 DE will automatically calculate outlays in the outyears. No outyear data is stored in MAX A-11 DE for direct federal investment lines.

You can see the previous year's character class data under "Historical reports" on the Budget Season Reports page.

The following table lists the line numbers used to report character classification and provides a description of each line. 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 or applications) 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 R&D facilities. (See sections 84.2(e) and 84.2(f) for further information.)
Other construction and rehabilitation: 1313–xx Grants to State and local governments 1314–xx Direct Federal programs	Amounts for all other construction and rehabilitation.
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

Entry	Description
	weapons. Excludes routine purchases of ordinary office equipment or furniture and fixtures. However, where there are major programs for acquisition of equipment, such as ammunition and missiles, includes all equipment purchases.
Research and development equipment: 1321–xx Grants to State and local governments 1322–xx Direct Federal programs	Amounts for major moveable equipment for research and development. (See sections 84.2(e) and 84.2(f) for further information.)
Other major equipment: 1323–xx Grants to State and local governments 1324–xx Direct Federal programs	Amounts for all other major equipment, including pre-production development.
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 physical assets not captured under another category, 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, 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.
14xx Conduct of research and development (R&D):	Research and experimental development (R&D) activities are defined as creative and systematic work undertaken in order to increase the stock of knowledge—including knowledge of people, culture, and society—and to devise new applications using available knowledge. (See section 84.2(c) for further information.)
Basic research: 1411–xx Grants to State and local governments 1412–xx Direct Federal programs	Basic research is defined as experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts. Basic research may include activities

Entry	Description
	with broad or general applications in mind, but should exclude research directed towards a specific application or requirement.
Applied research: 1421–xx Grants to State and local governments 1422–xx Direct Federal programs	Applied research is defined as original investigation undertaken in order to acquire new knowledge. Applied research is, however, directed primarily towards a specific practical aim or objective.
Experimental development: 1431–xx Grants to State and local governments 1432–xx Direct Federal programs	Experimental development is defined as creative and systematic work, drawing on knowledge gained from research and practical experience, which is directed at producing new products or processes or improving existing products or processes. Like research, experimental development will result in gaining additional knowledge.
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.
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 section 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]	Experimental Development: Grants
1432-xx	Experimental 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)

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Summary of Changes

Removes detailed requirements that were based on M-17-22 as the hiring freeze is no longer in place and allows agencies to provide their high level objectives and activities (section 85.1).

Clarifies assumptions about FTE caps and streamlines language relating to justification of FTEs (section 85.5(a)).

Updates table showing compensable days (section 85.5(c)).

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.

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?

(a) *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.

(b) *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.

(c) *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 85.9.

85.4 What is the requirement for reporting civilian FTE data in the Budget?

With the exception of some national security functions, agencies will report prior fiscal year civilian FTE actuals in MAX A-11 DE schedule Q each fall, along with current and budget year estimates. 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 have the flexibility to manage their FTE levels, within their budget constraints, and to determine how many FTEs are required to successfully accomplish their mission. In exercising this authority, agencies may put into place internal management controls with respect to FTEs that, among other things, help to ensure that the agency does not exceed its appropriated funding level. Within their own authorities, agencies generally may use appropriated funds available for such purposes across the total workforce to accomplish their missions in the most efficient manner. For the current and budget years, each agency's

Federal workforce estimates should reflect FTE levels that are funded in their submission to OMB and should not include unfunded positions. Agency submissions should include supporting data to justify and validate those FTE estimates.

(b) Workforce conversions

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."

(c) Determining FTE usage

You must prepare budget estimates relating to personnel requirements in terms of FTE employment as specified in this Circular.

Agencies may choose from two methods to determine current year and budget year FTE employment estimates:

Regular Method **-** Divide the estimated total number of regular hours by the number of compensable hours in each fiscal year. Divide the total regular hours worked during the actual fiscal year (October 1-September 30) by the number of compensable hours shown in the table below for the applicable fiscal year. The regular method derives compensable days by counting days in the standard Monday-through-Friday workweek in the given fiscal year. Compensable hours are derived by multiplying the number of compensable days by 8 hours (i.e., the standard workday).

Pay Period Method **-** Divide regular hours worked during a period of 26 biweekly pay periods (closely corresponding to the fiscal year) by 2080 hours. (The 26 biweekly pay periods cover 52 weeks with 40 hours in a standard workweek. 52 x 40 = 2080.) The 26 biweekly pay periods that closely correspond to a fiscal year are identified as the pay periods that end in the given fiscal year. If there are 27 pay periods that end in a fiscal year, agencies should drop the one implicating the fewest work days in that fiscal year, so that 26 pay periods are always used.

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 USING REGULAR METHOD

Fiscal Year	Days	Hours
2020	262	2,096
2021	261	2,088
2022	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.

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 estimates in the previous Budget should be very close to the actuals published in the current 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 FTE in the employment summary must equal your agency's FTE execution level.

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.

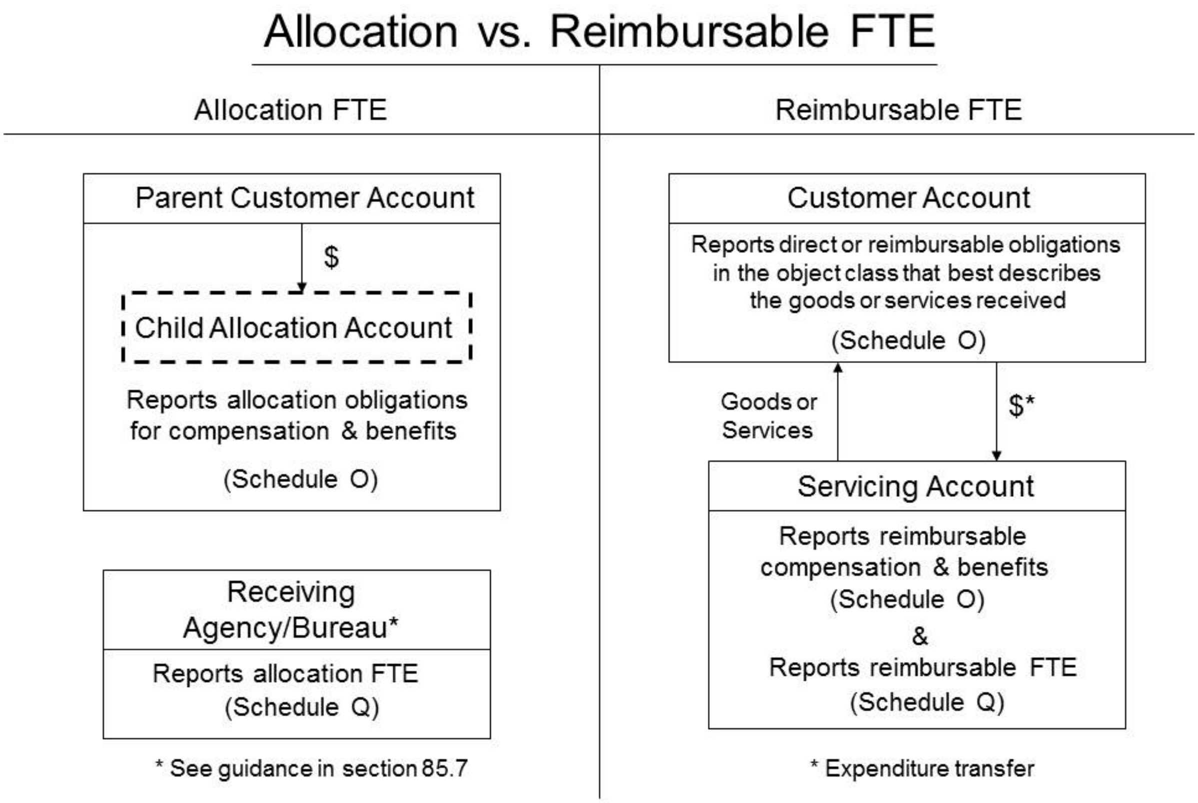
85.7 Are allocation and reimbursable FTE presented differently in the Budget?

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 section 20.4 (l).

For Budget presentation, the parent and the receiving agency/bureau allocation account's obligations are all reported in the parent account while the allocation FTE are reported in the receiving agency/bureau. 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 separately identified in schedule Q on lines 3XXX.

For example, if legislation mandates that OMB allocate funds to the Government Publishing 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 or indirect 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 do agencies check FTE totals in the Budget?

OMB provides diagnostic reports on its website showing the status of FTE data in MAX A-11 DE by account. In addition, MAX A-11 DE has edits that check for missing FTE or inconsistencies between personnel compensation in schedule O and FTE levels in schedule Q.

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 DE 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

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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. For credit accounts only, agencies should refer to the USSGL Crosswalk- Schedule F - Budget Balance Sheet (under the USSGL Guidance section of the page) to prepare schedule F. This new guide is meant to assist agencies in reporting consistent data in schedule F and GTAS.

(b) Balance sheet entries

Use the entries listed below to prepare the balance sheets. These entries correspond to entries used in OMB Circular No. 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 A-11 DE 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

Entry		Description
		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.
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

Entry		Description
		allowance account from the sum of the credit program assets to determine the net present value of the assets.
1405	Allowance for subsidy cost (+ or –)	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. (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. Generally, the allowance for subsidy cost for most programs is negative. However, when the present value of estimated cash inflows exceeds the present value of estimated cash outflows, the allowance for subsidy will be positive.)
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 (+ or –)	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. Generally, the allowance for subsidy cost for most programs is negative. However, when the present value of estimated cash inflows exceeds the present value of estimated cash outflows, the allowance for subsidy will be positive.)
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.

Entry		Description
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.
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.

Entry		Description
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.
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.		

Entry		Description
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: • 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.
2206	Pension and other actuarial liabilities	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.
2207	Other	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;

Entry		Description
		• 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.
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 schedule T to report, in thousands of dollars, the amount of budget authority and obligation limitations under the jurisdiction of the appropriations committee in the budget year column t (see exhibit 86B). For accounts with transfers specified in appropriations language, report amounts on a pre-transfer basis. Each transmittal code that contains a request under the jurisdiction of the appropriations committees will include a schedule T. In most cases, this means only amounts in transmittal code zero. Only a small number of accounts will include discretionary requests through transmittal code 2 or 4 in the budget year. Schedule T is not required in an account or transmittal code that does not have any of the resources listed below.

Include the following amounts in schedule T for each transmittal code with the following amounts:

- Discretionary appropriations;
- Discretionary limitations on expenses, including obligation limitations in the Department of Transportation;
- 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 either in the account appropriations language or in a separate general provision.

Exclude the following from your schedule T amounts:

- Transfers specified in appropriations language;
- Mandatory appropriations (except for CHIMPs and appropriated entitlements – see above);
- Spending authority from offsetting collections;
- Advance appropriations for any year;
- Amounts applied to repay debt;
- Amounts applied to liquidate contract authority; and
- Mandatory proposals (other than proposals impacting appropriated entitlements).

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 three digit CGAC agency code and four digit account symbol assigned by Treasury. Ensure that all amounts reported in schedule T are consistent with the amounts in the program and financing schedule (schedule P).

The schedule T data is shared with the House and Senate appropriations committees, who use the data to inform the Budget Request column of the Comparative Statements of Budget Authority (CSBAs). The CSBA is presented in thousands, rather than millions and used by each subcommittee for tracking the different stages of the appropriations process.

86.3 What do I need to know about the schedule on the status of funds (schedule J)?

Schedule J presents cash flow data for certain special, trust, and other funds. MAX A-11 DE 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.

MAX A-11 DE generates schedule J for all special and trust non-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

Agency	Account
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
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.

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 can run a report in MAX A-11 DE that shows what schedule J looks like in "real time". Changes you are making on-screen will be reflected in the schedule J report. However, information from other accounts that feed into schedule J will reflect the latest uploaded data in MAX A-11 DE for those accounts. Run the report from the master version of the account to see what will print in the *Appendix*.

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 through the link in MAX A-11 DE or directly at https://aiv.max.gov/.

Schedule J data are displayed in MAX A-11 DE on the basis of a 4–digit line number. Detail rows are indicated by a 2-digit MAX A-11 DE generated line serial number.

The following table identifies the source for each line in 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. 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) from all the accounts that receive budget authority from the special or trust fund.
0081	Obligated balances (net)	MAX A-11 DE calculates this amount as the sum of lines 3000, 3001, 3060, and 3061 in schedule X.
0082	Unexpired unobligated balances	MAX A-11 DE calculates this amount as the sum of lines 1000 and 1020 in schedule X.
0083	Special or trust fund receipt balances	MAX A-11 DE copies this amount from line 0199 in schedule N.
0084	Unavailable balance: offsetting collections, appropriations, and completed activities	MAX A-11 DE copies this amount from line 5090, 5093, and 5103 in schedule X.
0085	Outstanding debt	MAX A-11 DE copies this amount from line 5080 in schedule X.
0086	Non-Federal securities, Market value	MAX A-11 DE copies this amount from line 5010 in schedule X.
0087	Expired unobligated balance	MAX A-11 DE copies this amount from line 1952 in schedule X.
0088	Unexpired unobligated balances (contract authority)	MAX A-11 DE copies this amount from line 5050 in schedule X, with the opposite sign.
0089	Obligated balances (contract authority)	MAX A-11 DE copies this amount from line 5052 in schedule X, with the opposite sign.
0098	Other adjustments	These lines allow OMB to make additional miscellaneous adjustments.
0099	Total balance, start of year	MAX A-11 DE calculates this amount as the sum of lines 0081–0098. This line should equal the amount on line 0100. If it does not, you will receive an error message.
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 A-11 DE 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 in 0298.

		MAX A-11 DE copies CY and BY amounts from the end of year amounts reported on line 4999 for the previous year.
0212	Adjustment to special or trust fund receipt balances	MAX A-11 DE copies this amount as the sum of schedule N line 0298.
0298	Other adjustments	These lines allow OMB to further adjust the initial balance.
0999	Total balance, start of year	MAX A-11 DE calculates this amount as the sum of lines 0100–0298.
Cash income during the year:		Collections deposited in special and trust fund receipt accounts and offsetting collections (cash) credited to expenditure accounts. MAX A-11 DE presents current law amounts (transmittal codes 0 and 3) separately from proposed legislation amounts (transmittal codes 1, 2, 4, 5, and 7).
Current law:		MAX A-11 DE copies the detail lines from receipts reported in schedule N to lines 1110-1160. MAX lists each receipt account separately by title. Line sources for offsetting collections listed below.
1110	Governmental receipts	
1120	Offsetting governmental	MAX A-11 DE copies these amounts from schedule X lines 4034 and 4124.
1130	Proprietary	MAX A-11 DE copies these amounts from schedule X lines 4033 and 4123.
1150	Interest	MAX A-11 DE copies these amounts from schedule X lines 4031 and 4121.
1160	From other federal sources	MAX A-11 DE copies these amounts from schedule X lines 4030 and 4120.
1198	Adjustments	These lines allow OMB to adjust receipts and offsetting receipts under current law and are copied from schedule N line 1198, transmit 0.
1199	Income under current law	Subtotal for income under current law. MAX A-11 DE calculates this amount as the sum of schedule lines 1110–1198.
Proposed legislation:		
1210	Governmental receipts	MAX A-11 DE copies the detail lines from receipts reported in schedule N to line 1210-1260. MAX A-11 DE lists each receipt account separately by title. Line sources for offsetting collections listed below.
1220	Offsetting governmental	MAX A-11 DE copies these amounts from schedule X lines 4034 and 4124.
1230	Proprietary	MAX A-11 DE copies these amounts from schedule X lines 4033 and 4123.
1250	Interest	MAX A-11 DE copies these amounts from schedule X lines 4031 and 4121.
1260	From other federal sources	MAX A-11 DE copies these amounts from schedule X lines 4030 and 4120.
1298	Adjustments	These lines allow OMB to adjust receipts and offsetting receipts under proposed legislation and are copied from schedule N line 1298, for transmits 2 and 4.

1299	Income under proposed legislation	Subtotal for income under proposed legislation. MAX A-11 DE calculates this amount as the sum of lines 1200-1298.
1999	Total cash income	MAX A-11 DE calculates this amount as the sum of lines 1199 and 1299.
Cash outgo during the year (–):		These entries present gross outlays from the fund. MAX A-11 DE presents current law amounts (transmittal codes 0 and 3) separately from proposed legislation amounts (transmittal codes 1, 2, 4, 5, and 7).
2100	Current law (–)	MAX A-11 DE automatically generates the detail lines, with separate line serial numbers, from amounts in schedule X on line 3020 with appropriate transmittal codes.
2198	Adjustments	These lines allow OMB to adjust cash outgo under current law.
2199	Outgo under current law (–)	Subtotal for outgo under current law. MAX A-11 DE calculates this amount as the sum of lines 2100 and 2198.
2200	Proposed legislation	MAX A-11 DE automatically generates the detail lines, with separate line serial numbers, from amounts in schedule X on line 3020 with appropriate transmittal codes.
2298	Adjustments	These lines allow OMB to adjust cash outgo under proposed legislation.
2299	Outgo under proposed legislation (–)	Subtotal for outgo under proposed legislation. MAX A-11 DE calculates this amount as the sum of lines 5500–5545.
2999	Total cash outgo (–)	MAX A-11 DE calculates this amount as the sum of lines 4599 and 5599.
Change in fund balance:		
Surplus or deficit (–):		
3110	Excluding interest	MAX A-11 DE calculates this line as schedule J line 3199 minus schedule J line 3120.
3120	Interest	MAX A-11 DE copies these lines from schedule J lines 1150 and 1250.
3199	Subtotal, surplus or deficit (-)	MAX A-11 DE calculates this amount as the sum of lines 1110–1198, 1210–1298, 2100-2198, and 2200-2298.
Other changes in fund balance:		
3210	Borrowing (+)	
3220	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 A-11 DE generates this amount from the "permanent" reductions of new budget authority in schedule X on lines 1130, 1131, and 1230.
3230	Transfers, net	Net amount of transfers of budget authority and balances (obligated and unobligated). MAX A-11 DE 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.
3240	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 A-11 DE generates this amount from the amounts in schedule X on lines 1022, 1140, 1240, 1720, 1820, and 1955 (1955 with the opposite sign).
3298	Miscellaneous adjustments	These lines allow OMB to make additional miscellaneous adjustments, such as adjustments for expired/canceled unobligated balances.
3299	Total adjustments	MAX A-11 DE calculates this amount as the sum of amounts on lines 3240–3298.
3999	Total change in fund balance	
Unexpended balance, end of year:		End of year balances of budgetary resources and investments in Federal securities.
4100	Uninvested balance (net), end of year (+ or -)	MAX A-11 DE calculates this as the difference of lines 4999 and 4200. This uninvested balance is net of unrealized discounts.
4200	Invested balance, end of year	MAX A-11 DE copies the invested balance from schedule X line 5001.
4999	Total balance, end of year	MAX A-11 DE 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. 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 A-11 DE calculates this amount as the sum of lines X 3050 and 3090 from all the accounts that receive budget authority from the special or trust fund.
8802	Unexpired unobligated balances	MAX A-11 DE calculates this amount as the sum of lines X 1941 from all the accounts that receive budget authority from the special or trust fund.
8803	Special or trust fund receipt balances	MAX A-11 DE copies this amount from line 5099 in schedule N.
8804	Unavailable balance: offsetting collections, appropriations, and completed activities	MAX A-11 DE copies this amount from lines 5091, 5092, 5094, 5095, and 5104 in schedule X.
8805	Outstanding debt balance	MAX A-11 DE copies this amount from line 5081 in schedule X.
8806	Non-Federal securities, Market value	MAX A-11 DE copies this amount from line 5011 in schedule X.
8890	Expired unobligated balance	MAX A-11 DE copies this amount from line 1953 in schedule X.
8891	Expiring unobligated balance	MAX A-11 DE copies this amount from Line 1951 in schedule X.
8892	Unexpired unobligated balances (contract authority)	MAX A-11 DE copies this amount from line 5051 in schedule X, with the opposite sign.
8893	Obligated balances (contract authority)	MAX A-11 DE copies this amount from line 5053 in schedule X, with the opposite sign.

8898	Other adjustments	These lines allow OMB to make additional miscellaneous adjustments.
8899	Total balance, end of year	MAX A-11 DE calculates this amount as the sum of lines 8801–8898. This line should equal the amount on line 4999. 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 A-11 DE generates schedule N from:

- Data reported in the previous year's *Budget Appendix*;
- Data in schedule R; and
- Data in schedule X.

MAX A-11 DE 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 OMB's budget 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 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 through the link in MAX A-11 DE or directly at https://aiv.max.gov/.

Schedule N includes of adjustment lines to correct start of year (SOY) and/or end of year (EOY) 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 GTAS. If agencies believe any SOY or EOY amount needs to be adjusted, they should provide their OMB program examiner the CARS or GTAS 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 11xx, 12xx, 21xx, 22xx) 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 DE that shows what schedule N looks like in "real time". Changes you are making on-screen will be reflected in the schedule N report. However, information from other accounts that feed into schedule N will reflect the latest uploaded data in MAX A-11 DE for those accounts. Run the report from the master version of the account to see what will print in the *Appendix*.

Schedule N data are displayed in MAX A-11 DE on the basis of a 4–digit line number. Multiple detail rows are indicated by a 2-digit MAX A-11 DE generated line serial number.

The following table identifies the source for each line in schedule N.

SPECIAL AND TRUST FUND RECEIPTS SCHEDULE

Entry		Description
0100	Balance, start of year	• MAX A-11 DE derives the PY amount from the PY amount reported on line 0799 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 in adjustment line 0298. • MAX A-11 DE copies CY and BY amounts from the end of year amounts reported on line 5099 for the previous year.
0198	Adjustments	• This line allow OMB to adjust the initial balance
0199	Balance, start of year, total	MAX A-11 DE calculates this line as the sum of lines 0100 and 0198.
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 serial number. MAX A-11 DE copies these amounts from schedule R and presents current law amounts (transmittal codes 0 and 3) separately from proposed legislation amounts (transmittal codes 1, 2, 4, 5, and 7). These lines are copied into schedule J.
Current law:		
1110	Receipts	
1120	Offsetting governmental receipts	
1130	Offsetting receipts (proprietary)	

Entry		Description
1140	Offsetting receipts (intragovernmental)	
1198	Adjustments	This line allow OMB to adjust current law receipts and offsetting receipts.
1199	Total current law receipts	MAX A-11 DE calculates this amount as the sum of lines 1100 through 1198.
Proposed legislation:		
1210	Governmental Receipts	
1220	Offsetting governmental receipts	
1230	Offsetting receipts (proprietary)	
1240	Offsetting receipts (intragovernmental)	
1298	Adjustments	This line allows OMB to adjust proposed receipts and offsetting receipts.
1299	Total proposed receipts	MAX A-11 DE calculates this amount as the sum of lines 1200 through 1298.
1999	Total: Receipts	MAX A-11 DE calculates this amount as the sum of lines 1199 and 1299.
2000	Total: Balances and receipts	MAX A-11 DE calculates this amount as the sum of lines 0999 and 1999.
Appropriations, Current law:		MAX A-11 DE pulls this line from schedule X for transmittal codes 0 and 3. It consists of: • the appropriations (reported on lines 1101, 1171, 1201, and 1271 with the opposite sign); and • the amounts that become available for obligation from balances of receipts that were previously unavailable (reported on lines 1103 and 1203 with the opposite sign). • 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 1135 and 1235 with the opposite sign); and • the temporary reductions reported on lines 1132, 1133, 1175, 1232, and 1275 with the opposite sign. If more than one appropriation is made from the fund, each will be listed separately by title. MAX A-11 DE derives the last two digits of this line number from the last two digits of the source line.
21XX	Appropriations, current law, net (–)	
2198	Adjustments	This line allows OMB to adjust current law appropriations.
2199	Total current law appropriations (–)	MAX A-11 DE calculates this amount as the sum of lines 21XX–2198.

Entry		Description
Appropriations, Proposed legislation:		MAX A-11 DE pulls these lines from schedule X, as described above, for transmittal codes 1, 2, 4, 5, and 7.
22XX	Appropriations, proposed, net (–)	
2298	Adjustments	These lines allow OMB to adjust proposed appropriations.
2299	Total proposed appropriations (–)	MAX A-11 DE calculates this amount as the sum of lines 22XX–2298.
2999	Total appropriations (–)	MAX A-11 DE calculates this amount as the sum of lines 2199–2999.
Other adjustments:		
3010	Special and trust fund receipts returned	MAX A-11 DE calculates this amount from amounts in schedule X on lines 1032 (with the opposite sign), 1950, and 1954. MAX A-11 DE 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 A-11 DE 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.
3098	Adjustment for change in allocation	MAX A-11 DE copies PY amount from schedule X line 1026, with the opposite sign.
4021	Adjustment for change in investments in zero coupon bonds	MAX A-11 DE copies PY amount from schedule X line 1027, with the opposite sign.
4030	Unobligated balances precluded from obligation	MAX A-11 DE copies PY amount from schedule X line 1035, with the opposite sign.
5000	Balance, end of year	MAX A-11 DE calculates this amount as the sum of lines 0999, 1999, 2999 and 3010-4021.
5098	Rounding adjustment	This line allows OMB to adjust for rounding. The amount will not exceed +\- $2 million.
5099	Balance, end of year	MAX A-11 DE calculates this amount as the sum of lines 5000 and 5098. This line is copied as a memorandum entry into schedule J line 8803.
Balances, end of year:		This section provides lines for cross-checking and does not print in the *Budget Appendix*.
6010	Unliquidated contract authority, end of year balance (-)	MAX A-11 DE copies this amount from lines 5051 and 5053 in schedule X, with the opposite signs. This line is generated for the

Entry		Description
		Department of Transportation Airport and airway trust fund and the Highway trust fund.
6099	Uncommitted trust fund receipt balance	MAX A-11 DE calculates this amount as the sum of lines 5099 and 6010. This line is generated for the Department of Transportation Airport and airway trust fund and the Highway trust fund.
8001	Balance, current law (excluding CHIMPs), end of year	End of year balance for current law only, excluding the effects of CHIMPs.

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 A-11 DE automatically generates the summary from data in schedule A. However, it is not a separate 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.
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.

Entry	Description
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 016-4023-0-3-754	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	2	4
2999 Total liabilities	4	6
	====	====
NET POSITION		
3100 Unexpended appropriations	3	3
3999 Total net position	3	3
4999 Total liabilities and net position	7	9

Note: Additional information is required for direct and guaranteed loan financing accounts under the Federal Credit Reform Act (see section 86.1).

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: 007-55-0030

Appropriations Requests in Thousands of Dollars (T):	PY	CY	BY
1001 01 Budget year budgetary resources [Treasury Acct]……..			100,788

Account: 007-55-0030

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 [075-1503]…………	1	…..	5
1160 01 Appropriation (total)…………………………………	97	90	106

Account: 007-54-9915

Appropriations Requests in Thousands of Dollars (T)	PY	CY	BY
1000 01 Budget year budgetary resources [076-0819]…………			97,843
1000 02 Budget year budgetary resources [076-0820]…………			54,287
1000 03 Budget year budgetary resources [076-0824]…………			21,000
1000 04 Budget year budgetary resources [076-0825]…………			6,500

For merged accounts, use separate line entries to report the budget year appropriation request. Include in each line three digit CGAC agency code and four digit account symbol assigned by Treasury. You do not need to enter the Treasury code when only a single account is involved.

SECTION 95—BUDGET APPENDIX AND PRINT MATERIALS

Table of Contents

The Appendix

Summary of Changes

Updates guidance on performance based information to include in Appendix narrative statements (section 95.12).

Adds several additional words or phrases to Table 1 of the General Style Guidelines with respect to formatting, punctuation, or symbols (exhibit 95A).

Adds several additional words or phrases to Table 2 of the General Style Guidelines with respect to spelling or usage (exhibit 95A).

THE APPENDIX

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. The President transmits the *Appendix* to the Congress with the other volumes, and it is published through the Government Publishing 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 is the main part of the *Appendix* and 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;
- 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, with a short list of Federally created non-Federal entities grouped at the end.

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 the Department of

Agriculture) or by major program areas (for example, Community Planning and Development in the Department of Housing and Urban Development). 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

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 automatically generated and which ones you must revise using the MAX A-11 Data Entry (DE) application, as outlined in the User's Guide.

BUDGET APPENDIX PRINT MATERIALS

Type of material	Applicability	See A–11 section...	How is it 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 proposals—transmittal codes 2, 4, or 5.	95.5	Provided by the user
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

Type of material	Applicability	See A–11 section...	How is it generated?
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 active accounts.	95.11	Provided by the user
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
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*, use MAX A-11 DE application, which is available to registered users at https://a11de.max.gov. You will need a MAX ID to access MAX A-11 DE. For information about how to obtain a MAX ID, visit the MAX homepage: https://max.gov/maxportal/.

Appropriations language appears in the "PA20xx"exercises; narrative language appears in exercises under "PN20xx" and schedules under "PB20xx." You will be able to edit your narrative in PN20xx exercise when the PB exercise opens in late October.

The process for getting print materials published includes these steps:

When the Congress passes appropriations bills, OMB will load the appropriations language into the PA20xx exercise in MAX A-11 DE. You will then be notified that your appropriations language is ready to be edited. At this time, begin updating the appropriations language. When you have finished editing the appropriations language and narrative, you will move it forward to the next stage in the workflow. 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. Once OMB has completed its review, the text will move to the next stage in the workflow—the "amounts only" stage—which permits changes to the funding levels requested in the appropriations language.

OMB will contact you, as needed, to update the funding level in the "amounts only" stage. Accordingly, if your agency has outstanding funding decisions and no outstanding policy decisions that require new language, use a funding placeholder that is $0,000,000 when submitting your language to the first stage of the workflow.

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 DE application to edit and print your text, see the help page: https://community.max.gov/x/YY4eIw

APPROPRIATIONS LANGUAGE

95.5 What do I need to know about the appropriations language included in the *Appendix*?

The *Appendix* includes appropriations language that reflects the President's annual request to the Congress for budget authority or other statutory authority. For each account for which appropriations language was enacted in the CY or is proposed for the BY, the *Appendix* proposes appropriations language.

Legislative proposals that request authorizing legislation are not included in the *Appendix*. Proposed appropriations language that would change budget authority or outlays in a mandatory program (also known as "CHIMPs," see section 20.3) requires advance approval from OMB.

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 MAX A-11 DE. 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 either with the budget submission to OMB or separately to your RMO if the proposal occurs after that time. Any change to appropriations language with a budgetary impact, including changes to general provisions, requires OMB approval (see section 51.2).

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 A-11 DE. 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 A-11 DE, 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".

If no change to the enacted amount is requested in the BY appropriations language, do not strike the amount and re-insert the same amount. In this case, no change to the amount requested is required.

95.6 Is legislative language for mandatory proposals included in the *Appendix* or with other Budget materials?

No. The *Appendix* only includes the President's request to the Congress for budget authority or other legislative authority to be provided through the annual appropriations process. Legislative language for mandatory proposals is not included in the Budget materials transmitted by OMB. OMB may undertake a separate process subsequent to the Budget release to transmit authorizing language for mandatory proposals. Questions on the development of authorizing legislation should be directed to your OMB representative.

95.7 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], $___.

In cases where the Budget will 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).

95.8 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 in fiscal year 20XX.

95.9 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, as amended (BBEDCA), 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 MAX A-11 DE (see section 82).

95.10 When BBEDCA discretionary caps are in place or proposed, what are the special language requirements for requests that designate an adjustment to the discretionary caps, such as emergency, 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.

For other designations, such as program integrity, wildfire, or proposals for a new designation, specific language is needed in the Budget request. Use of any of these designations is not permitted without the prior approval of your OMB Representative.

NARRATIVE STATEMENTS

95.11 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 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.

95.12 How should performance information be incorporated into the narrative statements?

The statements should support the agency's annual 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 highlight how quarterly reviews and assessments are used to inform funding allocations and what follow-up the agency is taking to improve program performance. Finally, statements should describe, where appropriate, program alignment to implement the Priority Goals and their contributions to agency efforts to improve its operations and make better use of taxpayer dollars. See *Part 6 – The Federal Performance Framework for Improving Program and Service Delivery* of this Circular for a more detailed discussion of and guidance on agency strategic and performance planning in support of efforts to improve organizational and program performance.

95.13 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.

(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.

GENERAL STYLE GUIDELINES

The following two tables cover general style guidelines for OMB documents. The first table includes guidelines for formatting, punctuation, and the use of symbols including, for instance, whether to capitalize a word and whether to use a hyphen. The second table includes guidelines for spelling and usage including whether a word or phrase should be used in a particular situation.

Table 1. Formatting, Punctuation, and Symbols	**Usage**
14^{th}	use superscript for "th"
1970s, 1980s, 1950s, 2000s, etc.	no apostrophe before the letter "s"
2021 Budget	Budget has initial cap; do not use "FY" in front of cited year in any of the Budget of the U.S. documents (all years are presumed to be fiscal years unless otherwise stated). For other documents, include "FY"
2021 President's Budget or the President's Budget	President and Budget have initial caps
20^{th} Century; 21^{st} Century	Century has an initial cap; use superscript for "th" and/or "st". Do not use superscript for the titles of Acts, which generally do not use superscript unless superscript is included in the public law print.
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)
active duty	lower case
Administration	initial cap when referring to the current Administration. Past and future administrations are not capitalized unless referred to by a specific name (The Washington Administration)
Agency	initial cap if part of the name (Federal Emergency Management Agency) or if standing alone and referring to a Federal organization or unit
America	initial cap
* (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
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"

Table 1. Formatting, Punctuation, and Symbols	Usage
Budget volume names	italicize, such as *Budget* volume, *Appendix* or *Analytical Perspectives*
carry over	no hyphen, separate words, as in "to carry over"
carryover	no hyphen, as in "carryover" balances
child care	two words
clean up	no hyphen when used as a verb (to clean up the beach)
clean-up	hyphenate when used as a noun (as in “oil spill clean-up) or an adjective (as in "clean-up crew")
colon	two spaces after a colon: for example
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 phrase, use a comma before "and." (Example: "eat, drink, and be merry"; not "eat, drink and be merry.")
commonsense	one word
Congress's	possessive
congressional	lower case
counterterrorism	no hyphen
country	lower case, but when referring to the United States use Nation or United States instead of "country"
crosscut or crosscutting	no hyphen
cyber-XXXX	hyphenate cyber-enabled and cyber-related
cyberXXXX	use one word for the following derivations: cybercrime cyberinfrastructure cybersecurity cyberspace
cyber XXXX	generally, other uses of "cyber" require two words, not hyphenated
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

Table 1. Formatting, Punctuation, and Symbols	Usage
e.g.,	means "for example"; use periods and a comma following the abbreviation
E-Government	initial cap E and G with hyphen
Executive Orders	quote the title of the Executive Order and use a comma between the number and name; do not use italics. E.g., Executive Order 13771, "Reducing Regulation and Controlling Regulatory Costs"
Federal	initial cap
Executive Branch, Judicial Branch, Legislative Branch	initial caps
Federal Government	initial cap F and G
federally XXXXX	lower case f for federally; no hyphen generally
Government	initial cap when referring to the United States
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
high-quality	hyphenate
i.e.,	from the Latin ("id est") phrase meaning "that is"; comma follows abbreviation
internet	no initial cap
its or it's; whose or who's	"its" (with no apostrophe) is possessive, meaning "belonging to it." "It's" is a contraction that means *only* "it is." Similarly, "whose" means "belonging to who," and "who's" means "who is"
law cases, citation of	italicize when citing law cases; use "*v.*" and not "*vs.*" e.g., *Olmstead v. L.C.*
low-income	hyphenate
low priority; lowest priority	no hyphen
em dash (—)	frequent use of the em dash, or long dash, within sentences is discouraged. *The Chicago Manual of Style* defines the em 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
multiyear	one word, no hyphen
narrative headers	initial caps, e.g., Interstate Maintenance
Nation	upper case when referring to the United States
nationwide	lower case
non-defense	hyphenated, generally
nonsecurity	not hyphenated

Table 1. Formatting, Punctuation, and Symbols	**Usage**
numbers listed as 1); 2); 3); etc.	use closed parenthesis only, i.e., not (1); (2); (3), etc.
OMB Memorandum	indicate the number of the OMB Memorandum and use a comma between the number and title; do not use italics or quotes. E.g., OMB Memorandum M-20-19, Harnessing Technology to Support Mission Continuity
online	one word, no hyphen
outyear	one word, no hyphen
percent	spell out; do not use % symbol except in tables
pro rata	two words, no hyphen
R&D	use an ampersand (&) instead of "and"
reestimate	no hyphen
Report names	italicize
repropose	no hyphen
rightsize	no hyphen
semi-colons	use semi-colon in series: ; when following a colon
ship names	italicize the name or class of ships: *Columbia*-class ballistic missile submarine
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
territorial	lower case
Territory	initial cap when referring to one or more of the U.S. Territories
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
web addresses	italicize web addresses, use *https://*, and eliminate the www. prefix, if possible, e.g., *[~~www.omb.gov~~] https://omb.gov*
worldwide	one word, no hyphen
year-over-year percent change	hyphenate as noted

Table 2. Spelling and Usage	Description
2019–2020 school year	not 2019-20
all told	use "in total" rather than "all told"
the Budget not "this" Budget	general rule
the Congress	use "the" in front of Congress
conjunctions, use of	avoid beginning sentences with conjunctions such as "And" or "But"
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". However, when citing a month and year only, no comma is needed – e.g., "March 2018"
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)
an FY	not "a FY"
healthcare	one word unless referring to an existing program name
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
numbers in text	spell out zero to nine; 10 and up use numerals, e.g., nine, 10
numbers 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., <u>not</u> two to 11 or nine to 24)
numbers in tables	use numerals, e.g., an increase of 3 percent
numbers in text used as adjective	hyphenate, e.g., 10-year window
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
percentage point or percentage points	use "percentage points" for amounts greater than one and "percentage point" for one or less (e.g. 0.7 percentage point)
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".

Table 2. Spelling and Usage	Description
pronouns	avoid use of personal pronouns such as "our," "we," or "us" in narratives
rescission	note spelling
seeks	use "provides" or "proposes" rather than "the Budget seeks"
servicemember	one word
Science, Technology, Engineering, and Mathematics (STEM)	note spelling and commas; when referring to STEM, spell out the first instance
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"
~~the~~ DOD, ~~the~~ HHS	no "the" before department/agency acronym
website	one word
will vs. would	Use **will** if funding was provided. For example: The funding will provide for 350 more catamarans. Use **would** if not enough funding is provided or if the funding has not been provided yet. For example: Fully funding the President's Budget request would allow GSA to purchase 350 additional catamarans.
workforce	one word
workplace	one word

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)

NOT 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)

<u>NOT</u> 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.

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2. Punctuation.

a. <u>Dollar Symbols</u>. 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)

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.

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)

NOT 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*.~~

SECTION 100—SEQUESTRATION

Table of Contents

Introduction to Sequestration

Summary of Changes

Updates to reflect current law and guidance (sections 100.3, 100.4, 100.7, and 100.15).

Updates to explain that agencies are required to show the pre-sequestration and sequestration reduction amounts in their baseline presentation in MAX A-11 DE (section 100.15).

INTRODUCTION TO SEQUESTRATION

100.1 What is sequestration?

Sequestration is the cancellation of budgetary resources for budget enforcement purposes. Sequestration is required under certain circumstances as set forth in the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended, and the Statutory Pay-As-You-Go Act of 2010 (PAYGO Act).

100.2 What terms and concepts should I understand?

Baseline refers to the baseline from the most recent President's Budget, updated for enacted legislation. A sequestration order issued with the President's Budget uses the baseline from that budget. (See section 80 for more information about the baseline.)

Breach is the amount by which new budget authority within a category of discretionary appropriations for that year exceeds that category's discretionary spending limit ("cap") for new budget authority.

Budget account means an account for which there is a designated budget account identification code number in the President's Budget. A budget account may be associated with one or more Treasury accounts. (See section 20.11(a) for more information about accounts.)

Budgetary resources refer to new budget authority, unobligated balances, direct spending authority and obligation limitations. It includes the authority to spend offsetting collections and receipts. Under BBEDCA, any budgetary resources reflected in the President's Budget are subject to sequestration unless exempted by law.

Cap adjustment refers to funding provided in an appropriations act that results in an upward adjustment to the discretionary spending limits pursuant to section 251(b)(2) of BBEDCA. Cap adjustments include those for emergency funding, disaster assistance, overseas contingency operations (OCO), and program integrity. Such upward adjustments may be to either the defense or non-defense discretionary spending limit, depending on the type of funding provided.

Defense function refers to budget authority designated under budget function 050. ***Non-defense function*** refers to budget authority in all non-050 budget functions. Under BBEDCA, for discretionary appropriations the non-defense category is called the "revised nonsecurity category" and the defense category is called the "revised security category". (See exhibit 79A for functional classifications.)

Exempt refers to budgetary resources that are not subject to sequestration because the program, account, or resource type is specifically exempted by section 255 or section 256 of BBEDCA or by other laws. BBEDCA provides a list of specific and general exemptions. (See section 100.5 for more information on exempt resources.)

Programs, projects, and activities (PPA) are delineated in the appropriations act or accompanying report for the relevant fiscal year covering an account, or, for accounts not included in appropriations acts (most mandatory accounts), in the most recently submitted President's Budget. Agencies may consult with relevant congressional committees to aid in understanding the delineation of PPAs in report language.

Sequestrable resources are budgetary resources not exempted by any provision of BBEDCA (see section 20.3) or other law and therefore subject to sequestration.

Sequestration order is an order issued by the President as required by law that directs agencies to implement sequestration reductions as required by OMB calculations set forth in the accompanying sequestration report.

Sequestration percentage is a uniform percentage reduction applied to sequestrable budgetary resources within a budget account to achieve the amount of the sequestration. The sequestration percentage is set forth by OMB in a sequestration report.

Sequestration report is compiled by OMB and details estimates, calculations, and other requirements as set forth in BBEDCA or the PAYGO Act. (See section 100.4 for a list of all the required OMB budget enforcement reports.)

Special rules for calculating and executing sequestration for specific programs are listed in sections 251A(6), 251A(7), and 256 of BBEDCA, and section 6 of the PAYGO Act. For those specific programs subject to a special rule, OMB works with agencies to determine the application of the special rule.

100.3 What are the different types of sequestration?

There are three sequestration triggers in current law: two affect mandatory (direct) spending and one affects discretionary spending.

Sequestration of mandatory resources:

- Section 251A of BBEDCA requires sequestration of nonexempt mandatory budgetary resources for fiscal years 2013 through 2021, commonly referred to as a Joint Committee sequestration. Subsequent legislation extended this sequestration through 2030 at the percentage reduction that applied for 2021. The sequestration order for each year is issued with the President's Budget and takes effect on the first day of the upcoming fiscal year.

- The PAYGO Act requires sequestration of nonexempt mandatory budgetary resources if revenue or mandatory spending legislation is enacted that, in total, increases projected deficits or reduces projected surpluses relative to the baseline in the budget year. OMB maintains five- and 10-year scorecards and issues an annual PAYGO report that includes a determination of whether a violation of the PAYGO requirement has occurred. If there are more costs than savings in the budget year column of either the five- or 10-year 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 larger of the net costs on the PAYGO scorecards. As described in section 100.4, such an order generally would be issued between mid-December and mid-January.

Sequestration of discretionary resources:

- The Budget Control Act of 2011 (BCA) amended BBEDCA and reinstated limits, or caps, on the amount of discretionary budget authority for 2012 through 2021. If discretionary appropriations breach either the defense or non-defense caps, section 251(a) of BBEDCA requires a sequestration of nonexempt budgetary resources in that category. If OMB determines that a breach to a cap has occurred, the President must issue a sequestration order canceling budgetary resources in nonexempt accounts by the amount necessary to eliminate the breach in the affected category. As described in section 100.4, such an order would be issued generally between mid-December and mid-January.

Cap adjustment funding provided in appropriations acts does not cause a breach of the caps, but is subject to a discretionary sequestration if a breach of the caps occurs, unless specifically exempted in sections 255 or 256 of BBEDCA or in another law.

Although BBEDCA required annual reductions to the discretionary caps through fiscal year 2021, subsequent legislation eliminated those reductions and updated the caps for each of fiscal years 2014 through 2021. A cap reduction is not the same as sequestration, but as described above, a breach of the discretionary caps could trigger sequestration pursuant to section 251(a) of BBEDCA.

For more information on discretionary caps, the Joint Select Committee on Deficit Reduction, and the PAYGO Act, see the section on Budget Enforcement in the "Budget Concepts" chapter of the *Analytical Perspectives* volume of the President's Budget and section 21.4 in this circular.

100.4 What are the Joint Committee sequestration percentages?

The Joint Committee sequestration percentages calculated for sequestrable resources for 2021 apply to all fiscal years through 2030.

Beginning in 2021, the sequestration percentages are:

- 8.3 percent – Defense mandatory
- 5.7 percent – Nondefense mandatory
- 2.0 percent – Medicare and Community and migrant health centers

Although BBEDCA limited Medicare sequestration to 2.0 percent, subsequent legislation has altered it. The Coronavirus Aid, Relief, and Economic Security Act (Pub. L. 116-136) temporarily suspended Medicare sequestration from May 1, 2020, until December 31, 2020. In addition, current law provides that in fiscal year 2030, Medicare will be sequestered at 4.0 percent in the first six months and at zero percent in the second six months of the fiscal year.

100.5 What budget enforcement reports are required?

BBEDCA requires OMB to issue six different kinds of reports to the President and the Congress, which are explained in more detail in the table below. Reports on discretionary spending are only required when discretionary caps are in place. BBEDCA also requires the Congressional Budget Office (CBO) to issue update reports, final reports, and within-session reports similar to the ones described below, with its estimates due five days earlier than the OMB reports. However, the CBO reports are advisory only, and OMB reports determine whether a sequestration is required. The following table describes the BBEDCA reports.

What OMB reports…	When…
Preview Report. This report, required by section 254 of BBEDCA, discusses the status of discretionary caps at the beginning of the new appropriations year based on current law. It explains whether any OMB adjustments to the discretionary caps are made for concepts and definitions, and publishes the revised caps. This report also details any proposed changes to the discretionary caps included in the President's Budget.	With the President's Budget
Report to the Congress on the Joint Committee Reductions for the Fiscal Year. This sequestration report, required by section 251A(9) of BBEDCA, provides the calculations of the amount by which discretionary spending limits, through 2021,	With the President's Budget

What OMB reports…	When…
and direct spending are required to be reduced and lists the reductions required for each budget account with nonexempt direct spending.	
7-day-after Reports. As part of enforcing the discretionary spending caps, OMB must issue a report following enactment of each appropriations act (including a supplemental appropriations act) estimating the amount of new discretionary budget authority provided by the act for the current year and budget year. This report, required by section 251(a)(7) of BBEDCA, also contains detailed explanations of any scoring difference between OMB and CBO and provides a summary of enacted legislation versus the discretionary caps.	7 days after enactment of a bill
Update Report. This report, required by section 254 of BBEDCA, revises the *Preview Report* estimates to reflect the effects of discretionary appropriations enacted since the *Preview Report*, including any cap adjustments under section 251(b)(2). This report includes a summary of OMB scoring of pending appropriations legislation, which notifies the Congress about the potential for a sequestration in the *Final Report*, and a preview estimate of the adjustment for disaster funding for the upcoming fiscal year.	August 20
Final Report. This report, required by section 254 of BBEDCA, revises the *Update Report* caps to reflect the effects of discretionary appropriations enacted through the end of the session of Congress, including any BBEDCA adjustments under section 251(b)(2), and compares OMB's scoring of enacted discretionary appropriations legislation contained in its 7-day-after reports against those caps. The estimates in this report determine whether the President must issue a sequestration order pursuant to section 251(a) of BBEDCA.	15 business days after the end of a session of Congress, generally between mid-December and mid-January.
Within-session Report. Section 254 of BBEDCA requires OMB to report if a discretionary appropriation for a fiscal year in progress is enacted before July 1 that breaches a cap. The report triggers a sequestration order. (If an appropriation is enacted after July 1 that breaches a cap, BBEDCA requires OMB to reduce the same cap for the following year.)	Between the end of a session of Congress and July 1

The PAYGO Act requires OMB to issue two different kinds of reports, which the following table describes.

What OMB reports…	When…
Five- and 10-Year PAYGO Scorecards. These documents, required by section 4(d) of the PAYGO Act, display the budgetary effects of PAYGO legislation in the current year and each year over the five- and 10-year period beginning in the budget year.	Continuously updated throughout a session of Congress
Annual Report. This report, required by section 5 of the PAYGO Act, includes the final five- and 10-year PAYGO Scorecards for the recently completed session of Congress. The estimates in this report determine whether the President must issue a sequestration order.	14 business days after the end of a session of Congress, generally between mid-December and mid-January.

100.6 Which budgetary resources are subject to sequestration?

Budgetary resources are subject to sequestration unless they:

(1) Are expressly listed as exempt in section 255 or section 256 of BBEDCA;

(2) Meet the requirements for one of the general categories for exemption provided in section 255 or section 256 of BBEDCA; or

(3) Are exempt from sequestration pursuant to another provision of law.

BBEDCA exempts certain general categories of budgetary resources from sequestration, including:

- Unobligated balances of budgetary authority carried over from prior fiscal years, except balances in the defense function.
- Payments made to individuals pursuant to provisions establishing refundable income tax credits.
- Activities resulting from private donations, bequests, or voluntary contributions to the Government.
- Activities financed by voluntary payments for goods or services. Generally, these activities involve a business-like transaction where (1) the Government, acting in a business-like capacity, sells goods or services to a non-Federal purchaser, (2) the sale takes place at the discretion of the purchaser, and (3) the spending derived from the sale is directly related to the provision of goods or services that are offered for sale. This does not include regulatory activities financed by fees imposed on non-Federal entities.
- Intragovernmental funds. This exemption applies to budgetary resources financed by collections from other budgetary accounts. This exemption does not apply to:

    a. The paying account;
    b. The account receiving a non-expenditure transfer; or
    c. Budgetary resources financed by collections of interest paid by the Treasury to other Federal accounts.

- Prior legal obligations of the Government in credit liquidating accounts or credit reestimates.

Amounts temporarily reduced by sequestration that are determined to become available in a subsequent fiscal year without further legislative action pursuant to section 256(k)(6) of BBEDCA are not again subject to sequestration pursuant to the same authority that required the original reduction. However, such amounts would be subject to any sequestration issued pursuant to a different law, unless the separate law exempts them.

BBEDCA provides the President with the option to annually exempt or provide for a lower uniform percentage reduction in military personnel accounts, subject to congressional notification. This is the only optional exemption specified in law.

OMB maintains a list of the sequestrable/exempt classification of budget accounts on the Budget Season Reports page on the MAX Federal Community.

Even if an account, program, or resource is exempted, the portion that funds Federal administrative expenses is sequestrable pursuant to section 256(h) of BBEDCA. The definition of Federal administrative expenses in otherwise exempt budgetary resources depends upon the nature of the program. Generally the object classes in exhibit 100 are used to define Federal administrative expenses subject to sequestration. However, for certain programs, such as business-like programs whose budgetary resources are exempted as voluntary payments for goods or services and partially or fully exempt direct-service health care programs, a more narrow definition of administrative expenses—overhead expenses—applies.

Overhead expenses are defined as the expenses necessary to run a business that are not directly tied to the production and delivery of goods or services (e.g., central management, rent for office space, human resources, and sales). In the case of direct-service health care programs overhead would encompass central administration, but not salaries and other expenses for the direct provision of health care, such as the salaries of doctors and nurses.

Section 256(h) does not apply to exempted accounts consisting entirely of administrative expenses.

OMB works with agencies to determine the correct definition of Federal administrative expenses for particular programs.

Under a sequestration of discretionary resources, BBEDCA does not provide an exemption for cap adjustment funding. In general, appropriations that result in a cap adjustment will not trigger a sequestration, but once triggered, are subject to it.

100.7 How does OMB use outlays to calculate a sequestration percentage under the PAYGO Act?

The PAYGO Act requires OMB to calculate a sequestration by dividing the required reduction by the sequestrable base. For a sequestration of mandatory budgetary resources, the sequestrable base is defined as the sum of estimated outlays in the budget year and in the subsequent fiscal year from sequestrable mandatory budget year resources in the baseline.

100.8 How does a sequestration of mandatory budgetary resources interact with a discretionary change in a mandatory program (CHIMP)?

A sequestration that affects mandatory budgetary resources uses the baseline, as required by law, to determine the sequestrable base for an account. The mandatory baseline generally reflects current law and therefore includes the effects of any previously-enacted CHIMPs, which are returned to the mandatory side of the budget after enactment. The baseline does not include the effects of any CHIMPs proposed or anticipated to be enacted in future appropriations acts.

EXECUTION GUIDANCE

100.9 When should I begin to execute a sequestration?

If the sequestration order is issued during the fiscal year in which the sequestration is to occur, the sequestration should begin to be executed as soon as practicable after the President issues the sequestration order. If the sequestration order is issued before the start of the affected fiscal year, the sequestration should be executed beginning on the first day of the affected fiscal year.

100.10 What is my sequestration amount?

Although the reduction amounts contained in a sequestration report are rounded to the nearest million, agencies should calculate the specific dollar reduction required. To do this, multiply the dollar amount of the sequestrable budgetary resources in each budget account listed in the report by the sequestration percentage and round the result to the nearest dollar.

If an account has sequestrable budgetary resources that do not appear in the report because they do not round to a million dollars, a sequestration is still required, and the calculation is the same. If a budgetary resource is sequestrable and is estimated in the baseline to be zero, but the actual budgetary resource is greater than zero, it must be sequestered.

100.11 When can the sequestration amount differ from the amount in a sequestration report?

The two most frequent reasons the sequestration amount differs from the amounts in a report occur when budgetary resources in the baseline change from estimates to actuals and when errors occur in the baseline.

Changes from estimates to actual budget authority. There are certain programs where the amount of the sequestrable budgetary resource depends on factors that can only be estimated at the time a sequestration report is prepared, for example when the amount of sequestrable budget authority is determined by the amount of receipts collected in the same fiscal year or derived by a benefit formula that determines the number of eligible beneficiaries. In cases such as these, where the actual amount of the sequestrable budgetary resource can vary from the baseline estimate used to prepare the sequestration report due to the nature of the program, OMB may direct agencies to achieve the reduction by multiplying the sequestration percentage by the actual amount of sequestrable budgetary resources, as opposed to multiplying by the estimate of budgetary resources reflected in the report.

Apportionments with budgetary resources subject to this requirement should have an OMB-approved footnote making this method of achieving the reduction explicit.

Questions on the application of this requirement to specific accounts should be directed to your OMB representative.

Changes due to errors in the baseline. Sequestrable budgetary resources are required to take a reduction, even if the baseline used to determine the reduction was in error due to miscalculation or a recording error. If you have an error in the baseline that results in a change from the amount issued in a sequestration report, consult with your OMB representative to determine if a footnote on your apportionment is needed.

100.12 What if a continuing resolution (CR) is in effect when a sequestration is required?

Discretionary resources: If there is a CR in effect for part of a fiscal year for any budget account, then the sequestration percentage shall be calculated assuming that the enacted level of sequestrable budgetary resources is the annualized amount otherwise available by law in that account under that part-year appropriation. When a full-year appropriation for that account is subsequently enacted, the dollar sequestration calculated at the time of the order will still apply to the account.

Where there are differences between account structures in the CR and the full-year appropriation act that are clearly reflected in the act or in accompanying report language, the reduction amount is adjusted to reflect the budget account structure in the full-year appropriations act. As a general principle, for those accounts that have a different budget account structure in the full-year act, sequestration must be applied so that the total sequestration amount applied to the combination of accounts containing the account structure changes is equal to the total sequestration amount for the combination of comparable accounts in the sequestration report.

Mandatory resources: If a sequestration of mandatory resources is ordered while a CR is in effect, the annualized effect of the CR will be considered when determining the baseline for affected mandatory resources.

100.13 Can I choose which program, project, or activity (PPA) to reduce?

No. Within a PPA, you have discretion on how to achieve the required reduction. However, the sequestrable budgetary resources for all PPAs within a budget account must be reduced by the sequestration percentage that applies to those resources pursuant to section 256(k)(2) of BBEDCA. Cap adjustment funding is generally not considered a separate PPA unless the funding is otherwise delineated in the appropriations act or accompanying report for the relevant fiscal year covering an account.

If a single budget account is subject to more than one sequestration percentage (e.g., it has both defense and non-defense function budgetary resources), this rule applies within those resources subject to the same sequestration percentage (e.g., the sequestrable non-defense function resources must be reduced by the same percentage in each PPA).

Sequestration has no effect on existing reprogramming and transfer authorities. Agencies may take into account the availability of reprogramming and transfer authority in determining how best to implement a program after sequestration.

100.14 What happens to sequestered budgetary resources?

Generally, budgetary resources sequestered from an account are permanently cancelled, meaning they revert to the General Fund of the Treasury.

However, section 256(k)(6) of BBEDCA provides an exception for budgetary resources sequestered in revolving, trust, and special fund accounts, and spending authority from offsetting collections sequestered in appropriations accounts. These funds are temporarily reduced, meaning that the money is not returned to the General Fund, but instead remains as an unavailable balance in the account where the funding was originally deposited.

Resources that have been temporarily reduced are not available for obligation during the fiscal year in which they are sequestered, but remain in the fund or account and may be available in subsequent years only to the extent provided in appropriations or authorizing language.

Resources that have been temporarily reduced will not be available in the subsequent year simply because funding is appropriated on a no-year ('available until expended') or multi-year basis. Once an amount provided in a given fiscal year has been reduced, an extended period of availability for funds appropriated in that year does not make those funds available in the following year. Instead, there must be statutory language that makes the unavailable funding in the account available in a subsequent year, such as an appropriation of all funding in the account (since sequestered funding from a prior year would constitute funding in the account, it would be made available by such an appropriation).

Resources that have been temporarily reduced will also not be available in a subsequent year to the extent statutory language states that only funds from a specific fiscal year are appropriated (assuming that the sequestered funds were not provided in that fiscal year).

OMB, in conjunction with agencies, determines which resources become available in a subsequent fiscal year.

100.15 How do I show the effects of sequestration in my budgetary reporting?

Line numbers used to capture the effects of sequestration in an apportionment, the report on Budget Execution and Budgetary Resources (SF 133), and the budget Program and Financing schedule (schedule P) are shown in Appendix F.

Apportionments: Each line relating to sequestration should use "SEQ" in the line split column. See section 120.19 for more details on line splits and exhibit 120T for an example of how to report sequestration amounts in an apportionment.

Budget execution in SF 133s: Exhibit 130L shows an example of how accounts that report the availability of temporarily reduced amounts record their reductions in one year and then record the availability of previously unavailable budgetary resources in the subsequent year.

MAX A-11 Data Entry: Agencies are required to show their pre-sequestration and sequestration reduction amounts in their baseline presentation for all years where the Joint Committee sequestration is in effect (currently until 2030). The sequestration reduction amounts should be recorded in a specific budget enforcement subcategory, "Mandatory, Sequestration, Authorizing Committee".

Note that temporarily reduced amounts are not available for obligation, and should not be entered on line 1000, unobligated balance brought forward, October 1, in the subsequent year.

For accounts that show the availability in the CY or BY of budgetary resources sequestered in the previous year, record the available budgetary resource on a specific budget enforcement subcategory, "Mandatory, Sequestration Pop-Up, Authorizing Committee."

See section 81.2 for more information on budget enforcement categories in MAX A-11 DE.

100.16 What happens if enacted legislation affects an account or program with sequestrable budgetary resources after a sequestration order and report are issued?

A sequestration reduction applies to budgetary resources provided by laws enacted as of the date the sequestration order is calculated, or for certain expiring programs, resources extended in the baseline according to the baseline rules set forth in section 257 of BBEDCA. Additional budgetary resources above the baseline amount provided in laws enacted between the date on which the sequestration order is calculated and the end of the fiscal year for which it is in effect do not change the sequestrable base for an account during that fiscal year. These additional budgetary resources are not subject to sequestration in that fiscal year. Additional budgetary resources can be provided through the extension of an expiring program that was not extended in the baseline pursuant to section 257 of BBEDCA, through the creation of a new program, or through increases in budgetary resources for an existing program. Newly provided budgetary resources will be subject to sequestration in subsequent years unless specifically exempt. Likewise, reductions in budgetary resources provided in laws enacted after the date of the order (e.g., reductions to mandatory budgetary resources in subsequent appropriations acts, or CHIMPs) do not reduce the amount of the sequestration reduction required by the order.

However, if the effect of new legislation is to alter the method of calculating a program already included in the baseline, the sequestration percentage continues to apply to the sequestrable portion of the program, adjusted for the new legislation. Generally, this guidance applies when the program achieves the required sequestration reduction by multiplying the sequestration percentage by the actual amount of sequestrable budgetary resources rather than by using the reduction amount in the report issued for the fiscal year (see section 100.10).

If you believe legislation has changed the amount of budgetary resources subject to sequestration in a fiscal year for which sequestration is ordered, contact your OMB representative.

100.17 Do I need to record decisions made about how my agency implemented sequestration?

Yes. Your agency should record how sequestration is implemented in order to maintain consistency from year to year, to inform your efforts to plan for sequestration in future years, to build institutional knowledge, and to provide adequate documentation in the event of an audit.

100.18 Does sequestration have an effect on my program's ability to collect fees?

Sequestration applies to budgetary resources, which includes spending authority derived from fee collections. Generally, sequestration does not affect a program's ability to collect fees. For questions about how sequestration may interact with the authority to collect a specific fee, contact your OMB representative.

100.19 What do I do if I incorrectly recorded a sequestration reduction?

If you have discovered an error in the budgetary reporting for the current fiscal year, you will be required to record the correction in the current fiscal year as a current year transaction (e.g., appropriation permanently reduced). If you have discovered an error in the budgetary reporting for a previous fiscal year, you will be required to record the correction (e.g., adjustment to unobligated balance brought forward, Oct. 1) in the current fiscal year 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. See Appendix F for more information on how to resolve an error in budgetary reporting.

Failure to properly record a reduction in budgetary resources may result in a violation of the Antideficiency Act (ADA). See section 145 for more information on ADA violations.

100.20 Which sequestration percentage applies if my collections are recorded in one fiscal year but obligated in a different fiscal year?

Apply the sequestration percentage specified in the sequestration report for the fiscal year in which the sequestrable budgetary resource is recorded.

100.21 How does a sequestration reduction differ from an across-the-board reduction (ATB) in an appropriations act?

ATBs historically occur in appropriations acts, while sequestration occurs pursuant to BBEDCA or the PAYGO Act. In addition, ATBs historically affect discretionary budgetary resources, while sequestration can affect both discretionary and mandatory budgetary resources. Generally, the reductions are applied differently in the following cases:

If the Budget Authority / Budgetary Resource…	Under an ATB reduction*, amounts are…	Under a sequestration reduction, amounts are…
Is derived from the General Fund and resides in a special fund or in a non-trust revolving fund	Permanently reduced	Temporarily reduced
Is derived by non-expenditure transfer	Taken pre-transfer	Generally taken post-transfer in the receiving account

If the Budget Authority / Budgetary Resource…	Under an ATB reduction*, amounts are…	Under a sequestration reduction, amounts are…
Is derived from offsetting collections	Taken against the net BA	Taken against the gross BA, after mandated non-expenditure transfers
Is borrowing authority or contract authority	Permanently reduced	Temporarily reduced, if it meets the criteria in section 256(k)(6) of BBEDCA
Is unobligated balances	Not reduced	Reduced only in the defense function (050)
Is funding that will result in a cap adjustment pursuant to section 251(b)(2) of BBEDCA	Not reduced	Reduced

*This guidance does not apply to ATB reductions in short-term CRs.

OBJECT CLASSES USED TO DEFINE FEDERAL ADMINISTRATIVE EXPENSES UNDER SEQUESTRATION

Note that administrative expenses in budgetary resources exempted under the voluntary payments provision use a different definition. (See section 100.5 for more information.)

3-digit object class codes	Standard Titles
	Personnel compensation and benefits
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
x121	Civilian personnel benefits
x122	Military personnel benefits
	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
x257	Operation and maintenance of equipment
x260	Supplies and materials
	Acquisition of assets
x310	Equipment

CIRCULAR NO. A–11

PART 3

SELECTED ACTIONS FOLLOWING TRANSMITTAL OF THE BUDGET

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
JULY 2020

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?

After the President's Budget has been transmitted to the Congress, the President proposes changes in the Budget by transmitting appropriations requests that either propose changes to enacted appropriations for the current year (supplemental) or revise the request for the 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 request. Allow for this timing when making requests.

See section 79.3 for instructions on identifying supplementals and amendments that will be transmitted with the Budget request. 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 enactment of an annual appropriations bill or that are in the public interest. They may be transmitted prior to, with, or subsequent to transmittal of the succeeding annual Budget request. 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.

The most common Budget amendments are technical corrections to fix errors in the appropriations language included in the Budget *Appendix*. Since OMB must submit amendments to the Congress prior to enactment of new appropriations bills, at some point after transmitting the Budget to the Congress, OMB will initiate a separate exercise asking agencies to identify any needed technical corrections to the Budget. This effort is generally known as the Budget Corrections process and is mainly managed using the EC20xx Corrections and EA20xx Language Corrections exercises in MAX A-11 DE. OMB may use your inputs to author a technical corrections amendment package in the format found in exhibit 110B.

The EC20xx Corrections and EA20xx Language Corrections exercises are also used to correct errors in OMB's budget database. Corrected budget data does not result in a Budget amendment, but is eventually used as a start in developing the MS20xx Mid-Session exercise. Your OMB representative will contact you at the time of the EC20xx Corrections and EA20xx Language Corrections exercises and provide additional information.

The transmittal of Budget amendments to reflect new policy (i.e., not technical corrections) occurs infrequently. Please contact your OMB representative directly to communicate the need for such an amendment.

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 requests for unforeseen and urgent requirements. See section 95.5 through 95.10 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, if any, 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:

> 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 1984, 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)(ii).]

(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

For an additional amount for "International Geophysical Year", $28,000,000, to remain available until expended.

[Explanation, including the effect on outlays.]

Headings will be identical with those used in the current year appropriations act.

Additional amount for same purpose, subject to conditions set forth in original appropriation.

NATIONAL MEDIATION COMMISSION
Salaries and Expenses

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.]

Additional amount for same purpose, but with an additional proviso not included in original appropriation text.

FEDERAL TRADE ADMINISTRATION
Salaries and Expenses

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.]

No additional amount but conditions set forth in original appropriation text are altered.

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:	NATURAL RESOURCES CONSERVATION AGENCY		
Heading:	River Basin Salinity Control Program		
FY BY Appendix Page:	187		Deletion of entire appropriations request.
FY BY Pending Request:	$2,681,000	**[See Note 2]**	
Proposed Amendment:	-$2,681,000	**[See Note 3]**	
Revised Request:	---		

(Delete the appropriations language under the above heading.)

[Explanation, including the effect on outlays]

Agency:	DEPARTMENT OF GOVERNMENT		
Bureau:	AGRICULTURE RESEARCH SERVICE		
Heading:	Salaries and Expenses		
FY BY Appendix Page:	23		Only total request amended.
[House Document 114-XX, Page] **[See Note 1]**	[30]	**[See Note 1]**	
FY BY Pending Request:	$42,915,000	**[See Note 2]**	
Proposed Amendment:	$7,057,000		
Revised Request:	$49,972,000	**[See Note 4]**	

[Explanation, including the effect on outlays]

Agency:	DEPARTMENT OF GOVERNMENT		
Bureau:	FARM SERVICE AGENCY		
Heading:	Salaries and Expenses		
FY BY Appendix Page: **[See Note 1]**	142		Change to total amount requested and other conditions.
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]**	

(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]

Budget Amendments
Appropriations Language Examples--Continued

Agency: DEPARTMENT OF GOVERNMENT

Heading: GENERAL PROVISION

FY BY
Appendix Page: **[See Note 1]** 708

FY BY
Pending Request: ---

Appropriations language change to a general provision with no related dollar amount.

Proposed Amendment: Language

Revised Request: ---

(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]

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
Appendix Page: **[See Note 1]** 211

FY BY
Pending Request: ---

New appropriation item. (If the account appears in the BY Budget *Appendix* but includes no language request, the heading will not be underscored.)

Proposed Amendment: $10,000,000

Revised Request: $10,000,000 **[See Note 4]**

(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 (Public Law 104-127), $10,000,000.</u>

[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:		DEPARTMENTAL MANAGEMENT AND OPERATIONS
Heading:		Analysis and Operations
FY BY Appendix Page:	**[See Note 1]**	517
FY BY Pending Request:		$265,719,000 **[See Note 2]**
Proposed Amendment:		Language
Revised Request:		$265,719,000 **[See Note 4]**

Appropriations language- only change to an account, no change to the amount requested.

(In the appropriations language under the above heading, add the following new language immediately after the second semi-colon and just before the phrase "and of which":)

[See Note 5]

[Explanation, including the effect on outlays]

Note 1: For revisions to previously transmitted amendments, this line will be entitled "House Doc. 11x-xx Page" or "Senate Doc. 11x-xx Page," referencing the page number in the bill, as applicable. This treatment is shown the second example in Exhibit 110B.
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

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.

The instructions provided in this section apply only to *rescission proposals* and *deferrals*.

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. In contrast, a *cancellation proposal* is a proposal 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 of 1974. Importantly, amounts proposed for cancellation are not to be withheld from obligation. Such amounts are subject to the normal apportionment instructions (see section 120).

There are two types of impoundments:

- *Rescission* means enacted legislation that reduces budget authority (as defined in section 20.3) 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 of 1974, which require the President to transmit a *special message* to the Congress (see section 20.4(i)).

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 of 1974 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:

- Information required by OMB to create a rescission report for each proposal (see exhibit 112A for an example of a rescission proposal);
- 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:

- Information required by OMB to create a deferral report (see exhibit 112C for an example of a deferral); 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?

In accordance with sections 1012(a) and 1013(a) of the Congressional Budget and Impoundment Control Act of 1974, 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.

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. Provide information to OMB that specifically addresses 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 changed. Alternatively, OMB may determine that a *new rescission or deferral report* is required instead of a supplementary report. In addition, you are required to prepare a supplementary report when 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.

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 a Presidential rescission proposal is enacted into law, a new apportionment action is required. Adjust the apportionment to reflect the enacted rescission in the budgetary resources section (see section 13 of Appendix F for the appropriate line numbers) and remove the amount withheld pending rescission on line 6180. Submit the apportionment requests to OMB promptly upon completion of the congressional action. You should follow congressional action on proposed rescissions affecting your programs or activities to ensure accurate and timely apportionment action.

112.15 What apportionment action is required when a rescission is not enacted?

Funds withheld pending rescission must be released following expiration of the prescribed 45 days of continuous session if a Presidential rescission proposal is not enacted into law.

When funds must be released because of congressional inaction on proposed rescissions, and the apportionment does not include a footnote automatically reapportioning the withheld funds, 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 rescind budget authority that is also subject to a limitation in a trust or revolving funds?

A Presidential rescission proposal under Title X of the Congressional Budget and Impoundment Control Act of 1974 is a proposal to rescind budget authority. 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 are multi-year or do not expire.

Careful programmatic and legal analyses of the account, the limitation, and the basic legislation authorizing the program are required.

112.18 What information is included on the different lines of the rescission, deferral, and supplementary reports?

Rescission, deferral, and supplementary reports are prepared using the entries below as a guide. (Examples of these reports are illustrated in exhibits 112A and 112C.)

Entry	Description
Rescission proposal no. ……………….	A number (RCY–XX) is used to identify each proposed rescission. OMB will assign a serial number to distinguish between individual reports. In a revised rescission report, an "A" will be added 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. OMB will assign a serial number to distinguish between individual deferrals. In a revised deferral report, an "A" will be added 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 ………………………………..	The name of the department or agency for which the rescission is proposed or the deferral action is taken.
Bureau …………………………………	The name of the subordinate organization as shown in the most recent Budget.
Account ……………………………..…	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, and the affected Treasury Account Fund Symbols (TAFS). Enter the account symbols:

Entry	Description
	• For the accounts affected by the rescission proposal or deferral; **<u>or</u>** • 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 ………………….	You may be requested to provide the amount of new budget authority specified in appropriation or substantive acts available in the current year for the accounts covered by the rescission or deferral report. If so, this amount should equal the sum of new budget authority shown on lines 1100-1105, 1170-1171, 1200-1204, 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 ……………	You may be requested to provide the amount of other budgetary resources. This amount is equal to the amount on line 1920 minus the sum of lines 1100-1105, 1170-1171, 1200-1204, 1270, 1271, 1300, 1400, 1500, 1600, 1700 and 1800 on the latest apportionment.
Total budgetary resources ….…………	You may be requested to provide the total amount of budgetary resources. This should equal the amount on line 1920 of the latest apportionment.
Amount proposed for rescission ……..	Provide 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 ………………………… Entire year ………………………….	For deferral reports, provide 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). • 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.

Entry	Description
	• The authority for withholding the funds. • Any legal authority in addition to sections 1012 and 1013 of the Congressional Budget and Impoundment Control Act of 1974 (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 a program effect, include a brief, clear statement of the expected effect in the Justification.
Effect on outlays ………………………	Provide information on the outlay impact of the proposed rescission or deferral in the Justification. Most deferrals will have no outlay savings. Only show outlay savings for deferrals in special circumstances, as provided by OMB.
Footnotes ………………………………	Footnotes will be used as needed, including possible citation of any past or current year rescission proposals or deferrals affecting the same account. A revised rescission or deferral report may indicate all sections containing changes from the initial report with an asterisk (*) and a footnote: "*Revised from previous report." Subsequent revisions to a report will also indicate changes from the previous report with the specified footnotes, as needed. 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, 1230, 1174, 1274, 1320, 1420, 1520, 1620, 1722, 1822 [type of authority] 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.
1131, 1230 unobligated balance permanently reduced (–)……………	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 Congressional Budget and Impoundment Control Act of 1974 (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 Congressional Budget and Impoundment Control Act of 1974 (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 the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 683)

The 20AA/20BB represents the period of availability and therefore should be changed.

Change 20AA to the initial year of availability. Change 20BB to the ending year of availability. For example, for FY2018 annual funds, use (080-0200 2018/2018). For FY2017 two year funds, use (080-0200 2017/2018). For no-year funds, replace 20AA/20BB with /X (i.e., 080-0200 /X).

Agency: DEPARTMENT OF GOVERNMENT
Bureau: Bureau of Statistics
Account: Salaries and expenses (080-0200 20AA/20BB)

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. Federal outlays will decrease by the amount of the proposed rescission.

Each proposal must include the requirements of section 1012(a)(1) through (5) of the Congressional Budget and Impoundment Control Act of 1974, which includes information on the fiscal, economic, budgetary, any estimated programmatic effect, and other related information about a rescission proposal. OMB will provide guidance on meeting these requirements.

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 the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 684)

Agency: DEPARTMENT OF GOVERNMENT
Bureau: Bureau of Statistics
Account: Foreign Assistance (080-0300 20AA/20BB)

The 20AA/20BB represents the period of availability and therefore should be changed.

Change 20AA to the initial year of availability. Change 20BB to the ending year of availability. For example, for FY 2018 annual funds, use (080-0200 2018/2018). For FY 2017 two year funds, use (080-0200 2017/2018). For no-year funds, replace 20AA/20BB with /X (i.e., 080-0200 /X).

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

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).

Each proposal must include the requirements of section 1013(a)(1) through (6) of the Congressional Budget and Impoundment Control Act of 1974, which includes information on the fiscal, economic, budgetary, any estimated programmatic effect, and other related information about a deferral. OMB will provide guidance on meeting these requirements.

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 Public Law XXX-XX on July 28, CY.

SECTION 113—INVESTMENT TRANSACTIONS

Table of Contents

Summary of Changes

Clarifies that payments of interest on Federal securities to Government accounts are an intergovernmental transaction (section 113.1(d)).

Adds guidance on the budgetary treatment of Treasury Inflation-Protected securities on the SF 133 (sections 113.7, 113.8 and 113.9).

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, bonds, and Treasury Inflation-Protected Securities (TIPS), 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 the 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 (FCRA) 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://tfm.fiscal.treasury.gov/v1/p2/c340.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 A-11 DE 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 A-11 DE 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 A-11 DE copies the CY and BY start of year amounts 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 86.3. 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 4100 and a separate amount for the Federal securities at *par value* on line 4200. The OMB budget 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. Interest earned on investments in Federal securities are, by their nature, an intergovernmental payment from Treasury to the receiving account and do not increase the overall budgetary resources of the Government.

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 A-11 DE automatically generates the start of year balances in the Unavailable Collections schedule (schedule N), the Program and Financing schedule (schedule P), and the Status of Funds schedule (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 4100, "Uninvested balance (net), end of year," by the purchase price in the purchase year. Increase the amount reported on line 4200, "Invested

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...
			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 4100, "Uninvested balance (net), end of year," by the discount amount. When the security matures: (1) Decrease the amount reported on line 4100, "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 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 5001, "Total investments, end of	Not applicable.	Increase the amount reported on line 4100, "Uninvested balance (net),

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...
	year; Federal securities: Par value," by the par value in the year of redemption.		end of year," by the par value in the year of redemption. Decrease the amount reported on line 4200, "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 4100, "Uninvested balance (net), end of year" by the sales price. Decrease the amount reported on line 4200, "Invested balance, end of year" by the par value. Decrease the amount reported on line 4100, "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 amount of the gain in the year of the sale.	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 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 OMB budget 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 and a Treasury Inflation-Protected Security 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 and a Treasury Inflation-Protected Security 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.

If the purchase was at a *premium*, the total balances on the SF 133 should not change.

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.

113.7 How do I treat an investment in a Treasury Inflation-Protected Security on an SF 133?

If you purchase a TIPS *at a discount*, the total balances on the SF 133 should not change. Compared to the typical Federal securities, the purchase price will be the par value minus the discount, plus accrued interest and inflation compensation. The principal (par value) plus inflation/deflation compensation is generally referred to as "inflated/deflated par."

If you purchase a TIPS *at a premium*:

- For a general fund account or 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.
- 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.

113.8 How do I treat the daily inflation/deflation compensation of a Treasury Inflation-Protected Security on an SF 133?

As daily inflation or deflation compensation is calculated, you show the amount on:

- line 1700 or 1800 by the inflation(+)/deflation(-) compensation amount and then preclude the amount on line 1724 or 1824 respectively for a general fund account or revolving fund (including a trust fund).
- line 1101 or 1201 by the inflation(+)/deflation(-) compensation amount and then preclude the amount on line 1135 or 1235 respectively for a special or trust fund account (excluding a trust revolving fund).

113.9 How do I treat the redemption of a Treasury Inflation-Protected Security 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.
- 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.

If the purchase was either at a *discount* or *premium* and if the redemption is at "*inflated par*" or "*deflated par*":

- For a general fund appropriation account or a revolving fund (including a trust revolving fund), you show the discount realized on line 1702 or 1802 in accordance with the statutory terms of that appropriations account.
- For a special or trust fund account (excluding a trust revolving fund), you show the discount realized on line 1103 or 1203 in accordance with the statutory terms of that appropriations account.

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 obligations: Category A (by quarter)	
2201	Unob Bal: Apportioned, unexp: 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: New obligations: 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 fr 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.)	

To save space, several exhibits in this section do not display lines that do not contain amounts. Exhibits F-1 and F-2 contain all lines.

The beginning balance is made up of $1,500 in cash.

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, unexp: 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: New obligations: 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 fr 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 contain 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 Security Purchased 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	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
1700	BA: Disc: Spending auth: Collected	100
1910	Total budgetary resources (disc. and mand.)	1,600
	STATUS OF BUDGETARY RESOURCES	
2201	Unob Bal: Apportioned, unexp: 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: New obligations: 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 fr 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 contain all lines.

Record the amount on line 4031 or 4121 as an offset to gross budget authority and outlays.

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

BUREAU: Bureau of Central Services

APPROPRIATION OR FUND TITLE AND SYMBOL

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, unexp: 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: New obligations: 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 fr 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 contain all lines.

The end of year balance is made up of $1,600 cash.

Investment in Federal Securities
Relationship between Apportionment and SF 133
Special or Trust Fund Accounts (excluding Trust Revolving Funds)

FY 20xx Apportionment
Funds provided by Public Law XXX-XXX

When you have an expenditure account that that has legal authority to invest in Federal securities, determine whether the collections and/or earnings on investments are:

1. Available for investment or
2. Available for investment and appropriated.

While there may be other permutations in law, situations A, B, and C represent the most common situations.

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 Central Services							
		Account: Central Special Fund (099-10-5999)							
		TAFS: 99-5999/X							
IterNo	2	Last Approved Apportionment: 11/25/CY							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1000	DE	Unob Bal: Brought forward, Oct 1	4,000,000						
1000	DA				3,876,555		3,876,555		
1101	1	BA: Disc: Appropriation (user fees)			950,000		950,000		
1101	2	BA: Disc: Appropriation (earnings on investments)			45,000		45,000		
1150	1	BA: Disc: Anticipated appropriation (user fees)	3,500,000		2,550,000		2,550,000		
1150	2	BA: Disc: Anticipated appropriation (earnings on investments)	500,000		455,000		455,000		
1920		**Total budgetary resources avail (disc. and mand.)**	**8,000,000**		**7,876,555**		**7,876,555**		
1000	DE	Unob Bal: Brought forward, Oct 1	300,000						
1000	DA				267,000		267,000		
1101		BA: Disc: Appropriation (earnings on investments)			45,000		45,000		
1150		BA: Disc: Anticipated appropriation (earnings on investments)	500,000		455,000		455,000		
1920		**Total budgetary resources avail (disc. and mand.)**	**800,000**		**767,000**		**767,000**		
1000	DE	Unob Bal: Brought forward, Oct 1							
1000	DA								
1101	1	BA: Disc: Appropriation (user fees)							
1101	2	BA: Disc: Appropriation (earnings on investments)							
1150	1	BA: Disc: Anticipated appropriation (user fees)							
1150	2	BA: Disc: Anticipated appropriation (earnings on investments)							
1920		**Total budgetary resources avail (disc. and mand.)**	**0**		**0**		**0**		

Situation A: Collections and earnings on investments is invested and appropriated.

Situation B: Collections and earnings on investments may be invested; but only earnings on investments are appropriated.

Situation C: Collections and earnings on investments may be invested; but neither are immediately appropriated. Amounts are subject to appropriation.

There is nothing to apportion until the amounts are appropriated.

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 11/30/CY

AGENCY: Department of Government BUREAU: Office of the Secretary	APPROPRIATION OR FUND TITLE AND SYMBOL 099-X-5999 Central Special Account 099-X-5999 Unexpired
BUDGETARY RESOURCES	
1000 Unob Bal: Brought forward, Oct 1	3,876,555
1101 BA: Disc: Appropriation	995,000
1150 BA: Disc: Anticipated appropriation	3,005,000
1910 Total budgetary resources (disc. and mand.)	4,871,555
1000 Unob Bal: Brought forward, Oct 1	267,000
1101 BA: Disc: Appropriation	45,000
1150 BA: Disc: Anticipated appropriation	455,000
1910 Total budgetary resources (disc. and mand.)	312,000
1000 Unob Bal: Brought forward, Oct 1	0
1101 BA: Disc: Appropriation	0
1150 BA: Disc: Anticipated appropriation	
1910 Total budgetary resources (disc. and mand.)	0

Situation A: Collections and earnings on investments is invested and appropriated.

Situation B: Collections and earnings on investments may be invested; but only earnings on investments are appropriated.

Situation C: Collections and earnings on investments may be invested; but neither are immediately appropriated. Amounts are subject to appropriation.

Note: While the exhibit includes discretionary budgetary resources lines, the guidance also applies to madnatory budgetary resources.

CIRCULAR NO. A–11

PART 4

INSTRUCTIONS ON BUDGET EXECUTION

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
JULY 2020

SECTION 120—APPORTIONMENT PROCESS

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Summary of Changes

Removes previous years Exhibit 120A, which had listed all apportionment line numbers, and instead directs the reader to the more detailed line guidance in Appendix F1 (exhibit 120A).

Clarifies whether or not an adjustment authority indicator ("AdjAut") dictates if an automatic adjustment can be made (section 120.2, 120.19).

Adds to the "account-specific apportionments" definition that an approving apportionment official may also include another OMB official who has been delegated apportionment authority (section 120.2).

Emphasizes that if all or a portion of a TAFS is subject to apportionment, all budgetary resources, including the portion exempt from apportionment, must be shown in the Budgetary Resources section of the apportionment (section 120.10).

Removes the outdated reference to phone apportionments and instead states that other non-system methods should be consistent with 31 U.S.C. 1513 (section 120.16).

Clarifies when an attachment/additional tab is apportioned and subject to the Antideficiency Act (section 120.36).

Clarifies that if a final full-year appropriation bill is enacted before the end of a continuing resolution (CR), the amounts automatically apportioned under the CR cannot be adjusted downward (section 120.41).

Explains when to use line 6180 versus 6181 on the apportionment (section 120.53).

Updates all exhibits to show non-expenditure transfers on anticipated lines as opposed to actual non-expenditure transfer lines on the apportionment (various exhibits).

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 (E.O.) 6166, as amended by E.O. 12608). It typically limits the obligations you may incur for specified time periods, programs, activities, projects, objects, or any combination thereof. 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?

Account-specific apportionments are approved by an OMB Deputy Associate Director (or designee) or an OMB official that has been delegated apportionment authority and typically include specific amounts. They are in contrast to automatic apportionments, described below.

A Treasury Appropriation Fund Symbol (TAFS) has *adjustment authority* if OMB has approved an apportionment with a footnote in the Application of Budgetary Resources section (footnote indicator that starts with A) 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 account-specific apportionments, described above, which typically include specific amounts, and which are approved by an OMB Deputy Associate Director (or designee) or an OMB official that has been delegated apportionment authority.

Carryover amounts are unobligated balances that are available from the prior fiscal year(s) in multi-year and no-year accounts. See section 120.23 regarding the submission, for OMB approval, of requests for the apportionment of carryover amounts. Pursuant to sections 120.7 and 120.56, carryover amounts are automatically apportioned at zero until an account-specific 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);

- by program, project, or activity (Category B);
- by a combination of program, project, or activity and time period (Category AB); or
- 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 a type of account-specific apportionment that can be issued for operations under a continuing resolution (CR), in lieu of the OMB-issued automatic apportionment. This excludes account-specific written apportionments for an anomaly provided in the CR. OMB approves exception apportionment requests only in extraordinary circumstances. See section 123.9 for additional guidance.

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, section 120.67) under which the agencies will report their obligations 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 (section 120.48). 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 (section 20.3). The period of availability may be annual, multi-year, or no-year (section 20.4(c)). Annual TAFSs have funds that are available for obligation for no longer than one fiscal year. Multi-year TAFSs have funds that are available for a specified period of time in excess of one fiscal year. No-year TAFSs have funds that are available until expended. See section 20.4 for more details.

The Department of the Treasury's list of account symbols may be found here: http://fiscal.treasury.gov/fsreports/ref/fastbook/fastbook_home.htm.

120.3 Are apportionments made at the Treasury appropriation fund symbol (TAFS) level?

Yes, apportionments are only made at the TAFS level. See section 20.11 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 in its entirety exempt from apportionment. See section 120.6 for a TAFS that is partially 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:

    - have expired and therefore the expired TAFS cannot be reapportioned in the expired phase (in this case, the last apportionment during the unexpired phase applies);

    - have been fully obligated before the beginning of the fiscal year; or

    - are available only for transfer to other TAFSs (unless OMB determines otherwise), which can include TAFSs where the sole purpose of the TAFSs is to effectuate an expenditure transfer between fund types (e.g., between Federal funds and trust funds) (see below for additional information).

Because transfer-only TAFSs that require expenditure transfers (due to crossing Federal fund group to a trust fund) involve an obligation, you must request a letter from your OMB Deputy Associate Director for proper funds control documentation that the TAFS is exempt from apportionment because the funds are available only for transfer to other TAFSs.

- TAFSs of the following types, which the OMB Director may exempt from apportionment pursuant to 31 U.S.C. 1516:

    - Trust funds or working funds if an expenditure from the fund has no significant effect on the financial operations of the United States Government;

    - 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 120.63;
- 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.

In order to request that the OMB Director exempt a TAFS from apportionment pursuant to 31 U.S.C. 1516, you must send in a formal request with the justification. Your OMB Deputy Associate Director (DAD) or an OMB official that has been delegated apportionment authority will formally notify you in writing about your exemption request. Memoranda that the DAD or delegated official provides to the agency providing an exemption will also be posted within the apportionment system.

If your exemption request is pursuant to 31 U.S.C. 1516 and specifically for a trust fund or working funds with expenditures that do not have significant effect on the financial operations of the United States Government, your request needs to demonstrate that fact using historical information such as the magnitude of the gifts and donations funding compared to the overall size of the agency's budget, the pattern of obligations in that fund, etc.

To see a list of TAFSs 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—both exempt from apportionment and non-exempt—in the Budgetary Resources section and show the amounts subject to apportionment on apportioned lines, and the amounts not subject to apportionment on Line 6183, Exempt from apportionment in the Application of Budgetary Resources section.

120.7 Do I need to submit an apportionment every fiscal year for TAFSs that are multi-year/no-year?

Yes. Multi-year/no-year TAFSs with unexpired budgetary resources available for obligation MUST be apportioned every fiscal year, unless exempt under section 120.5. See also section 120.56.

120.8 Can I incur obligations without an apportionment?

No, an obligation cannot be incurred without an OMB approved apportionment (account-specific 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 agency legal channels. Importantly, OMB's approval of an apportionment request does not reflect OMB's concurrence with an agency's legal position.

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 must show all budgetary resources available to the TAFS (e.g., appropriations, reductions, non-expenditure transfers). 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 Appendix F1 for a complete list of line numbers and detail descriptions for each line.

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 Application 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) and 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 program, project, activities, 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 apportions budgetary resources by a combination of fiscal quarters and projects. You may use Lines 6111 through 6158 to apportion a maximum of 12 projects in this manner. The table below shows which lines are reserved for which quarters.

Lines\Quarters	
6111 – 6114 (Q1 thru Q4, respectively)	Project #1
6115 – 6118 (Q1 thru Q4, respectively)	Project #2
6119 – 6122 (Q1 thru Q4, respectively)	Project #3
6123 – 6126 (Q1 thru Q4, respectively)	Project #4
6127 – 6130 (Q1 thru Q4, respectively)	Project #5
6131 – 6134 (Q1 thru Q4, respectively)	Project #6
6135 – 6138 (Q1 thru Q4, respectively)	Project #7
6139 – 6142 (Q1 thru Q4, respectively)	Project #8
6143 – 6146 (Q1 thru Q4, respectively)	Project #9
6147 – 6150 (Q1 thru Q4, respectively)	Project #10
6151 – 6154 (Q1 thru Q4, respectively)	Project #11
6155 – 6158 (Q1 thru Q4, respectively)	Project #12

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 120.52 for additional information.

Apportionments may include a combination of categories.

In some cases (uncommon), resources in the Budgetary Resources section are not apportioned. In such cases, the non-apportioned budgetary resources are shown using one of four apportionment lines —

(1) 6180, Withheld pending rescission (rarely used),

(2) 6181, Deferred (rarely used),

(3) 6182, Unapportioned balance of a revolving fund, and

(4) 6183, 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).

Agencies must report obligations to Treasury (GTAS) 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 ten Category B projects and you incur obligations for each of these projects, your GTAS submission and SF 133 budget execution report must show obligations for each of these ten Category B projects and continue to report them in the expired phase.

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 (if required by your RMO examiner) 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).

Footnotes. Footnotes appear on one of three tabs: "Previously Approved Footnotes," "Agency Footnotes," and "OMB Footnotes." Footnotes on the OMB Action column in the Application of Budgetary Resources section (footnote indicator starts with A) 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 on 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 reports are not subject to the Antideficiency Act.

Additional tabs. 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. Agencies may also use additional tabs as attachments to the apportionment. Tabs in the Excel file are only subject to the Antideficiency Act if specifically referenced in a footnote in the OMB Action column of the Application of Budgetary Resources section of the apportionment (see section 120.36).

Attachments. Attachments may include Word, PDF, or Excel files with a wide range of information that pertains to the apportionment request, but that is not included in the Excel file containing the request. These attachments are subject to the Antideficiency Act only if they are specifically referenced in a footnote in the OMB Action column of the Application of Budgetary Resources section of the apportionment (see section 120.36).

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 e-mail or other non-system methods consistent with 31 U.S.C. 1513. Once the extenuating circumstances have passed (or sooner if possible), 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. The apportionment system allows you to pick from more than 125 different budgetary resource lines, but agencies will only want to 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 (e.g., post short-term continuing resolution, see section 120.62).

Appendix F1 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 (if no public law is available right after the enactment of the bill, the H.R. number is acceptable). 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?

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. Appendix F1 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 the Create Template function in the apportionment system 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 (section 120.67). Use "YES" or "NO", as appropriate, for the line split column.

- The AdjAut line indicates whether OMB has approved a footnote in the Application of Budgetary Resources section (footnote indicator that starts with A) on the apportionment that allows 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. To distinguish between estimated and actual balances, use line splits of "E" to show estimated balances or "A" to show actual balances. Use "DE" or "DA" to indicate estimated from actual discretionary balances, respectively, and use "ME" and "MA" to indicate estimated from actual mandatory balances (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, to distinguish between unobligated balances from reimbursable authority versus direct appropriations, or even to distinguish sequestration amounts on an apportionment.

You cannot use line number splits for the Application of Budgetary Resources section.

Previous Approved Column.

- 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 120.49 or unless your RMO determines any other adjustment authority granted to you by OMB in writing (section 120.50).

- When appropriations are enacted following one or more CRs, include the amounts from the last CR in this column (see section 120.60) unless otherwise required by your RMO.

- 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 Column.

- Include the amounts you are requesting in this column.

- 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 Column.

- 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.

- 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 Column.

- 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 (TAFSs 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" and you must show the mandatory portion of the balances by using a line split that starts with the letter "M". You will do this solely on Line 1000, 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 or Mandatory Unobligated balance, brought forward, Oct. 1, as appropriate. 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 and you would use "ME" or "MA" to indicate estimated from actual mandatory balances, respectively.

120.21 Can I use amounts that include decimal points or cents in an apportionment?

No. You must round all amounts up to a dollar in apportionment requests. In addition, you may not round amounts to thousands. When you round up, the delta between the actual cents and the amount apportioned is not available for obligation and your funds control system must reflect that. Additionally, you should footnote the apportionment to indicate that rounding has occurred and therefore rounded amounts on the apportionment will not match amounts reported on the SF 133 which are reported to the penny. Here is an example of such a footnote:

"Pursuant to the authority in OMB Circular A-11 section 120.21, one or more lines on the apportionment (including lines above line 1920) may have been rounded up and as such, those rounded lines will not match the actuals reported on the SF-133. Agency will ensure that its funds control system will only allot actuals."

120.22 Should I use a specific numeric format in the Excel file that holds my request?

Yes, you must use whole numbers (decimal points are not permitted) or blanks in numeric columns. Numeric columns include the Previous Approved Amount, Agency Request, OMB Action, and Memorandum Obligations columns. Numbers (including zero) must be formatted using the number format with thousands separator (a comma), and with a leading negative sign (-). You cannot use asterisk, special characters, or letters in numeric columns of any apportionment request. Further, you cannot format a number, zero or otherwise, to appear as an asterisk or other special character. There is a single exception: in the memorandum obligations column only, you may use a date format on the RptCat line.

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

After August 21, OMB requires an explanation for any delayed initial apportionment requests in accounts with budgetary resources not dependent on current action of the Congress.

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 no later than August 1 (or the following business day). Agencies can submit their requests starting August 8.

120.25 Can I combine TAFSs on a single apportionment?

No. From time to time, agencies ask whether they can combine (or "roll-up") the amounts from two or more TAFSs, and submit an apportionment for this single "combined" TAFSs (e.g., miscellaneous accounts). 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, unless your OMB representative determines otherwise. 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://community.max.gov/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 TAFSs (see Exhibit 120P for an example that uses line splits to distinguish between the parent and children on the apportionment). 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 TAFSs.

Note that only Category A apportioned amounts can use line splits to distinguish parent from the child (see Exhibit 120P); category B apportioned amounts cannot use a line split to make such distinctions. In this scenario, you could apportion two separate category B amounts as follows:

- Line 6011: PPA name XX (parent)

- Line 6012: PPA name XX (child)

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 or to the amount transferred to it from the parent.

If you have an apportionment that includes allocations, your RMO representative may require you to include a worksheet, named Allocations, to show the required information. 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 apportionment 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, e-mail the Excel file containing your request to your OMB representative. You will almost always be required to send OMB an electronic copy of the apportionment request. In some cases, the OMB representative 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 you are only creating one TAFS, the data entry screen is the best starting point. 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://apportionment.max.gov.

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://portal.max.gov/portal/main/displayRegistrationForm.

You can find your agency administrator here: https://portal.max.gov/home/sa/findAgencyAdminForm.

120.33 Are there situations when I would not use the apportionment system?

In limited circumstances, OMB may apportion using a letter apportionment. Additionally, 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 in addition to the OMB CR Bulletin. Consult your OMB representative for more information.

FOOTNOTES TO APPORTIONMENTS

120.34 What are apportionment footnotes (and footnote indicators)?

The request tab of an apportionment includes columns for previous 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 (in the Application of Budgetary Resources section), and informational footnotes for budgetary resources.

Footnotes for Apportioned Amounts (Application of Budgetary Resources section). Each footnote indicator 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), have legal effect, and are subject to the Antideficiency Act. For example, a footnote may allow for an upward adjustment of budgetary resources in excess of amounts prescribed in section 120.49 without the need for further action by OMB.

Footnotes for Budgetary Resources (Budgetary Resources section). Each footnote indicator in this section begins with the letter B. These footnotes are 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. Because these footnotes are not in the Application of Budgetary Resources section (e.g., apportioned), they have no legal effect.

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 in the application of budgetary resource section; 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 under the "Open Support \ Links" tab in navigation menu.

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. Footnote indicators associated with lines in the Budgetary Resources section start with the letter B. Footnote indicators associated with lines in the Application of Budgetary Resources section (apportioned amounts) start with the letter A (irrespective of whether apportioned amounts are Category A, B, AB, or C).

120.36 Will footnotes and additional tabs/attachments become part of the apportionment?

Yes, but they will only be subject to the Antideficiency Act if they are specifically referenced in a footnote in the OMB Action column of the Application of Budgetary Resources section of the apportionment.

However, if you want to be clear that the attachments to the apportionment that are not cited in the apportionment itself (e.g., apportioned OMB footnote) are not subject to the Antideficiency Act then you may choose to state as such. An example of a statement to use on the apportionment tab is as follows: "This attachment is not subject to 31 U.S.C. 1517."

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, except for those required after a short-term CR (see section 120.60). Many apportionments are approved without footnotes. Here are examples of cases when 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 apportionment 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 120.49, 120.50 (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 TAFSs only (not necessary for no-year TAFSs) if you believe that the current TAFS will be needed to liquidate obligations that were incurred against 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 e-mail with the approved Excel file attached. The e-mail will be from 'apportionment@omb.gov,' 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 e-mail or fax a 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. For instance, in rare circumstances where you need to obligate against a submitted reapportionment as soon as possible, you do not have to wait to receive the signed apportionment in the system before obligating if OMB has notified you that your reapportionment has already been approved.

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, carryover 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., TAFSs 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 full-year enacted apportionment request?

Yes. Under this section, newly enacted full-year appropriations, including supplemental appropriations for the current year, are automatically apportioned the pro-rata share (1/365th for each day, 1/366th for a leap-year) of the current year's enacted appropriation level.

Once a full-year appropriations Act is enacted, and if the Act was preceded by a short-term continuing resolution (CR), the automatic apportionment provided by the OMB CR Bulletin is no longer in effect; however, the amounts apportioned remain in effect even if the President enacts the full-year appropriation bill prior to the end of the short-term CR period.

For example, a CR ending November 15th would result in a pro-rata amount of 12.60% (46 days/365 days, non-leap year) apportioned. If the CR is extended through December 20th an additional 9.59% (35 days/365 days) would be apportioned, bringing the total percentage of the rate of operations apportioned to 22.19% since October 1st. If full-year appropriations are enacted on December 15th (before the end of the CR period), on December 15th you are automatically apportioned the 30 days' worth of the enacted full year appropriation (30 days/365 days = 8.2%) pursuant to the automatic authority provided by this section. Therefore, from October 1st through January 15th you have been apportioned a total of 30.39%, 22.19% of the rate for operations provided by the short-term CR from the OMB CR Bulletin plus 8.20% of the final appropriated amount pursuant to this section.

The automatic apportionment does not apply to any budgetary resource provided by authorizing legislation or by reauthorizations that affect appropriated resources, such as the Farm Bill or surface transportation reauthorizations. Additionally, pursuant to sections 120.7 and 120.56, automatic apportionment does not apply to carryover amounts, which are automatically apportioned at zero until an account-specific apportionment is approved for such amounts.

Pending OMB's approval of the first written account-specific apportionment request for full-year enacted appropriations for the current fiscal year, agencies are automatically apportioned 30-calendar days of funds calculated using the above rate. Note that the pro-rata share calculation does not include rescissions and other transactions used to calculate the pro-rata share pursuant to the OMB CR Bulletin. The 30-calendar days begin on the date of enactment of a full-year appropriation, except for after a lapse in appropriations (see below). If OMB has not approved a request on the 30th calendar day after enactment, agencies are automatically apportioned another 30 calendar days of funds using the above rate. This repeats until an account-specific apportionment is approved. Once a written account-specific apportionment is approved by OMB, the automatic apportionment ceases to remain in effect.

If an agency has not yet submitted its first written account-specific apportionment request to OMB within the first 30-day automatic apportionment period, the agency must provide an explanation of the delay to its OMB representative.

Under this automatic apportionment, funds are apportioned as "lump-sum" and all of the footnotes and conditions placed on prior year apportionments or last-approved apportionments remain in effect. This guidance applies strictly to all budgetary resources provided by annual full-year appropriations bills, including supplemental appropriations for the current year, and not other budgetary resources.

For accounts that have appropriations language with permissive carveouts ("up to" or "not more than" or "not to exceed") for a specific amount with a different period of availability (POA) than the main appropriation, the automatic apportionment applies to the main appropriation and not to the carveout amount. Under this scenario the agency must execute a non-expenditure transfer to move the carveout amount and then process an account-specific apportionment to obligate those specific transferred resources. See the end of the Budgetary Resources section of Appendix F for further guidance on how to prepare the apportionment in these scenarios.

After a lapse in appropriations, the automatic apportionment of full-year appropriations is in effect the day the lapse occurred, not the date the President enacts the full-year appropriation. This situation only applies when a full-year appropriation follows a lapse in appropriations.

If the full-year enacted appropriations are preceded by a short-term continuing resolution, see sections 120.60 and 120.62 for further guidance on how to reflect the previous approved column on your first written account-specific apportionment request.

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 program, project, or activity (Category B);
- amounts apportioned by fiscal quarters and programs, projects, or activities (Category AB); and
- guidance provided in OMB approved footnotes in the Application of Budgetary Resources section.

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)). See section145.

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 in the current fiscal year but not yet realized, and do I need to reapportion them once realized?

Even when anticipated budgetary resources have been apportioned in the current fiscal year, 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).

Apportioned anticipated budgetary resources, once realized, do not need to be reapportioned unless the amount realized exceeds the conditions on the total amount apportioned (see section 120.49). However, this only applies during the current fiscal year. For instance, if you had anticipated resources apportioned in the prior fiscal year for a reimbursable agreement but it was not realized, you will need to reapportion those anticipated resources in the next fiscal year.

120.47 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 obligated 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 in the Application of Budgetary Resources section.

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 funds-control system (see Appendix H).

CHANGES TO PREVIOUSLY APPROVED APPORTIONMENTS FOR THE CURRENT FISCAL YEAR

120.48 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 (e.g., 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 120.49 or 120.50 (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, e-mail or fax. 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 enactment of an appropriation, 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 120.49). 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 120.49, OMB must approve the apportionment request before you can obligate the additional funds.

120.49 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, including anticipated amounts, do not need to be reapportioned, unless specifically required by OMB or, at the agency's discretion, for funds control purposes. Apportioned anticipated budgetary resources, once realized in the current fiscal year of the apportionment, do not need to be reapportioned unless the amount realized exceeds the conditions on the total amount apportioned, as noted below.

Although an apportionment is not required to execute a non-expenditure transfer out of a TAFS, for funds control purposes a reapportionment should follow shortly after such a transfer is executed to reflect the non-expenditure transfer and reduce the budgetary resources of the giving account accordingly.

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 program, project, or activity (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. This guidance is not applicable when your resources are apportioned pursuant to an automatic apportionment. In those cases you record the automatic apportionment of those resources in the quarter in which they are realized.

In credit financing TAFSs, additional amounts for the payment of interest to Treasury are automatically apportioned (section 185.19) if the amounts needed exceed your estimate on the most recent approved apportionment.

You cannot make any adjustments under this section when OMB apportions funds for two or more categories on the same apportionment, such as Category A and Category B, or Category A and Category AB, or two or more Category Bs, etc. In these types of apportioned TAFSs, you must submit a reapportionment request to OMB or otherwise have prior OMB approval (e.g., through an OMB footnote in the Application of Budgetary Resources section that starts with the indicator of A) to adjust apportioned amounts upward.

120.50 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 in a footnote in the Application of Budgetary Resources section (footnote indicator starts with letter A) on the most recently approved apportionment or otherwise approved in writing by OMB. For example, OMB may include on an approved apportionment a footnote (with a corresponding 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.

120.51 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 actions taken earlier that year.

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 using a Category C. OMB cannot apportion annual funds into a future fiscal year.

The 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 TAFSs 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.

Note: 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 120.56.

120.53 When do I use lines 6180 (withheld pending rescission) or 6181 (deferred)?

Do not use these lines on your apportionment without first consulting with your OMB representative. These lines are used to reflect a proposed rescission or deferral under the authority of the Impoundment Control Act of 1974. If these lines are used on your apportionment, 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 the use of these lines and preparing rescission and deferral reports.

120.54 Can OMB reapportion a past period?

No. Apportionments are never subject to change after the period for which the apportionment was made (e.g., a prior fiscal year or a past quarter time period in the current fiscal year).

For apportionments with Category A amounts, once funds are apportioned, the apportionment cannot be retroactively changed to show a different apportioned amount if that quarter has passed. For instance, if your first quarter apportioned amount was overestimated but in a subsequent quarter the realized actuals were much lower than the estimated amount, you would do the following on the reapportionment:

- First quarter apportioned amount remains as previously apportioned;

- Current quarter (i.e., second, third or fourth) reflect a negative amount so as to net to the correct total amount that needs to be reapportioned.

See Exhibit 120K for an example.

Here are examples of where OMB is not reapportioning a past period: apportionments that simply reflect a past automatic apportionment on a subsequent account-specific apportionment, such as the initial account-specific apportionment following a continuing resolution (because the apportionment was in fact in effect during the past quarter time period); or where budget authority has been expressly appropriated to cover prior obligations.

See section 120.41 for additional guidance about the automatic apportionment of budgetary resources when a full-year appropriations Act follows a lapse in appropriations.

120.55 Do unobligated resources apportioned in earlier time periods of the same fiscal year remain available?

Yes. When budgetary resources are apportioned for time periods of less than a fiscal year (e.g., 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. However, this rule does not apply to unobligated balances apportioned during a short-term continuing resolution that is followed immediately by a lapse in appropriations (see section 123.16).

120.56 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 TAFSs in FY 2018 and you obligated no funds, you must still submit an FY 2019 request and receive OMB approval of that request before incurring obligations in FY 2019. Until you receive an account-specific 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.

120.57 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.

120.58 How does the last approved apportionment govern the actions a TAFS takes when the TAFS enters the expired phase?

Every annual and multi-year TAFSs, as well as some no-year TAFSs, has a finite period of time to incur an obligation; this is called the unexpired phase. OMB only apportions TAFSs 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, including apportioned footnotes in the OMB Action column of the Application of Budgetary Resources section.

In some instances, there may be a subset of resources in a no-year TAFS that are no longer available for new obligations. This does not impact the phase (e.g.., expired or unexpired) of the entire TAFS.

APPORTIONMENTS AFFECTED BY THE CONTINUING RESOLUTION (CR)

120.59 During a CR, what happens to TAFSs that were apportioned before the start of a fiscal year (e.g., no-year TAFSs)?

When budgetary resources (e.g., unobligated balances, spending authority from offsetting collections, anticipated transfers) 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 120.48 through 120.50 (e.g., actual reimbursements differ significantly from estimates).

The automatic apportionment approved by OMB after enactment of a short-term CR (OMB CR Bulletin) covers only the budgetary resources provided by the short-term CR. Some TAFSs may receive funds provided by the CR in addition to budgetary resources provided by other acts. These TAFSs 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).

If you chose to reapportion the TAFS during the CR period and you and the RMO agree not to reflect the amounts from the CR in the reapportionment, then you must include a footnote in the reapportionment to indicate that the account is also receiving apportioned resources from the CR. See section 123.10 for the footnote language.

120.60 After a CR has been replaced by a full-year enacted appropriation, what do I show in the Previous Approved column?

Unless otherwise requested by your RMO, 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 (in accordance with the most recent OMB CR Bulletin on the "Apportionment of the Continuing Resolution(s) for Fiscal Year 20XX") plus the amounts automatically apportioned pursuant to section 120.41. For example, amounts on line 1100, discretionary appropriations, should show the short-term CR's calculated rate for operations. Additionally, a footnote on line 1134 Appropriations precluded from obligation (or line 1135 for a special or trust fund TAFS), should state the following: "Amount on line 1134 (or line 1135) has been adjusted pursuant to OMB CR Bulletin XX-XX and Circular A-11 section 120.41." (see exhibit 120G). For instance, if budgetary resources such as unobligated balances were apportioned by OMB and the TAFS also received automatically apportioned CR funds via the OMB CR Bulletin(s) and section 120.41, you must show both types of budgetary resources on your apportionment request.

If you were apportioned under the CR with a POA that was changed in the full-year enacted appropriations, see section 120.62 for further apportionment guidance.

120.61 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. See section 120.54 and Exhibit 120G. See Exhibit 120H if you received OMB concurrence during the short-term CR period to record your lump-sum automatic apportionment as Category A.

120.62 What do I do if the full-year enacted appropriation changes the period of availability of funds apportioned under a short-term CR?

If the POA of funds under a short-term CR was changed by the full-year enacted appropriations, you must submit two account-specific apportionments. Under the short-term CR, you were apportioned for that specific POA and all obligations were valid, however, the CR states that expenditures made pursuant to the CR shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

In the situation where the entire POA of the TAFS changed in the final bill, you must prepare the following apportionments. In this scenario the CR POA was annual and the final enacted appropriation POA was multi-year.

- For the POA that was under the CR, you will reflect "0" on lines 1100 discretionary appropriation and 1134 appropriation excluded from obligation (or 1135 for special and trust funds) and place the following "A" footnote on line 6190 total budgetary resources available in the previously approved column only:
    - "Under the FY 2020 short-term continuing resolution (CR) (P.L. XXX-XXX, as amended) this account was appropriated as an annual TAFS (put TAFS number here) and was apportioned by OMB Bulletin 19-XX. The full-year FY 2020 appropriation (P.L. XXX-XXX) enacted the funding within a multi-year TAFS (put TAFS number here) and was automatically apportioned via OMB Circular A-11 section 120.41. Pursuant to section XXX (check CR for actual section number, e.g., 105) of the FY 2020 CR, any obligations/outlays made with the previous annual appropriation shall now be redistributed (or recasted) to the new multi-year TAFS (put TAFS number here)."
- For the POA that is enacted in the full-year bill, you will reflect the CR (lines 1100 discretionary appropriations and 1134 appropriation excluded from obligation or 1135 for special or trust funds) in the previous approved column (see section 120.60 for "B" footnote on line 1134 or 1135) and place the following "A" footnote on line 6190 total budgetary resources available:
    - "Under the FY 2020 short-term continuing resolution (CR) (P.L. XXX-XXX, as amended) this account was appropriated as an annual TAFS (put TAFS number here) and was apportioned by OMB Bulletin 19-XX. The full-year 2020 appropriation (P.L. XXX-XXX) enacted the funding within this multi-year TAFS (put TAFS number here) and was automatically apportioned via OMB Circular A-11 section 120.41. Pursuant to section XXX (check CR for actual section number, e.g., 105) of the FY 2020 CR, any obligations/outlays made with the previous annual appropriation shall now be redistributed (or recasted) to this new multi-year TAFS (put TAFS number here)."

There may be cases where the POA is only changed partially by the full-year enacted appropriations bill. If this occurs, please contact your OMB representative for guidance.

WHAT OTHER IMPORTANT THINGS DO I NEED TO KNOW ABOUT APPORTIONMENTS?

120.63 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.); and
- An agency's other authority (pursuant to statutory authority) in whatever form it may take.

120.64 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 GTAS system, but in addition, you must report a GTAS 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.

120.65 How do I treat extensions of the availability of unobligated balances in an apportionment?

Reappropriations (see section 20.4(h)) are recorded on lines 1105 Discretionary Reappropriation or 1204 Mandatory Reappropriation. For example, an apportionment for FY 2019 should reflect an estimate of the amount to be reappropriated from the estimated expiring FY 2018 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 lines 1134 Discretionary appropriations precluded from obligation (use for only general fund TAFS; use line 1135 for special or trust fund TAFS) or 1235 Mandatory appropriations precluded from obligation, until an appropriate time after the required reprogramming notice has been transmitted to the Congress.

Balance transfer amounts from expired to unexpired funds, are reflected on line 1012 Unobligated balance transfers between expired and unexpired accounts.

HANDLING DEFICIENCIES IN APPORTIONMENTS

120.66 When and how do I submit apportionments 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 the 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.

A deficiency apportionment cannot be requested to provide obligational authority in the event of a lapse of appropriations. The obligational authority for such a circumstance is provided by 31 U.S.C. 1342, and will be apportioned by OMB in form of a Bulletin.

PROGRAM REPORTING CATEGORIES

120.67 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.

120.68 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.

120.69 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.

Because the level of reporting is lower level than the apportionment categories, program reporting categories should be identified in advance of the beginning of a fiscal year if at all possible, 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. 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.

120.70 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 apportionment system is: https://apportionment.max.gov.

120.71 Why does OMB send the names of program reporting categories and Category B projects to Treasury for use in GTAS?

OMB sends program reporting categories from approved apportionments to the Treasury Department's Bureau of the Fiscal Service, which operates the GTAS system that agencies use to report their SF 133 budget execution information. When reporting their obligations, GTAS 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 Fiscal Service the list of Category B projects for use in GTAS reporting.

OMB sends this information to Fiscal Service so OMB can use automated tools to align program reporting categories and Category B projects on the apportionments to the budget execution reports.

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	5,450,000
80		X	1309	6012	7	Development -- Water	4,000,000
80		X	1309	6012	8	Development -- All Other	N/A
						Development, Sub-total	9,450,000

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 GTAS 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 120D'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

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**		

Identify in the header the law(s) providing the budget authority.

If you leave "Previous Approved" column blank on initial apportionments but were under automatic apportionment(s), then state so in an "A" footnoe on line 6190.

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 rescission 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 Appendix F1.

2) Per section 120.41, newly enacted appropriations are automatically apportioned for a temporary period. If you choose to leave the previous approved column blank and were under an automatic apportionment(s), then state so in an "A" footnote on line 6190 in in that column.

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	DE	Unob Bal: Brought forward, Oct 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 unpd and pd obl			150,000		150,000		
1100		BA: Disc: Appropriation			25,000,000		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		CY+1			4,000,000	A2	4,000,000	A2	
6190		**Total budgetary resources available**	**0**		**26,730,000**		**26,730,000**		

If you leave "Previous Approved" column blank on initial apportionments but were under automatic apportionment(s), then state so in an "A" footnoe on line 6190.

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 prior year unpaid and paid 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 Appendix F1.

2) Per section 120.41, newly enacted appropriations are automatically apportioned for a temporary period. If you choose to leave the previous approved column blank and were under an automatic apportionment(s), then state so in an "A" footnote on line 6190 in in that column.

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	YES	Adjustment Authority provided							
1000	DE DA	Unob Bal: Brought forward, Oct 1 [line split = DE for estimated balances of discretionary] [line split = DA for actual balance of discretionary]	1,298,000		1,610,000		1,610,000		
1041		Unob Bal: Antic recov of prior year unpd/pd obl	150,000		150,000		150,000		
1100		BA: Disc: Appropriation	25,000,000		25,000,000		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		
6012		Development of Products	9,568,000		9,600,000		9,600,000		1,348,250
6170		CY +1			4,000,000		4,000,000		
6190		**Total budgetary resources available**	**26,848,000**		**26,960,000**	**A1**	**26,960,000**	**A1**	

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 Appendix F1.

2) Unless OMB determines otherwise, when amounts are automatically apportioned (see section 120.50), 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

FY 20xx Apportionment
Funds provided by Public Law XXX-XXX

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.

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnot	Agency Request	Agency Foot	OMB Action	OMB Footno	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 for 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 for 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 (for special or trust fund TAFS, you must use line 1135). (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.

You can either show the lump-sum amount in Cat B (as shown on line 6011) OR if you typically apportion Cat A, the entire lump-sum amount in the first quarter (line 6001). If the short-term CR gets extended and enacted in a subsequent quarter, you would reflect the additive amount as lump-sum in the quarter current at that time.

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 Appendix F1.

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 123.3, 120.59). 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							11/30/2018
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1000	DE	Unob Bal: Brought forward, Oct 1	50,689,324						
	DA	[line split = DE for estimate of discretionary balances]			60,000,000		60,000,000		
		[line split = DA for actual discretionary balances]							
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**		

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.

Change the line split from DE to DA 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.

Show the actual amount or the annual rate for operations provided by 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 (for special or trust fund TAFS you must use line 1135). (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 Appendix F1.

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 123.3, 120.59). 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. If you need to submit a reapportionment post October 1 and you do not reflect the amounts automatically apportioned by the OMB bulletin, then you must footnote the apportionment accordingly (see section 123.18).

Apportionment Following a Continuing Resolution (No-Year TAFS)

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.

NOTE:
This exhibit reflects the cumulative amounts from both the intital apportionment (budgetary resources not determined by the current action of the Congress, section 120.23) and the automatic apportionment of the short-term CR from both the automatic apportionment bulletin plus post-CR, A-11 section 120.41.

In the previous approved column, line 1100 is to reflect the rate for operations from the short-term CR, not the enacted full-year appropriation.

Requirement for line 1134 (or line 1135 for special or trust fund TAFS)--see footnote language below.

Additionally, for special and/or trust funds see note 4 below.

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	DE DA	Unob Bal: Brought forward, Oct 1 [line split = DE for estimates of discretionary bala [line split = DA for actual discretionary balances]	60,000,000		46,000,000		46,000,000		
1100		BA: Disc: Appropriation	24,000,000		25,000,000		25,000,000		
1134		BA: Disc: Appropriations precluded from obligation	-22,030,000	B1	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**		**72,180,260**		**72,180,260**		
6001		1st quarter	22,320,447		22,320,447		22,320,447		
6002		2nd quarter	13,009,771		6,009,771		6,009,771		
6003		3rd quarter	13,009,771		6,009,771		6,009,771		
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**		**72,180,260**		**72,180,260**		

Scenario 1 (Category B lump-sum):
If you choose to lump-sum Cat B amounts automatically apportioned pursuant to the OMB Bulletin and A-11 section 120.41, it will all show on line 6011.

Scenario 2 (Category A lump-sum):
If you choose to record amounts automatically apportioned pursuant to the OMB Bulletin as Cat A (after consulting with your RMO during the short-term CR period as stated in the Bulletin), you show the amounts from the Bulletin all in 1st quarter, line 6001.

Scenario 3
If the short-term CR gets extended, the lump-sum from the Bulletin will be shown as follows:
Cat B: additive to line 6011
Cat A: in the quarter current at the time of the enactment of the CR extension(s) (e.g., if extended in the second quarter, automatically apportioned amounts are shown in the second quarter, line 6002). See section 120.55

Post short-term CR: adjust line 1134 in the previous approved column to reflect the automatically apportioned amounts from both the OMB Bulletin and A-11 section 120.41 and reflect it in the manner described in scenario 3.

Footnote B1: Amount on line 1134 has been adjusted pursuant to OMB Bulletin XX-XX and A-11 section 120.41.

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Appendix F1.
2) Consult your RMO is you received an account-specific written apportionment during the short-term CR for B1 footnote language.
3) See section 120.60.
4) Beginning in FY 2019, for special and/or trust funds you reflect the amounts precluded from obligation on line 1135 (not line 1134 as shown above in a general fund TAFS).

Apportionment Following a Continuing Resolution (Annual TAFS, Category A)

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 /2019**							
IterNo	2	Last Approved Apportionment: 9/10/CY							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1100		BA: Disc: Appropriation	24,000,000		25,000,000		25,000,000		
1134		BA: Disc: Appropriations precluded from obligation	-10,504,200	B1			0		
1920		**Total budgetary resources avail (disc. and mand.)**	**13,495,800**		**25,000,000**		**25,000,000**		
6001		1st quarter	7,036,800		7,036,800		7,036,800		
6002		2nd quarter	4,404,000		4,404,000		4,404,000		
6003		3rd quarter	2,055,000		7,806,700		7,806,700		
6004		4th quarter			5,752,500		5,752,500		
6190		**Total budgetary resources available**	**13,495,800**		**25,000,000**		**25,000,000**		

Footnote B1: Amount on line 1134 has been adjusted pursuant to OMB Bulletin XX-XX and A-11 section 120.41.

NOTE:
This exhibit reflects the the automatic apportionment of the short-term CR from both the automatic apportionment bulletin plus post-CR, A-11 section 120.41.

See note 4 below for special and/or trust fund TAFS.

In the previous approved column, line 1100 is to reflect the rate for operations from the short-term CR, not the enacted full-year appropriation.

In Agency Request/OMB action columns line 1100 reflects the full-year enacted approriation

Requirement for line 1134 (or line 1135 for special or trust funds)--see footnote language below.

Also see note 4 below for special and/or trust fund

Note: since full-year bill enacted in third quarter, you must keep amounts apportioned in first and second quarters the same (see section 120.55).

Scenario Category A lump-sum in 1st quarter:
If you choose to record amounts automatically apportioned pursuant to the OMB Bulletin as Cat A (after consulting with your RMO during the short-term CR period as stated in the Bulletin), you show the amounts from the Bulletin all in 1st quarter, line 6001. E.g., CR runs through January 15th (29.32% of the rate for operations is automatically apportioned).

Scenario: CR gets extended in the 2nd quarter
If the short-term CR gets extended, the lump-sum from the Bulletin will be shown as follows: E.g., CR is extended on January 7th (2nd quarter) and runs through March 23rd (additional 18.35% of the rate for operations is automatically apportioned in the 2nd quarter as a lump-sum).

Scenario: full-year bill is enacted in the 3rd quarter, application of A-11 section 120.41:
Post short-term CR: adjust line 1134 in the previous approved column to reflect the automatically apportioned amounts from both the OMB Bulletin and A-11 section 120.41 and reflect it in the manner described in scenario above. E.g., full-year bill is enacted on March 21st (third quarter) so put the amount apportioned from A-11 section 120.41 in the third quarter (lump-sum).

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Appendix F1.
2) Consult your RMO is you received an account-specific written apportionment during the short-term CR for B1 footnote language.
3) See section 120.60.
4) Beginning in FY 2019, for special and/or trust funds you reflect the amounts precluded from obligation on line 1135 (not line 1134 as shown above in a general fund TAFS).

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	DE	Unob Bal: Brought forward, Oct 1	83,584,884						
	DA	[line split = DE for estimate of discretionary balances] [line split = DA for actual discretionary balances]			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 DE to DA whenever you reapportion after the final determination of unobligated balance.

Note: For Cat A you fill in the memo obligations in the quarter in which the obligations were incurred

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 Appendix F1.

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							
1201		BA: Mand: Appropriation (special or trust Fund)	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 Appendix F1.

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	DE	Unob Bal: Brought forward, Oct 1	1,180,000						
	DA	Unob Bal: Brought forward, Oct 1 [line split = DE for estimate of discretionary balances] [line split = DA for actual discretionary balances]			410,000		410,000		
1021		Unob Bal: Recov of prior year unpd obl	150,000		150,000		150,000		
1700		BA: Disc: Spending auth: Collected			86,000		86,000		
1701		BA: Disc: Spending auth: Chng uncoll pymts 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 Appendix F1.
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 (no programmatic need in first year).

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	DA	Unob Bal: Brought forward, Oct 1 [line split = DE for estimate of discretionary balances] [line split = DA for actual discretionary balances]			52,000		52,000		
1041		Anticipated recoveries of prior year unpaid and paid obligations			5,000		5,000		
1920		**Total budgetary resources avail (disc. and mand.)**	**0**		**57,000**		**57,000**		
6001		1st quarter			13,000		13,000		
6002		2nd quarter			13,000		13,000		
6003		3rd quarter			13,000		13,000		
6004		4th quarter			18,000		18,000		
6190		**Total budgetary resources available**	**0**		**57,000**		**57,000**		

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 Appendix F1.
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 Appendix F1.

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 Appendix F1.

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		
1151	C1	BA: Disc: Anticipated nonexpenditure transfers of Approps to 19-80X1309			-1,000,000		-1,000,000		
1151	C2	BA: Disc: Anticipated nonexpenditure transfers of Approps to 20-80X1309			-2,000,000		-2,000,000		
1151	C1	BA: Disc: Anticipated nonexpenditure transfers of Approps from 80X1309			1,000,000		1,000,000		
1151	C2	BA: Disc: Anticipated nonexpenditure transfers of Approps from 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
https://tfm.fiscal.treasury.gov/v1/supplements/ussgl.ht

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Appendix F1.

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							
1000	P	Unob Bal: Brought forward, Oct 1 (parent, 80X1309)			750,000		750,000		
1000	C1	Unob Bal: Brought forward, Oct 1 (child, 19-80X1309)			500,000		500,000		
1100		BA: Disc: Appropriation			10,000,000		10,000,000		
1151	C1	BA: Disc: Anticipated nonexpenditure transfers of Approps to 19-80X1309			-1,000,000		-1,000,000		
1151	C2	BA: Disc: Anticipated nonexpenditure transfers of Approps to 12-80X1309			-2,000,000		-2,000,000		
1151	P	BA: Disc: Anticipated nonexpenditure transfers of Approps from 80X1309			1,000,000		1,000,000		
1151	P	BA: Disc: Anticipated nonexpenditure transfers of Approps from 80X1309			2,000,000		2,000,000		
1920		**Total budgetary resources avail (disc. and mand.)**			**11,250,000**		**11,250,000**		
6001	P	Parent - 1st quarter			3,750,000		3,750,000		
6001	C1	State FA (19-80X1309) - 1st quarter			1,000,000		1,000,000		
6001	C2	Agric. (12-80X1309) - 1st quarter			500,000		500,000		
6002	P	Parent - 2nd quarter			4,000,000		4,000,000		
6002	C1	State FA (19-80X1309) - 2nd quarter			500,000		500,000		
6002	C2	Agric. (12-80X1309) - 2nd quarter			1,500,000		1,500,000		
6190		**Total budgetary resources available**			**11,250,000**		**11,250,000**		

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 https://tfm.fiscal.treasury.gov/v1/supplements/ussgl.html

In the application of budgetary resources section of the apportionment line splits only apply to Category A lines, not Category B (see section 120.29).

Please note that in this scenario the parent apportions both the parent and the children (19-80X1309, 12-80X1309) and separately identifies the children in the application of budgetary resources section.

An apportionment for a parent/child does NOT have to separately identify the children in the application of budgetary resources section of the apportionment (e.g., PPA could be apportioned).

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Appendix F1.

2) In 2015 added line split of "P" for parent and "CX" for each separate child allocation.

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

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							
1000		Unob Bal: Brought forward, Oct 1			500,000		500,000		
1151		BA: Disc: Anticipated nonexpenditure transfers of Approps from 80X1309			12,000,000	B1	12,000,000	B1	
1920		**Total budgetary resources avail (disc. and mand.)**			**12,500,000**		**12,500,000**		
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			4,500,000	A1	4,500,000	A1	
6190		**Total budgetary resources available**			**12,500,000**		**12,500,000**		

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
https://tfm.fiscal.treasury.gov/v1/supplements/ussgl.html

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 Appendix F1.

Allocation Transfer Apportionment Format, 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							
1000		Unob Bal: Brought forward, Oct 1			750,000		750,000		
1100		BA: Disc: Appropriation			10,000,000		10,000,000		
1151		BA: Disc: Anticipated nonexpenditure transfers of Approps to other accounts			-3,000,000		-3,000,000		
1920		**Total budgetary resources avail (disc. and mand.)**			**7,750,000**		**7,750,000**		
6001		1st quarter			3,750,000		3,750,000		
6002		2nd quarter			4,000,000		4,000,000		
6190		**Total budgetary resources available**			**7,750,000**		**7,750,000**		

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 https://tfm.fiscal.treasury.gov/v1/supplements/ussgl.html

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Appendix F1.

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

Sequester Apportionment

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: Research and Development (003-00-0001)							
		Treas Account: Research and Development							
		TAFS: 99-0001 /X							
IterNo	2	Last Approved Apportionment: 20xx-09-10							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
		Budgetary resources							
1000	DE	Discretionary Actual - Unob Bal: Brought forward, Oct 1	3,000,000						
1000	DA	Discretionary Estimated - Unob Bal: Brought forward, Oct 1			3,100,000		3,100,000		
1000	ME	Mandatory Actual - Unob Bal: Brought forward, Oct 1	2,400,000						
1000	MA	Mandatory Estimated - Unob Bal: Brought forward, Oct 1			2,500,000		2,500,000		
1700		BA: Disc: Spending auth: Collected			700,000		700,000		
1740		BA: Disc: Spending auth:Antic colls, reimbs, other	2,700,000		2,000,000		2,000,000		
1800		BA: Mand: Spending auth: Collected			500,000		500,000		
1802	SEQ	BA: Mand: Spending auth: Previously unavailable	140,000	B1	140,000	B1	140,000	B1	
1823	SEQ	BA: Mand: Spending auth: New\Unob bal temp reduced	-210,000		-210,000		-210,000		
1840		BA: Mand: Spending auth:Antic colls, reimbs, other	3,000,000		2,500,000		2,500,000		
1920		**Total budgetary resources avail (disc. and mand.)**	**11,030,000**		**11,230,000**		**11,230,000**		
		Application of Budgetary Resources							
6011		Development	6,066,500		6,176,500		6,176,500		
6011		Research	4,963,500		5,053,500		5,053,500		
6190		**Total budgetary resources available**	**11,030,000**		**11,230,000**		**11,230,000**		

Amounts sequestered in the previous year that have been determined to be available in the current year ("pop-up")

Amounts sequestered in the current year

Exhibit Notes:

1) This exhibit only reflects lines that contain values. For a full listing of all lines, please see Appendix F1.

SECTION 123—APPORTIONMENTS UNDER CONTINUING RESOLUTIONS

Table of Contents

Summary of Changes

Incorporates routine guidance from the OMB CR Bulletin (throughout section).

Provides guidance and an example for how to calculate the rate for operations of a TAFS during a CR (section 123.2).

Provides guidance and an example for how to calculate a TAFS' amount automatically apportioned by the CR Bulletin (section 123.3).

Explains CR anomalies and how they impact funding during a CR (section 123.5).

Discusses recurring rescissions and how they impact the rate for operations of a TAFS during a CR (section 123.7).

Explains when CHIMPs impact the rate for operations of a TAFS during a CR (section 123.8).

Clarifies how mandated and permissive transfer authorities are applied to TAFS during a CR (section 123.9).

Adds a new section on how appropriated entitlements and mandatory payments are apportioned during a CR (section 123.11).

Deletes Exhibit 123 and incorporates the example previously included in the Exhibit into credit program guidance (section 123.18).

123.1 What is a continuing resolution (CR)?

Continuing resolutions (CRs) are joint resolutions that provide continuing appropriations for part of a fiscal year or for a full fiscal year. A CR that covers only a part of a fiscal year is referred to as a "short-term" CR, and a CR that covers a full fiscal year is referred to as a "full-year" CR. A CR is often enacted when the Congress has not yet passed new appropriations bills by October 1 or when the President has vetoed congressionally passed appropriations bills. Because of the nature of a short-term CR, you should operate at a minimal level until after your regular fiscal year appropriations is enacted.

CRs provide funds for projects and activities. The phrase *projects and activities* may have two meanings:

- The phrase in section 101 of the CR usually refers to the total appropriation for the account (i.e., 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).

- The phrase *also* refers to the specific activity (e.g., programs, projects, or activities) in order to determine whether the activity is a prohibited new start or not. In other words, when determining whether an activity was authorized to be carried out but was not executed or was carried out in the preceding year.

Usually, CRs do not provide specific dollar amounts in the legislative language for each Treasury Appropriation Fund Symbol (TAFS). Rather, they provide formulas for calculating the amounts appropriated for continuing projects and activities during the period of the CR. For more information on calculating these amounts, see section 123.2.

For short-term CRs, the annual OMB CR Bulletin ("Bulletin") automatically apportions a pro-rata share of funding available for most TAFSs. For more information on how the Bulletin apportions funding and how much is apportioned, see sections 123.3 and 123.4. There are some instances where TAFS will not receive an automatic apportionment pursuant to the Bulletin and an account-specific apportionment is required during the short-term CR. Some of those instances are mentioned throughout this section and will be specifically addressed in the Bulletin.

The Bulletin is generally released after the enactment of an initial short-term CR and will contain any specific information regarding the execution of that year's CR. This section of the Circular provides general conceptual information on the apportionment and execution of short-term CRs. The Bulletin should be regarded as the official apportionment of CR funds and will refer to this section and section 120 of this Circular as necessary.

Amounts appropriated in a full-year CR are apportioned using the same processes that are used for full-year appropriations Acts. OMB does not typically issue a Bulletin for full-year CRs. Occasionally, short-term CRs will include provisions that provide a full-year appropriation for a specific TAFS. Such full-year appropriations are not automatically apportioned by the Bulletin and are not subject to the calculations discussed below.

123.2 How do I determine the rate for operations under a short-term CR?

Short-term CRs routinely provide a formula for determining the rate for operations either in section 101 or in subsequent sections of the bill that may provide a particular rate for a program or account (anomaly). For over a decade, section 101 of short-term CRs has provided the same process for calculating the rate for operations formula and lists the previous fiscal year's appropriations Acts that are continued under the CR. In addition, section 101 sometimes includes an across-the-board (ATB) increase or reduction to the rate for operations. This section of the Circular provides guidance that assumes that future short-term CRs will continue with this structure; however, the annual Bulletin will specify the official formula based on each CR's legislative text.

"Rate for operations" is defined as the annualized level of resources that are available only through the period of time covered by a short-term CR. The terms *rate for operations* and *annualized level* are often used interchangeably. For consistency purposes, this section of the Circular uses "rate for operations."

The rate for operations must be calculated at the TAFS level. The rate for operations is provided to the TAFS with the period of availability in the appropriations Acts referenced in section 101, but updated to start in the fiscal year for which the CR applies. For example, annual funds appropriated in the FY 2020 appropriations Act for TAFS 012-3456/2020 result in a rate for operations in an annual TAFS for FY 2021 in a FY 2021 CR (i.e., 012-3456/2021). Follow the steps below to calculate the rate for operations for each applicable TAFS under section 101 of the CR:

a) Take the full-year amount enacted in the appropriations Acts specified in section 101, including obligation limitations.

b) Subtract any recurring account-specific rescissions, followed by agency-specific and then bill-wide reductions, if any, enacted in the appropriations Acts specified in section 101.

c) Add or subtract non-expenditure transfers mandated by the appropriations Acts referenced in section 101. See section 123.9 for the definition of mandated transfers.

d) Add or subtract any ATB increase or reduction specified in section 101 (if any).

For example, TAFS 012-3456/2020 was appropriated $100 million in the FY 2020 appropriations Act referenced in section 101 of the 2021 CR. The appropriations Act referenced in section 101 also included a recurring rescission of $50 million and directed that $30 million shall be transferred to TAFS 012-

1234/2020. Assuming section 101 does not include an ATB increase or reduction, here's how the 2021 CR rate for operations for TAFS 012-3456/2021 would be calculated following the steps above.

a) $100 million (FY 2020 amount provided in Act referenced in section 101 of the CR)

b) Subtract $50 million (recurring rescission) = $50 million

c) Subtract $30 million (mandated transfer to other TAFS) = $20 million

Using this example, the rate for operations would be $20 million, which would be reflected on line 1100 of the apportionment and/or any Treasury reporting (SF 133, etc.) for TAFS 012-3456/2021. For Treasury reporting and apportionment purposes, the rate for operations as provided by section 101 is reflected as a single number on line 1100, and any rescissions, mandated transfers, or ATB increases or decreases that are factored into the rate for operations as specified above are not identified on lines separate from 1100.

See section 123.5 for the rate for operations for enacted CR anomalies.

See section 123.7 for more information on recurring account-specific rescissions.

123.3 How do I determine the amount automatically apportioned during a short-term CR by the Bulletin?

For a short-term CR, OMB usually issues a Bulletin to automatically apportion funds. This automatic apportionment applies to most TAFS, but not all. For particular TAFS, OMB may require a separate account-specific apportionment.

Note that you may not obligate funds under a short-term 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.

The last Bulletin that provided detailed guidance on how to execute the FY 2020 short-term CR can be found here:

OMB Bulletin No. 19-04 (FY 2020 CR)

Typically the Bulletin will not automatically apportion the full rate for operations for a TAFS. For instance, the Bulletin usually apportions the "pro-rata share" of the rate for operations through the period of the CR or any extension thereof. The pro-rata share is usually calculated by multiplying the rate for operations by the percentage of the year covered by the CR.

Using the example in section 123.2, the pro-rata share automatically apportioned to TAFS 012-3456/2021 for a CR ending December 15 would be calculated as follows:

$20 million (rate for operations) x 20.82 percent (76 days/365 days (use 366 for a leap year))
= $4.164 million

If a full-year appropriations Act (including a full-year CR) is enacted before the CR period is over (e.g., December 10), the amounts automatically apportioned by the Bulletin are unaffected (see section 120.41).

It may be determined that a TAFS should be apportioned less than the amount automatically apportioned by the Bulletin to ensure that an agency does not impinge upon the final funding prerogatives of the Congress. In these cases, an account-specific apportionment (section 120.2) approved by OMB is required.

123.4 How does the Bulletin automatically apportion funding during a short-term CR?

The Bulletin automatically apportions the pro-rata share as a lump-sum amount on a Category B line. To get the lump-sum amount apportioned automatically to a Category A line, you need to receive concurrence from your RMO. If your RMO concurs, the pro-rata share automatically apportioned would only be reflected in the quarter in which the CR is enacted and/or extended and would not spread over quarters. If you would prefer to spread the automatically apportioned amount among more than one Category B line, you must request an account-specific apportionment from your RMO as soon as possible.

123.5 How can anomalies impact funding for a TAFS during a short-term CR?

Because the CR usually provides the funding levels and authorities enacted in the previous fiscal year, there may be cases where a program requires additional funding or different authorities to maintain operations during the CR. In these cases, a short-term CR may include a separate legislative provision addressing funding or authorities for a specific TAFS, an "anomaly". CR anomalies can impact a program in a number of different ways including, but not limited to, changing the rate for operations to provide additional funding, allowing more than the pro-rata share to be apportioned during the period of the CR ("spend-faster" anomalies), adding an authority not carried forward in section 101 of the CR, or removing or modifying an authority carried forward in section 101 of the CR. This section will focus on anomalies that change the rate for operations and spend-faster anomalies.

a) *Anomalies that change the rate for operations*. This type of an anomaly may be required if the rate for operations provided by section 101 for a TAFS is not sustainable for the period of the CR. In order to increase the rate for operations of the TAFS above what is provided by section 101, additional authority is required. Using the example in section 123.2, an anomaly that would provide a higher than $20 million rate for operations is below.

Sec. XXX. Notwithstanding section 101, amounts are provided for "Account 1234" at a rate for operations of $150,000,000.

The example language replaces the $100 million that is provided by section 101 of the CR with $150 million. Based on the anomaly language, the new rate for operations would be calculated using the steps below. Note that all provisos and other authorities that applied to that funding under section 101, including recurring rescissions and transfers, continue to apply to the rate for operations provided by the anomaly unless specific legislative language is included in the anomaly to alter that authority.

a) Take the full-year amount specified in the anomaly

b) Subtract any recurring account-specific rescissions followed by agency-specific rescission and then bill-wide reductions, if any, as included in appropriations Acts referenced in section 101

c) Add or subtract transfers mandated by the appropriations Acts referenced in section 101.

Here's how the 2021 rate for operations for TAFS 12-3456/2021 with the enacted anomaly would be calculated following the steps above:

a) $150 million (enacted amount in anomaly)

b) Subtract $50 million (recurring rescission) = $100 million

c) Subtract $30 million (mandated transfer to other TAFS) = $70 million.

The rate for operations would be $70 million under the FY 2021 CR, which would be reflected on line 1100 of the apportionment and/or any Treasury reporting (e.g., SF 133). The pro-rata share automatically apportioned by the Bulletin would be calculated using the $70 million.

b) Spend-faster Anomalies. Sometimes it may not be necessary for a TAFS to receive a higher rate for operations, but the TAFS may need more funding apportioned than the pro-rata share automatically apportioned by the Bulletin. This could be for a number of reasons, including, but not limited to, higher obligations anticipated during the expected period of the CR. Below is example anomaly language that would allow TAFS 012-3456/2021 to be apportioned more than the pro-rata share automatically apportioned.

Sec. XXX. Amounts made available by section 101 for "Account 1234" may be apportioned up to the rate for operations necessary to maintain activities x, y, and z.

With this language enacted, TAFS 012-3456/2021 would still receive a rate for operations of $20 million (see section 123.2), but the TAFS may receive an account-specific apportionment during the period of the CR for an amount greater than the amount automatically apportioned ($4.164 million) as long as the rate for operations is not exceeded.

For example, instead of basing the pro-rata share calculation on 76 days for a CR starting October 1 and ending December 15, this type of anomaly could allow the TAFS to be apportioned a pro-rata share based on 90 days for a CR of the same duration. Accordingly, the amount apportioned for TAFS 012-3456/2021 pursuant to the spend-faster anomaly for a CR starting October 1 and ending December 15 could be calculated as follows:

$20 million (rate for operations) x **24.66** percent (**90** days/365 days (use 366 for a leap year))
= **$4.932** million

An account-specific apportionment must be approved by OMB before the agency may obligate at a rate higher than the pro-rata share automatically apportioned by the Bulletin pursuant to the authority provided by a spend-faster anomaly. Using the example above, the Bulletin would apportion TAFS 12-3456/2021 $4.164 million unless and until an account-specific apportionment is approved by OMB.

Absent an enacted spend-faster anomaly, if a TAFS requires an amount that exceeds the amount automatically apportioned by the Bulletin, an exception apportionment must be requested by the agency and approved by OMB. For more information on exception apportionments, see section 123.16.

123.6 Am I required to submit an account-specific apportionment request while I am funded by a short-term CR?

Generally, no. OMB will typically issue a Bulletin to automatically apportion amounts made available by a CR and may provide additional guidance on the types of account-specific apportionments that may be required and other specific CR execution issues.

123.7 How do recurring rescissions impact the rate for operations of a TAFS under a short-term CR?

Rescissions or cancellations of discretionary prior-year balances that were included in the prior-year appropriation Acts specified in section 101 of a short-term CR continue during the CR period and are factored into the rate for operations calculation as shown in section 123.2. OMB typically includes an attachment to the Bulletin that lists rescissions or cancellations enacted in the previous fiscal year that impact the current CR. The attachment also usually includes the level at which such rescissions recur to provide the amount to use when calculating the rate for operations. For example, Attachment B of the FY 2020 Bulletin lists rescissions by TAFS, categorizes each recurring rescission by how it should be applied during the CR, and also indicates which rescissions do not recur and should not be factored into the rate for operations.

As indicated in the FY 2020 Bulletin Attachment B, some recurring rescissions will be applied to new budget authority provided by section 101 of the CR based on the way the appropriations language directing the rescission is written. If the rescission language is broad enough to be applied to the budget authority provided by section 101 of the CR, it will be factored into the rate for operations. If the rescission language is more restrictive and can only apply to prior-year discretionary balances in a TAFS that does not receive a rate for operations under section 101 of the CR, an account-specific apportionment by OMB is required to preclude these balances from obligation during the period of the CR.

The only exception to this account-specific apportionment rule for recurring rescissions of prior-year balances is if language is enacted in the CR to allow Treasury Account Symbols (TAS) that have this type of rescission to effectuate it as a reduction in the rate for operations of the current applicable TAFS. "Current applicable TAFS" refers to any of the TAFS within a TAS for which a rate for operations is provided by section 101 of the CR. For FY 2020, this authority was provided in section 115 of the first CR (P.L. 116-59). With this authority, recurring rescissions of prior-year balances can be factored into the rate for operations calculation of the current applicable TAFS and will be automatically apportioned by the Bulletin, unless otherwise directed. Additional details and specific instructions on recurring rescissions will be included in the Bulletin.

123.8 Do recurring changes in mandatory programs impact the rate for operations under a short-term CR?

Changes in mandatory programs (CHIMPs) that continue as terms and conditions under section 101 of the CR and result in the reduction of mandatory funding (rescissions/cancellations, mandated transfers to other TAFS, obligation delays, etc.) <u>are not</u> factored into the rate for operations. An account-specific apportionment is required during the period of the CR to preclude applicable resources from obligation. Reductions of this kind are typically included in an attachment to the Bulletin. For example, the reductions were included in Attachment C of the FY 2020 Bulletin.

CHIMPs that continue as terms and conditions under section 101 of the CR and do not result in a reduction of mandatory funding (e.g., appropriations for or mandated transfers to mandatory programs) <u>are</u> factored into the rate for operations calculation for those TAFS and are automatically apportioned by the Bulletin.

For more information on CHIMPs, see section 20.3.

123.9 How is transfer authority applied during a short-term CR?

Non-expenditure mandated transfers in the appropriations Acts referenced in section 101 are factored into the rate for operations of both the giving and receiving TAFSs. Therefore, agencies do not have to execute the non-expenditure transfer, report transfers in GTAS, or reflect these transfers separately in account-specific apportionments, except as a preclusion for items discussed below.

For the purposes of calculating a rate for operations under a short-term CR, a mandated transfer is defined as one in which the legislative transfer authority provided in the prior fiscal year appropriations Acts referenced in section 101 provides a specific dollar amount to be transferred and does not provide any flexibility for the agency to change that dollar amount or to choose the giving and receiving TAFSs involved in the transfer. Only mandated transfers that were executed as non-expenditure transfers in the previous fiscal year factor into the rate for operations calculation.

If the giving TAFS does not have a rate for operations under section 101 an account-specific apportionment is required during the period of the CR to preclude the applicable resources from obligation. Section 123.8 discussed the account-specific apportionment required if the giving TAFS is mandatory. If the giving TAFS is discretionary and does not have a rate for operations, a similar account-specific apportionment is required.

Not all mandated transfers in the previous fiscal year's appropriations Act use the language "shall transfer". For instance, the appropriations language could instead call for funds to be derived from a specific source other than the general fund of the Treasury. If such authority was executed as a non-expenditure transfer the previous fiscal year, then it is considered a mandated transfer for purposes of calculating the rate for operations. Two such examples are listed below:

> "For necessary expenses of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, $250,000,000, to be derived by transfer from the Postal Service Fund and expended as authorized by section 603(b)(3) of the Postal Accountability and Enhancement Act (Public Law 109-535)."
>
> "For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, $42,982,000, to be derived from the Deposit Insurance Fund, or, only when appropriate, the FSLIC Resolution Fund."

Mandated transfers that were executed as expenditure transfers in the previous fiscal years are not used to calculate the rate for operations of the giving and receiving TAFSs. Instead, the giving TAFS retains the rate for operations and should execute the expenditure transfer from amounts apportioned to them during the period of the CR.

Permissive transfer authority does not factor into a rate for operations. For purposes of calculating a rate for operations under a short-term CR, permissive transfer authority is defined as legislative transfer authority that provides flexibility in the amount transferred and/or the giving and receiving TAFS involved in the transfer. Below are some examples of transfer authority that is considered permissive for purposes of calculating the rate for operations:

> "of which not to exceed $9,000,000 may be transferred to the Working Capital Fund:"
>
> "up to 2 percent of funds made available for grant or reimbursement programs under such headings shall be transferred…"
>
> "Provided further, That any such amounts from the fund that the Attorney General determines are necessary to pay, first, for the costs of processing and tracking civil and criminal debt collection litigation activities, and thereafter for financial systems and for debt-collection-related personnel, administrative, and litigation expenses, in fiscal year 2020 and thereafter, shall be transferred to other appropriations accounts in the Department of Justice for paying the costs of such activities,

> and shall be in addition to any amounts otherwise made available for such purposes in those appropriations accounts:"

In addition, any transfer authority provided in legislation outside of the appropriations Acts referenced in section 101 (i.e., authorized transfer authority) does not factor into the rate for operations.

An agency may utilize permissive or authorized transfer authority from within the amounts apportioned to it during the CR. The agency would need to request an account-specific apportionment for both the giving and receiving TAFSs in order to obligate against the transferred resources.

If an agency is executing general transfer authority that has a percentage limit on the amount that can be given or received (e.g., not more than five percent may be transferred or not more than ten percent may be received), that percentage limitation is calculated against the rate for operations of the applicable TAFS. However, as stated above, the actual amounts that may be transferred are limited to the amounts apportioned to the giving TAFS.

In some cases, permissive transfer authority is provided to move funding between TAFSs within the same TAS. For example, for a TAS that has a $10 million appropriation with a one-year period of availability (POA) and a permissive carve-out ("up to," "not more than," or "not to exceed") of $2 million with a multi-year POA, the rate for operations for the account would be $10 million in the one-year TAFS. The agency would then have to execute a non-expenditure transfer to the multi-year POA to move amounts from within the amounts apportioned in the one-year TAFS for the period of the CR. The agency may transfer up to the $2 million statutory cap, as long as that amount is within the amounts apportioned. The agency would need to request an account-specific apportionment for both the giving and receiving TAFSs in order to obligate against the transferred resources. See section 120.41 for similar guidance for automatic apportionment authority for the full-year enacted appropriation.

123.10 How is spending authority from offsetting collections or offsetting receipts that is provided in annual appropriation Acts apportioned during a short-term CR?

In order to determine how apportionment of spending authority from offsetting collections or offsetting receipts that is provided in annual appropriations Acts is effectuated under a CR, it is imperative to first determine if the authority is under the rate for operations formula or is a term and condition of the CR and therefore not funded within the rate for operations. In general, if the previous fiscal year's appropriations Act appropriated a specific dollar amount to an account – all or some of which would be derived from offsetting collections or offsetting receipts – then that dollar amount is a rate for operations. If the CR provides additional authority to spend what is collected (i.e., not a specific dollar amount), then such authority is a term and condition and not a rate for operation, so it requires a separate account-specific apportionment. In some cases, an agency may have a blanket apportionment to cover all spending authority provided as a term and condition of a short-term CR.

For example, in the following language below, the $8.0 million is the rate for operations and therefore is pro-rated under the automatic apportionment provided by the Bulletin. However, the authority in the second proviso to spend additional funds collected above $8.0 million is a term and condition. A separate account-specific apportionment is required to obligate pursuant to the authority provided in the second proviso.

> "For necessary expenses to carry out section 3024 of the Solid Waste Disposal Act (42 U.S.C. 6939g), including the development, operation, maintenance, and upgrading of the hazardous waste electronic manifest system established by such section, $8,000,000, to remain available until expended: Provided, That the sum herein appropriated from the general fund shall be reduced as offsetting collections under such section 3024 are received during fiscal year 2019,

> which shall remain available until expended and be used for necessary expenses in this appropriation, so as to result in a final fiscal year 2019 appropriation from the general fund estimated at not more than $0: Provided further, That to the extent such offsetting collections received in fiscal year 2019 exceed $8,000,000, those excess amounts shall remain available until expended and be used for necessary expenses in this appropriation."

In the second example below, the authority to collect and spend fees does not specify a dollar amount and therefore not part of the rate for operations. This spending authority is not automatically apportioned by the Bulletin and therefore requires a separate account-specific apportionment.

> "The Administrator of the Environmental Protection Agency is authorized to collect and obligate pesticide registration service fees in accordance with section 33 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended by Public Law 112-177, the Pesticide Registration Improvement Extension Act of 2012."

123.11 How are appropriated entitlement or other mandatory payments and activities under the Food and Nutrition Act of 2008 apportioned during a short-term CR?

Typically, the short-term CR contains a provision that states that for appropriated entitlements and other mandatory payments whose budget authority was provided in the previous fiscal year's appropriations Acts referenced in section 101, and for mandatory payments and activities under the Food and Nutrition Act of 2008, activities shall continue at the rate necessary to maintain program levels under current law and under the authority and conditions of the previous fiscal year's appropriations Act. In other words, these programs operate as normal. Additionally, the provision of the CR typically provides an additional 30 days of obligational authority and funding beyond the end date of the short-term CR, including any government shutdowns.

The Bulletin typically apportions such sums as are necessary to maintain program levels as specified above. These programs are not limited to a pro-rata share or to a funding total provided in the previous fiscal year's fiscal appropriations Acts referenced in section 101.

The programs provided this authority are within the accounts identified in the joint explanatory statement of managers accompanying the conference report on the Balanced Budget Act of 1977 (House Report 105-217, see page 1014), or accounts with legislatively enacted directed scoring making otherwise discretionary appropriations mandatory.

123.12 Are earmarks or programs, projects, and activities (PPAs) in a TAFS apportioned on a pro-rata basis by the Bulletin during a short-term CR?

No. The Bulletin automatically apportions the pro-rata share for each TAFS based on the rate for operations for the entire TAFS without regard to any earmarks or PPAs within the TAFS, and without a requirement that such earmarked amounts or PPAs also be pro-rated. Legislative earmark provisions continue as terms and conditions of the CR, and as such, they continue to remain in effect during the period of the CR. As in the case with other terms and conditions continuing in effect under a CR, agencies must comply with and not breach earmark provisions over the course of the fiscal year, including during the period of a CR.

123.13 What is apportioned during a short-term CR to a TAFS that 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 a whole TAFS (as opposed to merely providing no funding for a project, program or activity within a TAFS) at the time the CR is enacted, that TAFS is automatically apportioned zero, even if that TAFS receives a rate for operations under section 101. An agency must submit an account-specific apportionment request to OMB if the agency want funds apportioned for that TAFS during the period of the CR, including any extensions of the CR. Agencies must also submit a written justification for any such request. This restrictive funding action is to ensure that an agency does not impinge on final funding prerogatives of the Congress.

However, if subsequently either the House or Senate does take action during the short-term CR to either report out of committee or pass an appropriations bill that provides funding for an account the TAFS, then the TAFS would be under the automatic apportionment as provided by the Bulletin.

123.14 Do the amounts provided as a rate for operations remain available after a short-term CR expires?

It depends on the legislative action that follows the short-term CR or the absence of legislation that follows the CR (e.g., a lapse in appropriations). Generally, CRs make amounts available for obligation only until a time specified by the CR or until the enactment of regular fiscal year appropriations, whichever occurs first. A CR normally provides temporary funding and may specify any period of time (e.g., 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, and it is also generally assumed that the full-year enacted level will be close to the level provided by the CR's rate for operations. Consult your RMO if your full-year enacted level is much lower than the amounts apportioned against the CR's rate for operations. If a full-year CR follows a short-term CR, agencies must submit a reapportionment request for the full-year appropriations (see section 123.20).

This rule does not apply to unobligated funds from a rate for operations provided by a short-term CR if that CR is followed immediately by a lapse in appropriations (see sections 120.56, 123.23).

123.15 Do short-term CRs limit the purposes for which funds may be obligated?

Generally, yes. A CR makes amounts available subject to the same terms and conditions specified in the enacted appropriations acts from the prior fiscal year unless otherwise stated in the statutory text. Normally, an agency is **not** permitted to start new PPAs for which authority did not exist in the previous fiscal year.

123.16 When may I request that OMB issue an exception apportionment during a short-term CR?

If an agency seeks an amount for a TAFS that is more than the pro-rata share automatically apportioned by the Bulletin, and the short-term CR does not provide that TAFS a spend-faster anomaly, then the agency may request an exception apportionment from OMB. Each request for an exception apportionment must be accompanied by a written justification that includes the legal basis for the request. OMB grants exception apportionment requests only in extraordinary circumstances. This is different from an account-specific apportionment for a spend-faster anomaly provided in the CR itself.

An exception apportionment may be requested on the following bases:

- *Seasonality*. This basis will be considered only if the program experiences regular and predictable changes in the rate of obligations throughout the year due to programmatic requirements, using historical data from SF 133s or OMB approved account-specific apportionments. For example, a history of apportionment shows that the Low-Income Home Energy Assistance Program has an established pattern of a higher rate of obligations in the first and second quarters of the fiscal year, when the temperatures are colder. Another example is funding for the protection of Presidential candidates and increased security at inaugurations every four years. Seasonality apportionment requests will not be approved simply because an agency prefers to sign full-year contracts at the beginning of the fiscal year, or if doing so would be business as usual under a full-year enacted appropriation.

- *Annualizing a new program*. This basis involves situations where a new program began late in the previous fiscal year and the partial year funding level for the previous fiscal year would not be sufficient to fund a full year's rate for operations this year.

- *Safety of human life or protection of Federal property*. This basis involves situations where the obligations could legally be incurred under the Antideficiency Act during a Government-wide lapse of appropriations.

123.17 If I am funded by a short-term CR and have received an account-specific apportionment, will I have to submit account-specific reapportionment requests for each extension of the CR?

No. In the case of TAFS that receive an account-specific apportionment at any time during a short-term CR period (exclusions noted below), the automatic apportionment provided by the Bulletin will apply to such TAFSs under any subsequent extensions of the CR, provided that the total amount apportioned during the short-term CR period does not exceed the rate for operations provided by the CR. However, any footnotes on the account-specific apportionment continue to apply to the TAFS when subsequently operating under the automatic apportionment.

Agencies must, however, submit account-specific apportionments for each extension of the CR for TAFS with zero-funding or utilizing a spend-faster anomaly. For TAFS with zero funding, account-specific apportionments must be submitted for each CR extension—there is no automatic apportionment. If an agency has already been apportioned a spend-faster anomaly or account-specific apportionment, then for subsequent extensions of the CR you will be only automatically apportioned an additional pro-rata share of the rate for operations. If an agency seeks to utilize the spend-faster CR anomaly for any CR extension, the agency must once again submit an account-specific apportionment.

A full-year CR is not considered an extension of a short-term CR. The Bulletin typically does not apportion additional funding for a full-year CR. If a full-year CR is enacted, an agency must request a reapportionment **within 10 calendar days** of the enactment of the full-year CR (see section 123.20).

If an agency needs a reapportionment of carryover balances or any other budgetary resource not provided by the CR, after the Bulletin is in effect, and the agency's RMO does not require the agency to show the CR budgetary resources on the reapportionment, then the agency must footnote the reapportionment as follows ("A" footnote on line 6190 total budgetary resources):

> "In addition to the amounts apportioned above, this account is also receiving funds pursuant to Public Law XXX-XXX as automatically apportioned via OMB Bulletin XX-XX."
>
> If the CR is extended (e.g., a subsequent law amends the CR to extend the date of its applicability), then add "as amended" after "Public Law XXX-XXX" in the above footnote.

123.18 Are my credit programs funded under a short-term CR?

Yes. Appropriations for subsidy cost amounts associated with direct and guaranteed loan activities that were conducted in the prior fiscal year are provided as a rate for operations in the same manner as other appropriations. Normally, the CR allows agencies 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). If there is an enacted credit limitation (i.e., a limitation on loan principal or commitment level) in the previous fiscal year, the automatic apportionment is the pro-rata share of the credit limitation or rate for operations, whichever is more restrictive.

In the two examples below, the appropriations Act specified in section 101 appropriates $5 million for subsidy costs and $200 million in loan limitation for direct loans. Assume the CR covers the first quarter of the fiscal year (92 days), which results in a pro-rata share of roughly 25%, and that the prior fiscal year's subsidy rate was 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 apportioned by the Bulletin for credit programs.

To determine the amounts apportioned during a 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% 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 the subsidy appropriation: 25% x $5 million = $1.25 million.

Step 2A – Calculate the loan level that $1.25 million would support:

- To calculate the loan level, take budget authority and divide by the current subsidy rate (pro-rata share/subsidy rate = loan level).
- $1.25 million /.0800 = $15.625 million. The pro-rata share 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 subsidy provides for a lower loan level ($15.625 million < $50 million), the pro-rata share of the subsidy is the amount automatically apportioned by the Bulletin.
- Under the CR, this direct loan program may obligate up to $1.25 million for subsidy costs, which may support a loan level of $15.625 million.

Example 1:	Current subsidy rate =	8.00%		
		Pro-rata share (25%)	Pro-rata loan level	Amounts available under CR
Credit limitation	200,000,000	50,000,000	50,000,000	1,250,000 in subsidy to support a loan level of 15,625,000
BA	5,000,000	1,250,000	15,625,000	

Example 2:	Current subsidy rate =	1.00%		
		Pro-rata share (25%)	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

See section 185.24 for further information regarding the subsidy rates to be used for loans or loan guarantees at execution.

123.19 Do I have to request a warrant from Treasury for funds provided by a short-term CR?

Generally, no. Treasury will not issue a warrant under a short-term 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 short-term CR extends beyond the second quarter of the fiscal year. Further Fiscal Service Treasury guidance may be found on the USSGL website (https://www.fiscal.treasury.gov/ussgl/resources-implementation.html#budgetary).

123.20 Do I need to request a reapportionment after my full-year appropriation is enacted?

Yes. You must request a reapportionment **within 10 calendar days** of the enactment of your full-year appropriations Act (including a full-year CR), even if the period covered by the CR has not expired. In the Previous Approved column, include the amounts apportioned under the short-term CR (including automatic apportionment amounts as provided by the Bulletin and section 120.41. See exhibit 120H and section 120.61). The total amount subject to reapportionment will equal the total amount made available for the fiscal year in the regular appropriation. See 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 as specified in section 120.41.

123.21 Will my full-year enacted appropriations cover obligations made during the CR?

Yes. Normally, your full-year enacted appropriations will cover all obligations made during the CR. However, there could be exceptions. See section 123.14 for an example of an exception.

Additionally, if the enacted full-year appropriations provides funds in a TAS that is a different period of availability (i.e., a different TAFS) than was provided under the short-term CR, see section 120.63.

123.22 What if the full-year enacted appropriations subsequently provided less budget authority than obligations incurred under the short-term 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;

(2) The amount obligated was available under the CR;

(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 (e.g., returned purchases received for a refund, cancelled purchases of goods and services ordered but not yet received, canceled grants, and transferred funds to the extent possible to cover obligations made during the period of the CR).

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 or used existing transfer authority to cover obligations made during the period of the CR) 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.

If your full-year enacted appropriations provided less budget authority than the obligations you incurred under the CR, contact your OMB examiner and request an apportionment (if you are subject to apportionment) that specifically footnotes that all of the requirements of this section have been met. For any supplemental warrant, you should also provide to your Treasury Bureau of the Fiscal Service contact an OMB-approved apportionment stating that the conditions of section 123.15 have been met.

123.23 What happens to my apportioned, unobligated short-term CR funding if the short-term CR is followed by a lapse in appropriations?

During a lapse in appropriations, any unobligated funding from a rate for operations that was provided by the CR and apportioned by OMB is not available for obligation. This includes unobligated funds from rate for operations for to multi-year and no-year TAFSs by the CR. This also includes any apportionments related to the authority provided as term and condition of the CR to be able to retain and spend collections.

If the short-term CR includes a provision that provides a full-year appropriation to a specific TAFS, amounts apportioned from that specific appropriation remain available during a lapse in appropriations.

SECTION 124—AGENCY OPERATIONS IN THE ABSENCE OF APPROPRIATIONS

Table of Contents

Summary of Changes

Updates the summary information required at the beginning of each agency lapse plan to clarify that lapse plans should report the number of employees retained under the plan by number of individual employees, rather than number of FTEs, and include the total number of employees who will be furloughed under the plan (section 124.2).

124.1 What types of actions may my agency conduct during a lapse in appropriations?

(a) *Background*.

The Attorney General issued two opinions in the early 1980s holding 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 Department of Justice's Office of Legal Counsel 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 the Congress fails to enact regular appropriations, a continuing resolution, or needed supplemental appropriations, resulting in a lapse of appropriations.

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.

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 a lapse in appropriations. 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 lapse in appropriations?

Agency heads, in consultation with their general counsels, must develop and maintain plans for an orderly shutdown in the event of a lapse in 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 updated plan to OMB for review that reflects this change. In updating their plans, agencies also should note any changes made to their plans in light of their experiences during any recent lapse in appropriations. At a minimum, agencies should submit updated plans to OMB for review every two years on August 1. The most recent biennial update was in 2019. Plans should be submitted to your OMB examiner and with a copy to the following e-mail address: Section124Plans@omb.eop.gov. Agencies may also contact this e-mail address with questions.

Given that the duration of a lapse in appropriations is inherently uncertain, your plan should describe agency actions to be taken during a short lapse (1-5 days). It also should identify anticipated changes if the lapse 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 lapse in appropriations and changes in external circumstances.

Include the following at the beginning of your plan, using the template below:

Lapse Plan Summary Overview	
Estimated time (to nearest half day) required to complete shutdown activities:	*# days*
Total number of agency employees expected to be on board before implementation of the plan:	*# employees*
Total number of agency employees expected to be furloughed under the plan (unduplicated count):	*# employees*
Total number of employees to be retained under the plan for each of the following categories (may include duplicated counts)**:**	
Compensation is financed by a resource other than annual appropriations:	*# employees*
Necessary to perform activities expressly authorized by law:	*# employees*
Necessary to perform activities necessarily implied by law:	*# employees*
Necessary to the discharge of the President's constitutional duties and powers:	*# employees*
Necessary to protect life and property:	*# employees*

Brief summary of significant agency activities that will continue during a lapse:

Brief summary of significant agency activities that will cease during a lapse:

The plan should then proceed to describe in detail, for each component within your agency, the following:

- 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;

- The total number of employees in the component to be on-board before implementation of the plan;

- The total number of employees in the component expected to be furloughed under 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 carryover funds or an appropriation provided by permanent law, 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). If an employee fits in more than one category, they may be reflected in the count for all applicable categories (i.e., count may be duplicated), in order to ensure the best estimate of the number of employees within each category; 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.

To the extent that any of the information described above is expected to change should a lapse in appropriations extend for a prolonged period of time (i.e., longer than 5 days), the plan should explicitly describe these changes. In particular, the plan should indicate any points in time when the furlough status of employees may change, how many employees would be affected, and the legal basis for such changes. Agencies should consult with an OMB representative at such points in time during a lapse in appropriations to make OMB aware of any such changes. In addition, during a lapse in appropriations agencies should make an OMB representative aware of any instances where actions deviate from what is set forth in the plan.

Agency plans should also describe the actions that will be necessary to resume orderly operations once appropriations are restored, including:

- Methods for notifying employees that the shutdown furlough has ended and that they are to return to work on a specified day (normally the employee's next scheduled workday after the furlough has ended);

- Flexibilities available to supervisors if employees have problems returning to work on the day specified by the agency, including the use of accrued annual leave, compensatory time off, or credit hours;

- Procedures for resuming program activities, including steps to ensure appropriate oversight and disbursement of funds.

At the time they are given furlough notices, agencies should provide employees as much information as possible regarding how the agency will go about resuming operations after the furlough has ended.

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 lapse in appropriations might occur, you should review your shutdown plans, and, if revisions are required, promptly submit the revised plan to OMB and post the revised plan on your agency website. When agencies submit their plans to OMB, they should provide OMB with information on the agency personnel that would serve as a point of contact in the event of a lapse. While agencies are ultimately responsible for preparing and implementing orderly shutdown plans, all changes to the plans must be submitted to OMB for review in advance of implementing the plan.

One week prior to the expiration of appropriations bills, regardless of whether the enactment of appropriations appears imminent, OMB will communicate with agency senior officials to remind agencies of their responsibilities to review and update orderly shutdown plans, and will share a draft communication template to notify employees of the status of appropriations. OMB will hold follow-up communications on a periodic basis until such time as appropriations are enacted or a lapse in appropriations has occurred. Approximately two business days before a potential lapse in appropriations, in coordination with OMB, agencies should notify employees of the status of funding using the OMB-provided employee notification.

After OMB has communicated that appropriations have lapsed, OMB will provide guidance to agencies directing the initiation of 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. Agencies must notify individual employees of their status under a lapse at this time. Agency heads will notify OMB immediately when shutdown activities are being initiated.

During a lapse in appropriations, agencies should only engage in activities consistent with principles set forth in their shutdown plan.

Agencies must 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. Agencies should also establish clear protocols for how employees will be provided with furlough notices, contacted to be recalled to work following the end of the lapse in appropriations or should their furlough status change in accordance with the agency's plan, and informed of pertinent pay and leave information during the lapse. Where appropriate, agencies should seek to utilize available technology to allow employees maximum flexibility in returning to work.

OMB will notify you when the lapse in appropriations has ended and you can begin implementing your plan to orderly resume agency activities.

124.4 How may my agency receive lapse communications updates from OMB?

Executive Branch agencies may receive updates on the status of appropriations at the OMB Communications Regarding a Lapse in Appropriations page. Additional resources are provided on this page and all agencies are encouraged to visit the page one week prior to the expiration of annual appropriations Acts, regardless of whether the enactment of appropriations appears imminent.

To receive lapse updates via e-mail, agency employees must join the group by following instructions on the page. Receiving email updates is optional; all updates will be provided on the OMB Communications Regarding a Lapse in Appropriations page.

SECTION 130—SF 133, REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

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Summary of Changes

Updates the table titled "Economy Act Activities between Federal Entities in Different TAFSs", including where cash advances should be required (section 130.9).

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 U.S.C. 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

Section...	shows whether....	and is described in:
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

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 Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS). 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 pages at https://community.max.gov/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 GTAS at https://www.fiscal.treasury.gov/gtas/. GTAS 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 GTAS, 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 DE. In addition, GAO requires your auditors to determine whether controls exist to ensure that the amounts in your systems and the amounts submitted via GTAS 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, July, August, and each quarter. However, submitting information on expired TAFSs is optional for the additional monthly reporting for November, July, and August. You can find out the reporting deadlines at https://www.fiscal.treasury.gov/gtas/. The GTAS window opens approximately one week after the close of reporting month or each quarter. You must revise any material errors in previously reported information through GTAS 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, 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 GTAS. 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, 1153, 1176, 1250, 1251, 1252, 1276, 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 Bureau of the Fiscal Service (Fiscal Service) for use in GTAS budget execution reporting. See sections 120.68 through 120.71 for additional information. When reporting your obligations, GTAS 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 Fiscal Service 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 GTAS, 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 GTAS 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 GTAS, 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 GTAS, then you should add the missing program reporting category names, and report your obligations for those categories.

The apportioned amounts submitted to GTAS are presented in three ways on the SF 133 reports produced by GTAS 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?

(a) How is reimbursable work with Federal agencies in different TAFSs 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, "New Obligations and upward adjustments." 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 IN DIFFERENT TAFSs
[Assumes executing in FY 2021]

If the ordering agency account has…	And the performing agency account…	Then the performing agency account must…	Should the performing agency account (i.e., TAFS) show unobligated balances on the September 30th SF 133?
If establishing a new TAFS in a performing agency for reimbursable agreements only, performing agency should request a cash advance. Refer to section 20.10.			
Annual TAFS	Has annual TAFS	Use existing annual TAFS	No.
	Has multi-year TAFS where the ending period is the same as the annual period of availability of the ordering agency (e.g., ordering agency account is XX-21-XXXX and the performing agency account is YY-20/21-YYYY).	Use existing multi-year TAFS (refer to note below)	No.
	Has multi-year TAFS where the ending period (e.g., YY-20/23-YYYY) extends beyond the annual period of availability of the ordering agency.	Ask Treasury to establish annual TAFS	No.
	Has no-year TAFS	Ask Treasury to establish annual TAFS	No.
NOTE: For agencies where the ordering agency account is an annual account, an agency 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-21-XXXX, then the performing agency account could be YY-19/21-YYYY or YY-20/21-YYYY).			

If the ordering agency account has…	And the performing agency account…	Then the performing agency account must…	Should the performing agency account (i.e., TAFS) show unobligated balances on the September 30th SF 133?
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-21/22-XXXX and performing agency account is YY-21/22-YYYY).	Use existing multi-year TAFS	It depends. If the reimbursable agreement extends beyond September 30th of FY 2021, then the performing agency TAFS will show unobligated balances on the September 30th SF 133. In this case, the amount will become part of line 1000 in the next fiscal year; otherwise, no.
	Has multi-year TAFS with different periods of availability than the ordering agency account where the ending period is the same for the ordering and performing agencies (e.g., ordering agency account is XX-21/22-XXXX and the performing agency account is YY-20/22-YYYY).	Use existing multi-year TAFS (refer to note below)	It depends. If the reimbursable agreement extends beyond September 30th of FY 2021, then the performing agency TAFS will show unobligated balances on the September 30th SF 133. In this case, the amount will become part of line 1000 in the next fiscal year; otherwise, no.
	Has multi-year TAFS with different periods of availability than the ordering agency account where the ending period is different for the ordering and performing agencies (e.g., ordering agency account is XX-21/22-XXXX and the performing agency account is YY-20/23-YYYY).	Ask Treasury to establish multi-year TAFS with same beginning period of availability and same ending period of availability as the ordering agency account (XX-21/22-XXXX).	It depends. If the reimbursable agreement extends beyond September 30th of FY 2021, then the performing agency TAFS will show unobligated balances on the September 30th SF 133. In this case, the amount will become part of line 1000 in the next fiscal year; otherwise, no.
	Has annual TAFS (YY-21-YYYY)	Use existing annual TAFS where annual period of availability (YY-21-YYYY) is the same as the ending period of availability for the multi-year TAFS of the ordering agency account (XX-20/21-XXXX).	No.
		Ask Treasury to establish multi-year TAFS (YY-21/22-YYYY) with same beginning period of availability and same ending period of	It depends. If the reimbursable agreement extends beyond September 30th of FY 2021, then the performing agency TAFS will show unobligated balances on the September 30th SF 133. In this case, the amount will become

If the ordering agency account has…	**And the performing agency account…**	**Then the performing agency account must…**	**Should the performing agency account (i.e., TAFS) show unobligated balances on the September 30th SF 133?**
		availability as the ordering agency account (XX-21/22-XXXX).	part of line 1000 in the next fiscal year; otherwise, no.
	Has no-year TAFS	Ask Treasury to establish multi-year TAFS (YY-21/22-YYYY) with same beginning period of availability and same ending period of availability as the ordering agency account (XX-21/22-XXX).	It depends. If the reimbursable agreement extends beyond September 30th of FY 2021, then the performing agency TAFS will show unobligated balances on the September 30th SF 133. In this case, the amount will become part of line 1000 in the next fiscal year; otherwise, no.
NOTE: For agencies where the ordering agency account is a multi-year account, an agency 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-21/23-XXXX, then the performing agency account could be YY-19/23-YYYY or YY-20/23-YYYY).			
No-year TAFS	Has no-year TAFS	Use existing no-year TAFS	It depends. If the reimbursable agreement extends beyond September 30th of FY 2021, then the performing agency TAFS will show unobligated balances on the September 30th SF 133. In this case, the amount will become part of line 1000 in the next fiscal year; otherwise, no.
	Does not have no-year account but has annual and/or multi-year TAFS	Ask Treasury to establish multi-year TAFS in accordance with the period of performance in the reimbursable agreement.	It depends. If the reimbursable agreement extends beyond September 30th of FY 2021, then the performing agency TAFS will show unobligated balances on the September 30th SF 133. In this case, the amount will become part of line 1000 in the next fiscal year; otherwise, no.

The Economy Act requires that a performing agency has the legal authority to undertake the work requested by the ordering agency. Reimbursements or advances made to the performing agency should be credited in a TAFS that is legally available for the work performed pursuant to the agreement.

As of September 30th, the performing agency account and ordering agency account must have corresponding budgetary entries recorded in their agency financial systems. As of September 30th, any unfilled customer order with or without an advance in a performing agency annual or last year of a multi-year TAFS that is unobligated (which is unearned) must be reduced to zero as well as the corresponding unpaid obligation in the paying agency account which must also be reduced by the same amount.

(b) How is reimbursable work within a Federal agency with the same TAFS shown on SF 133 reports?

In situations where there are two organizational units in the same Federal agency that are the ordering and performing entities for an Economy Act transaction, your agency general counsel must identify whether these units meet the legal standard of "major organizational units within the same agency" pursuant to 31 USC 1535.

If your general counsel has made such a determination, your agency is required to report the financial activity in the following manner:

ECONOMY ACT ACTIVITIES BETWEEN FEDERAL MAJOR ORGANIZATIONAL UNITS WITHIN THE SAME TAFS

Ordering major organizational unit …	**Performing major organizational unit …**	**Internal Reporting (e.g. Internal System)?**	**External Reporting (e.g. GTAS, CARS)?**
Undelivered Order, Unpaid Obligation (Direct)	Unfilled Customer Order without an Advance (Reimbursable)	Yes	No
	Undelivered Order, Unpaid Obligation (Reimbursable)	Yes	Yes, but as Direct Undelivered Order, Unpaid Obligation
	Delivered Order, Unpaid Obligation (Reimbursable) (i.e., Account Payable)	Yes	Yes, but as Direct Delivered Order, Unpaid Obligation (i.e., Account Payable)
Delivered Orders, Unpaid Obligation (Direct) (i.e., Account Payable)	Account Receivable (Reimbursable)	Yes	No
Delivered Orders, Paid Obligation (Direct) (i.e., Outlay)	Offsetting Collections – Collected (Reimbursable)	Yes	No
	Delivered Order, Paid Obligation (Reimbursable) (i.e., Outlay)	Yes	Yes, but as Direct Delivered Order, Paid Obligation (i.e., Outlay)

130.10 What should I know about recording reimbursable work with non-Federal entities on SF 133 reports?

There must be a specific law that authorizes reimbursable work with non-Federal entities. The Economy Act cannot be cited as the statutory authority to perform work for non-Federal customer orders with or without an advance. A law must specifically allow you to incur obligations against customer orders received from non-Federal sources with an advance. Customer orders with advances from non-Federal sources are credited to a TAFS that is legally available for the work performed. Customer orders with advances from non-Federal sources are credited to a TAFS where the period of availability of the performing Federal agency TAFS is determined by your general counsel.

130.11 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.

130.12 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 1033, "Recoveries of prior year paid obligations" or line 1700 or 1800, "Collected" (in limited cases) (see Appendix F), when received.

Upward adjustments. Place upward adjustments of obligations previously incurred on detailed lines 2001 through 2103, "New Obligations and upward adjustments." 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.

130.13 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 Bureau of the Fiscal 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.

130.14 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 from 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.

130.15 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 2020 through 2022 that was enacted in fiscal year 2020. In fiscal year 2020, the one-percent limitation is equal to $100,000. At the end of fiscal year 2020, $90,000 was used. In fiscal year 2021, 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 Bureau of the Fiscal Service provides USSGL accounting instructions. See http://www.fms.treas.gov/ussgl for further information.

130.16 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 GTAS 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.

130.17 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 A	If your SF 132 apportions funds on lines 6001 through 6004 "Category A" and provides the Program Reporting Category codes within the apportionment, then you must provide the same level of detail on the lines 2001 and/or 2101.
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 and/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.

130.18 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 GTAS. 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 GTAS and how. Regardless of who submits the information through GTAS, 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 GTAS, or (b) require each agency with an allocation account to enter information into GTAS 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.

130.19 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.

130.20 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.
- CTA: Classification Transactions and Accountability (used to generate Treasury Combined Statement).
- FS 1219 Statement of Accountability (used to generate Treasury Combined Statement).
- FS 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, 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 130.18). 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 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.

130.21 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 contain 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 2020 Unexpired Account	FY 2019 Expired Account	FY 2018 Expired Account	FY 2017 Expired Account	FY 2016 Expired Account	FY 2015 Expired Account	Total
BUDGETARY RESOURCES							
1000 Unob Bal: Brought forward, Oct 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 to Treasury						-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 Direct obligations: Category A (by quarter)	7,601,315	50,000	85,000	45,000	27,000	2,500	7,810,815
2201 Unob Bal: Apportioned, unexp: Avail in the current period	200,685						200,685
2403 Unob Bal: Unapportioned, unexp: Other		60,000	120,000	30,000	60,000		270,000
2490 Unob Bal: 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: New obligations: Unexpired accounts	7,601,315						7,601,315
3011 Ob Bal: Obl ("upward adjustments"): 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		100,000	365,000	40,000	7,000	5,000	517,000
3200 Obligated balance, end of year	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 fr 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, Oct 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 pymts 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 obligations: Category A (by quarter)	9,800,000	50,000		
2102 Reimbursable obligations: Category B Smith reseach	1,130,000			
2201 Unob Bal: Apportioned, unexp: Avail in the current period	200,000			
2403 Unob Bal: Unapportioned, unexp: Other		150,000		
2490 Unob Bal: end of year	*200,000*	*150,000*		
2500 Total budgetary resources	11,130,000	200,000		
CHANGE IN OBLIGATED BALANCE				
3000 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1		350,000		
3010 Ob Bal: New obligations: Unexpired accounts	10,930,000			
3011 Ob Bal: Obl ("upward adjustments"): 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 pymt Fed src brought fwd Oct 1		-130,000		
3070 Ob Bal: Change, uncoll pymt, Fed src, unexp	-130,000			
3071 Ob Bal: Change, uncoll pymt, Fed src, exp		130,000		
3090 Ob Bal: EOY: Uncoll cust pymt, Fed src, EOY	-130,000			
3100 Memo: Obligated balance, start of year		220,000		
3200 Memo: Obligated balance, end of year	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 fr 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 contain 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 BUREAU: Bureau of Central Services	APPROPRIATION OR FUND TITLE AND SYMBOL 80X1309 Research and development
	X Unexpired Account
BUDGETARY RESOURCES	
1000 Unob Bal: Brought forward, Oct 1	1,610,000
1021 Unob Bal: Recov of prior year unpaid obligations	76,000
1033 Unob Bal: Recov of prior year paid obligations	10,000
1041 Unob Bal: Antic recov of prior year unpd/pd obl	74,000
1050 Unob Bal: Unobligated balance (total)	1,770,000
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	187,000
1740 BA: Disc: Spending auth:Antic colls, reimbs, other	191,000
1750 BA: Disc: Spending auth: Total	378,000
1800 BA: Mand: Spending auth: Collected	12,000
1910 Total budgetary resources (disc. and mand.)	26,960,000
STATUS OF BUDGETARY RESOURCES	
2001 Direct obligations: Category A (by quarter) Salaries	294,320
2001 Direct obligations: Category A (by quarter) All Other	59,680
2002 Direct obligations: Category B Research -- Air	5,497,700
2002 Direct obligations: Category B Research -- Water	5,743,350
2002 Direct obligations: Category B Research -- All Other	788,750
2002 Direct obligations: Category B Development of products -- Air	3,890,250
2002 Direct obligations: Category B Development of products -- Water	3,093,750
2101 Reimbursable obligations: Category A (by quarter) Salaries	5,000
2102 Reimbursable obligations: Category B Development of products -- Air	98,000
2102 Reimbursable obligations: Category B Development of products -- Water	95,750
2102 Reimbursable obligations: Category B Development of products -- All Other	89,450
2201 Unob Bal: Apportioned, unexp: Avail in the current period	3,304,000
2202 Unob Bal: Apportioned, unexp: 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: New obligations: Unexpired accounts	19,656,000
3020 Ob Bal: Outlays (gross)	-19,605,100
3040 Ob Bal: Recov, prior year unpaid obs, unexp accts	-10,000
3050 Ob Bal: EOY: Unpaid obligations	448,400
3100 Memo: Obligated balance, start of year	407,500
3200 Memo: Obligated balance, end of year	448,400
BUDGET AUTHORITY AND OUTLAYS, NET	
4000 Disc: Budget authority, gross	25,178,000
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 fr Fed srcs	-187,000
4055 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		APPROPRIATION OR FUND TITLE AND SYMBOL
BUREAU: Bureau of Central Services		89-20/21-0100 Salaries and Expenses
		89-20/21-0100 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 obligations: Category A (by quarter)	48,000
2201	Unob Bal: Apportioned, unexp: Avail in the current period	2,000
2202	Unob Bal: Apportioned, unexp: Avail in subsequent periods	50,000
2490	*Unob Bal: end of year*	*52,000*
2500	Total budgetary resources	152,000
	CHANGE IN OBLIGATED BALANCE	
3010	Ob Bal: New obligations: Unexpired accounts	48,000
3020	Ob Bal: Outlays (gross)	-20,000
3050	Ob Bal: EOY: Unpaid obligations	28,000
3200	Memo: Obligated balance, end of year	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, Oct 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 pymts 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 obligations: Category A (by quarter)	1,200,000
2102	Reimbursable obligations: Category B Management services	12,000,000
2102	Reimbursable obligations: Category B Sales program	5,000,000
2102	Reimbursable obligations: Category B Power program	10,000,000
2201	Unob Bal: Apportioned, unexp: Avail in the current period	29,016,600
2202	Unob Bal: Apportioned, unexp: Avail in subsequent periods	1,234,600
2403	Unob Bal: Unapportioned, unexp: Other	79,282,038
2490	*Unob Bal: 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: New obligations: 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, uncoll pymt, Fed src, unexp	-700,000
3090	Ob Bal: EOY: Uncoll cust pymt, Fed src, EOY	-700,000
3100	Memo: Obligated balance, start of year	5,621,800
3200	Memo: Obligated balance, end of year	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 fr 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 6/30/20

AGENCY: Department of Government		APPROPRIATION OR FUND TITLE AND SYMBOL
BUREAU: Bureau of Central Services		80-20-1309 Research and development
		FY 2020 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 obligations: Category A (by quarter)	7,000,000
2201	Unob Bal: Apportioned, unexp: Avail in the current period	400,000
2490	*Unob Bal: end of year*	*400,000*
2500	Total budgetary resources	7,800,000
	CHANGE IN OBLIGATED BALANCE	
3010	Ob Bal: New obligations: 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	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 2019 appropriations act that will become available for obligations in fiscal year 2020 should be included on line 1170 in the fiscal year 2020 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 contain 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	80-20-1309 Research and development

	FY 2020 Unexpired
BUDGETARY RESOURCES	
1000 Unob Bal: Brought forward, Oct 1……	
1100 BA: Disc: Appropriation ……	200
1131 BA: Disc: Unob bal of approps permanently reduced ……	
1910 Total budgetary resources (disc. and mand.)……	200
STATUS OF BUDGETARY RESOURCES	
2201 Unob Bal: Apportioned, unexp: Avail in the current period……	200
2490 Unob Bal: end of year 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 2021 Unexpired	FY 2020 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 obligations: Category A (by quarter)……		
2201 Unob Bal: Apportioned, unexp: 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+1033) + 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 New obligations and upward adjustments		19,656,000
Step 2: Subtract the sum of the following lines:		
Spending authority from offsetting collections (gross)		
Line 1700--Collected	187,000	
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 and paid obligations		
Line 1021--Recoveries of prior year unpaid obligations	76,000	
Line 1033-Recoveries of prior year paid obligations	10,000	
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	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 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

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
BUREAU: Program benefits trust fund

APPROPRIATION OR FUND TITLE AND SYMBOL
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: Category B: Benefit payments	30,000	90,000	120,000
2201	Unob Bal: Apportioned, unexp: Available in the current period			
2203	Unob Bal: Apportioned, unexp: Anticipated			
2403	Unob Bal: Unapportioned, unexp: Other	160,000	100,000	
2490	*Unob Bal: end of year*	*160,000*	*100,000*	
2500	Total budgetary resources	190,000	190,000	120,000
	CHANGE IN OBLIGATED BALANCE			
3010	Ob Bal: New obligations: 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
1137	BA: Disc: Approps rdc by offset coll(coll)/recpts	0	0	0
1153	BA: Disc: Antic redc to apprp by offst coll/recpt	-65,000,000	-19,250,000	
1700	BA: Disc: Spending auth: Collected	0	45,750,000	61,000,000
1740	BA: Disc: Spending auth: Antic colls, reimbs, other	65,000,000	19,250,000	0
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: Category A (by quarter)	16,350,000	49,050,000	64,688,000
2201	Unob Bal: Apportioned, unexp: Avail in the current period	48,650,000	15,950,000	312,000
2490	*Unob Bal: 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: New obligations: 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	Memo: Obligated balance, end of year	140,000	40,000	13,000
	BUDGET AUTHORITY AND OUTLAYS, NET			
4000	Disc: Budget authority, gross	130,000,000	84,250,000	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 fr Fed srcs		-45,750,000	-61,000,000
4055	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 1153 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

An amount would show on line 1136 if offsetting collections were credited or offsetting receipts were transferred to the Treasury Appropriation Fund Symbol but the agency was waiting for the Treasury appropriation warrant to reduced the amount derived from the general fund of the US Treasury.

To save space, several exhibits in this section do not display lines that do not contain amounts. Exhibit 130H contains all lines.

Multi-year account, Temporary Sequestration of Spending Authority from Offsetting Collections and Availability in Subsequent Year

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 9/30/PY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL
BUREAU: Office of the Secretary	99-20/21-0001 Research and development

	FY 21PY Unexpired
BUDGETARY RESOURCES	
1800 BA: Mand: Spending auth: Collected……………………………………	2,000
1823 BA: Mand: Spending auth: New\Unob bal temp reduced……….	-140
1850 BA: mand: Spending auth: Total…………………………………………	1,860
1910 Total budgetary resources (disc. and mand.)……………………………	1,860
STATUS OF BUDGETARY RESOURCES	
2101 Reimbursable obligations: Category A (by quarter)……………………	1,840
2201 Unob Bal: Apportioned, unexp: Avail in the current period…………	20
2490 Unob Bal: end of year…………………………………………………	*20*
2500 Total budgetary resources…………………………………………………	1,860

Sequestration required under the PY sequestration order. The amount is temporarily reduced since this is in spending authority from offsetting collections.

If the amount has been determined **by OMB** to be available for obligation in the subsequent year. record as new budget authority (spending authority from offsetting collections (previously unavailable)).

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	99-20/21-0001 Research and development

	FY 21CY Unexpired
BUDGETARY RESOURCES	
1000 Unob Bal: Brought forward, October 1…………………………………	20
1800 BA: Mand: Spending auth: Collected……………………………………	500
1802 BA: Mand: Spending auth: Previously unavailable………………………	140
1823 BA: Mand: Spending auth: New\Unob bal temp reduced……….	-210
1840 BA: Mand: Spending auth: Antic colls, reimbs, other…………………	2,500
1850 BA: mand: Spending auth: Total…………………………………………	2,930
1910 Total budgetary resources (disc. and mand.)……………………………	2,930
STATUS OF BUDGETARY RESOURCES	
2101 Reimbursable obligations: Category A (by quarter)……………………	2,910
2201 Unob Bal: Apportioned, unexp: Avail in the current period…………	20
2490 Unob Bal: End of year year…………………………………………	*20*
2500 Total budgetary resources…………………………………………………	2,930

Sequestration required under the CY sequestration order.

Refunds of Prior Fiscal Year Paid Obligations in Unexpired and Expired Treasury Appropriation Fund Symbols: Relationship between SF 133 and Schedule P

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: Office of the Secretary	099-0001 Research and development	
	099-0001 Unexpired	099-0001 Expired
BUDGETARY RESOURCES		
1033 Unob Bal: Recov of prior year paid obligations……	100	25
1700 BA: Disc: Spending auth: Collected……	15	40
1701 BA: Disc: Spending auth: Chng uncoll pymts Fed src……		(40)
1750 BA: Disc: Spending auth: Total……	15	-
1910 Total budgetary resources (disc. and mand.)……	115	25
BUDGET AUTHORITY AND OUTLAYS, NET		
4000 Disc: Budget authority, gross……	15	40
4030 Disc: Offsets, BA and OL: Collections fr Fed srcs ……	(115)	(65)
4053 Disc: Offset, BA: Recov, prior year paid obs, unex……	100	
4054 Disc: Offset, BA: Recov, prior year paid obs, exp……		25
4070 Disc: Budget authority, net……	-	-
4180 Budget authority, net (disc. and mand.)……	-	-

Program and Financing (in millions of dollars)

Identification code 099-0001-0-1-302		2020 Actual
	Budgetary resources:	
	Unobligated balance:	
1033	Unob Bal: Recov of prior year paid obligations……	100
	Budget authority:	
	Spending authority from offsetting collections, discretionary:	
1700	Collected……	15
1750	Spendng auth from offsetting collections, disc (total)……	15
	Budget authority and outlays, net:	
	Discretionary:	
4000	Budget authority, gross……	15
	Offsets against gross budget authority and outlays:	
4030	Federal sources……	(180)
4040	Offsets against gross budget authority and outlays (total)……	(180)
	Additional offsets against gross budget authority only:	
4052	Offsetting collections credited to expired accounts……	65
4053	Recoveries of prior year paid obligations, unexpired accounts……	100
4060	Additional offsets against budget authority only (total)……	165
4070	Budget authority, net (discretionary)……	-
4180	Budget authority, net (total)……	-

Unfunded Deficiencies Where Deficiency is Not Fully Funded in Year One: Relationship among Apportionment, SF 133 and Schedule P

FY 20xx Apportionment
Funds provided by Public Law XXX-XXX

The "Agency Request" column reflects the full-year appropriation post enactment.

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 (099-10-0100)							
		TAFS: 99-0100/X							
IterNo	2	Last Approved Apportionment: 9/10/CY							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1000	D1A	Unob Bal: Brought forward, Oct 1	48,000,000		56,978,450		56,978,450		
	D2A	Unob Bal: Brought forward, Oct 1 (Applied to liquidate unfunded deficiency)			5,000,000		5,000,000		
	D3A	Unob Bal: Brought forward, Oct 1 (Unfunded deficiency to be liquidated)			-12,000,000		-12,000,000		
		[line split = E for estimate]							
		[line split = A for actual balance]							
1100	D1A	BA: Disc: Appropriation			732,520,000		732,520,000		
	D2A	BA: Disc: Appropriation (Applied to liquidate unfunded deficiency)			7,000,000		7,000,000		
1920		**Total budgetary resources avail (disc. and mand.)**	**48,000,000**		**789,498,450**		**789,498,450**		

Using a line split, identify the portion of the unobligated balance to be used to liquidate a portion of the unfunded deficiency in the current fiscal year.

Although the amount of Unobligated balance, brought forward, Oct 1 line on the SF 133 shows -96,766,918 (which includes an available unobligated balance of 61,978,450 and the total unfunded deficiency of -158,745,368), the agency will only show -12,000,000 of the -158,745,368 on its apportionment, which is the portion of the unfunded deficiency to be liquidated in the current fiscal year.

Only the portion of the unfunded deficiency to be liquidated by budgetary resources in the current fiscal year is shown on line 1000 D3A.

Using a line split, identify the portion of the appropriation to be used to liquidate a portion of the unfunded deficiency in the current fiscal year.

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 099-X-0100 Research and development
	099-X-0100 Unexpired
BUDGETARY RESOURCES	
1000 Unob Bal: Brought forward, Oct 1	-96,766,918
1100 BA: Disc: Appropriation	739,520,000
1910 Total budgetary resources (disc. and mand.)	642,753,082

Program and Financing (in millions of dollars)

Identification code 099-0100-0-1-302		2019 Actual
	Budgetary resources:	
	Unobligated balance:	
1000	Unobligated balance brought forward, Oct 1	62
1034	Adjustment for unobligated balances used to liquidate deficiencies	-5
1050	Unobligated balance (total)	57
	Budget authority:	
	Appropriation, discretionary:	
1100	Appropriation	733
1160	Appropriation, disc (total)	733
1900	Budget authority (total)	733
1901	Adjustment for new budget authority used to liquidate deficiencies	-7
1930	Total budgetary resources available	783
	Unfunded deficiencies:	
7000	Unfunded deficiency, start of year	-159
	Change in deficiency during the year:	
7012	Budgetary resources used to liquidate deficiencies	12
7020	Unfunded deficiency, end of year	-147

The sum of the amounts on schedule X lines 1000 (62M) plus 7000 (-159M) must equal the amount on SF 133 line 1000.

Report the portion of the unobligated balance used to liquidate obligations that were incurred in a prior fiscal year without sufficient budget authority to legally cover such obligations.

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.

This line adjusts the total budgetary resources available for new obligation without reducing the amount of budget authority appropriated.

Equals the sum of the amounts on schedule X lines 1034 and 1901, with the opposite sign.

Newly Enacted Appropriation
Relationship between Existing Automatic Apportionment and the SF 133
While Awaiting Reapportionment

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	Memo Obligations
		Agency: Department of Government **Bureau: Office of the Secretary** **Account: R & D (099-10-0100)** **TAFS: 99-2020-0100**							
IterNo	2	Last Approved Apportionment: 9/10/CY							
RptCat	NO	Reporting Categories							
AdjAut	NO	Adjustment Authority provided							
1100		BA: Disc: Appropriation	10,000,000						
1134		BA: Disc: Appropriations precluded from obligation	-6,500,000						
1920		**Total budgetary resources avail (disc. and mand.)**	**3,500,000**						

Under the automatic apportionment of the Continuing Resolution, TAFS 99-2020-0100 had an appropriation of $3,500,000.

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES

Period ended 1/31/CY

AGENCY: Department of Government	APPROPRIATION OR FUND TITLE AND SYMBOL
BUREAU: Office of the Secretary	099-2020-0100 Research and development
	099-2020-0100 Unexpired
BUDGETARY RESOURCES	
1100 BA: Disc: Appropriation	12,000,000
1134 BA: Disc: Appropriations precluded from obligation	
1910 Total budgetary resources (disc. and mand.)	12,000,000
STATUS OF BUDGETARY RESOURCES	
2201 Unob Bal: Apportioned, unexp: Available in the current period	4,486,301
2403 Unob Bal: Unapportioned, unexp: Other	7,513,699
2490 Unob Bal: end of year	*12,000,000*
2500 Total budgetary resources	12,000,000

For a newly enacted appropriation, report the entire fiscal year appropriation. Do not report any amount on line 1134.

This amount is the sum of the $3,500,000 available under the automatic apportionment of the Continuing Resolution plus 30 day share of the $12,000,000 above. Refer to section 120.41.

SECTION 135—PROCEDURES FOR MONITORING FEDERAL OUTLAYS

Table of Contents

Summary of Changes

Updates list of agencies/programs that are required to submit plans (exhibit 135).

Updates section to reflect that former exhibits 135B through 135F have been moved from this Circular to the MAX Community Monthly Outlay Plans exercise page: https://community.max.gov/x/SgCDAw.

135.1 What is the purpose of these procedures?

Cabinet departments and certain agencies submit reports on Federal outlays to assist in monitoring 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.

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" reporting, prior to publication of the *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government (Monthly Treasury Statement* or 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 135, 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://mop.max.gov. Instructions for using this system and other reference information are available at https://community.max.gov/x/SgCDAw.

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 (MSR). Please reconcile any discrepancies between the 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.

The historical database of outlay plan information that results from this effort can improve outlay forecasting abilities government-wide.

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 MSR 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 MSR estimates serve as reference points only, not as targeted fiscal year totals. Do not force estimated monthly totals to conform to the Budget or MSR totals if those totals are not consistent with your best, most recent information at the time the forecast is prepared. If realistic estimates yield differences between agency and official estimates, then knowing this difference is critical to Treasury's general financing requirements and medium and long-term planning. The format for agency reports includes columns for "Budget estimates" (or "MSR estimates") and "Differences" that will highlight changes from the most recent official estimates. For further information on the reporting format, see the MAX Community page at: https://community.max.gov/x/SgCDAw.

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; see *Treasury Financial Manual* (TFM), Volume 1, Part 6, Chapter 8500), 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 submissions. 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 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. CASH TRACK Web (CTW) is currently the predominant mechanism for reporting large transactions to Treasury. Please contact the Cash Forecasting Division (Fiscal Service, Department of the Treasury (202) 874–9790), to set up your account on CTW, for large dollar notification reporting and for further information regarding TFM Chapter 8500. Additionally, projections of all non-recurring transactions in excess of $1 billion that have a high probability of occurrence beyond the five-day window must be sent to Treasury's Office of the Fiscal Assistant Secretary (OFAS), Office of Fiscal Projections (OFP) as soon as they are identified. This would include transactions that may occur up to a year in advance (for example, large non-recurring expenditures or a planned large asset sale). Communication with other Treasury offices does not replace the requirement of separate notification to OFP by the Federal agencies (outlays@treasury.gov). The CTW user access will allow a Federal agency to add, update, delete, search, list, and view reported large dollar notifications. For an example of the CTW format for reporting large transactions, see the MAX Community page at https://community.max.gov/x/SgCDAw. The older large transaction reporting format (Form FMS-187) also remains available as a format for reporting large transactions.

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 the 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

- Federal Communications Commission spectrum auction activity

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. These reports enable Treasury to forecast the effect of investment transactions on debt subject to statutory limit. An example of the investment account reporting format is available at https://community.max.gov/x/SgCDAw. 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

- 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
  Postal Service
  Deposit Insurance Fund
  Thrift Savings Plan

135.6 What are the requirements for credit financing account reporting?

All departments and agencies that administer credit financing accounts are required to report estimated and actual monthly net disbursements for all accounts as an attachment to the monthly outlay plan application. These reports:

- 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," prior to publication of the MTS.

The following agencies also are required to submit detailed financing account reports:

- Department of Agriculture
- Department of Education
- Department of Energy
- 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

Reporting format. Show both financing accounts and corresponding program and/or liquidating accounts on the report. Include significant activities as shown in the Budget *Appendix* Program and Financing schedules in your detailed financing account reports (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).

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 and budgetary accounts such as credit program, liquidating, 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.

For an example of the financing account reporting format, see https://community.max.gov/x/SgCDAw.

Actual data for credit financing accounts. As discussed in section 135.9 below, the *Monthly Treasury Statement* is the source of actual data for outlay plans. However, the MTS reports and the "Statement of Transactions" 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. Detailed reporting for individual asset sales is required by Treasury offices under asset sale reporting (section 135.7) below.

Forecasting methodology. For financing account reports:

- Non-cash transactions between financing accounts 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 for each sale included in the agency report on outlays or financing account report. These forecasts must be submitted in addition to the large transactions reporting requirements specified in section 135.4. Examples of asset sale, financing account, outlay, and large transaction reporting formats are available on the MAX Community at https://community.max.gov/x/SgCDAw.

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 appropriate formats. Further details on the reporting formats are available on the MAX Community at https://community.max.gov/x/SgCDAw. 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://mop.max.gov) 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 MSR
Early to mid-January	October – November	December – September (current year) October – September (budget year)	Agency estimates compared to amounts in the MSR
Mid- to late March	October – February	March – 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 become available after the system opens for agency use. When the plans are due before MTS data become 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 MSR. 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
  - Other Farm Service Agency
- Foreign Agricultural Service
- Food and Nutrition Service:
  - Supplemental Nutrition Assistance Program
  - Child nutrition programs
  - Other Food and Nutrition Service
- Forest Service
- Other Department of Agriculture
- Deductions for offsetting receipts (-)

Department of Commerce[2]

Department of Defense—Military Programs:
- Military Personnel
- Operation and Maintenance
- Procurement
- Research, Development, Test, and Evaluation
- Military Construction
- Family Housing
- Revolving and Management Funds
- Other Department of Defense—Military

Department of Education:
- Elementary and Secondary Education:
  - Education for the Disadvantaged
  - Other Elementary and Secondary Education
- Special Education and Rehabilitative Services:
  - Special Education
  - Other Special Education and Rehabilitative Services
- Postsecondary Education
- Federal Student Aid:
  - Student financial assistance
  - Other Federal Student Aid
- Other Department of Education

Department of Energy:
- National Nuclear Security Administration
- Environmental and Other Defense Activities
- Energy Programs
- Other Department of Energy

Department of Health and Human Services:
- Public Health Service:
  - Indian Health Service
  - National Institutes of Health
  - Other Public Health Service
- Centers for Medicare and Medicaid Services:
  - Grants to States for Medicaid
  - Payment to health care trust funds
  - Children's Health Insurance Program
  - Federal Hospital Insurance Trust Fund
  - Health care fraud and abuse control
  - Federal Supplementary Medical Insurance Trust fund
  - Medicare Prescription Drugs
  - Other Centers for Medicare and Medicaid Services
- Administration for Children and Families:
  - Temporary Assistance for Needy Families
  - Child Support Enforcement
  - Low Income Home Energy Assistance
  - Social Services Block Grant
  - Other Administration for Children and Families
- Other Department of Health and Human Services
- Proprietary receipts (-)
- Intrabudgetary receipts (-)

Department of Homeland Security:
- Citizenship and Immigration Services
- Transportation Security Administration
- Immigration and Customs Enforcement
- Customs and Border Protection
- Other Security, enforcement, and investigations
- United States Coast Guard
- Federal Emergency Management Administration (FEMA):
  - Disaster relief
  - National Flood Insurance Fund
  - Other FEMA
- Other Department of Homeland Security
- Proprietary and intrabudgetary receipts (-)
- Offsetting governmental receipts (-)

Department of Housing and Urban Development:[1]
- Public and Indian Housing Programs:
  - Tenant-based rental assistance
  - Housing certificate fund
  - Other Public and Indian Housing Programs

Reports on Outlays—Agency and Program Coverage—Continued

- Community development fund
- Federal Housing Administration (FHA) credit accounts
- Offsetting receipts, FHA credit accounts (-)
- Other Department of Housing and Urban Development

Department of the Interior:[3]
- Bureau of Land Management
- Bureau of Ocean Energy Management
- Office of Surface Mining Reclamation and Enforcement
- Bureau of Reclamation
- Bureau of Indian Affairs
- Bureau of Indian Education
- Insular Affairs
- Other Department of the Interior
- Deductions for offsetting receipts (-)

Department of Justice:
- Federal Bureau of Investigation
- Federal Prison System
- Other Department of Justice

Department of Labor:
- Training and employment services
- Unemployment trust fund
- Pension Benefit Guaranty Corporation
- Black lung disability trust fund
- Other Department of Labor
- Deductions for offsetting receipts (-)

Department of State

Department of Transportation:
- Federal Aviation Administration
- Federal Highway Administration
- Federal Railroad Administration
- Federal Transit Administration
- Other Department of Transportation

Department of the Treasury:
- Departmental Offices:
  - Housing and Economic Recovery Programs
  - Troubled Asset Relief Programs
  - Exchange Stabilization Fund
  - 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
- Internal Revenue Service:
  - Earned Income Tax Credit
  - Child Tax Credit
  - Refundable Premium Tax Credit
  - Interest on Tax Refunds
  - Other Internal Revenue Service
- Comptroller of the Currency
- Interest on Treasury Debt Securities (Gross)
- Other Department of the Treasury
- Proprietary receipts (-)
- Intrabudgetary receipts (-)

Department of Veterans Affairs:[1]
- Medical care
- Compensation and pensions
- Readjustment benefits
- Insurance trust funds
- Other Department of Veterans Affairs
- Deductions for offsetting receipts (-)

Corps of Engineers—Civil Works

Other Defense—Civil Programs:[4]
- Military Retirement
- Uniformed services retiree health
- Other

Environmental Protection Agency

Executive Office of the President[5]

General Services Administration

International Assistance Programs:
- International Security Assistance:
  - Foreign military financing program
  - Economic support fund
  - Other International Security Assistance
- Multilateral Assistance:
  - Contribution to the International Development Association
  - Deductions for offsetting receipts (-) and other
- International development assistance:
  - Agency for International Development
  - Other International development assistance

Reports on Outlays—Agency and Program Coverage—Continued

Military Sales Program:
- Foreign military sales trust fund outlays
- Foreign military sales trust fund proprietary receipts (-)

Other International Assistance Programs

National Aeronautics and Space Administration

National Science Foundation

Office of Personnel Management (OPM):[6]
- Civil Service Retirement and Disability Fund
- Employee Life Insurance Trust Fund
- Other trust funds
- Postal Service contributions
- Other Office of Personnel Management

Small Business Administration[1]

Social Security Administration (SSA): [7]
- Payment to social security trust funds
- Supplemental Security Income
- Federal Old-Age and Survivors Insurance Trust Fund
- Federal Disability Insurance Trust Fund
- Other Social Security Administration
- Deductions for offsetting receipts (-)

Other Independent Agencies:
- Corporation for Public Broadcasting
- District of Columbia:
  - District of Columbia Courts
  - District of Columbia Judicial Pensions
- Export-Import Bank of the United States[1]
- Federal Communications Commission (FCC):
  - Universal Service Fund
  - Spectrum Auction Program Account
  - Other FCC
- Federal Deposit Insurance Corporation:
  - Deposit Insurance Fund
  - Orderly Liquidation Fund
  - Other Federal Deposit Insurance Corporation
- National Credit Union Administration
- Postal Service[8]
- Railroad Retirement Board:
  - Federal Windfall subsidy
  - Benefit Payments
  - Administrative expenses
  - Other Railroad Retirement Board
- Tennessee Valley Authority

Undistributed Offsetting Receipts:
- Rents and Royalties on the Outer Continental Shelf (Interior)
- Spectrum Auction Receipts (Commerce)
- Spectrum Relocation Fund receipts (Executive Office of the President)
- Employer Share, Employee Retirement, Military Retirement Fund (Other Defense—Civil Programs)
- Employer Share, Employee Retirement, Medicare-Eligible Retiree Health Care Fund (Other Defense—Civil Programs)
- Employer Share, Employee Retirement, Civil Service Retirement and Disability Fund (OPM)
- Employer Share, Employee Retirement, Federal Old-Age and Survivors Insurance Trust Fund (SSA)
- Employer Share, Employee Retirement, Federal Disability Insurance Trust Fund (SSA)
- Interest Received by Trust Funds

[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] Commerce also reports spectrum auction receipts.

[3] Interior also reports the outlays for rents and royalties on Outer Continental Shelf.

[4] Other Defense—Civil Programs also reports receipts collected by them for employer share, employee retirement and health receipts.

[5] Executive Office of the President also reports Spectrum Relocation activities.

[6] OPM also reports receipts collected by them for employer share, employee retirement.

[7] SSA also reports receipts collected by them for employer share, employee retirement.

[8] Postal Service also reports memorandum items for Workers Compensation to the Department of Labor and Payments to OPM Retiree Health Benefits per Public Law 109-435 by attaching a spreadsheet to the application.

SECTION 140—REPORTS ON UNVOUCHERED EXPENDITURES

Table of Contents

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 ensure 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

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Summary of Changes

Clarifies reporting requirement for when GAO finds an ADA violation (section 145.8).

145.1 What is the Antideficiency Act?

The Antideficiency Act consists of provisions of law that were passed by the 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; the 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, the 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 the 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/opiniondocs/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 120.46). Generally, 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. However, if you are authorized to incur obligations against a customer order from another Federal account, then incurring such an obligation will not result in 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 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 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 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 knowingly and willfully 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 the 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 the 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 the Congress and the Comptroller General are not identical to the letter to the President, you will submit a copy of the letter to the 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 finds a violation?

Under the constitutional doctrine of separation of powers, a legal opinion by a Legislative Branch agency cannot bind the Executive Branch.

If the Government Accountability Office (GAO) finds an agency has committed an ADA violation and the agency, in consultation with OMB, agrees with GAO that a violation has occurred, the agency must report such violation to the President, the Congress, and the Comptroller General in accordance with 31 U.S.C.

1341 or 1517(b). The report to the President must contain an explanation as to why the violation was not discovered and previously reported by the agency.

If GAO finds that an agency has committed an ADA violation and the agency, in consultation with OMB, does not agree with GAO that a violation has occurred, no report is required, but the agency may nevertheless provide a report to the President, the Congress, and the Comptroller General that explains 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, the 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, the Congress, and Comptroller General will explain the agency's position.

145.10 When do I need to request (and obtain) an appropriation in order to liquidate an obligation that was a violation of the Antideficiency Act?

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 that you have yet to expend, 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.

In most cases, you will not need to request (and obtain) an appropriation in order to liquidate an obligation that was incurred in violation of the Antideficiency Act. (Such an appropriation is referred to as a "deficiency appropriation.")

When an obligation that was a violation of the Antideficiency Act has already been liquidated, a deficiency appropriation is <u>not</u> necessary.

A deficiency appropriation is also <u>not</u> necessary when other resources are available to liquidate the obligation. For instance, the agency may be able to liquidate the obligation by:

(1) using unobligated balances that can be made available through a re-allotment, a revised apportionment, a reprogramming, or a transfer from another account (if the agency has transfer authority);

(2) deobligating funds; or

(3) if the account has been closed, exercising the authority to use current-year funds under 31 U.S.C. 1553.

A deficiency appropriation is only necessary where there is not existing budget authority that is available to liquidate the obligation.

Appropriations to liquidate obligations that violated the Antidefiency Act (i.e., deficiency appropriations) are subtracted from total budgetary resources available for obligation. As a result, the appropriation is still recognized in the budget authority totals as a current cost, but the appropriation is unavailable to be used for any purpose except to liquidate the obligation (see sections 20.4(b) and 82.18).

Regardless of whether a deficiency appropriation is needed, all Antideficiency Act violations involving either obligations or expenditures must be reported to the President, the Congress, and the Government Accountability Office in accordance with this section.

This discussion does not address those situations in which an appropriation is needed in order to liquidate obligations that are lawfully incurred, such as obligations incurred for excepted activities pursuant to the Antideficiency Act (see section 124).

Antideficiency Act Violation
Sample Letter to the Director

Note: Violations of 31 U.S.C. 1341 or 1342 must be reported pursuant to 31 U.S.C. 1351. Violations of 31 U.S.C. 1517 must be reported pursuant to 31 U.S.C. 1517(b).

Honorable Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Director:

Enclosed is a letter transmitting to the President a report of a violation of the Antideficiency Act (ADA) (31 U.S.C. [1341, 1342, or 1517(a)]).

The ADA violation[s] totaled approximately $X,XXX during fiscal year[s] [20XX]. 31 U.S.C. [1351 or 1517(b)] requires that this report be submitted to the President. It is being submitted through the Director of the Office of Management and Budget.

The [Agency] [received/did not receive] a clean audit opinion during the fiscal year[s] in which the violation[s] occurred. [The [Agency] has determined that the responsible party had no knowing and willful intent to violate the ADA.]

To comply with the aforementioned provisions, [Agency] is also submitting copies of the report to the President of the Senate, the Speaker of the House of Representatives, and the Comptroller General.

Sincerely,
Agency Head

Enclosure[s]

Antideficiency Act Violation
Sample Letter to the President

Note: Violations of 31 U.S.C. 1341 or 1342 must be reported pursuant to 31 U.S.C. 1351. Violations of 31 U.S.C. 1517 must be reported pursuant to 31 U.S.C. 1517(b).

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

This letter is to report a violation of the Antideficiency Act (ADA), as required by 31 U.S.C. [1351 or 1517(b)].

A violation of 31 U.S.C. [1341 or 1517] occurred in account [Treasury symbol and title] in the total amount of $X,XXX. The violation occurred on [date[s]] in connection with [identify the affected program or activity] for fiscal year [20XX]. [X] was [were] 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.]

[Explain the specific actions taken to prevent recurrence of the same type of violation.]

[State whether the adequacy of the system of administrative control of funds has been approved by OMB. (see section 150.7)]

[Explain the administrative discipline that was or will be imposed, as well as any further action(s) taken with respect to the officer(s) or employee(s) involved. (see section 145.1)]

[If an employee is suspected of knowingly and willfully violating the Antideficiency Act, confirm that the issue has been referred to the Department of Justice. If the agency has determined that the violation was not knowing and willful, include the following sentence: "The [Agency] has determined that the responsible party had no knowing and willful intent to violate the Antideficiency Act."]

Identical reports are being submitted to the President of the Senate, the Speaker of the House of Representatives, and the Comptroller General. (see section 145.7)

Respectfully,

Agency Head

SECTION 150—ADMINISTRATIVE CONTROL OF FUNDS

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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 suballotments 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.

Your agency's internal controls should include objectives specific to compliance with the Antideficiency Act, ensuring that:

- Expenditures and obligations do not exceed the amounts available in the appropriation, apportionment, allotment, suballotment, and/or other administrative subdivisions or limitations of funds.
- Obligations do not occur before an appropriation is made or otherwise authorized by law.
- Staff are adequately trained and knowledgeable about the current status of funds, including the current year's appropriation, apportionment, allotment, suballotment, and other administrative subdivisions or limitations of funds.
- Approving and certifying officials have adequate and current training in appropriations law and the budget process, OMB Circular A-123, and budget execution practices that may prevent violations of the Antideficiency Act.
- Commitment and obligation tracking can be monitored in real time with comparisons to the apportionment, allotment and suballotment, on a fiscal year and quarterly basis.

For further guidance on your agency's internal controls, see OMB Circular No. A–123, Management's Responsibility for Enterprise Risk Management and Internal Control, last updated July 2016. Agencies should consult the updated circular as appropriate.

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 Appendix D to OMB Circular No. A–123, Compliance with the Federal Financial Management Improvement Act of 1996. For policies related to information technology that pertain to financial management systems, see OMB Circular No. A–130, Managing Federal Information as a Strategic Resource.

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 prior year column of the Program and Financing Schedule in the President's Budget.

An electronic version of the TFM USSGL Supplement is available at:

https://www.fiscal.treasury.gov/fsreports/ref/ussgl/ussgl_home.htm.

The OMB policies regarding the USSGL are in OMB Circular No. A–123, Appendix D, Compliance with the Federal Financial Management Improvement Act of 1996. Specifically, Circular A–123, Appendix D 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 OMB Circular No. A–123, Appendix D, agencies must make the best use of financial systems to initiate, record, process and report transactions to support agency missions in making business decisions and to provide transparency to the public. These systems help agencies ensure the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

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 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 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 2020

SECTION 185—FEDERAL CREDIT

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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 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 OMB Circular No. 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 contractual cash flows are adjusted for expected deviations from the contract terms (delinquencies, defaults, prepayments, and other factors). Present values must be calculated using the online Credit Subsidy Calculator (the Calculator). The Calculator 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 subsidy value means that the Government incurs a cost for extending a subsidy to borrowers; a negative subsidy 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 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 remaining 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, writeoff, 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 transferred 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*** 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 online Credit Subsidy Calculator.

(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 online Credit Subsidy Calculator and accompanying documentation for information about estimating the subsidy.)

(h) ***Discount rates*** mean the collection of Treasury interest rates that are used to calculate the present value of the cash flows that are estimated over a period of years. The budget assumption discount rates are part of the economic assumptions for the budget year of obligation. Actual discount rates for substantially disbursed cohorts (i.e., at least 90 percent disbursed) are provided roughly 10 days before the end of the fiscal year. 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 rates for the budget are provided by OMB in the online Credit Subsidy Calculator. For subsidy rate estimates beyond the budget year, please consult your OMB representative regarding the appropriate discount rates. The discount rates for technical reestimates, and 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.

(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. Additional information about properly describing the timing, type, and magnitude of forecast assumptions can be found in the online Credit Subsidy Calculator and accompanying documentation.

(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 current 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 online Credit Subsidy Calculator 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 online Credit Subsidy Calculator 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 work-outs (see section 185.3(ac)) 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. Disbursements less than the maximum direct loan obligation or loan guarantee commitment amount are not modifications unless otherwise explicitly documented or would directly impact the viability of the loan amounts already outstanding. See Appendix F for the treatment of recoveries of unpaid obligations. When executing deobligations of subsidy budget authority in such cases, contact your OMB representative to verify that you are using the correct original subsidy rate for these calculations.

There are situations where it is not clear whether a Government action constitutes a modification or an action captured by 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., a new 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. When it is unclear whether a Government action is a modification or a work-out, please contact your OMB representative in a timely manner.

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. Should a modification result in a savings, the amount of the savings are recorded as negative subsidy receipts, and paid to the appropriate negative subsidy receipt account. (See section 185.3(w))

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(w) 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 or where a modification results in a savings (see sections 185.3(v) and 185.3(t)). 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(z)).

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 the negative subsidy receipts until they have been credited to the receipt account and appropriated. 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;
- Various asset or income ratios; and
- Major contract terms.

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. Some risk categories will be executed on a portfolio average basis, whereas other risk categories will be executed on a loan-by-loan basis. When risk categories are executed on a portfolio average basis, agencies should work with their OMB representative to establish thresholds for which OMB notification or review is required when individual loans are statistically heterogeneous from the rest of the portfolio and may not have been contemplated in the original subsidy estimate for the President's Budget.

(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. If the effects of the work-out on the cash flow are the same as originally estimated, the subsidy cost does not change. However, if the effects of the work-out result in cash flows that are higher or lower than originally estimated, the difference in cost is included in reestimates, and is not considered 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 online Credit Subsidy Calculator (the Calculator) to discount all agency-generated estimates of cash flows to and from the Government. The Calculator and documentation provide explanation and examples of the discounting method and how the subsidy rate is calculated. All agencies must use the Calculator and associated discount rates to ensure government-wide comparability and uniformity of discounting. It 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 Calculator. 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 Calculator 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 loan guarantee credit facilities, i.e., where a borrower may draw and repay a private lender multiple times under the same contract, agencies may record loan guarantee commitments reflecting the maximum face value that may be outstanding per the contract. Agency credit subsidy cost models for these programs must reflect all other cash flows associated with the anticipated commitments over the life of the cohort. For revolving loan guarantee 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 Calculator. 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 Calculator.) 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.*** (Performed automatically by the MAX A-11 DE) 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 outyear 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. Please see section 185.6(g) for more information about closing reestimates.

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., the first fiscal year when the direct loans or guaranteed loans are at least 90 percent 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. You may also perform an interest rate reestimate if a cohort is not yet 90 percent disbursed and no further disbursements are possible. 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. Agencies are not required to update borrower interest rate (BIR) when an interest rate reestimate is calculated, as changing the BIR could affect other variables in econometric models. 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. Once approved, execute the reestimates by May 15th. See 185.17 and 185.18 below for further details.

(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 online Credit Subsidy Calculator (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 Calculator. 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 Calculator 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. The Calculator uses the balances approach to produce the official technical reestimate used in the President's Budget. 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. Balance approach reestimates can be calculated using *reported balances*, as entered by the user, or *calculated balances*, as computed by the Calculator based on the sum of historical cash flows entered by the user. In most circumstances, calculated balances should equal reported balances.

The traditional approach for computing technical reestimates requires historical and projected cash flows to and from the Government. The technical reestimate using the traditional approach is computed by the Credit Subsidy Calculator during technical reestimates as a check against the technical reestimate generated using the balances approach, which is generally the amount that should be executed.

Agencies are required to use the Calculator for reestimate submissions for the President's Budget. The Calculator 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 Calculator.

(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 the reestimated subsidy 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 Calculator.

(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 Calculator 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 Calculator.

(f) *Reestimate increases/decreases*

In cases where agencies execute a risk category on a loan-by-loan basis, increases or decreases in subsidy cost for different loans within the same cohort and risk category will be netted against each other; that is, loans 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 or risk categories. OMB may provide permission in writing to allow netting between risk categories within the same cohort.

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 and closed-out following guidance in OMB Circular No. A–129 Section V.E. Closing reestimates may not be performed if further cash flows to and from the government are possible, for example if an agency writes off a loan as currently not collectable but future collections are possible (even if they are unlikely).

In order to close a cohort, agencies must follow the same procedures outlined in this section for a typical technical reestimate, but should use the "reported balances" purpose, ensuring that reported cash and debt balances are based on actual accounting data. The Credit Subsidy Caluclator documentation provides detailed instructions on how to performing a closing reestimate. Agencies must notify OMB when closing reestimates are performed. Closing entries will be made in the accounting records.

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 online Credit Subsidy Calculator, 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 2015, then the discount rates used to discount the cash flows will be the interest rates used to formulate the 2015 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 lines 1022 (capital transfers from unobligated balances(-)), and/or line 1820 (capital transfer from offsetting collections to general fund (-)). If there is not enough cash from these sources, the financing fund would exercise borrowing authority to pay the MAT. This would be recorded on line 1424 (capital transfer of borrowing authority to general fund (-)). Exhibits 185N through 185Z are a simplified presentation highlighting the budget execution dynamics for interrelated credit accounts. Note that the apportionment for a modification adjustment transfer to the general fund may utilize line 1842 (*anticipated* capital 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 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. Treasury receipt account 2814 should be used to collect the modification adjustment transfers from all financing accounts. For more information about this account, see the Treasury Federal Account Symbols and Titles (FAST Book), available at https://www.fiscal.treasury.gov/fsreports/ref/fastBook/fastbook_home.htm.

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), title V of Public Law 93-344, as amended, 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 2015, then the discount rates used to discount the cash flows will be those used to formulate the 2015 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; and
- 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 schedules required for credit program, financing, liquidating, and negative subsidy receipt accounts are listed below. References to applicable 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)		✓	✓	

Requirement	Program	Financing	Liquidating	Receipt
Schedule H (PY-BY+4) (section 185)		✓	✓	
Schedule R (PY-BY+9) (section 81)				✓
Schedule K (PY-BY+9) (section 81)				✓
Schedule Y (PY-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. Character classification for credit program accounts and receipt accounts must also agree (see section 84). Cross-account edit checks and other credit-account edit checks are included in the MAX Edit Checks report on the Budget Season Reports page.

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 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

Line number	Description
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

The data for the lines 0705, 0706, 0707, and 0708 is automatically generated from the Credit Supplement Report (CSR) exercise.

(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 Federal sources. 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) *Character classification (schedule C)*

Record positive subsidy outlays, downward reestimates receipts, and negative subsidy receipts in the appropriate character class (see section 84). For investment-related credit programs (i.e., physical assets or for the conduct of education and training) use the appropriate investment line number (i.e., 13XX or 1512). Otherwise, use line 2004-xx for offsetting receipts. Note that downward reestimates and negative subsidy receipt accounts do not contain a separate Schedule C.

(d) *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 A-11 DE 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 A-11 DE 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 the 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. The data for this line is automatically generated from the Credit Supplement Report (CSR) exercise. 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 A-11 DE 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 or negative 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 (+ or –)	The 1330 data line series presents data in dollars on the subsidy costs inherent in making direct 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

Entry	Description
	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 reestimate:	
1350xx Net reestimate (+ or –)	The 1350 data line series presents data on the net amount of reestimate executed by the program and financing accounts in a given year, including interest on reestimate. Report amounts in PY and CY only.
1351xx Upward reestimate	The 1351 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.
1352xx Downward reestimate (–)	The 1352 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.
135999 Total direct loan reestimates	The sum of all lines 1350 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 the full obligation of available budget authority. In those cases

Entry	Description
	enter the maximum amount that can be obligated under enacted and anticipated limitations. 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 the 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. The data for this line is automatically generated from the Credit Supplement Report (CSR) exercise. 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 A-11 DE 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:	

Entry	Description
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 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 reestimate:	
2350xx Net reestimate (+ or –)	The 1350 data line series presents data on the net amount of reestimate executed by the program and financing accounts in a given year, including interest on reestimate. Report amounts in PY and CY only.
2351xx Upward reestimate	The 2351 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.
2352xx Downward reestimate (–)	The 2352 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.
235999 Total guaranteed loan reestimate	The sum of all lines 2350 above.

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 A-11 DE 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 downward reestimate receipt account for the credit program.
0743 Interest on downward reestimates	Obligations for interest on the downward reestimate to be paid to the downward reestimate 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

Entry	Description
	amount of the modification, net of the amount of the modification adjustment transfer.
New financing authority (gross), detail:	
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 or other obligations of the financing account that cannot be paid by unobligated balances.
Spending authority from offsetting collections:	
1800 Collected	Amount of offsetting collections (cash) credited to the account.
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:	
3100 Obligated balance, start of year	For PY, this amount must tie to the PY end of year amounts reported in GTAS for PY-1, including any revisions made during the GTAS revision window. CY and BY amounts automatically generated by MAX A-11 DE. Includes unpaid obligations, e.g., undisbursed direct loans, negative subsidies or other obligations.
3200 Obligated balance, end of year	Includes unpaid obligations, e.g., undisbursed direct loans, negative subsidies or other obligations. Automatically generated by MAX A-11 DE.
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

Entry	Description
	direct loans or collateral, or other collections from the public resulting from a direct loan or loan guarantee.

Note: MAX A-11 DE 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 A-11 DE 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 Direct loan obligations from current-year authority	Amount of limitation enacted or proposed to be enacted in appropriations acts, and amount of obligations of direct loans to the public without an explicit loan limitation specified in appropriations acts. For discretionary programs, the BY amount should be equal to line 1359 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.
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.

Entry	Description
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.
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 Writeoffs for default: Direct loans (–)	Amount of direct loan principal reduced by writeoffs for defaults. This line should only be used to indicate writeoffs of loans that

Entry	Description
	were initiated as direct loans. (Refer to the processes for writeoffs 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.
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 A-11 DE 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 Guaranteed loan commitments from current-year authority	Amount of limitation enacted or proposed to be enacted in appropriations acts on the full principal of commitments to guarantee loans by private lenders, and amount of full principal of commitments to guarantee loans by private lenders that is not subject to specific loan limitations in appropriations acts. For discretionary programs, the BY amount should be consistent with 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.
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.

Entry	Description
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.
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 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.

Entry	Description
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.
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 Writeoffs 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 writeoffs 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). For investment-related credit programs, use the appropriate character classification line (i.e., 13XX or 1512). Otherwise use line 2004 (see section 84).

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.

If budgetary resources...	For example ...	Then ...
Do not result from current action by the 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 apportionment request (SF 132)?

Section 120 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 95.7, 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:

- For discretionary and mandatory programs:
  - Subsidy cost amounts and administrative expenses are shown correctly on your program account apportionment request (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 apportionment request (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 apportionment request for liquidating accounts can be found in section 120. Exhibits 185N through 185Z 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 185R 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 and submit a corresponding apportionment at the beginning of the following fiscal year, unless a different plan is approved by OMB. Note that reestimates should only be executed once they are approved by OMB, and that reapportionments should be submitted in the event there is a change in the originally calculated reestimate and the OMB-approved reestimate. Once approved, execute the reestimates by May 15th.

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. Once approved, execute the reestimates by May 15th. 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 (Category B lines 6011-6111). Instead, place a footnote on 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 185S).

185.19 Do amounts for interest payments to Treasury need to be apportioned?

Yes. For financing and liquidating accounts, additional amounts for interest payments to Treasury (i.e., amounts exceeding your estimate on the most recent approved apportionment) are automatically apportioned. Please contact your OMB representative if you have questions regarding what interest payments are automatically apportioned.

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 apportionment request.

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 185Q 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 185Q 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 apportionment request and other resources have been consumed. The relationship between program and financing accounts is dynamic, affecting different entries of the apportionment request and SF 133 at different stages of the process as transactions occur throughout the year. Exhibits 185U through 185W illustrate the individual SF 133s for the program, direct loan financing, and guaranteed loan financing accounts, respectively, for the first quarter. Exhibits 185X through 185Z 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 online Credit Subsidy Calculator to calculate subsidy cost estimates. The Calculator 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 185U):

- 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 185V):

- 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 185W):

- 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 185U), 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 185V), include the loan disbursement on lines 3020, Financing disbursements (gross) (–) and 4110 Total financing disbursements, 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 185V). 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, Financing disbursements (gross) (–), and 4110, Total financing disbursements, 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:

If Modification...	Then...
Increases cost	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.
Decreases cost	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, Financing disbursements (gross) (–) and 4110, Total financing disbursements, gross (mand.). Include the collection in a negative subsidy receipt account.

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, Financing disbursements (gross) (–) and 4010/4011, Financing disbursements from new discretionary authority / Financing disbursements 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, Financing disbursements (gross) (–) and 4110, Total financing disbursements, 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 GTAS 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 the online Credit Subsidy Calculator 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 apportionment request. 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 online Credit Subsidy Calculator 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 online Credit Subsidy Calculator (the Calculator), available from the OMB representative with the primary responsibility for the account. For cohorts before 2001, the Calculator will generate a disbursement-weighted average discount rate (DWADR). For cohorts 2001 and after, the Calculator 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

Subsidy and reestimate rates are automatically generated from CSR

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 B (+ or -)	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 (+ or -)	23	26	20
133999	Total subsidy budget authority	23	26	20
	Direct loan subsidy outlays:			
134001	Risk category A (+ or -)	23	26	10
134999	Total subsidy outlays	23	26	10
	Direct loan net reestimate:			
135001	Net reestimate (+ or -)	117	55	----
135999	Total direct loan reestimate	117	55	----
	Guaranteed loan levels supportable by subsidy budget authority:			
215001	Risk category B	3,000	3,000	3,000
215999	Total loan guarantee levels	3,000	3,000	3,000
	Guaranteed loan subsidy (in percent):			
232001	Risk category B (+ or -)	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 (+ or -)	128	125	129
233999	Total subsidy budget authority	128	125	129
	Guaranteed loan subsidy outlays:			
234001	Risk category B (+ or -)	128	125	13
234999	Total subsidy outlays	128	125	13
	Guaranteed loan net reestimate:			
235001	Net reestimate (+ or -)	-4	-2	----
235999	Total guaranteed loan reestimate:	-4	-2	----

Shaded entries are automatically calculated by MAX.

Subsidy and reestimate rates are automatically generated from CSR

Enter reestimate budget authority in the appropriate lines (1350xx, 1351xx, and 1352xx for direct loans, 2350xx, 2351xx, and 2352xx 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.)

Contact the OMB representative with primary responsibility for the account to add or modify 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	----	----	----
1021 Recoveries of prior year unpaid obligations	----	----	----
1023 Unobligated balances applied to repay debt	----	----	----
1050 Unobligated balance (total)	----	----	----
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	275	352	426
1801 Change in uncollected customer payments from program account	----	----	----
1825 Spending authority from offsetting collections applied to repay debt	-253	-346	-426
1850 Spending authority from offsetting collections (total)	22	6	0
1900 Total new financing authority	500	500	500
1930 Total budgetary resources available (gross)	500	500	500
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	----	----	----
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	500	500
4110 Total financing disbursements (gross)	500	500	500
Offsets against 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)	-275	-352	-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)	225	148	74
4170 Outlays, net (mandatory)	225	148	74
Budget authority and outlays, net (total):			
4180 Financing authority, net	225	148	74
4190 Financing disbursements, net	225	148	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	Direct loan obligations from current-year authority	500	500	500
1142	Unobligated direct loan limitations (-)	----	----	----
1150	Total direct loan obligations	500	500	500
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	----	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 (-)	----	----	----
1290	Outstanding, end of year	377	630	757

Shaded entries are automatically calculated by MAX.

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

Line 1101 equals obligated and un-obligated 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

Include undisbursed downward reestimates and interest on such reestimates

See Section 86.1 for detailed information about balance sheets.

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	73	72	72
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	104	105	103
BUDGETARY RESOURCES:				
Unobligated balance:				
1000	Unobligated balance brought forward, October 1	100	278	376
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	481	699
Memorandum (non-add) entries:				
1941	Unexpired unobligated balances, end of year	278	376	----
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	104	105	103
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	-322	-325
Additional offsets against gross budget authority only:				
4140	Uncollected customer payments from program account	----	----	----
4160	Financing authority, net (mandatory)	----	-115	8
4170	Financing disbursements, net (mandatory)	-30	15	6
Budget authority and outlays, net (total):				
4180	Financing authority, net	0	-115	8
4190	Financing disbursements, net	-30	15	6

Shaded entries are automatically calculated 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	Guaranteed loan commitments from current-year authority	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	7,763	9,691
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	-48	-50	-50
2263	Terminations for default that result in claim payments	-25	-22	-22
2290	Outstanding, end of year	7,763	9,691	11,619
	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 <u>only</u> undisbursed upward reestimates and interest on such reestimates. Do <u>not</u> report amounts for CY or BY. Do <u>not</u> 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.

The financing account is designed to break even and thus have a zero results of operation.

See section 86.2 for detailed information about balance sheets.

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

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

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 receivable, 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 about balance sheets.

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 (003-04-0138)						
		TAFS: 80-0138 /2011						
Rprt Cat	NO	Reporting Categories						
AdjAuth	NO	Adjustment Authority provided						
1100		BA: Disc: Appropriation……………………………………			18,530,000		Subsidy ($11,530,000 + $6,000,000) + administrative expenses ($1,000,000).	
1920		**Total budgetary resources avail (disc. and mand.)**			18,530,000			
6011		Direct loan subsidy…………………………………………			11,530,000		These two entries must be equal.	
6012		Guaranteed loan subsidy……………………………………			6,000,000			
6013		Administrative expenses……………………………………			1,000,000			
6190		**Total budgetary resources available**			18,530,000			

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..			88,470,000			
1840		BA: Mand: Spending auth: Antic colls, reimbs, other………………………………….			21,773,000			
1842		BA: Mand: Spending auth: Antic cap tran, red debt...			-8,562,750			
1920		**Total budgetary resources avail (disc. and mand.)**			101,680,250			
6001		First quarter...			25,000,000			
6002		Second quarter..			25,000,000			
6003		Third quarter..			25,000,000			
6004		Fourth quarter..			25,000,000			
6011		Interest paid to Treasury...			1,680,250			
6190		**Total budgetary resources available**			101,680,250			

Direct loan limitation ($100,000,000) minus subsidy ($11,530,000).

Subsidy from the program account ($11,530,000) + repayments from borrower ($10,243,000). 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						
1840		BA: Mand: Spending auth:Antic colls, reimbs, other………….			6,360,000		Subsidy from the program account ($6,000,000) + interest from Treasury ($360,000).	
1920		**Total budgetary resources avail (disc. and mand.)**			6,360,000		These two entries must be equal.	
6182		Budgetary Resources: Unappor bal, revolving fnd……..……			6,360,000			
6190		**Total budgetary resources available**	`		6,360,000			
8100		Program Level, Current Year…….……..……			70,000,000		Limitation on loan guarantees.	
8200		Program Level, Unused from prior years…..… Lines 8100 and 8200 are only used on the SF 132 for guaranteed loan financing accounts.						
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…………..…………………			70,000,000			

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.

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						
	1100		BA: Disc: Appropriation…	18,530,000		19,530,000			
	1920		**Total budgetary resources (disc. and mand.)**	18,530,000		19,530,000			
	6011		Direct loan subsidy…	11,530,000		11,530,000			
	6012		Guaranteed loan subsidy…	6,000,000		6,000,000			
	6013		Administrative expenses…	1,000,000		1,000,000			
	6014		Direct loan modification…			1,000,000			
	6190		**Total budgetary resources available**	18,530,000		19,530,000			

If your current apportionment does not provide budgetary resources to cover the modification cost, you must submit a reapportionment.

Subsidy ($11,530,000 + $6,000,000) + modification ($1,000,000) + administrative expenses ($1,000,000).

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						
1200		BA: Mand: Appropriation…………………………………………	18,530,000		18,530,000			
1250		BA: Mand: Anticipated appropriation…………………………………			1,000,000			
1920		**Total budgetary resources avail (disc. and mand.)**	18,530,000		19,530,000			
6011		Direct loan subsidy………………………………………………	11,530,000		11,530,000			
6012		Guaranteed loan subsidy…………………………………………	6,000,000		6,000,000			
6013		Administrative expenses…………………………………………	1,000,000		1,000,000			
6014		Reestimate………………………………………………………			1,000,000			
6190		**Total budgetary resources available**	18,530,000		19,530,000			

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………………………………	88,470,000		88,470,000			
1800		BA: Mand: Spending auth: Collected (mand.)…………………	21,773,000		22,773,000			
1825		BA: Mand: Spending auth: Applied to repay debt………….....	-8,562,750		-8,562,750			
1920		**Total budgetary resources avail (disc. and mand.)**	101,680,250		102,680,250			
6001		First quarter……………………………………………………	25,000,000		25,000,000			
6002		Second quarter…………………………………………………	25,000,000		25,000,000			
6003		Third quarter……………………………………………………	25,000,000		25,000,000			
6004		Fourth quarter…………………………………………………	25,000,000		25,000,000			
6011		Interest paid to Treasury……………………….. …………	1,680,250		1,680,250			
6012		To receipt account……………………………………………			1,000,000			
6190		**Total budgetary resources available**	101,680,250		102,680,250			

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

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			
1825		BA: Mand: Spending auth: Applied to repay debt			-1,000,000			
1920		**Total budgetary resources avail (disc. and mand.)**			2,000,000			
6001		First quarter						
6002		Second quarter						
6003		Third quarter						
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			

Repay debt ($1,000,000) and balances swept to Treasury ($1,000,000).

Use 1825 (actual) and 1842 (anticipated) to show principal repayments to Treasury.

These two entries must be equal.

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	
1100 BA: Disc: Appropriation (disc.)...............................	18,530,000
1900 Budget authority total (disc. and mand.).........................	18,530,000
1910 Total budgetary resources (disc. and mand.)...........	**18,530,000**
STATUS OF BUDGETARY RESOURCES	
2002 Direct loan subsidy..	2,882,500
2002 Guaranteed loan subsidy......................................	1,500,000
2002 Administrative expenses......................................	250,000
2201 Unob Bal: Apportioned: Avail in the current period..........	13,897,500
2500 Total budgetary resources.............................	18,530,000
CHANGE IN OBLIGATED BALANCES	
3000 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1 gross.....	0
3030 Ob Bal: Obligations incurred: Unexpired accounts...........	4,632,500
3040 Ob Bal: Outlays (gross)..	3,756,000
3090 Ob Bal: EOY: Unpaid obligations (gross)........................	876,500
3100 Obligated balance, end of year (net).........................	**876,500**
BUDGET AUTHORITY AND OUTLAYS, NET	
4000 Disc: Budget authority, gross...	18,530,000
4010 Disc: Outlays from new authority...................................	3,756,000
4020 Disc: Total outlays, gross..	3,756,000
4070 Disc: Budget authority, net..	18,530,000
4080 Disc: Outlays, net...	3,756,000
4180 Budget authority, net (disc. and mand.)....................	**18,530,000**
4190 Outlays, net (disc. and mand.)...................................	**3,756,000**

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).

25% of the total direct and guaranteed loan subsidy has been obligated.

25% of the total administrative expenses has been obligated.

Amount apportioned under Category B of the latest SF 132 ($18,530,000) minus the total obligations incurred above ($4,632,500).

Loan subsidy obligated but not yet disbursed.

Loan subsidy and administrative cost obligated and disbursed.

Note: Exhibit 185U 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		
1400 BA: Mand: Borrowing authority	88,470,000	Amount apportioned on latest SF 132. For indefinite borrowing authority, see SF 132 lines 1000, 1400, and 1401.
		As direct loans are obligated and disbursed, the loan subsidy is collected from the program account.
1800 BA: Mand: Spending auth: Collected	2,306,000	
1801 BA: Mand: Spending auth: Chng uncoll paymt Fed src	576,500	Direct loan subsidy obligated but not yet received from the program account.
1825 BA: Mand: Spending auth: Applied to repay debt	-8,562,750	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	18,890,500	
1850 BA: Mand: Spending auth: Total	13,210,250	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.
1910 Total budgetary resources (disc. and mand.)	**101,680,250**	
STATUS OF BUDGETARY RESOURCES		
2001 Direct obs incurred: Category A (by quarter)	25,000,000	Obligations incurred against the amount apportioned for this period under Category A of the latest SF 132.
2002 Interest payment to Treasury	1,680,250	Interest is obligated through the year but not yet disbursed.
2202 Unob Bal: Apportioned: Avail in subsequent periods	56,109,500	
2203 Unob Bal: Apportioned: Anticipated	18,890,500	Amount apportioned on latest SF 132 by time periods (under Category A &B) that will not become available until after the reporting period.
2500 Total budgetary resources	**101,680,250**	
CHANGE IN OBLIGATED BALANCES		
3000 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1 gross	0	
3030 Ob Bal: Obligations incurred: Unexpired accounts	26,680,250	
3040 Ob Bal: Outlays (gross) (-)	-79,907,250	
3050 Ob Bal: Change, uncoll cust paymt, Fed srcs, unexp	-576,500	
3090 Ob Bal: EOY: Unpaid obligations (gross)	-53,227,000	Direct loans obligated but not yet disbursed + interest payment to Treasury obligated but not yet disbursed.
3091 Ob Bal: EOY: Uncoll cust payments fm Fed srcs, EOY	-576,500	Subsidy receivable from the program account for the portion of the direct loans that were obligated but not disbursed.
3100 Obligated balance, end of year (net)	**-53,803,500**	
BUDGET AUTHORITY AND OUTLAYS, NET		
4090 Mand: Budget authority, gross	82,789,750	
4110 Mand: Total outlays, gross	20,000,000	Loans disbursed from the account, as of this reporting period.
4120 Mand: Offsets, BA and OL: Collections fm Fed srcs	-2,306,000	
4140 Mand: Offset, BA: Chng in uncol pay, Fed src, unex	-576,500	Direct loan subsidy collected from program account.
4160 Mand: Budget authority, net	79,907,250	
4170 Mand: Outlays, net	17,694,000	
4180 Budget authority, net (disc. and mand.)	**79,907,250**	
4190 Outlays, net (disc. and mand.)	**17,694,000**	

Note: Exhibit 185U 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	4,860,000			
1800 BA: Mand: Spending auth: Collected	1,500,000			
1850 BA: Mand: Spending auth: Total	6,360,000			
1910 Total budgetary resources (disc. and mand.)	**6,360,000**			
STATUS OF BUDGETARY RESOURCES				
2202 Unob Bal: Apportioned: Avail in subsequent periods	6,360,000			
2500 Total budgetary resources	**6,360,000**			
CHANGE IN OBLIGATED BALANCES				
3000 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1 gross	0			
3090 Ob Bal: EOY: Unpaid obligations (gross)	0			
3100 Obligated balance, end of year (net)	**0**			
BUDGET AUTHORITY AND OUTLAYS, NE				
4090 Mand: Budget authority, gross	1,500,000			
4110 Mand: Total outlays, gross	0			
4120 Mand: Offsets, BA and OL: Collections fm Fed srcs	-1,500,000			
4160 Mand: Budget authority, net	0			
4170 Mand: Outlays, net	-1,500,000			
4180 Budget authority, net (disc. and mand.)	**0**			
4190 Outlays, net (disc. and mand.)	**-1,500,000**			

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.

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				
1100 BA: Disc: Appropriation (disc.)	18,530,000			
1910 Total budgetary resources (disc. and mand.)	**18,530,000**			
STATUS OF BUDGETARY RESOURCES				
2002 Direct loan subsidy	11,530,000			
2002 Guaranteed loan subsidy	6,000,000	100% of direct and guaranteed loan subsidy and administrative expenses have been obligated.		
2002 Administrative expenses	1,000,000			
2500 Total budgetary resources	18,530,000			
CHANGE IN OBLIGATED BALANCES				
3000 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1 gross	0			
3030 Ob Bal: Obligations incurred: Unexpired accounts	18,530,000			
3040 Ob Bal: Outlays (gross)	-15,024,000			
3090 Ob Bal: EOY: Unpaid obligations (gross)	3,506,000	Loan subsidy obligated but not yet disbursed.		
3100 Obligated balance, end of year (net)	**3,506,000**			
BUDGET AUTHORITY AND OUTLAYS, NET				
4000 Disc: Budget authority, gross	18,530,000			
4010 Disc: Outlays from new authority	15,024,000	Loan subsidy and administrative cost obligated and disbursed.		
4020 Disc: Total outlays, gross	15,024,000			
4070 Disc: Budget authority, net	18,530,000			
4080 Disc: Outlays, net	15,024,000			
4180 Budget authority, net (disc. and mand.)	**18,530,000**			
4190 Outlays, net (disc. and mand.)	**15,024,000**			

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		
1400 BA: Mand: Borrowing authority……………………………………	88,470,000	Amount apportioned on latest SF 132.
1800 BA: Mand: Spending auth: Collected………………………………	19,467,000	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….	2,306,000	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………..........	-8,562,750	Actual principal repayments to Treasury.
1820 BA: Mand: Spending auth: Total…………................................	13,210,250	
1910 Total budgetary resources (disc. and mand.)........................	**101,680,250**	
STATUS OF BUDGETARY RESOURCES		
2001 Direct obs incurred: Category A (by quarter)……..………………	100,000,000	Loan subsidy and administrative cost obligated and disbursed.
2002 Interest payment to Treasury……..…..............…………………	1,680,250	
2500 Total budgetary resources…..….……....……………………	**101,680,250**	
STATUS OF BUDGETARY RESOURCES		
3000 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1 gross………….	0	
3030 Ob Bal: Obligations incurred: Unexpired accounts……………….	101,680,250	
3040 Ob Bal: Outlays (gross) …………………………………………	-81,680,250	
3090 Ob Bal: EOY: Unpaid obligations (gross)………………………	20,000,000	Amount of direct loans obligated but not yet disbursed ($100,000,000 * 20%).
3091 Ob Bal: EOY: Uncoll cust payments fm Fed srcs, EOY…...........	-2,306,000	Direct loan subsidy still receivable from program account.
3100 Obligated balance, end of year (net)……………………….….	**17,694,000**	
BUDGET AUTHORITY AND OUTLAYS, NET		
4090 Mand: Budget authority, gross……………………………………	101,680,250	
4110 Mand: Total Outlays, gross……………………..…………………	-81,680,250	Portion of the loan that has been disbursed ($100,000,000 * 80%) + interest paid to Treasury ($1,680,250).
4120 Mand: Offsets, BA and OL: Collections fm Fed srcs ……………	-19,467,000	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 ……………	-2,306,000	
4160 Mand: Budget authority, net………………………………………	79,907,250	
4170 Mand: Outlays, net……………………………..…………………	-62,213,250	
4180 Budget authority, net (disc. and mand.)………………………	**79,907,250**	
4190 Outlays, net (disc. and mand.)…………………………………	**-62,213,250**	

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 BUREAU: Office of the Secretary	APPROPRIATION OR FUND TITLE AND SYMBOL Guaranteed Loan Financing Account Unexpired			
BUDGETARY RESOURCES				
1000 Unob Bal: Brought forward, October 1	4,860,000			
1800 BA: Mand: Spending auth: Collected	6,600,000	Subsidy collected from the program account $6,000,000 plus interest earned on financing account balances of $600,000.		
1910 Total budgetary resources (disc. and mand.)	11,460,000			
STATUS OF BUDGETARY RESOURCES				
2403 Unob Bal: Unapportioned: Other resources	11,460,000	Guaranteed loan financing accounts hold a reserve for future defaults.		
2500 Total budgetary resources	11,460,000			
CHANGE IN OBLIGATED BALANCES				
3000 Ob Bal: SOY: Unpaid obs brought forwd, Oct 1 gross	0			
3100 Obligated balance, end of year (net)	**0**			
BUDGET AUTHORITY AND OUTLAYS, NET				
4090 Mand: Budget authority, gross	6,600,000			
4110 Mand: Total Outlays, gross	0			
4120 Mand: Offsets, BA and OL: Collections fm Fed srcs	-6,000,000			
4122 Mand: Offset, BA and OL: Collect, int, uninvested	-600,000			
4160 Mand: Budget authority, net	0			
4170 Mand: Outlays, net	-6,600,000			
4180 Budget authority, net (disc. and mand.)	**0**			
4190 Outlays, net (disc. and mand.)	**-6,600,000**	Amount of subsidy and interest collected.		

CIRCULAR NO. A–11

PART 6

THE FEDERAL PERFORMANCE FRAMEWORK FOR IMPROVING PROGRAM AND SERVICE DELIVERY

Part 6 is removed from this Circular. Agencies are responsible for continuing to meet the related statutory requirements. A forthcoming memorandum will provide further guidance concerning this revision and the statutory requirements for agencies.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

CIRCULAR NO. A–11

PART 7

APPENDICES AND CAPITAL PROGRAMMING GUIDE

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
JULY 2020

APPENDIX A—SCOREKEEPING GUIDELINES

Section 252(d)(5) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (BBEDCA, sometimes known as GRH in reference to its three Senate sponsors: Phil Gramm (R-TX), Warren Rudman (R-NH), and Ernest Hollings (D-SC)) requires the Office of Management and Budget (OMB) and the Congressional Budget Office (CBO) to determine common budget scorekeeping guidelines in consultation with the Committees on the Budget of the House of Representatives and the Senate. The following guidelines were set forth in 1997 in the joint explanatory statement of the committee of conference accompanying conference report 105-217, on the Balanced Budget Act of 1997, with any subsequent revisions agreed upon by the scorekeepers.

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 periodically 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.

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

Revenues, 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 cost 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 M-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:

  - All enhanced-use leases (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;

  - Any leases with an annual cost that exceeds the prospectus threshold associated with 40 U.S.C. §3307

    - 2022—$3,375,000
    - 2023—$3,375,000
    - 2024—$3,375,000

  - Projects constructed or located on Government land;

  - Contracts that require the contractor to acquire, construct, or renovate 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.

Additionally, agencies are required to submit to OMB, any proposed arrangements requested by their Resource Management Office.

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 and other contractually required 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 and other contractually required 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 95.8.

(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 and other contractually required payments or the present value of the lease and other contractually required 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 and other contractually required 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 and other contractually required payments.
Operating lease	Amount equal to total contractually required payments under the full term of the lease or amount	Scored over lease term in an amount equal to the annual lease

Transaction	Budget Authority	Outlays
	sufficient to cover first year lease and other contractually required payments plus cancellation costs recorded up front	and other contractually required 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 and other contractually required 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 and other contractually required payments excluding payments for identifiable annual operating expenses that would be paid by the Government as owner, such as utilities, minor 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.) Other contractually required payments include any and all costs related to the asset being leased in addition to the rent fee applied under the lease. For example, other contractually required payments would include all costs under triple net or other unique arrangements. The present value of the lease and other contractually required 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 the 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 the Congress has provided the budget authority required for the transaction. If the 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 the 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 and other contractually required 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, capital leases, and operating 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, renovate, 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 contractually required 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* and *other contractually required 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 payments will be calculated on the basis of the lease and other contractually required 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 entity and at a later date, as the result of a separate, full and open competition, 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 will be assessed by applying the criteria in this Appendix and may be treated as an operating lease only if the transaction meets all the criteria for an operating lease.

  In the circumstances where the Government outleased improvements and the Government then wants to lease a portion of the project at a later date, post completion, the following analysis must be undertaken:

  1. Evaluate the proposed transaction against the substantial private participation definition above;
  2. Is the competition to lease a portion of the project part of a separate, full and open competition for the lowest cost option; and
  3. Evaluate against the operating versus capital lease criteria.

  In contrast, an outlease (enhanced-use lease) and leaseback as one transaction (as opposed to the two transactions discussed above) with full or substantial Federal government occupancy of a facility, is a capital lease transaction.

- *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 annual operating expenses, will be excluded from the lease payments for purposes of comparing the present value of the minimum lease and other contractually required 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 and other contractually required payments for purposes of scoring budget authority under BBEDCA. See section 2(b) above.)

- *Interest rates*. The present value of the minimum lease and other contractually required 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 and other contractually required 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 and other contractually required 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 and other contractually required 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 and other contractually required 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 and other contractually required payments for the machine acquired in the first year would be discounted back to the first year, while the lease and other contractually required 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 outlay 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 and other contractually required 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 and other contractually required 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 MAX A-11 DE, 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 Master Accounts Title (MAT) file on the budget season reports page. (See section 79.2 for additional information on account identification codes.)

Agency	OMB Codes		Treasury Agency Codes	CGAC Agency Codes[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 Congressional Workplace Rights	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 Publishing 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	Multiple
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
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 Information Officer	005	12	12	012
Office of Chief Financial Officer	005	14	12	012
Office of Civil Rights	005	07	12	012
Hazardous Materials Management	005	16	12	012

Agency	OMB Codes		Treasury Agency Codes	CGAC Agency Codes[1]
	Agency	Bureau		
Buildings and Facilities	005	19	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
Farm Production and Conservation	005	25	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
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
Bureau of Economic Analysis	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	*	*
Military Personnel	007	05	*	*
Operation and Maintenance	007	10	*	*
International Reconstruction and Other Assistance	007	12	*	*
Procurement	007	15	*	*
Research, Development, Test, and Evaluation	007	20	*	*

Agency	OMB Codes		Treasury Agency Codes	CGAC Agency Codes[1]
	Agency	Bureau		
Military Construction	007	25	*	*
Family Housing	007	30	*	*
Revolving and Management Funds	007	40	*	*
Allowances	007	45	*	*
Trust Funds	007	55	*	*
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 Career, Technical, 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
Disaster 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
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
Office of the Secretary and Executive Management	024	10	70	070

Agency	OMB Codes		Treasury Agency Codes	CGAC Agency Codes[1]
	Agency	Bureau		
Management Directorate	024	15	70	070
Analysis and Operations	024	18	70	070
Office of the Inspector General	024	20	70	070
U.S. Customs and Border Protection	024	58	70	070
U.S. Immigration and Customs Enforcement	024	55	70	070
Transportation Security Administration	024	45	70	070
United States Coast Guard	024	60	70	070
United States Secret Service	024	40	70	070
Cybersecurity and Infrastructure Security Agency	024	65	70	070
Office of Health Affairs	024	68	70	070
Federal Emergency Management Agency	024	70	70	070
Citizenship and Immigration Services	024	30	70	070
Federal Law Enforcement Training Center	024	49	70	070
Science and Technology	024	80	70	070
Countering Weapons of Mass Destruction Office	024	85	70	070
Department of Housing and Urban Development				
Department of Housing and Urban Development	025	00	86	086
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
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
Bureau of Safety and Environmental Enforcement	010	22	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
National Park Service	010	24	14	014
Bureau of Indian Affairs	010	76	14	014
Bureau of Indian Education	010	77	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

Agency	OMB Codes		Treasury Agency Codes	CGAC Agency Codes[1]
	Agency	Bureau		
Office of the Special Trustee for American Indians	010	90	14	014
Bureau of Trust Funds Administration	010	78	14	014
National Indian Gaming Commission	010	92	14	014
Department-Wide Programs	010	95	14	014
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
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
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
Department of State				
Department of State	014	00	19	019
Department of State	014	00	67	019, 067
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	19	019
Other	014	25	72	072
Other	014	25	95	570
International Assistance Programs				
International Assistance Programs	184	00	72	072
Millennium Challenge Corporation	184	03	95	524

Agency	OMB Codes		Treasury Agency Codes	CGAC Agency Codes[1]
	Agency	Bureau		
International Security Assistance	184	05	11	011, 072
International Security Assistance	184	05	72	072
Multilateral Assistance	184	10	11	011
Multilateral Assistance	184	10	19	019
Agency for International Development	184	15	72	072
Overseas Private Investment Corporation	184	20	71	071
Trade and Development Agency	184	25	11	011
United States International Development Finance Corporation	184	22	77	077
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, 097
Foreign Assistance Program Allowances	184	95	95	524
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
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

Agency	OMB Codes		Treasury Agency Codes	CGAC Agency Codes[1]
	Agency	Bureau		
Veterans Health Administration	029	15	36	036
Benefits Programs	029	25	36	036
Departmental Administration	029	40	36	036
Major Independent Agencies				
Corps of Engineers--Civil Works	202	00	96	096
Other Defense Civil Programs				
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	017, 084
Cemeterial Expenses	200	25	21	021
Forest and Wildlife Conservation, Military Reservations	200	30	97	017, 097
Selective Service System	200	45	90	090
Other Defense Civil Programs	200	00	84	084
Environmental Protection Agency	020	00	68	068
Executive Office of the President				
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
National Space Council	100	40	11	011
Office of the United States Trade Representative	100	70	11	011
Unanticipated Needs	100	95	11	011
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, 075
Other Independent Agencies				

Agency	OMB Codes		Treasury Agency Codes	CGAC Agency Codes[1]
	Agency	Bureau		
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
Alyce Spotted Bear and Walter Soboleff Com. on Native Children	545	00	48	545
Appalachian Regional Commission	309	00	46	309
Barry Goldwater Scholarship and Excellence in Education Foundation	313	00	95	313
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
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,	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
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	20	020
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
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	355
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
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

Agency	OMB Codes		Treasury Agency Codes	CGAC Agency Codes[1]
	Agency	Bureau		
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 Permitting Improvement Council	473	00	95	473
Federal Trade Commission	370	00	29	029
Gulf Coast Ecosystem Restoration Council	586	00	95	471
Harry S Truman Scholarship Foundation	372	00	95	372
Independent Payment Advisory Board	578	00	95	578
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	53	474
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
Military Compensation and Retirement Modernization Commission	479	00	48	479
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
National Commission on Military, National, and Public Service	236	00	48	236
National Commission on Military Aviation Safety	246	00	48	246
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	43	418
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 Security Commission on Artificial Intelligence	245	00	48	245
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

Agency	OMB Codes		Treasury Agency Codes	CGAC Agency Codes[1]
	Agency	Bureau		
Office of the Federal Coordinator for Alaska Natural Gas Transportation	534	00	95	534
Other Commissions and Boards	505	00	48	Multiple
Other Commissions and Boards	505	00	95	Multiple
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
Public Buildings Reform Board	290	00	48	290
Public Defender Service for the District of Columbia	587	00	95	511
Puerto Rico Oversight Board	328	00	48	328
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
Smithsonian Institution	452	00	33	033
State Justice Institute	453	00	48	453
Surface Transportation Board	472	00	95	472
Tennessee Valley Authority	455	00	64	455
United States Agency for Global Media	514	00	95	514
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
Federally Created Non-Federal Entities				
Affordable Housing Program	530	00	95	530
Corporation for Travel Promotion	580	00	95	580
Electric Reliability Organization	531	00	95	531
Federal Retirement Thrift Investment Board	369	00	26	026
Medical Center Research Organizations	185	00	99	185
National Association of Registered Agents and Brokers	543	00	95	543
National Oilheat Research Alliance	544	00	48	544
Public Company Accounting Oversight Board	526	00	95	526
Securities Investor Protection Corporation	576	00	95	576
Standard Setting Body	527	00	95	527
United Mine Workers of America Benefit Funds	476	00	95	476
Government Sponsored Enterprises				
Federal National Mortgage Association	915	00	39	915
Federal Home Loan Mortgage Corporation	914	00	39	913, 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				

Agency	OMB Codes		Treasury Agency Codes	CGAC Agency Codes[1]
	Agency	Bureau		
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 and CGAC agency codes are assigned as follows:

Agency	Treasury Agency Code	CGAC Agency Code
Navy, Marine Corps	17	017
Army	21	021
Air Force	57	057
Defense-wide	97	097

[1] In a small number of cases where budget agency (or bureau) does not correspond to a single CGAC agency code, this crosswalk shows multiple CGAC agencies. 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

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Summary of Changes

Amends description of line 1037 to replace “1036” with “1037” (section 3).

Adds line 1039 to provide a mechanism to record changes in allocation of trust fund limitations in a general fund expenditure account. This change only impacts the Social Security Administration and is effective for FY 2021 (section 3).

Adds line 1040 to address adjustments to prior year indefinite appropriations derived from the General Fund of the US Treasury in subsequent years and is effective for FY 2021 (section 3).

Adds lines 1042, 1043, 1044, 1063, 1064, 1065 and 4055 to provide a mechanism to record changes in project source funding of monies derived from the General Fund of the US Treasury and trust fund receipts. This change only impacts the Corps of Engineers-Civil Works and is effective for FY 2021 (sections 3 and 6).

Adds line 1041 to address other balances previously not available (i.e., shown on line 1031) to close a no-year Treasury account and is effective for FY 2021 (section 3).

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Removes lines 1082 "Capital transfer of expired unobligated balances to general fund" and 1083 "Expired unobligated balances applied to repay debt" because capital transfers and repayment of debt are not applicable to the expired phase (section 3).

Adds lines 1122, 1222, 1410, and 1431 to address nonexpenditure transfers of exercised borrowing authority. This change only impacts the Department of Agriculture and is effective for FY 2021 (section 3).

Amends description of line 1130 "Appropriations permanently reduced" to include sequestration derived from exercised borrowing authority. This change only impacts the Department of Agriculture and is effective for FY 2021 (section 3).

Adds line 1722 to display discretionary unobligated balances of spending authority from offsetting collections permanently reduced and is effective for FY 2021 (section 3).

Adds line 1902 to address adjustment for total budgetary resources subject to obligation limitation. This new line will only impact the Department of Transportation and is effective for FY 2021 (section 3).

Identifies the effective period (FY 2021) for the changes identified above and the renumbered lines for budget execution reporting and the schedule P display (section 3).

Updates the description for line 1910 (section 3).

Identifies the effective period (FY 2022) for the new lines added related to anticipated budgetary resources and status of budgetary resources and the renumbered lines for budget execution reporting and the schedule P display (sections 3 and 4).

Modifies line 1043, renumbers line 1044 to 1045, and adds new lines 1044 and 3072 to provide a mechanism to record changes in project source funding of monies derived from the General Fund of the U.S. Treasury and trust fund receipts. This change only impacts the Corps of Engineers-Civil Works and is effective for FY 2021 (sections 3 and 5).

Removes the $500,000 threshold from the table in section 15 and in the descriptions for lines 1020, 3001, and 3061 to be consistent with the updated Fiscal Service guidance (sections 3, 5, and 15).

Updates the description for line 3200 (section 5).

Updates the description for lines 4060 and 4150 (section 6).

Amends description for lines 5331 "Direct obligated balance, start of year," 5332 "Reimbursable obligated balance, start of year," 5333 "Discretionary obligated balance, start of year," and 5334 "Mandatory obligated balance, start of year" to refer to line "3060" instead of line "3061" (section 7).

Incorporates revisions from OMB Circular No. A-136 to separately display financing account net disbursements in the Outlays, net and Disbursements, net section of the Statement of Budgetary Resources (section 11).

Table of Contents—Continued

Incorporates revisions from OMB Circular No. A-136 to separately display financing account net disbursements in the Outlays, net and Disbursements, net section of the Statement of Budgetary Resources (section 11).

Updates the description for line 1690. This change only impacts the Department of Transportation (section 11).

Clarifies that the phase "reduced by" is not recorded as a reduction (i.e., rescission) of budgetary resources. This type of reduction is an adjustment to the appropriation line and is not separately shown on a reduction line (section 13).

Adds a reference table to illustrate when and how to record adjustments to budgetary resources from prior year indefinite appropriations derived from the General Fund of the US Treasury in subsequent years (section 18).

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. Unique sections, such as Application of budgetary resources, continued to be used.

Sections	SF132	SF133	Schedule P	SBR
Obligations by program activity			X	
Budgetary resources	X	X	X	X
Status of budgetary resources		X		X
Change in obligated balance		X	X	
Budget authority and outlays, net		X	X	X
Outlays, net				X
Memorandum (non-add) entries		X	X	
Application of budgetary resources	X			
Unfunded deficiencies			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

Line Number	Section:
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

For the lines below in sections 2 through 11, refer to exhibit F-1 to determine the applicability to the apportionment, the Report on Budget Execution and Budgetary Resources, budget Program and Financing schedule, and Statement of Budgetary Resources.

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: 0710-0713, 0715-0739, 0740-0744 Reimbursable: 0800-0899	See section 82 for further details.
0900 Total new obligations, unexpired accounts	Equals the sum of the amounts on the detail lines 0001 to 0899. Equals line 3010. Also includes upward adjustments in unexpired accounts.
Memorandum (non-add) entries:	
0910 Appropriations used to liquidate unpaid lease obligations	Amount of appropriations used to liquidate deficiencies of lease payments. Use only with OMB approval.
0911 Total new obligations, unexpired accounts; and lease payments	Equals the sum of the amounts on lines 0900 and 0910.

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 section 120 (SF 132), section 130 (SF 133), and section 82 (Combined Schedule X).

Entries flagged with an asterisk (*) identifies line numbers that have a different effective period. For the SF132 and SF133 budget execution reports, the lines will be effective in the fiscal year 2021 reporting cycle. For the schedule P display, the lines will be effective starting with the FY 2023 Budget presentation. The schedule P display for the FY2022 Budget will follow the old line convention as listed in section 82.

Another group of lines will have a different effective period. For the SF132 and SF133 budget execution reports, these lines will be effective in the fiscal year 2022 reporting cycle. For the schedule P display, the lines will be effective starting with the FY 2024 Budget presentation. These lines are only included in the chart below. The schedule P display for the FY2022 Budget will follow the old line convention as listed in section 82.

Budget Concept	FY 2020 (FY 2022 Budget)	FY 2021 (FY 2023 Budget)	FY 2022 (FY 2024 Budget)
Offset to adjustment for change in allocation of trust fund limitation (-)		1039	1039
Adjustment to prior year indefinite appropriations in subsequent fiscal year[2/]		1040	1040
Other balances previously not available[2/]		1041	1041
Adjustment for change in allocation (general fund portion) (-)[2/]		1042	1042
Adjustment for change in allocation (offsetting collection/collected portion)[2/]		1043	1043
Adjustment for change in allocation (offsetting collection/receivable portion)[2/]		1044	1044
Adjustment for change in allocation (trust fund portion)		1045	1045
Anticipated nonexpenditure transfers of unobligated balances (net) (+ or -)[1/ 2/]	1040	1060	1060
Anticipated recoveries of prior year unpaid and paid obligations[1/]	1041	1061	1061
Anticipated capital transfers and redemption of debt (unobligated balances) (-)[1/]	1042	1062	1062
Anticipated adjustment for change in allocation (general fund portion) (-)[1/]		1063	1063
Anticipated adjustment for change in allocation (offsetting collection portion) [1/]		1064	1064
Anticipated adjustment for change in allocation (trust fund portion) [1/]		1065	1065
Anticipated unobligated balance precluded from obligation (special or trust) (limitation on obligations)(-)[1/]			1066
Unobligated balance (total)[2/]	1050	1070	1070
Expired unobligated balance brought forward, Oct 1[1/2/]	1060	1080	1080
Expired unobligated balance transferred to other accounts (-)[1/2/]	1070	1081	1081
Expired unobligated balance transferred from other accounts[1/2/]	1071	1082	1082
Expired unobligated balance transfers between expired and unexpired accounts (-)[1/2/]	1072	1083	1083

Budget Concept	FY 2020 (FY 2022 Budget)	FY 2021 (FY 2023 Budget)	FY 2022 (FY 2024 Budget)
Adjustment of expired unobligated balance brought forward, Oct 1 (+ or -)[1/]	1080	1084	1084
Recoveries of prior year unpaid obligations in expired accounts[1/]	1081	1085	1085
Other expired unobligated balances withdrawn to Treasury (-)[1/]	1089	1087	1087
Other expired unobligated balances withdrawn to special or trust funds (-)[1/]	1090	1088	1088
Recoveries of prior year paid obligations in expired accounts[1/2/]	1093	1089	1089
Unobligated balance of appropriations withdrawn in expired accounts (-)[1/2/]	1097	1090	1090
Sequester (previously unavailable) for withdrawal in expired accounts[1/]	1098	1091	1091
Adjustment to indefinite prior year appropriations in subsequent fiscal year in expired account[1/]		1092	1092
Exercised borrowing authority transferred from other accounts		1122	1122
Anticipated appropriations precluded from obligation (special or trust) (-)[1/]			1154
Exercised borrowing authority transferred from other accounts		1222	1222
Anticipated appropriations precluded from obligation (special or trust) (-)[1/]			1254
Exercised borrowing authority transferred to other accounts (-)		1410	1410
Anticipated nonexpenditure transfers of exercised borrowing authority (-)[1/]		1431	1431
Anticipated borrowing authority precluded from obligation (limitation on obligations) (-)[1/]			1432
Anticipated contract authority precluded from obligation (limitation on obligations) (-)[1/]			1532
Anticipated contract authority precluded from obligation (limitation on obligations) (-)[1/]			1632
Spending authority from offsetting collections permanently reduced (-)	1722	1721	1721
Unobligated balance of spending authority from offsetting collections permanently reduced (-)[2/]		1722	1722
Spending authority from offsetting collections precluded from obligation (limitation on obligations) (-)	1725	1724	1724
Spending authority from offsetting collections applied to repay debt (-)[2/]	1726	1725	1725
Spending authority from offsetting collections applied to liquidate contract authority (-)[2/]	1727	1726	1726
Spending authority from offsetting collections substituted for borrowing authority (-)[2/]	1728	1727	1727

Budget Concept	FY 2020 (FY 2022 Budget)	FY 2021 (FY 2023 Budget)	FY 2022 (FY 2024 Budget)
Spending authority from offsetting collections precluded from obligation (limitation on obligations) (-)			1743
Spending authority from offsetting collections permanently reduced (-)	1822	1821	1821
Spending authority from offsetting collections precluded from obligation (limitation on obligations) (-)			1843
Adjustment for total budgetary resources subject to obligation limitation (-)[1/]		1902	1902

[1/] This line does not apply to schedule P.
[2/] Title change in FY 2021.

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)). 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 a negative adjustment on line 1034 and reduce the amount on line 1000 for schedule P. For the SF 133, do not include any amounts on lines 1034 and 1901 because the SF 133 does not include the unfunded deficiencies section. See exhibit 130M. 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. You must provide line splits on apportionment requests that characterize the unobligated balances in up to two ways.

Entry	Description
	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 identify balances that are discretionary or "M" to identify balances that are mandatory. (See section 120.20 for additional information.) 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 no-year accounts and any year (other than the last) of multi-year accounts, unpaid unfilled orders from Federal sources for reimbursable work (e.g., Economy Act) may be carried forward on this line. *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. 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 1035, 1135 and 1235. *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	*For unexpired accounts:* Portion of amount shown on line 1000 that is classified as discretionary. The amount on this line cannot exceed the amount on line 1000.

Entry	Description
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 1106/1206. 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 non-expenditure 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. 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.

Entry	Description
	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 non-expenditure 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 (+ or -)	*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 120.65). See lines 1106/1206 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. 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:	
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 GTAS, 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. GTAS

Entry	Description
	will use this attribute to crosswalk these USSGL account balances to this adjustment line. OMB and the Department of the Treasury's Bureau of the Fiscal Service (Fiscal Service) will review the Fund Balance with Treasury (FBWT) component of the adjustments that agencies report to GTAS each quarter. 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 of prior year unpaid obligations, 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 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) on line 1033. 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.

Entry	Description
	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 non-expenditure 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 1136, 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 accounts. The sum of the amounts on lines 1024, 1025 and 1036 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, 1025 and 1036 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.

Entry	Description
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 to Treasury (–)	*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 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.
1030 Other balances withdrawn to special or trust funds (–)	*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:*

Entry	Description
	For the final September 30 report, before an account is closed, all 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 Other balances not available (–)	*For unexpired accounts:* Include the portion of the unobligated balances in a no-year Treasury account where the amount is no longer available for obligation since the purposes for which the appropriation was enacted has been fulfilled. (e.g., analogous to what could be called a partial cancellation if allowed under 31 U.S. C. 1555).
1032 Refunds and recoveries temporarily precluded from obligation (special and trust funds) (–)	*For unexpired accounts:* Recoveries of prior year obligations and cash refunds of previously appropriated that are returned to unappropriated receipts and available for subsequent appropriation.
1033 Recoveries of prior year paid obligations	*For unexpired and expired accounts:* Refunds that pertain to paid obligations recorded in prior fiscal years. Show the actual recoveries of prior year paid obligations, as shown on the SF133, on reapportionment requests. Includes refunds (i.e., cancellations or downward adjustments) of prior year paid obligations credited to the same appropriation or fund account charged with the original obligation. Excludes refunds of prior year paid obligations credited to a different appropriation or fund account. These will be reported on lines 1700 or 1800, as appropriate. Applies to amounts credited to special and non-revolving trust fund expenditure accounts but not to special or trust fund receipts appropriated to special or trust fund expenditure accounts and shown as budget authority on lines 1101 and 1201. For recoveries of prior year unpaid obligations, see line 1021. 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. See exhibit 130L. Exclude cancellations or downward adjustments of obligations incurred in prior fiscal years that were not outlayed. Report recoveries of prior year unpaid obligations on line 1021. For upward adjustments, see detailed lines 2001 through 2103.
1034 Adjustment for unobligated balance used to liquidate deficiencies (-)	*For unexpired accounts:* For schedule P, report the amount of unobligated balances used to liquidate obligations that were incurred in a prior fiscal year without sufficient budget authority to cover such obligations legally. For unfunded deficiencies liquidated by appropriations, see line 1901.
1035 Unobligated balance precluded from obligation (limitation on obligations) (special or trust) (-)	*For unexpired accounts:* In cases where the total budgetary resources are precluded from obligation in a fiscal year by a provision of law (such as a limitation on obligations), unobligated balance of mandatory

Entry	Description
	appropriation or contract authority is also precluded in special and non-revolving trust funds.
1036 Adjustment for debt forgiveness	*For unexpired accounts:* Amount of budgetary resources provided to forgive outstanding debt where no appropriation is recognized.
1037 Unobligated balance of appropriation withdrawn (-)	*For unexpired and expired accounts:* The sum of balances of indefinite appropriation (derived from the general fund of the US Treasury) realized through recoveries of prior year unpaid obligations or downward adjustments and amounts on line 1040 that have been withdrawn. The sum of the amounts on lines 1024, 1025 and 1037 cannot exceed the sum of amounts on lines 1021 and 1040. To cover upward adjustments of indefinite appropriations, request a Treasury surplus warrant and show the amount on line 1040.
1038 Sequester (previously unavailable) for withdrawal	*For expired accounts:* Amount sequestered during the unexpired phase that must be cancelled during the fifth year of the expired phase.
1039 Offset to adjustment for change in allocation of trust fund limitation (-)*	*For unexpired accounts:* Adjustments in the Supplemental Security Income Program related to changes in initial allocations of budget authority under limitations in the Social Security Administration and the Department of Health and Human Service. This line is only to be used by the Social Security Administration.
1040 Adjustment to prior year indefinite appropriations in subsequent fiscal year*	*For unexpired and expired accounts:* Increases in budgetary resources derived from prior year indefinite appropriations in subsequent fiscal year to cover upward adjustments in annual (i.e., expired) and multi-year (i.e., unexpired and expired) Treasury accounts.
1041 Other balances previously not available*	*For unexpired accounts:* Amount previously shown on line 1031 to be recognized as available to close an unexpired no-year Treasury account.
1042 Adjustment for change in allocation (general fund portion)*	*For unexpired accounts:* Downward adjustments for general fund project portions of prior year appropriations in Corps of Engineers-Civil Works operating accounts. The amount on this line is equal to the sum of the amounts on lines 1043 and 1044 with the opposite sign. This line is only to be used by the Corps of Engineers-Civil Works.
1043 Adjustment for change in allocation (offsetting collection/collected portion)*	*For unexpired accounts:* Upward adjustments for trust fund project portions (derived from offsetting collections from Corps of Engineers-Civil Works Inland Waterways and Harbor Maintenance trust funds) of prior year appropriations in Corps of Engineers-Civil Works operating accounts where the amount has been collected and obligated in the operating accounts. The sum of the amount on this line and line 1044 is equal to the amount on line 1042 with the opposite sign. The sum of the amount on this line and line 1044 is equal to the amount on line 1045 with the opposite sign in the Corps of Engineer-Civil Works Inland Waterways and Harbor Maintenance trust fund accounts. This line is only to be used by the Corps of Engineers-Civil Works.

Entry	Description
1044 Adjustment for change in allocation (offsetting collection/receivable portion)*	*For unexpired accounts:* Upward adjustments for trust fund project portions (derived from offsetting collections from Corps of Engineers-Civil Works Inland Waterways and Harbor Maintenance trust funds) of prior year appropriations in Corps of Engineers-Civil Works operating accounts where the amount has been recorded as account receivables in the operating accounts and account payables in the trust funds. The sum of the amount on this line and line 1043 is equal to the amount on line 1042 with the opposite sign. The sum of the amount on this line and line 1043 is equal to the amount on line 1045 with the opposite sign in the Corps of Engineer-Civil Works Inland Waterways and Harbor Maintenance trust fund accounts. This line is only to be used by the Corps of Engineers-Civil Works.
1045 Adjustment for change in allocation (trust fund portion)*	*For unexpired accounts:* Portion in Corps of Engineers-Civil Works Inland Waterways and Harbor Maintenance trust funds to fund adjustments of trust fund project portions of prior year appropriations in Corps of Engineers-Civil Works operating accounts. The amount on this line is equal to the amount on line 1043 and 1044 with the opposite sign in the Corps of Engineers-Civil Works operating accounts. This line is only to be used by the Corps of Engineers-Civil Works.
Anticipated transfers and adjustments:	
1060 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.
1061 Anticipated recoveries of prior year unpaid and paid 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.*
1062 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.*

Entry	Description
1063 Anticipated adjustment for change in allocation (general fund portion)*	Downward adjustments for general fund project portions of prior year appropriations in Corps of Engineers-Civil Works operating accounts. The amount on this line is equal to the amount on line 1065 with the opposite sign. This line is only to be used by the Corps of Engineers-Civil Works. *No amount should be on this line on the September 30 report.*
1064 Anticipated adjustment for change in allocation (offsetting collection portion)*	Upward adjustments for trust fund project portions (derived from offsetting collections from Corps of Engineers-Civil Works Inland Waterways and Harbor Maintenance trust funds) of prior year appropriations in Corps of Engineers-Civil Works operating accounts. The amount on this line is equal to the amount on line 1064 with the opposite sign. The amount on this line is equal to the amount on line 1066 with the opposite sign in the Corps of Engineers-Civil Works Inland Waterways and Harbor Maintenance trust fund accounts. This line is only to be used by the Corps of Engineers-Civil Works. *No amount should be on this line on the September 30 report.*
1065 Anticipated adjustment for change in allocation (trust fund portion)*	Portion in Corps of Engineers-Civil Works Inland Waterways and Harbor Maintenance trust funds to fund adjustments of trust fund project portions of prior year appropriations in Corps of Engineers-Civil Works operating accounts. The amount on this line is equal to the amount on line 1064 with the opposite sign in the Corps of Engineers-Civil Works operating accounts. This line is only to be used by the Corps of Engineers-Civil Works. *No amount should be on this line on the September 30 report.*
1070 Unobligated balance (total)*	Equals the sum of lines 1000 through 1065. [SFs 132 and 133] Equals the sum of lines 1000 through 1045 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)).
1080 Expired unobligated balance brought forward, Oct 1*	Equals the amount on line 1000 for expired accounts only.
1081 Expired unobligated balance transferred to other accounts (–)*	Equals the amount on line 1010 for expired accounts only.
1082 Expired unobligated balance transferred from other accounts*	Equals the amount on line 1011 for expired accounts only.
1083 Expired unobligated balance transfers between expired and unexpired accounts (-)*	Equals the amount on line 1012 for expired accounts only.
1084 Adjustment of expired unobligated balance brought forward, Oct 1 (+ or–) *	Equals the amount on line 1020 for expired accounts only.
1085 Recoveries of prior year unpaid obligations in expired accounts*	Equals the amount on line 1021 for expired accounts only.

Entry	Description
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.
1087 Other expired unobligated balances withdrawn to Treasury (–)*	Equals the amount on line 1029 for expired accounts only.
1088 Other expired unobligated balances withdrawn to special or trust funds (–)*	Equals the amount on line 1030 for expired accounts only.
1089 Recoveries of prior year paid obligations in expired accounts *	Equals the amount on line 1033 for expired accounts only.
1090 Unobligated balance of appropriation withdrawn in expired accounts (-)*	Equals the amount on line 1037 for expired accounts only.
1091 Sequester (previously unavailable) for withdrawal in expired accounts*	Equals the amount on line 1038 for expired accounts only.
1092 Adjustment to indefinite prior year appropriations in subsequent fiscal year in expired accounts*	Equals the amount on line 1040 for expired accounts only.
1099 Expired unobligated balance (total)	Equals the amount on line 1070 for expired accounts only. Also, equals the sum of the detailed lines 1080 through 1092. 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 130J. *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 (general and revolving funds) or 1135 (special and trust funds). See exhibits 120F and 120G. When the regular appropriations act is passed, replace the amount on lines 1100, 1101, 1104, 1106, 1170, and 1171

Entry	Discre-tionary	Man-datory	Description
			with the amount specified in the regular appropriations act. See exhibit 120H. 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 (general and revolving funds) or 1135 (special and trust funds) 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 (general and revolving funds) or 1135 (special and trust funds) 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 1136 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 on schedule P only. If appropriations that are not specifically made available to liquidate deficiencies (and are otherwise available for

Entry	Discre-tionary	Man-datory	Description
			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 on schedule P only. Deficiencies are included on lines 7000 through 7020 for schedule P only. This applies to unexpired and expired accounts. Normally, there are no excess amounts because these 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 1138 or 1238. Thus, the total budgetary resources on lines 1910 (SF 133), 1920 (SF 132), and 1930 (schedule P) equal zero. See exhibit 120M. 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 1136 or 1236. 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.

Entry	Discre-tionary	Man-datory	Description
			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. 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. For upward adjustments against indefinite appropriation derived from the general fund of the US Treasury, request a Treasury appropriation warrant and show the amount on line 1100 or 1200. Return any recoveries of prior year unpaid obligations to the general fund of the US Treasury on line 1037. 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)	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 1135 or 1235 and show this amount on the September 30 report. See exhibit 120N.

Entry	Discre-tionary	Man-datory	Description
			• 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 will be available for investment. Unlike OMB, Treasury classifies these funds as "available."
Appropriation (previously unavailable)	1102	1202	For general funds, amount derived from the general fund of the US Treasury previously reported as precluded from obligation on line 1134 or 1234 in a prior fiscal year that becomes available for obligation in a subsequent fiscal year. This line is only to be used by the Department of Agriculture, the Department of Health and Human Services, and the Department of the Interior. *Use only with OMB approval*.
Appropriation (previously unavailable) (special or trust)	1103	1203	For special and non-revolving trust funds, amount previously reported as precluded from obligation on line 1135 or 1235 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	1104	n/a	Portion of the succeeding year's appropriation made available for obligation as advance funding.
Appropriation available in prior year (–)	1105	n/a	Portion of the appropriation made available for obligation as advance funding in the preceding year. The following applies to lines 1104 and 1105. 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	1106	1206	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 120.65). 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.

Entry	Discre-tionary	Man-datory	Description
			Use line 1012 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 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 non-expenditure transfers between two Federal Government accounts. (The treatment of non-expenditure 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 non-expenditure transfers between two Federal Government accounts. (The treatment

Entry	Discre-tionary	Man-datory	Description
			of non-expenditure 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.
Exercised borrowing authority transferred from other accounts*	1122	1222	Amount of exercised borrowing authority actually transferred into this account from the Credit Commodity Corporation account under existing legislation that does not involve an obligation or an outlay. This line is only to be used by the Department of Agriculture.

Adjustments:			
Appropriations permanently reduced (–)	1130	n/a	Amount of permanent rescissions, reductions, and cancellations of new appropriations. Includes sequestration derived from exercised borrowing authority.
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.
Appropriations 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*.
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	Amount derived from the general fund of the US Treasury and precluded from obligation in a fiscal year by a provision of law (such as a limitation on obligations). This amount is treated as a balance of unavailable budgetary resources. When a discretionary amount becomes available for obligation, report it on line 1102. The following paragraphs describe the application of the above principle to specific circumstances: • *Appropriations provided by a part-year continuing resolution.*—When an account is operating under a part-year continuing resolution, include, as a

Entry	Discre-tionary	Man-datory	Description
			negative amount, the portion of the annualized level included on line 1100 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 (derived from the general fund of the US Treasury) 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 (derived from the general fund of the US Treasury) 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 line 1100. Do not include this amount on the September 30 SF 133. • *Emergency, contingent appropriations.*—Include amount (derived from the general fund of the US Treasury) representing the funds the President has not yet designated as emergency requirements, as a negative amount. The full amount of the appropriation is on line 1100. Do not include this amount on the September 30 SF 133. In addition, other amounts (derived from the general fund of the US Treasury) 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 (derived from the general fund of the US Treasury) 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.
Appropriations precluded from obligation (special or trust) (–)	1135	1235	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: • *Appropriated 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

Entry	Discre-tionary	Man-datory	Description
			(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 line 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 (derived from special or trust fund receipts) 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 (derived from special or trust fund receipts) 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 line 1101. Do not include this amount on the September 30 SF 133. • *Emergency, contingent appropriations.*—Include amount (derived from special or trust fund receipts) representing the funds the President has not yet designated as emergency requirements, as a negative amount. The full amount of the appropriation is on line 1101. Do not include this amount on the September 30 SF 133. 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 (derived from special or trust fund receipts) 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.
Appropriations applied to repay debt (–)	1136	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).

Entry	Discre-tionary	Man-datory	Description
			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.
Appropriations reduced by offsetting collections (collected) or offsetting receipts (-)	1137	n/a	Amount of offsetting collections or offsetting receipts used to reduce the appropriation derived from the General Fund of the U.S. Treasury while waiting for the appropriation warrant to be adjusted. See exhibit 130J. *No amounts should be on this line on the September 30 report*.
Appropriations applied to liquidate contract authority (–)	1138	1238	Amount of appropriations to liquidate contract authority. This amount is not available for new obligations pursuant to the appropriations act.
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.
Capital transfer of appropriations to general fund (–)	1140	1240	For discretionary appropriations, this line is only for use by the Department of Defense where an appropriation (equal to transferred amounts prior to enactment of appropriations act) must be returned to the general fund. For mandatory appropriations, 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 liquidate contract authority withdrawn (–)	1141	n/a	Amount of excess appropriations to liquidate contract authority withdrawn.
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: • 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.*

Entry	Discre-tionary	Man-datory	Description
			Do not include: • Transfers that have been made and included on lines 1120, 1121, 1220, and 1221. • Anticipated transfers that require legislation. Include: • Transfers of exercised borrowing authority anticipated to be transferred from the Credit Commodity Corporation Fund.
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*.
Anticipated reductions to appropriations by offsetting collections or offsetting receipts (-)	1153	n/a	Amount of anticipated offsetting collections or offsetting receipts used to reduce the appropriation derived from the General Fund of the U.S. Treasury while waiting for the appropriation warrant to be adjusted. See exhibit 130J. *No amounts should be on this line on the September 30 report*.
Appropriation (total)	**1160**	**1260**	Equals the sum of lines 1100 through 1153. [SFs 132 and 133] Equals the sum of lines 1100 through 1141. [schedule P] Equals the sum of lines 1200 through 1252. [SFs 132 and 133] Equals the sum of lines 1200 through 1240. [schedule P]
Advance appropriations:			
Advance appropriation Advance appropriation (special or trust fund)	1170 1171	1270 1271	As defined by the Congressional Budget Act of 1974 (31 U.S.C. 1105(a)(17)), advance appropriations are 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 provided in an appropriations Act and classified as an "appropriated entitlement" or "appropriated mandatory" by the Balanced Budget Act of 1997 (see section 21.3(c)).
Nonexpenditure transfers:			
Advance appropriations transferred to other accounts (-)	1172	1272	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 that are *actually* transferred from the account to other accounts

Entry	Discre-tionary	Man-datory	Description
			under existing legislation that does not involve an obligation or an outlay.
Advance appropriations transferred from other accounts	1173	1273	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 that are *actually* transferred into this account from other accounts under existing legislation that does not involve an obligation or an outlay.
Adjustments:			
Advance appropriations permanently reduced (–)	1174	1274	Amount of permanent rescissions, reductions, and cancellations of advance appropriations.
Advance appropriations temporarily reduced (–)	1175	1275	Amount of temporary rescissions, reductions, and cancellations of advance appropriations. *Use only for special and non-revolving trust funds.*
Anticipated advanced appropriations:			
Anticipated nonexpenditure transfers of advanced appropriations (net) (+ or –)	1176	1276	Include the current estimate of advanced appropriations anticipated to be transferred to this account (+) net of advanced 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 1172, 1173, 1272, and 1273.
Advance appropriation (total)	**1180**	**1280**	Equals the sum of lines 1170 through 1176. [SFs 132 and 133] Equals the sum of lines 1170 through 1175. [schedule P] Equals the sum of lines 1270 through 1276. [SFs 132 and 133] Equals the sum of lines 1270 through 1275. [schedule P]
Borrowing authority:			Amount of new borrowing authority, primarily from the Treasury, to finance obligations and outlays. Include the 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, 1136, 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.

Entry	Discre-tionary	Man-datory	Description
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.
Nonexpenditure transfers:			
Exercised borrowing authority transferred to other accounts (-)*		1410	Amount of exercised borrowing authority actually transferred from Credit Commodity Corporation account to other accounts under existing legislation that does not involve an obligation or an outlay. This line is only to be used by the Department of Agriculture.
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.*
Borrowing authority precluded from obligation (limitation on obligations) (–)	n/a	1423	Amount precluded from obligation in a fiscal year by a provision of law (such as a limitation on obligations). This amount is treated as a balance of unavailable budgetary resources. For this particular situation, the amount has been determined to be unavailable for future obligations. This line is only for the revolving fund in the Department of Agriculture where borrowing authority was limited.
Capital transfers of borrowing authority to general fund (–)	n/a	1424	Amount of borrowing authority exercised where there is insufficient cash to pay the modification adjustment transfer (see section 185.7 (b)).
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.
Anticipated nonexpenditure transfers of exercised borrowing authority (–)*		1431	Include the estimate of exercised borrowing authority anticipated to be transferred from Credit Commodity Corporation account to other accounts under existing legislation that does not involve an obligation or an outlay. This line is only to be used by the Department of

Entry	Discre-tionary	Man-datory	Description
			Agriculture. *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] Equals the sum of lines 1300 through 1320. [schedule P] Equals the sum of lines 1400 through 1431. [SFs 132 and 133] Equals the sum of lines 1400 through 1424. [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 1138 or 1238. If a portion of the appropriation to liquidate contract authority is not needed, then include the amount (as a negative) on line 1141 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

Entry	Discre-tionary	Man-datory	Description
			of the Interior and non-revolving trust fund in Department of Transportation.
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. See section 83.5 for direct or reimbursable classification of associated obligations against spending authority from offsetting collections. 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

Entry	Discre-tionary	Man-datory	Description
			accounts and non-revolving trust fund expenditure accounts, in which case, these lines should be used to report such amounts.
			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 of prior year paid obligations that are credited to a different appropriation or fund account than the one charged with the original obligation. Exclude refunds of prior year paid obligations credited to the same appropriation or fund account charged with the original obligation. These will be reported on line 1033. 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

Entry	Discre-tionary	Man-datory	Description
			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 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. In limited situations, this line may be positive due to premiums and accrued interest at the time of Federal security purchase. *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

Entry	Discre-tionary	Man-datory	Description
			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. 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 multi-year accounts, you can record an increase in unpaid, unfilled orders from Federal sources during any year of the unexpired phase. 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 for further action to take. Applies only to budgetary account receivable. Does not impact the proprietary account receivable.

Entry	Discre-tionary	Man-datory	Description
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. *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 non-expenditure 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

Entry	Discre-tionary	Man-datory	Description
			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 (–)*	1721	1821	Amount of permanent rescissions, reductions, and cancellations of new spending authority from offsetting collections.
Unobligated balance of spending authority from offsetting collections permanently reduced (–)*	1722		Amount of permanent rescissions, reductions, and cancellations of new discretionary 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 precluded from obligation (limitation on obligations) (–)*	1724	1824	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 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 (–)*	1725	1825	Amount of offsetting collections used for repayment of debt principal. Do not include appropriations used to repay outstanding debt (see lines 1136 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	1726	1826	Amount of offsetting collections used to liquidate contract authority that is not available for new obligations.

Entry	Discre-tionary	Man-datory	Description
applied to liquidate contract authority (–)*			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 (–)*	1727	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. Deposit advances (as defined in section 20.10) 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 1727. [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 1153,

Entry	Discre-tionary	Man-datory	Description
			1170 through 1176, 1200 through 1252, 1270 through 1276, 1300 through 1330, 1400 through 1431, 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 1141, 1170 through 1175, 1200 through 1240, 1270 through 1275, 1300 through 1320, 1400 through 1424, 1500 through 1522, 1600 through 1622, 1700 through 1727, and 1800 through 1827. [schedule P]
Adjustment for new budget authority used to liquidate deficiencies (–)	1901	1901	For schedule P, 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. For unfunded deficiencies liquidated by unobligated balances, see line 1034.
Adjustment for total budgetary resources subject to obligation limitation (-)*	1902	1902	Preclusion from obligation in a fiscal year by a provision of law (i.e., obligation limitation) applicable to total budgetary resources. This line is to be used only by the Department of Transportation.
Total budgetary resources **Total budgetary resources available**	**1910** **1920** **1930**	**1910** **1920** **1930**	Always generated from the sum of combined total of unobligated balances, budget authority: The sum of lines 1000 through 1033, 1035 through 1065, 1100 through 1153, 1170 through 1176, 1200 through 1252, 1270 through 1276, 1300 through 1330, 1400 through 1431, 1500 through 1531, 1600 through 1631, 1700 through 1742, 1800 through 1842, and 1902. [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 1045, 1100 through 1141, 1170 through 1175, 1200 through 1240, 1270 through 1275, 1300 through 1320, 1400 through 1424, 1500 through 1522, 1600 through 1622, 1700 through 1727, 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 schedule P. *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 130.11–130.14 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 on anticipated non-expenditure transfers of appropriations (net) line (i.e., 1151) as a positive amount and the balance in the Treasury account with the lesser time availability on anticipated non-expenditure transfers of appropriations (net) line (i.e., 1151) as a negative amount.

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 non-expenditure transfers of appropriations (net) (+ or –)," 1010 "Unobligated balance transferred to other accounts (–)" or 1040 "Anticipated non-expenditure 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.

Entry	Description
1941 Unexpired unobligated balance, end of year	Unavailable balance carried forward and available for obligation in the following year. Include all unobligated balances available for obligation (appropriations, borrowing authority, contract authority, spending authority from offsetting collections) 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.
Special and non-revolving trust funds only:	
1950 Other balances withdrawn and returned to unappropriated receipts	Amount of unexpired and expired (but not cancelling) 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).

The line below will have a different effective period. For the SF132 and SF133 budget execution reports, this line will be effective in the fiscal year 2022 reporting cycle and is only included in the chart below.

Budget Concept	FY 2020 (FY 2022 Budget)	FY 2021 (FY 2023 Budget)	FY 2022 (FY 2024 Budget)
Anticipated (+ or -)[1/]			2404

[1/]This line does not apply to schedule P.

Entry	Description
New obligations and upward adjustments	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.) Record any adjustment for gains and losses due to fluctuation in foreign currency exchange rate when reclassifying the unpaid obligation to a disbursement. *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 130.11–130.15 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 6159 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 6159 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.
2170 New obligations, unexpired accounts	Equals the sum of lines 2001 through 2003 and 2101 through 2103 for an unexpired account. Also includes upward adjustments in unexpired accounts.
2180 Obligations ("upward adjustments"), expired accounts	Equals the sum of lines 2001 through 2003 and 2101 through 2103 for an expired account.
2190 New obligations and upward adjustments (total)	Equals the sum of lines 2001 through 2003 and 2101 through 2103. Also equals the sum of lines 2004 and 2104. Also equals the sum of lines 2170 and 2180.
Unobligated balance	
Apportioned, unexpired accounts	
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.

Entry	Description
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.
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, unexpired accounts	
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, unexpired accounts	
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 1041, 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.)

Entry	Description
	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 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 revolving 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 1235.
2412 Unexpired unobligated balance: end of year	Equals the sum of the amounts on detailed lines 2201, 2202, 2203, 2301, 2302, 2303, 2401, 2402, and 2403 (for unexpired accounts only). The amount on this line is excluded from the total on line 2500.
Expired accounts	
2413 Expired unobligated balance: end of year	*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.) For the final September 30 report before an account will be closed, the amount on this line should zero.
2490 Unobligated balance, end of year (total)	Sum of the amounts on detailed lines 2201, 2202, 2203, 2301, 2302, 2303, 2401, 2402, 2403, and 2413. Also equals the sum of the amounts on lines 2412 and 2413. Anticipated amounts are part of the total amount on this line except on the September 30th report. Refer to amounts on lines 2503 and 2504 reported during interim periods for direct and reimbursable unobligated balances, end of year excluding anticipated amounts.
2500 Total budgetary resources	Sum of the amounts on detailed lines 2001 through 2403, and 2413. This amount equals the amount on line 1910.
Memorandum (non-add) entries:	
2501 Subject to apportionment unobligated balance, end of year	Both the obligations incurred and unobligated balance of the Status of Budgetary Resources that are subject to apportionment. This line excludes anticipated amounts.

Entry	Description
2502 Exempt from apportionment unobligated balance, end of year	Both the obligations incurred and unobligated balance of the Status of Budgetary Resources that are exempt from apportionment. This line excludes anticipated amounts.

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).

For the SF132 and SF133 budget execution reports, this line will be effective in the fiscal year 2021 reporting cycle. For the schedule P display, this line will be effective starting with the FY 2023 Budget presentation. The schedule P display for the FY2022 Budget will follow the old line convention as listed in section 82.

Budget Concept	FY 2020 (FY 2022 Budget)	FY 2021 (FY 2023 Budget)	FY 2022 (FY 2024 Budget)
Adjustment for change in allocation (offsetting collection/receivable portion) (-)		3072	3072

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 schedule P 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 GTAS, 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. GTAS will use this attribute to crosswalk these USSGL account balances to this adjustment line. OMB and the Fiscal Service will review the FBWT component of the adjustments that agencies report to GTAS each quarter. 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 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.
3010 New obligations, unexpired accounts	Includes both direct and reimbursable obligations. Equals the sum of amounts on lines 2001 through 2003 and 2101 through 2103. Also includes upward adjustments in unexpired accounts. Exclude any adjustments to current year beginning balances recorded on lines 1020 and 3001.
3011 Obligations ("upward adjustments"), 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 130.11–130.15 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. Also equals the sum of amounts on lines 0970 and 0971. 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 4020 and 4110, 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.

Entry	Description
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. 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 1 of 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.

Entry	Description
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 GTAS, 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. GTAS will use this attribute to crosswalk these USSGL account balances to this adjustment line. OMB and the Fiscal Service will review the FBWT component of the adjustments that agencies report to GTAS each quarter. 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 of prior year obligations credited to an appropriation or fund account as reported on lines 1033, 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.
3072 Adjustment for change in allocation (offsetting collection/receivable portion) (-)*	Equals line 1044 with the opposite sign.
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.

Entry	Description
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, 3072, 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, 3072, 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).

Entries flagged with an asterisk (*) identifies line numbers that have a different effective period. For the SF132 and SF133 budget execution reports, the lines will be effective in the fiscal year 2021 reporting cycle. For the schedule P display, the lines will be effective starting with the FY 2023 Budget presentation. The schedule P display for the FY2022 Budget will follow the old line convention as listed in section 82.

Budget Concept	FY 2020 (FY 2022 Budget)	FY 2021 (FY 2023 Budget)	FY 2022 (FY 2024 Budget)
Adjustment for change in allocation (offsetting collection portion)[2/]		4055	4055
Anticipated offsetting collections (+ or -)[1/]	4055	4056	4056
Anticipated offsetting collections (+ or -)[1/]	4145	4146	4146

[1/] This line does not apply to schedule P.
[2/] Title change in FY 2021.

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 1153, 1170 through 1176, 1300 through 1330, 1500 through 1531, and 1700 through 1742) [SF 133].

Entry	Discre-tionary	Man-datory	Description
			Equals the sum of discretionary budget authority (lines 1100 through 1141, 1170 through 1175, 1300 through 1320, 1500 through 1522, and 1700 through 1727) [schedule P].
			Equals the sum of mandatory budget authority (lines 1200 through 1252, 1270 through 1276, 1400 through 1431, 1600 through 1631, and 1800 through 1842) [SF 133].
			Equals the sum of mandatory budget authority (lines 1200 through 1240, 1270 through 1275, 1400 through 1424, 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.*
Outlays from balances	4011	4101	Record any adjustment for gains and losses due to fluctuation in foreign currency exchange rate when reclassifying the unpaid obligation to a disbursement.
			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, 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.
			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.

Entry	Discre-tionary	Man-datory	Description
			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. In limited situations, this line may be positive due to premiums and accrued interest at the time of Federal security purchase.
Interest on uninvested funds (–)		4122	Amount of interest from Federal securities on balances not invested in marketable and nonmarketable Treasury securities. In limited situations, this line may be positive due to premiums and accrued interest at the time of Federal security purchase.
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.
Additional offsets against gross budget authority only:			
Change in uncollected pymts, Fed sources,	4050	4140	Equals the amount on line 1701 or 1801 respectively, but with the opposite sign.

Entry	Discre-tionary	Man-datory	Description
unexpired accounts (+ or –)			
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 on schedule P (see section 20.9). 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.
Recoveries of prior year paid obligations, unexpired accounts	4053	4143	Amount of refunds that pertain to an unexpired account see section 20.9). The sum of lines 4053 and 4143 equals the amount on line 1033 for an unexpired account. See exhibit 130L.
Recoveries of prior year paid obligations, expired accounts	4054	4144	Amount of refunds that pertain to an expired account that is not yet cancelled on the SF 133 (see section 20.9). The sum of lines 4054 and 4144 equals the amount on line 1033 for an expired account on the SF 133. See exhibit 130L.
Adjustment for change in allocation (offsetting collection portion/collected)*	4055		Equals the amount on line 1043.
Anticipated offsetting collections (+ or –)*	4056	4146	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 20.10) 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

Entry	Discre-tionary	Man-datory	Description
			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, 4053, 4054, 4055 and 4056. [SF 133] Equals the sum of the amounts on lines 4050, 4052 and 4053. [schedule P] Equals the sum of the amounts on lines 4140, 4141, 4143, 4144 and 4146.[SF 133] Equals the sum of the amounts on lines 4140, 4142 and 4143. [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, 4053, 4054, 4055 and 4056. [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 4053. [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, 4143, 4144 and 4146. [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 4143. [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.

Entry	Description
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 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 1136, 1236, 1422, 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.

Entry	Description
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 Unexpired unavailable balance, SOY: Offsetting collections	Unexpired unavailable balance of offsetting collections at the beginning of the year.
5091 Expiring unavailable balance: Offsetting collections (–)	
5092 Unexpired unavailable balance, EOY: Offsetting collections	Unexpired 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, 1824, and 5091.
5093 Expired unavailable balance, SOY: Offsetting collections	Expired unavailable balance of offsetting collections at the beginning of the year.
5094 Canceling unavailable balance: Offsetting collections (–)	
5095 Expired unavailable balance, EOY: Offsetting collections	Expired unavailable balance of offsetting collections at the end of the year. Equals the amount on line 5093 minus the amount on line 5094.
5096 Unexpired unavailable balance, SOY: Appropriations	Unexpired unavailable balance of sequestered appropriations in revolving funds at the beginning of the year.
5097 Expiring unavailable balance: Appropriations (–)	
5098 Unexpired unavailable balance, EOY: Appropriations	Unexpired unavailable balance of sequestered appropriations in revolving funds at the end of the year. Equals the amount on line 5096 minus the sum of the amounts on lines 1103, 1132, 1203, 1232, and 5097 for revolving funds only.
5099 Unexpired unavailable balance, SOY: Contract authority	Unexpired unavailable balance of contract authority (i.e., sequestration only) in special and non-revolving trust funds at the beginning of the year.
5100 Unexpired unavailable balance, EOY: Contract authority	Unexpired 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 5099 minus the sum of the amounts on lines 1603 and 1621.
5101 Unexpired unavailable balance, SOY: Borrowing authority	Unexpired unavailable balance of borrowing authority in revolving, special and non-revolving trust funds at the beginning of the year.
5102 Unexpired unavailable balance, EOY: Borrowing authority	Unexpired 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 1421.
5103 Unexpired unavailable balance, SOY: Fulfilled purpose	Unexpired unavailable balance in a no-year Treasury account at the beginning of the year where the amount is no longer available for obligation since the purposes for which the appropriation was enacted has been carried out.

Entry	Description
5104 Unexpired unavailable balance, EOY: Fulfilled purpose	Unexpired unavailable balance in a no-year Treasury account at the end of the year where the amount is no longer available for obligation since the purposes for which the appropriation was enacted has been carried out.
International Monetary Fund:	
5110 IMF quota reserve tranche increase (P.L. xxx-xxx)	
5111 IMF quota letter of credit increase (P.L. xxx-xxx)	
5112 IMF quota reserve tranche, total	
5113 IMF quota letter of credit, total	
5114 New Arrangements to Borrow (P.L. xxx-xxx)	
5115 New Arrangements to Borrow (exchange rate)	
5116 New Arrangements to Borrow, total	
Discretionary mandated transfers:	*The amount of discretionary transfers mandated by law.*
5200 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.
5201 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.
Unexpended balances:	*Identifies the amount of available unobligated and obligated balances as direct or reimbursable and discretionary or mandatory for start of year and end of year. Applies to both unexpired and expired accounts.*
Unobligated balance:	
5311 Direct unobligated balance, start of year	The sum of lines 5311 and 5314 equals the amount on line 1000. [SF 133 and Schedule P]
5312 Reimbursable unobligated balance, start of year	
5313 Discretionary unobligated balance, start of year	
5314 Mandatory unobligated balance, start of year	

Entry	Description
5321 Direct unobligated balance, end of year 5322 Reimbursable unobligated balance, end of year 5323 Discretionary unobligated balance, end of year 5324 Mandatory unobligated balance, end of year	The sum of lines 5321, 5322, 5323, and 5324 equals the sum of the amounts on detailed lines 2201, 2202, 2301, 2302, 2401, 2402, and 2403. [SF 133] The sum of lines 5321, 5322, 5323, and 5324 equals the sum of lines 1940 (with the opposite sign) and 1941 for unexpired accounts only. [Schedule P]
Obligated balance:	
5331 Direct obligated balance, start of year 5332 Reimbursable obligated balance, start of year 5333 Discretionary obligated balance, start of year 5334 Mandatory obligated balance, start of year	The sum of lines 5331, 5332, 5333, and 5334 equals the sum of lines 3000 and 3060. Also equals line 3100. [SF 133 and Schedule P]
5341 Direct obligated balance, end of year 5342 Reimbursable obligated balance, end of year 5343 Discretionary obligated balance, end of year 5344 Mandatory obligated balance, end of year	The sum of lines 5341, 5342, 5343, and 5344 equals the sum of lines 3050 and 3090. Also equals line 3200. [SF 133 and Schedule P]

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 (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 120K).
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 120K). 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 Reporting Category (See exhibit 120G).
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]	Include in the stub column a line number 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.
6014 [project name] ↓ 6110 [project name]	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)	Amounts requested to be apportioned by a combination of fiscal quarters and projects (See section 120.9).
6111 [project \ quarter] 6112 [project \ quarter] ↓ 6159 [project \ quarter]	

Entry	Description
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).
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 20.12(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 "Unfunded deficiencies" section of the schedule P. For additional guidance, see 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.
7012 Budgetary resources 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 schedule P lines 1034 and 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
8100 Program Level, Current Year
8200 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 BUDGETARY 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.

Entries flagged with an asterisk (*) identifies line numbers that have a different effective period.

Budget Concept	FY 2020	FY 2021	FY 2022
Unobligated balance from prior year budget authority, net (discretionary and mandatory)[4/]	1051	1071	1071
Unapportioned, unexpired accounts[4/]	2404	2404	2405
Disbursements, net (total) (mandatory)[4]	4220	4220	4220

[4/] This line does not apply to SF 133 and schedule P.

Entry		Description
Budgetary Resources		
1071	Unobligated balance from prior year budget authority, net (discretionary and mandatory)*	Equals line 1070 of the SF 133. Sum of lines 1000 through 1065 on the SF 133.
1290	Appropriations (discretionary and mandatory)	Sum of lines 1100 through 1153, 1170 through 1176, 1200 through 1252, and 1270 through 1276 on the SF 133.
1490	Borrowing authority (discretionary and mandatory)	Sum of lines 1300 through 1330 and 1400 through 1431 on the SF 133.
1690	Contract authority (discretionary and mandatory)	Sum of lines 1500 through 1531 and 1600 through 1631 on the SF 133. For the Department of Transportation, additionally it includes line 1902 on the SF 133. This line is not applicable to non-budgetary credit reform financing accounts.
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	This line is common to the SF 133 and SBR. See description above.
Status of Budgetary Resources		
2190	New obligations and upward adjustments (total)	Sum of lines 2001 through 2003 and 2101 through 2103 on the SF 133. See descriptions above.
	Unobligated balance, end of year:	

Entry		Description
2204	Apportioned, unexpired accounts	Sum of lines 2201 through 2203 on the SF 133. See descriptions above.
2304	Exempt from apportionment, unexpired accounts	Sum of lines 2301 through 2303 on the SF 133. See descriptions above.
2404	Unapportioned, unexpired accounts	Sum of lines 2401 through 2403 on the SF 133. See descriptions above.
2412	Unexpired unobligated balance: end of year	This line is common to the SF 133 and SBR. See description above.
2413	Expired unobligated balance: end of year	This line is common to the SF 133 and SBR. See description above. This line is not applicable to non-budgetary credit reform financing accounts.
2490	Unobligated balance, end of year (total)	This line is common to the SF 133 and SBR. See description above.
2500	Total budgetary resources	This line is common to the SF 133 and SBR. See description above.
Outlays, Net and Disbursements, Net		
4190	Outlays, net (total) (discretionary and mandatory)	See description above. This line is common to the SF 133, schedule P and SBR. This line is not applicable to non-budgetary credit reform financing accounts.
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. This line only applies to the PY and CY budgetary columns of the SBR. This line is not applicable to non-budgetary credit reform financing accounts.
4210	Agency outlays, net (discretionary and mandatory)	Sum of line 4190 minus 4200. This line is not applicable to non-budgetary credit reform financing accounts.
4220	Disbursements, net (total) (mandatory)	This line is only applicable to non-budgetary credit reform financing accounts.

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 1106: "BA: Disc: Reappropriation", and 1206: "BA: Mand: Reappropriation." Initial apportionments for FY 2020 should reflect an estimate of the amount to be reappropriated from the estimated expiring FY 2019 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 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 PB20xx President’s Budget exercise 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 1106 " 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 PY 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:

If the authority is provided by...	Then the extension is treated as...
	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.

13. HOW DO I RECORD REDUCTIONS OF BUDGET AUTHORITY AND UNOBLIGATED BALANCES?

If you have a reduction of budget authority or unobligated balance, follow the chart below in recording the reduction of budget authority or unobligated balance. In enacted language, the phrase "reduced by" is recorded as adjustment to the appropriation line and not separately shown on a reduction (i.e., rescission) line.

If the reduction is against. . .	Where the fund is …	And the type of reduction…	Then the reduction should be classified as…
Appropriation or unobligated balance of appropriation (derived from the General Fund of the U.S. Treasury)	General fund expenditure account	Account specific	Permanent (where a negative Treasury warrant is processed): Lines 1130, 1131, 1174, 1230
		Across The Board (unobligated balance not applicable)	Permanent (where a negative Treasury warrant is processed): Lines 1130, 1174
		Sequestration	Permanent (where a negative Treasury warrant is processed): Lines 1130, 1131, 1174, 1230
	Special fund expenditure account	Account specific	Permanent (where a negative Treasury warrant is processed): Lines 1130, 1131, 1174, 1230, 1274

If the reduction is against. . .	Where the fund is …	And the type of reduction…	Then the reduction should be classified as…
		Across The Board (unobligated balance not applicable)	Permanent (where a negative Treasury warrant is processed): Line 1130
		Sequestration	Temporary: Lines 1132, 1133, 1232
	Revolving fund expenditure account	Account specific	Permanent (where a negative Treasury warrant is processed): Lines 1130, 1131, 1174, 1230
		Across The Board (unobligated balance not applicable)	Permanent (where a negative Treasury warrant is processed): Line 1130
		Sequestration	Temporary: Lines 1132, 1133, 1232
Appropriation or unobligated balance of appropriation (derived from special or trust fund receipts)	Special fund expenditure account (where appropriation is derived from available special fund receipt account)	Account specific	Temporary (unless specifically identified as permanently canceled or rescinded in law): Lines 1132, 1133, 1175, 1232, 1275
		Across The Board (unobligated balance not applicable)	Temporary (unless specifically identified as permanently canceled or rescinded in law): Line 1132
		Sequestration	Temporary (unless specifically identified as permanently canceled or rescinded in law): Lines 1132, 1133, 1232
	Special fund expenditure account (where appropriation is derived from unavailable special fund receipt account)	Account specific	Temporary (where a negative Treasury warrant is processed to return reduction amount to unavailable special fund receipt account) (unless specifically identified as permanently canceled or rescinded in law): Lines 1132, 1132, 1232
		Across The Board (unobligated balance not applicable)	Temporary (where a negative Treasury warrant is processed to return reduction amount to unavailable special fund receipt account) (unless specifically identified as permanently canceled or rescinded in law): Line 1132
		Sequestration	Temporary (where a negative Treasury warrant is processed to return reduction amount to unavailable special fund receipt account) (unless specifically

If the reduction is against. . .	Where the fund is …	And the type of reduction…	Then the reduction should be classified as…
			identified as permanently canceled or rescinded in law): Lines 1132, 1133, 1232
	Non-revolving trust fund expenditure account (where appropriation is derived from available trust fund receipt account)	Account specific	Temporary (unless specifically identified as permanently canceled or rescinded in law): Lines 1132, 1133, 1175, 1232, 1275
		Across The Board (unobligated balance not applicable	Temporary (unless specifically identified as permanently canceled or rescinded in law): Line 1132
		Sequestration	Temporary (unless specifically identified as permanently canceled or rescinded in law): Lines 1132, 1133, 1232
	Non-revolving trust fund expenditure account (where appropriation is derived from unavailable trust fund receipt account)	Account specific	Temporary (where a negative Treasury warrant is processed to return reduction amount to unavailable special fund receipt account) (unless specifically identified as permanently canceled or rescinded in law): Lines 1132, 1132, 1232
		Across The Board (unobligated balance not applicable	Temporary(where a negative Treasury warrant is processed to return reduction amount to unavailable special fund receipt account) (unless specifically identified as permanently canceled or rescinded in law): Line 1132
		Sequestration	Temporary(where a negative Treasury warrant is processed to return reduction amount to unavailable special fund receipt account) (unless specifically identified as permanently canceled or rescinded in law): Lines 1132, 1133, 1232
Borrowing authority	General fund expenditure account	Account specific	Permanent: Lines 1320, 1420
		Note: For unobligated balances of borrowing authority, the amount will be shown on line 1131 or 1230.	
		Across The Board	Permanent
		Sequestration	Permanent: Line 1420

If the reduction is against. . .	Where the fund is …	And the type of reduction…	Then the reduction should be classified as…
	Special fund expenditure account	Account specific	Permanent: Line 1320
		Note: For unobligated balances of borrowing authority, the amount will be shown on line 1131 or 1230.	
		Across The Board	Permanent
		Sequestration	Temporary: Line 1421
	Revolving fund expenditure account	Account specific	Permanent: 1320, 1420
		Note: For unobligated balances of borrowing authority, the amount will be shown on line 1131 or 1230.	
		Across The Board	Permanent
		Sequestration	Temporary: Line 1421
	Non-revolving trust fund expenditure account	Account specific	Permanent: Line 1320, 1420
		Note: For unobligated balances of borrowing authority, the amount will be shown on line 1131 or 1230.	
		Across The Board	Permanent
		Sequestration	Temporary: Line 1421
Contract authority or unobligated balance of contract authority	General fund expenditure account	Account specific	Permanent: Lines 1520, 1620
		Across The Board (unobligated balance not applicable)	Permanent
		Sequestration	Permanent
	Special fund expenditure account	Account specific	Permanent
		Across The Board (unobligated balance not applicable)	Permanent
		Sequestration	Temporary: Line 1621
	Revolving fund expenditure account	Account specific	Permanent: Lines 1520, 1620
		Across The Board (unobligated balance not applicable)	Permanent
		Sequestration	Temporary
	Non-revolving trust fund expenditure account	Account specific	Permanent: Lines 1520, 1620
		Across The Board (unobligated balance not applicable)	Permanent
		Sequestration	Temporary: Line 1621
Spending authority from offsetting	General or special or revolving or non-	Account specific	Temporary (unless specifically identified as permanently

If the reduction is against. . .	Where the fund is …	And the type of reduction…	Then the reduction should be classified as…
collections or unobligated balance of spending authority from offsetting collections	revolving trust fund expenditure account		canceled or rescinded in law): Lines 1723, 1823 Permanent (limited cases where specifically identified as permanently canceled or rescinded in law): Lines 1722, 1822
		Note: For permanent reductions of unobligated balances of spending authority from offsetting collections, the amount will be shown on line 1131 or 1230.	
		Across The Board (unobligated balance not applicable)	Temporary (if determined to be applicable): Line 1723
		Sequestration	Temporary: Lines 1723, 1823 Permanent (limited cases as determined by OMB): Line1822
		Note: For permanent reductions of unobligated balances of spending authority from offsetting collections (as determined by OMB), the amount will be shown on line 1131 or 1230.	

14. WHAT IS THE HIERACHY OF APPLYING MULTIPLE REDUCTIONS TO A TREASURY APPROPRIATION FUND SYMBOL INCLUDED IN AN ANNUAL APPROPRIATIONS ACT AND A SEQUESTRATION ORDER?

If more than one discretionary reduction applies to the amount newly appropriated for your Treasury Appropriation Fund Symbol (TAFS) included in an enacted appropriations act, apply the reductions in the following sequence: (1) account-specific reduction, (2) agency-wide reduction, (3) appropriations act-wide reduction, and (4) government-wide reduction. For example, if a TAFS has an account-specific rescission of $5M against new budget authority of $400M and $3M against unobligated balances of prior-year appropriations, only subtract the $5M from the $400M and then apply the next reduction to BA of $395M. If a sequestration order that cancels discretionary budgetary resources is issued, the sequestration reductions will apply to a TAFS after the account-specific reduction and across-the-board reductions required by the enacted appropriation act have been calculated. (See section 100.3 for more information on sequestration of discretionary resources.)

15. WHEN AND HOW DO I RECORD AN ADJUSTMENT OF AN UNOBLIGATED OR OBLIGATED BALANCE START OF YEAR?

If you have discovered an error in the budgetary reporting for a previous fiscal year, you will be required to record the correction (e.g., adjustment to unobligated balance brought forward, Oct 1) in the current fiscal year 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, non-expenditure 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 a backdated Treasury document must be processed, you are required to submit a request in the exercise (located at https://community.max.gov/x/6YLrHQ) and identify the appropriate information such as an explanation of why the error happened, affected Treasury Appropriation Fund Symbol, the amount of the adjustment in actual dollars, an action plan, and agency contact information. 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. For a backdated Treasury document to be approved and processed, both Treasury and OMB must provide their concurrence.

For additional Treasury guidance for processing requests to back date corrections to a prior fiscal year, please refer to TFM Bulletin No. 2017–11 titled Using the Prior-Year Adjustment Attribute Required by the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) for Reporting, Submitting, and Tracking Treasury Backdated Documents (https://tfm.fiscal.treasury.gov/v1/bull/17-11.pdf). For details of what should be submitted, contact Treasury's Budget Reports Division at budget.reports@fiscal.treasury.gov for backdated Statements of Transactions, non-expenditure transfers and warrants.

Correcting an unobligated or obligated balance is done to reflect the amounts that were actually obligated in a previous fiscal year. Such corrections have no effect on violations of the Antideficiency Act (ADA) or any other applicable laws. See section 145 for more information on ADA violations.

If a transaction impacts. . .	Where it is determined that there is…	Process the transaction as
Unobligated balance, brought forward, Oct 1st Unpaid Obligations, brought forward, Oct 1st Uncollected pymts, Fed sources, brought forward, Oct 1 (-)	a Fund Balance With Treasury or Net Outlays impact	Adjustment to the balance, brought forward October 1st and request a backdated Treasury document (e.g., Statement of Transactions, warrant, or non-expenditure transfer)
Unobligated balance, brought forward, Oct 1st Unpaid Obligations, brought forward, Oct 1st Uncollected pymts, Fed sources, brought forward, Oct 1 (-)	a Fund Balance With Treasury or Net Outlays impact	Current year transaction [Note – On a case by case basis, OMB and Treasury may allow an agency to request a backdated Treasury document for specific purposes (e.g., reduction for sequester amount)]
Unobligated balance, brought forward, Oct 1st Unpaid Obligations, brought forward, Oct 1st	No Fund Balance With Treasury or Net Outlays impact	Adjustment to the balance, brought forward October 1st

If a transaction impacts. . .	Where it is determined that there is…	Process the transaction as
Uncollected pymts, Fed sources, brought forward, Oct 1 (-)		

16. HOW CAN I DETERMINE WHETHER A TRANSACTION SHOULD BE CLASSIFIED AS A RECOVERY?

Recoveries can pertain to both paid and unpaid obligations. In general, the basis for determining whether a transaction should be classified as a recovery depends on the specific event and the fiscal year of adjustment. Based on these factors, the table below identifies where it is appropriate to classify a transaction as a recovery of either an unpaid obligation or a paid obligation for a Treasury Appropriation Fund Symbol (TAFS).

For further information on recording adjustments as "Recoveries of prior year unpaid obligations" (line 1021), "Recoveries of prior year paid obligations" (line 1033) or "Obligations incurred" (line 2001, 2002, 2003, 2101, 2102, or 2103) in either an unexpired or expired TAFS, refer to Treasury's Bureau of Fiscal Service USSGL accounting transactions at http://www.fms.treas.gov/ussgl.

Event	Fiscal Year of Adjustment	Type of Adjustment	Treatment on SF 133 and Schedule P
Unpaid obligations			
Decrease in Dollar Contract change/modification	Current Year	Adjustment to unpaid obligations	Obligations incurred (Line 2001, 2002, 2003, 2101, 2102, or 2103)
Increase in Dollar Contract change/modification	Current Year	Adjustment to unpaid obligations	Obligations incurred (Line 2001, 2002, 2003, 2101, 2102, or 2103)
Change in budget/accounting structure (i.e. object class, direct/reimbursable, budget (cost) center, program, Federal/Nonfederal indicator, vendor code, etc.) [within a TAFS]	Current Year	Adjustment to unpaid obligations	Obligations incurred (Line 2001, 2002, 2003, 2101, 2102, or 2103)
Decrease in Dollar Contract change/modification	Subsequent Year (Year 2 and later)	'Downward adjustment' of prior year unpaid obligations	Recoveries of prior year unpaid obligations (Line 1021)
Increase Dollar Contract change/modification	Subsequent Year (Year 2 and later)	'Upward adjustment' of prior year unpaid obligations	Obligations incurred (Line 2001, 2002, 2003, 2101, 2102, or 2103)
Change in budget/accounting structure (i.e. object class, direct/reimbursable, budget (cost) center, program,	Subsequent Year (Year 2 and later)	Adjustment to unpaid obligations	Obligations incurred (Line 2001, 2002, 2003, 2101, 2102, or 2103)

Event	Fiscal Year of Adjustment	Type of Adjustment	Treatment on SF 133 and Schedule P
Federal/Nonfederal indicator, vendor code, etc.) [within a TAFS]			
Recorded an unpaid obligation in an incorrect TAFS (e.g., 14-15-0234 instead of 14-15-0244)	Subsequent Year (Year 2 and later)	Adjustment (decrease) of prior year unpaid obligations in the TAFS where the unpaid obligation was originally incurred (e.g., 14-15-0234) In the TAFS where the transaction is reclassified to, the amount will be recorded as adjustment (increase) of an unpaid obligation (e.g., 14-15-0244)	Adjustments to the unobligated balance (line 1020) and adjustments to unpaid obligations (line 3001)
Paid Obligations			
Decrease in Dollar Value Payment (Overpayment)	Current Year	Adjustment of paid obligations	Gross outlays (Line 4010, 4011, 4100, or 4101)
Increase in Dollar Value Payment (Underpayment)	Current Year	Adjustment of paid obligations	Gross outlays (Line 4010, 4011, 4100, or 4101)
Change in budget/accounting structure (i.e. object class, direct/reimbursable, budget (cost) center, program, Federal/Nonfederal indicator, vendor code, etc.) [within a TAFS]	Current Year	Adjustment of paid obligations	Gross outlays (Line 4010, 4011, 4100, or 4101)
Decrease in Dollar Value Payment (Overpayment)	Subsequent Year (Year 2 and later)	'Downward adjustment' of prior year paid obligations	Recoveries of prior year paid obligations (Line 1033)
Increase in Dollar Value Payment (Underpayment)	Subsequent Year (Year 2 and later)	'Upward adjustment' of prior year paid obligations	Gross outlays (Line 4010, 4011, 4100, or 4101)
Change in budget/accounting structure (i.e. object class, budget (cost) center, program, Federal/Nonfederal indicator, vendor code, etc.) [within a TAFS]	Subsequent Year (Year 2 and later)	Adjustment of paid obligations	Gross outlays (Line 4010, 4011, 4100, or 4101)
Recorded a paid obligation in an incorrect TAFS (e.g., 14-15-0234 instead of 14-15-0244)	Subsequent Year (Year 2 and later)	Adjustment (decrease) of prior year paid obligations in the TAFS where the paid obligation was originally incurred (e.g., 14-15-0234) In the TAFS where the transaction is reclassified to,	Adjustments to the unobligated balance (line 1020)

Event	Fiscal Year of Adjustment	Type of Adjustment	Treatment on SF 133 and Schedule P
		the amount will be recorded as an adjustment (increase) of a paid obligation (e.g., 14-15-0244)	
Refund of prior year paid obligation that is credited to a different appropriation or fund account than the one charged with the original obligation	Subsequent Year (Year 2 and later)	Cash collection derived from a Federal or non-Federal source	Spending authority from offsetting collections (collected) (Line 1700 or 1800)

Note: An error or mistake does not constitute an upward or downward adjustment. For errors or mistakes pertaining to a prior year adjustment of a TAFS (i.e., annual, multi-year or no-year Treasury account), you must use a GTAS "Prior Year Adjustment" attribute (see section 15 of this Appendix). If you have any questions, please consult your OMB representative.

17. WHAT REPORTING GUIDANCE MUST I COMPLY WITH FOR DISASTER EMERGENCY FUNDING?

OMB Memorandum M-18-08 provides guidance on disaster and emergency funding tracking. Reporting requirements and affected Treasury accounts were specifically identified for the Supplemental Appropriations for Disaster Relief Requirements, 2017 (P.L. 115-56), the Additional Supplemental Appropriations for Disaster Relief Requirements Act of 2017 (P .L. 115-72), and the Bipartisan Budget Act of 2018 (P.L. 115-123). OMB will assign the GTAS attribute Disaster Emergency Fund Code domain value for each enacted appropriations with disaster or emergency funding. For example, agencies should report funding provided in the Bipartisan Budget Act of 2018 (P.L. 115-123) with the GTAS Disaster Emergency Fund Code as "C" and the domain value title as "Emergency P.L. 115-123."

Going forward, to keep the Federal budget and financial communities aware of newly enacted legislation impacting agencies' disaster and emergency reporting requirements, OMB launched a Disaster Emergency Funding Tracking Dashboard MAX budget community page (https://community.max.gov/x/cYW9V) that will be used to disseminate information to agencies on future appropriations as disaster relief or as emergency requirements are identified. OMB will also identify the affected Treasury accounts in P.L. 115-123 and future appropriations on this community page. The dashboard also includes a link for SF 133s published by public law (for appropriations designated as disaster or emergency) and a list of impacted TAFSs.

18. HOW ARE ADJUSTMENTS TO BUDGETARY RESOURCES FOR INDEFINITE APPROPRIATIONS DERIVED FROM THE GENERAL FUND OF THE US TREASURY RECORDED?

For situations where indefinite appropriations derived from the General Fund of the US Treasury are provided in annual and multi-year Treasury Appropriation Fund Symbols (TAFSs), these TAFSs may require additional budget authority in a subsequent fiscal year for upward adjustments of prior year obligations incurred during the unexpired phase. Once additional budgetary resources are requested, show the increase on line 1040.

For unexpired annual, multi-year, and no-year TAFSs, any recoveries of prior year unpaid and paid obligations (lines 1021 and 1033) should be returned to the General Fund of the US Treasury and the same amount with the opposite sign must be shown on line 1037 no later than the end of the fiscal year.

For expired annual and multi-year TAFSs, the sum of recoveries of prior year unpaid and paid obligations (lines 1021 and 1033) and adjustments to indefinite prior year appropriations in subsequent fiscal year (line 1040) minus any upward adjustments of prior year unpaid obligations (line 2180) should be returned to the General Fund of the US Treasury and shown on line 1037 no later than the end of the fiscal year.

Type of Adjustment	**And the Period of Availability is…**	**And Phase is…**	**Treatment on SF 132, SF 133 and Schedule P**
Upward adjustment of prior year unpaid obligations	Multi-year (other than the first fiscal year)	Unexpired	Adjustment for prior year indefinite appropriation (line 1040)
Upward adjustment of prior year unpaid obligations	Annual/Multi-year	Expired	Adjustment for prior year indefinite appropriation (line 1040)
Downward adjustment of prior year unpaid and paid obligations	Multi-year/No-year	Unexpired	Unobligated balance of appropriation withdrawn (-) (line 1037)
Downward adjustment of prior year unpaid and paid obligations	Annual/Multi-year	Expired	Unobligated balance of appropriation withdrawn (-) (line 1037)

Line Numbers for the SF132, SF133, Schedule P and SBR

Line No	Line Description	Applicability[1] to SF132	SF133	Sched P	SBR	
	OBLIGATIONS BY PROGRAM ACTIVITY	No	No	Yes	No	
	Direct obligations:					
0001-0799	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 reestimates paid to receipt accounts			U		
0743	Interest on downward reestimates			U		
0744	Adjusting payments to liquidating account			U		
	Reimbursable obligations:					
0800-0899	Reimbursable Program Activity			U		
0900	Total new obligations, unexpired accounts			U		
	Memorandum (non-add) entries:					
0910	Appropriations used to liquidate unpaid lease obligations			U		
0911	Total new obligations, unexpired accounts, and lease payments			U		
	BUDGETARY RESOURCES	Yes	Yes	Yes	Yes	
	Unobligated balance:					
1000	Unobligated balance brought forward, Oct 1	U	U/E	U	[U/E][3]	
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 (+ or -)	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 to unobligated balance brought forward, Oct 1 (+ or -)	U	U/E	U	[U/E][3]	
1021	Recoveries of prior year unpaid obligations	U	U/E	U	[U/E][3]	
1022	Capital transfer of unobligated balances to general fund (-)	U	U	U	[U][3]	+
1023	Unobligated balances applied to repay debt (-)	U	U	U	[U][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 to Treasury (-)	U	U/E	U	[U/E][3]	
1030	Other balances withdrawn to special or trust funds (-)	U	U/E	U	[U/E][3]	

+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 1051.

Line Numbers for the SF132, SF133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to SF132	SF133	Sched P	SBR	
	BUDGETARY RESOURCES (cont.)	Yes	Yes	Yes	Yes	
1031	Other balances not available (-)	U	U	U	[U][3]	
1032	Refunds and recoveries temporarily precluded from obligation (special and trust funds) (-)	U	U	U	[U][3]	
1033	Recoveries of prior year paid obligations	U	U/E	U	[U/E][3]	
1034	Adjustment for unobligated balance used to liquidate deficiencies (-)			U		
1035	Unobligated balance precluded from obligation (special or trust) (limitation on obligations) (-)	U	U	U	[U][3]	
1036	Adjustment for debt forgiveness	U	U	U	[U][3]	
1037	Unobligated balance of appropriations withdrawn (-)	U	U/E	U	[U/E][3]	
1038	Sequester (previously unavailable) for withdrawal		E		[E][3]	
1039	Offset to adjustment for change in allocation of trust fund limitation (-)	U	U	U	[U][3]	+
1040	Adjustment to prior year indefinite appropriations in subsequent fiscal year	U	U/E	U	[U/E][3]	+
1041	Other balances previously not available	U	U	U	[U][3]	+
1042	Adjustment for change in allocation (general fund portion) (-)	U	U	U	[U][3]	+
1043	Adjustment for change in allocation (offsetting collection/collected portion)	U	U	U	[U][3]	+
1044	Adjustment for change in allocation (offsetting collection/receivable portion)	U	U	U	[U][3]	+
1045	Adjustment for change in allocation (trust fund portion)	U	U	U	[U][3]	+
1060	Anticipated nonexpenditure transfers of unobligated balances (net) (+ or -)	U	U[2]		[U[2]][3]	+
1061	Anticipated recoveries of prior year unpaid and paid obligations	U	U[2]		[U[2]][3]	+
1062	Anticipated capital transfers and redemption of debt (unobligated balances) (-)	U	U[2]		[U[2]][3]	+
1063	Anticipated adjustment for change in allocation (general fund portion) (-)	U	U[2]		[U[2]][3]	+
1064	Anticipated adjustment for change in allocation (offsetting collection portion)	U	U[2]		[U[2]][3]	+
1065	Anticipated adjustment for change in allocation (trust fund portion)	U	U[2]		[U[2]][3]	+
1070	Unobligated balance (total)	U	U/E	U		+
1071	Unobligated balance from prior year budget authority, net (discretionary and mandatory)				U/E	+
	Expired unobligated balance available for adjustment only:					
1080	Expired unobligated balance brought forward, Oct 1		E			+
1081	Expired unobligated balance transferred to other accounts (-)		E			+
1082	Expired unobligated balance transferred from other accounts		E			+
1083	Expired unobligated balance transfers between expired and unexpired accounts (-)		E			+
1084	Adjustment of expired unobligated balance brought forward, Oct 1 (+ or -)		E			+
1085	Recoveries of prior year unpaid obligations in expired accounts		E			+
1086	Adjustment for change in allocation of trust fund limitation in expired accounts		E			
1087	Other expired unobligated balances withdrawn to Treasury (-)		E			+
1088	Other expired unobligated balances withdrawn to speical or trust funds (-)		E			+
1089	Recoveries of prior year paid obligations in expired accounts		E			+
1090	Unobligated balance of appropriations withdrawn in expired accounts (-)		E			+
1091	Sequester (previously unavailable) for withdrawal in expired accounts		E			+
1092	Adjustment to indefinite prior year appropriations in subsequent fiscal year in expired accounts		E			+
1099	Expired unobligated balance (total)		E			
	Budget authority:					
	Appropriations, discretionary:					
1100	Appropriation	U	U	U	[U][4]	
1101	Appropriation (special or trust)	U	U/E	U	[U/E][4]	
1102	Appropriation (previously unavailable)	U	U	U	[U][4]	
1103	Appropriation (previously unavailable) (special or trust)	U	U/E	U	[U/E][4]	
1104	Appropriation available from subsequent year	U	U	U	[U][4]	
1105	Appropriation available in prior year (-)	U	U	U	[U][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

[3]Included in line 1051.

[4]Included in line 1290.

Line Numbers for the SF132, SF133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to SF132	SF133	Sched P	SBR	
	BUDGETARY RESOURCES (cont.)	Yes	Yes	Yes	Yes	
1106	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]	
1122	Exercised borrowing authority transferred from other accounts	U	U	U	[U][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/E	U	[U/E][4]	
1135	Appropriations precluded from obligation (special or trust) (-)	U	U	U	[U][4]	
1136	Appropriations applied to repay debt (-)	U	U	U	[U][4]	
1137	Appropriations reduced by offsetting collections (collected) or offsetting rec	U	U[2]		[U][4]	
1138	Appropriations applied to liquidate contract authority (-)	U	U	U	[U][4]	
1139	Appropriations substituted for borrowing authority (-)	U	U	U	[U][4]	
1140	Capital transfers of appropriations to general fund (-)	U	U	U	[U][4]	
1141	Appropriations applied to liquidate contract authority withdrawn (-)	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]	
1153	Anticipated reductions to appropriations by offsetting collections or offsetting receipts (-)	U	U[2]		[U][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]	
1172	Advance appropriations transferred to other accounts (-)	U	U	U	[U][4]	
1173	Advance appropriations transferred from other accounts	U	U	U	[U][4]	
1174	Advance appropriations permanently reduced (-)	U	U	U	[U][4]	
1175	Advance appropriations temporarily reduced (-)	U	U	U	[U][4]	
1176	Anticipated nonexpenditure transfers of advanced appropriations (net) (+ or -)	U	U[2]		[U[2]][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)	U	U/E	U	[U/E][4]	
1202	Appropriation (previously unavailable)	U	U	U	[U][4]	
1203	Appropriation (previously unavailable) (special or trust)	U	U/E	U	[U/E][4]	
1206	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]	
1222	Exercised borrowing authority transferred from other accounts (+)	U	U	U	[U][4]	+
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	Appropriations precluded from obligation (special or trust) (-)	U	U	U	[U][4]	
1236	Appropriations applied to repay debt (-)	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]	
1240	Capital transfers of appropriations to general fund (-)	U	U	U	[U][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 SF132, SF133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to SF132	SF133	Sched P	SBR	
	BUDGETARY RESOURCES (cont.)	Yes	Yes	Yes	Yes	
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	Appropriation, 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 transferred to other accounts (-)	U	U	U	[U][4]	
1273	Advance appropriations transferred from other accounts	U	U	U	[U][4]	
1274	Advance appropriations permanently reduced (-)	U	U	U	[U][4]	
1275	Advance appropriations temporarily reduced (-)	U	U	U	[U][4]	
1276	Anticipated nonexpenditure transfers of advanced appropriations (net) (+ or -)	U	U[2]		[U[2]][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]	
1410	Exercised borrowing authority transferred to other accounts (-)	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]	
1423	Borrowing authority precluded from obligation (limitation on obligations) (-)	U	U	U	[U][5]	
1424	Capital transfers of borrowing authority to general fund (-)	U	U	U	[U][5]	
1430	Anticipated reductions to current fiscal year borrowing authority (-)	U	U[2]		[U[2]][5]	
1431	Anticipated nonexpenditure transfers of exercised 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		
	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]	

[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.

[7]Included in line 1890.

Line Numbers for the SF132, SF133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to SF132	SF133	Sched P	SBR	
	BUDGETARY RESOURCES (cont.)	Yes	Yes	Yes	Yes	
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]	
1721	Spending authority from offsetting collections permanently reduced (-)	U	U	U	[U][7]	+
1722	Unobligated balance of 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]	
1724	Spending authority from offsetting collections precluded from obligation (limitation on obligations) (-)	U	U	U	[U][7]	+
1725	Spending authority from offsetting collections applied to repay debt (-)	U	U	U	[U][7]	+
1726	Spending authority from offsetting collections applied to liquidate contract authority (-)	U	U	U	[U][7]	+
1727	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]	
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]	
1821	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]	

+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

[6]Included in line 1690.

[7]Included in line 1890.

Line Numbers for the SF132, SF133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to SF132	SF133	Sched P	SBR
	BUDGETARY RESOURCES (cont.)	Yes	Yes	Yes	Yes
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	
1902	Adjustment for total budgetary resources subject to obligation limitation (-)	U	U[2]		[U[2]][6] +
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/E	
	STATUS OF BUDGETARY RESOURCES	No	Yes	No	Yes
	New obligations and upward ajdustments				
	Direct				
2001	Category A (by quarter)		U/E		[U/E][8]
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		
2170	New obligations, unexpired accounts		U		
2180	Obligations ("upward adjustments"), expired accounts		E		
2190	New obligations and upward adjustments (total)		U/E		U/E
	Unobligated balance				
	Apportioned, unexpired accounts				
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, unexpired accounts				U
	Exempt from apportionment, unexpired accounts				
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, unexpired accounts				U
	Unapportioned, unexpired accounts				
2401	Deferred		U		[U][11]
2402	Withheld pending rescission		U		[U][11]
2403	Other		U		[U][11]
2404	Unapportioned, unexpired accounts				U

+Updated line
[2]No entry in Fourth Quarter
[6]Included in line 1690.
[7]Included in line 1890.
[8]Included in line 2190.
[9]Included in line 2204.
[10]Included in line 2304.
[11]Included in line 2404.

Line Numbers for the SF132, SF133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to SF132	SF133	Sched P	SBR
	STATUS OF BUDGETARY RESOURCES	No	Yes	No	Yes
2412	**Unexpired unobligated balance: end of year**		U		U
2413	**Expired unobligated balance: end of year**		E		E
2490	Unobligated balance, end of year (total)		U/E		U/E
2500	Total budgetary resources		U/E		U/E
	Memorandum (non-add) entries:				
2501	Subject to apportionment unobligated balance, end of year		U/E		
2502	Exempt from apportionment unobligated balance, end of year		U/E		
	CHANGE IN OBLIGATED BALANCE	No	Yes	Yes	No
	Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1		U/E	U/E	
3001	Adjustment to unpaid obligations, brought forward, Oct 1 (+ or -)		U/E	U/E	
3010	New obligations, unexpired accounts		U	U	
3011	Obligations ("upward adjustments"), expired accounts		E	E	
3020	Outlays (gross) (-)		U/E	U/E	
3030	Unpaid obligations transferred to other accounts (-)		U/E	U/E	
3031	Unpaid obligations transferred from other accounts		U/E	U/E	
3040	Recoveries of prior year unpaid obligations, unexpired accounts (-)		U	U	
3041	Recoveries of prior year unpaid obligations, expired accounts (-)		E	E	
3050	Unpaid obligations, end of year		U/E	U/E	
	Uncollected payments:				
3060	Uncollected pymts, Fed sources, brought forward, Oct 1 (-)		U/E	U/E	
3061	Adjustment to uncollected pymts, Fed sources, brought forward, Oct 1 (+ or -)		U/E	U/E	
3070	Change in uncollected pymts, Fed sources, unexpired accounts (+ or -)		U	U	
3071	Change in uncollected pymts, Fed sources, expired accounts (+ or -)		E	E	
3072	Adjustment for change in allocation (offsetting collection/receivable portion)		U	U	
3080	Uncollected pymts, Fed sources transferred to other accounts		U/E	U/E	
3081	Uncollected pymts, Fed sources transferred from other accounts (-)		U/E	U/E	
3090	Uncollected pymts, Fed sources, end of year (-)		U/E	U/E	
	Memorandum (non-add) entries:				
3100	Obligated balance, start of year (+ or -)		U/E	U/E	
3200	Obligated balance, end of year (+ or -)		U/E	U/E	
	BUDGET AUTHORITY AND OUTLAYS, NET	No	Yes	Yes	Yes[12]
	Discretionary:				
4000	Budget authority, gross		U/E	U	
	Outlays, gross				
4010	Outlays from new discretionary authority		U/E	U/E	
4011	Outlays from discretionary balances		U/E	U/E	
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	
4031	Interest on Federal securities (-)		U/E	U/E	
4033	Non-Federal sources (-)		U/E	U/E	
4034	Offsetting governmental collections (-)		U/E	U/E	
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	
4051	Change in uncollected pymts, Fed sources, expired accounts (+ or -)		E		
4052	Offsetting collections credited to expired accounts			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]SBR section title "Outlays, net."

Line Numbers for the SF132, SF133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to				
		SF132	SF133	Sched P	SBR	
	BUDGET AUTHORITY AND OUTLAYS, NET (cont.)	Yes	Yes	Yes	Yes	
4053	Recoveries of prior year paid obligations, unexpired accounts		U	U		
4054	Recoveries of prior year paid obligations, expired accounts		E			
4055	Adjustment for change in allocation (offsetting collection portion)		U	U		+
4056	Anticipated offsetting collections (+ or -)		U[2]			+
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		
	Mandatory:					
4090	Budget authority, gross		U/E	U		
	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		
	Offsets against gross budget authority and outlays:					
	Offsetting collections (collected) from:					
4120	Federal sources (-)		U/E	U/E		
4121	Interest on Federal securities (-)		U/E	U/E		
4122	Interest on uninvested funds (-)		U/E	U/E		
4123	Non-Federal sources (-)		U/E	U/E		
4124	Offsetting governmental collections (-)		U/E	U/E		
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		
4141	Change in uncollected pymts, Fed sources, expired accounts (+ or -)		E			
4142	Offsetting collections credited to expired accounts			E		
4143	Recoveries of prior year paid obligations, unexpired accounts		U	U		
4144	Recoveries of prior year paid obligations, expired accounts		E			
4146	Anticipated offsetting collections (+ or -)		U[2]			+
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)					
4176	Actual offsetting collections (discretionary and mandatory) (-)					
4177	Change in uncollected pymts, Fed sources (discretionary and mandatory) (+ or -)					
4178	Recoveries of prior year paid obligations (discretionary and mandatory)					
4179	Anticipated offsetting collections (discretionary and mandatory) (+ or -)					
4180	Budget authority, net (total) [discretionary and mandatory]		U/E	U		
4185	Outlays, gross (discretionary and mandatory)					
4187	Actual offsetting collections (discretionary and mandatory) (-)					
4190	Outlays, net (total) [discretionary and mandatory]		U/E	U/E	U/E	
4200	Distributed offsetting receipts (-)				**[13]	
4210	Agency outlays, net (discretionary and mandatory)				U/E	
4220	Agency disbursements, net (mandatory)				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

[13]Applicability to unexpired and expired accounts does not apply to receipt accounts

Line Numbers for the SF132, SF133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to SF132	SF133	Sched P	SBR
	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	
5080	Outstanding debt, SOY (-)			U	
5081	Outstanding debt, EOY (-)			U	
5082	Borrowing (-)			U	
5090	Unexpired unavailable balance, SOY: Offsetting collections			U	
5091	Expiring unavailable balance: Offsetting collections (-)			U	
5092	Unexpired unavailable balance, EOY: Offsetting collections			U	
5093	Expired unavailable balance, SOY: Offsetting collections			E	
5094	Canceling unavailable balance: Offsetting collections (-)			E	
5095	Expired unavailable balance, EOY: Offsetting collections			E	
5096	Unexpired unavailable balance, SOY: Appropriations			U	
5097	Expiring unavailable balance: Appropriations (-)			U	
5098	Unexpired unavailable balance, EOY: Appropriations			U	
5099	Unexpired unavailable balance, SOY: Contract authority			U	
5100	Unexpired unavailable balance, EOY: Contract authority			U	
5101	Unexpired unavailable balance, SOY: Borrowing authority			U	
5102	Unexpired unavailable balance, EOY: Borrowing authority			U	
5103	Unexpired unavailable balance, SOY: Fulfilled purpose			U	
5104	Unexpired unavailable balance, EOY: Fulfilled purpose			U	
5110	IMF quota reserve tranche increase (P.L. xxx-xxx)			U	
5111	IMF quota letter of credit increase (P.L. xxx-xxx)			U	
5112	IMF quota reserve tranche, total			U	
5113	IMF quota letter of credit, total			U	
5114	New Arrangements to Borrow (P.L. xxx-xxx)			U	
5115	New Arrangements to Borrow (exchange rate)			U	
5116	New Arrangements to Borrow, total			U	
5200	Discretionary mandated transfer to other accounts (-)			U	
5201	Discretionary mandated transfer from other accounts			U	
5311	Direct unobligated balance, start of year		U/E	U	
5312	Reimbursable unobligated balance, start of year		U/E	U	
5313	Discretionary unobligated balance, start of year		U/E	U	
5314	Mandatory unobligated balance, start of year		U/E	U	
5321	Direct unobligated balance, end of year		U/E	U	
5322	Reimbursable unobligated balance, end of year		U/E	U	
5323	Discretionary unobligated balance, end of year		U/E	U	
5324	Mandatory unobligated balance, end of year		U/E	U	
5331	Direct obligated balance, start of year		U/E	U/E	
5332	Reimbursable obligated balance, start of year		U/E	U/E	
5333	Discretionary obligated balance, start of year		U/E	U/E	
5334	Mandatory obligated balance, start of year		U/E	U/E	
5341	Direct obligated balance, end of year		U/E	U/E	
5342	Reimbursable obligated balance, end of year		U/E	U/E	
5343	Discretionary obligated balance, end of year		U/E	U/E	
5344	Mandatory obligated balance, end of year		U/E	U/E	

+Updated line

[1]Applicability to Unexpired Accounts is noted with a U and Expired Accounts is noted with an E

Line Numbers for the SF132, SF133, Schedule P and SBR—Continued

Line No	Line Description	Applicability[1] to SF132	SF133	Sched P	SBR
	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)				
6111-6159	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	No	Yes	No
7000	Unfunded deficiency, start of year (-)			U	
7010	New deficiency (-)			U	
7012	Budgetary resources used to liquidate deficiencies			U	
7020	Unfunded deficiency, end of year (-)			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				
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			
8211-8235	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 SF132 and SF133

Line No	Line Description	Applicability[1] to		
		SF132	SF133	
	BUDGETARY RESOURCES	Yes	Yes	
1000	Unob Bal: Brought forward, Oct 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	+
1023	Unob Bal: Applied to repay debt	U	U	+
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 to Treasury	U	U/E	
1030	Unob Bal: Other balances withdrawn to spec/trust	U	U/E	
1031	Unob Bal: Other balances not available	U	U	
1032	Unob Bal: Refunds/recov temp precl ob (spec/trust)	U	U	
1033	Unob Bal: Recov of prior year paid obligations	U/E	U/E	
1035	Unob Bal: Precl from obl (spec/trust) (limitation)	U	U	
1036	Unob Bal: Adjustment for debt forgiveness	U	U	
1037	Unob Bal: Appropriations withdrawn	U	U/E	
1038	Unob Bal: Seq (previously unavailable) withdrwn		E	
1039	Unob Bal: Offset adj for change in allocation	U	U	+
1040	Unob Bal: Adj to PY indef approp in subseq FY	U	U	+
1041	Unob Bal: Other balances previously not avail	U	U	+
1042	Unob Bal: Adj for change in allocation (gf port)	U	U	+
1043	Unob Bal: Adj for change in allocation (oc/c port)	U	U	+
1044	Unob Bal: Adj for change in allocation (oc/r port)	U	U	+
1045	Unob Bal: Adj for change in allocation (tf port)	U	U	+
1060	Unob Bal: Antic nonexpenditure transfers (net)	U	U[2]	+
1061	Unob Bal: Antic recov of prior year unpd/pd obl	U	U[2]	+
1062	Unob Bal: Antic cap trans and redemption of debt	U	U[2]	+
1063	Unob Bal: Antic adj for change in alloc (gf port)	U	U[2]	+
1064	Unob Bal: Antic adj for change in alloc (oc port)	U	U[2]	+
1065	Unob Bal: Antic adj for change in alloc (tf port)	U	U[2]	+
1070	Unob Bal: Unobligated balance (total)	U	U/E[2]	+
1080	Exp Unob Bal: Brought forward, Oct 1		E	+
1081	Exp Unob Bal: Transferred to other accounts		E	+
1082	Exp Unob Bal: Transferred from other accounts		E	+
1083	Exp Unob Bal: Transfer btw expired\unexpired accts		E	+
1084	Exp Unob Bal: Adj to SOY bal brought fwd, Oct 1		E	+
1085	Exp Unob Bal: Recov of prior year unpaid obs		E	+
1086	Exp Unob Bal: Adj for change in allocation		E	
1087	Exp Unob Bal: Other balances withdrawn to Treasury		E	+
1088	Exp Unob Bal: Other exp bal withdrawn to spec/trus		E	+
1089	Exp Unob Bal: Recov of prior year paid ob		E	+
1090	Exp Unob Bal: Appropriations withdrawn		E	+
1091	Exp Unob Bal: Seq (prev unavailable) withdrwn		E	+
1092	Exp Unob Bal: Adj to PY indef approp in sub FY		E	+
1099	Exp Unob Bal: Expired bal for adj only (total)		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 SF132 and SF133—Continued

Line No	Line Description	Applicability[1] to		
		SF132	SF133	
	BUDGETARY RESOURCES cont.	Yes	Yes	
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	
1103	BA: Disc: Approp (previously unavail) (spec/trust)	U	U/E	
1104	BA: Disc: Approp available from subsequent year	U	U	
1105	BA: Disc: Appropriation available in prior year	U	U	
1106	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	
1122	BA: Disc: Exercised borrow auth xfer from oth acct	U	U	+
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/E	
1135	BA: Disc: Approp precluded from ob (spec/trust)	U	U	
1136	BA: Disc: Appropriations applied to repay debt	U	U	
1137	BA: Disc: Approps rdc by offset coll(coll)/recpts	U	U[2]	
1138	BA: Disc: Approps applied to liq contract auth	U	U	
1139	BA: Disc: Approps substituted for borrowing auth	U	U	
1140	BA: Disc: Approps: Cap trans to general fund	U	U	
1141	BA: Disc: Approp applied to liq cont auth withdrwn	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]	
1153	BA: Disc: Antic redc to apprp by offst coll/recpt	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	
1172	BA: Disc: Adv approps trans to other accounts	U	U	
1173	BA: Disc: Adv approps trans fr other accounts	U	U	
1174	BA: Disc: Advance approps permanently reduced	U	U	
1175	BA: Disc: Advance approps temporarily reduced	U	U	
1176	BA: Disc: Adv approps antic nonexpend trans net	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	
1202	BA: Mand: Appropriation (previously unavailable)	U	U	
1203	BA: Mand: Approp (previously unavail) (spec/trust)	U	U/E	
1206	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	
1222	BA: Mand: Exercised borrow auth xfer from oth acct	U	U	+
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: Approp precluded from ob (spec/trust)	U	U	
1236	BA: Mand: Appropriations applied to repay debt	U	U	

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[2]No entry in Fourth Quarter
+Updated line

Abbreviated Line Titles for the SF132 and SF133—Continued

Line No	Line Description	Applicability[1] to		
		SF132	SF133	
	BUDGETARY RESOURCES cont.	Yes	Yes	
1238	BA: Mand: Approps applied to liq contract auth	U	U	
1239	BA: Mand: Approps substituted for borrowing auth	U	U	
1240	BA: Mand: Approps: Cap trans to general fund	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: Adv approps trans to other accounts	U	U	
1273	BA: Mand: Adv approps trans fr other accounts	U	U	
1274	BA: Mand: Advance approps permanently reduced	U	U	
1275	BA: Mand: Advance approps temporarily reduced	U	U	
1276	BA: Mand: Adv approps antic nonexpend trans net	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	
1410	BA: Mand: Exercised borrow auth xfer to oth acct	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	
1423	BA: Mand: Borrowing auth: Precluded from ob (lim)	U	U	
1424	BA: Mand: Borrowing auth:Cap trans to general fund	U	U	
1430	BA: Mand: Borrowing auth: Antic reduc to curr FY	U	U[2]	
1431	BA: Mand: Borrowing auth: Antic nonexpend trans	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]	
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: Contract 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]	

[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 SF132 and SF133—Continued

Line No	Line Description	Applicability[1] to		
		SF132	SF133	
	BUDGETARY RESOURCES cont.	Yes	Yes	
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 pymts 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: Permanently reduced	U	U	+
1722	BA: Disc: Spending auth: Unob bal perm reduced	U	U	+
1723	BA: Disc: Spending auth: New\Unob bal temp reduced	U	U	
1724	BA: Disc: Spending auth: Precluded from ob (lim)	U	U	+
1725	BA: Disc: Spending auth: Applied to repay debt	U	U	+
1726	BA: Disc: Spending auth: Applied to liq cont auth	U	U	+
1727	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 pymts 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: 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	
1902	Adj for total budgetary res subj to obl limitation	U	U[2]	+
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 obligations: Category A (by quarter)		U/E	
2002	Direct obligations: Category B (by project)		U/E	
2003	Direct obligations: Exempt from apportionment		U/E	
2004	Direct obligations (total)		U/E	
2101	Reimbursable obligations: Category A (by quarter)		U/E	
2102	Reimbursable obligations: Category B (by project)		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 SF132 and SF133—Continued

Line No	Line Description	Applicability[1] to	
		SF132	SF133
	STATUS OF BUDGETARY RESOURCES cont.	No	Yes
2103	Reimbursable obligations: Exempt fr apportionment		U/E
2104	Reimbursable obligations (total)		U/E
2170	New obligations, unexpired accounts		U
2180	Obligations ("upward adjustments"), expired accounts		E
2190	New obligations and upward adjustments (total)		U/E
2201	Unob Bal: Apportioned, unexp: Avail current period		U
2202	Unob Bal: Apportioned, unexp: Avail subsequent per		U
2203	Unob Bal: Apportioned, unexp: Anticipated		U[2]
2301	Unob Bal: Exempt fr Appor, unexp: Avail current per		U
2302	Unob Bal: Exempt fr Appor, unexp: Avail subseq per		U
2303	Unob Bal: Exempt from Appor, unexp: Anticipated		U[2]
2401	Unob Bal: Unapportioned, unexp: Deferred		U
2402	Unob Bal: Unapportioned, unexp: Wheld pend resciss		U
2403	Unob Bal: Unapportioned, unexp: Other		U
2412	Unexpired Unobligated Balance: end of year		U
2413	Expired Unobligated Balance: end of year		E
2490	Unob Bal: end of year		U/E
2500	Total budgetary resources		U/E
2501	Memo: Bud resc, subj to appor unob bal, EOY		U/E
2502	Memo: Bud resc, exempt fr appor unob bal, EOY		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 fwd Oct 1		U/E
3010	Ob Bal: New obligations: Unexpired accounts		U
3011	Ob Bal: Obl ("upward adjustments"): Exp accts		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: Fr 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 pymt Fed src brought fwd Oct 1		U/E
3061	Ob Bal: SOY: Adj, uncoll pymt Fed src brought fwd		U/E
3070	Ob Bal: Change, uncoll pymt, Fed src, unexp		U/E
3071	Ob Bal: Change, uncoll pymt, Fed src, exp		E
3072	Ob Bal: Adj for change in allocation (oc/r port)		U +
3080	Ob Bal: Nonexp trans: Uncol pay Fed src:To oth acc		U/E
3081	Ob Bal: Nonexp trans: Uncol pay Fed src:Fr oth acc		U/E
3090	Ob Bal: EOY: Uncoll cust pymt, Fed src, EOY		U/E
3100	Memo: Obligated balance, start of year		U/E
3200	Memo: Obligated balance, end of year		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 SF132 and SF133—Continued

Line No	Line Description	Applicability[1] to		
		SF132	SF133	
	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 fr 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	
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: Offset, BA: Recov, prior year paid obs, unex		U/E	
4054	Disc: Offset, BA: Recov, prior year paid obs, exp		E	
4055	Disc: Offset, BA: Adj for change in alloc(oc port)		U	+
4056	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 fr 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: Offset, BA: Recov, prior year paid obs, unex		U/E	
4144	Mand: Offset, BA: Recov, prior year paid obs, exp		E	
4146	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	
	MEMORANDUM (NON-ADD) ENTRIES:	No	Yes	
5311	Memo: Direct unobligated bal, SOY		U/E	
5312	Memo: Reimbursable unobligated bal, SOY		U/E	
5313	Memo: Discretionary unobligated bal, SOY		U/E	
5314	Memo: Mandatory unobligated bal, SOY		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 SF132 and SF133—Continued

Line No	Line Description	Applicability[1] to	
		SF132	SF133
	MEMORANDUM (NON-ADD) ENTRIES: cont.	No	Yes
5321	Memo: Direct unobligated bal, EOY		U/E
5322	Memo: Reimbursable unobligated bal, EOY		U/E
5323	Memo: Discretionary unobligated bal, EOY		U/E
5324	Memo: Mandatory unobligated bal, EOY		U/E
5331	Memo: Direct obligated bal, SOY		U/E
5332	Memo: Reimbursable obligated bal, SOY		U/E
5333	Memo: Discretionary obligated bal, SOY		U/E
5334	Memo: Mandatory obligated bal, SOY		U/E
5441	Memo: Direct obligated bal, EOY		U/E
5342	Memo: Reimbursable obligated bal, EOY		U/E
5343	Memo: Discretionary obligated bal, EOY		U/E
5444	Memo: Mandatory obligated bal, EOY		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	
6111-6159	[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	
	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	
8211-8235	Application, Category B (by project) or risk category	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, the 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 the 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 Government Employee Fair Treatment Act of 2019 (Pub. L. 116-1; 31 U.S.C. 1341 note) amended section 1341 of Title 31 to provide for payment to Federal employees furloughed as a result of a covered lapse in appropriations.

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: Limitations on expending and obligating amounts (a) (1) Except as specified in this subchapter or any other provision of law, 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. (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.
(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: Limitation on voluntary services 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, 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: Apportionment and reserves (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: Definition and application (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 1974 (31 U.S.C. 1400 *et seq.*).	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.*).
(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: Officials controlling apportionments (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 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.	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 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: Agency In this title, "agency" means a department, agency, or instrumentality of the United States Government. Section 102÷ : Executive agency 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. 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. 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. 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;
(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	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.

law or in accordance with formulae prescribed by law.	
(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; (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.	Section 1516: Exemptions 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 (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: Officials controlling apportionments (d) An appropriation apportioned under this subchapter may be divided and subdivided administratively within the limits of the apportionment. Section 1514: Administrative division of apportionments (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) restrict obligations or expenditures from each appropriation to the amount of apportionments or reapportionments of the appropriation; and (2) 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 subdivision for each appropriation or fund affecting such unit.	(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 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: Prohibited obligations and expenditures (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: Adverse personnel actions (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.

	Section 1518: Adverse personnel actions 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: Criminal penalty 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. Section 1519: Criminal penalty 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 together with a statement of the action thereon.	Section 1351: Reports on violations 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 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. 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	Section 1515: Authorized apportionment necessitating deficiency or supplemental appropriations (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

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.*).	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 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.	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 department may not be bought out of another amount available for obligation.
	Section 1341: (c) (1) In this subsection— (A) the term “covered lapse in appropriations” means any lapse in appropriations that begins on or after December 22, 2018; (B) the term “District of Columbia public employer” means— (i) the District of Columbia Courts; (ii) the Public Defender Service for the District of Columbia; or (iii) the District of Columbia government; (C) the term “employee” includes an officer; and (D) the term “excepted employee” means an excepted employee or an employee performing emergency work, as such terms

	are defined by the Office of Personnel Management or the appropriate District of Columbia public employer, as applicable. (2) Each employee of the United States Government or of a District of Columbia public employer furloughed as a result of a covered lapse in appropriations shall be paid for the period of the lapse in appropriations, and each excepted employee who is required to perform work during a covered lapse in appropriations shall be paid for such work, at the employee's standard rate of pay, at the earliest date possible after the lapse in appropriations ends, regardless of scheduled pay dates, and subject to the enactment of appropriations Acts ending the lapse. (3) During a covered lapse in appropriations, each excepted employee who is required to perform work shall be entitled to use leave under chapter 63 of title 5, or any other applicable law governing the use of leave by the excepted employee, for which compensation shall be paid at the earliest date possible after the lapse in appropriations ends, regardless of scheduled pay dates.

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 the 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 the 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 <u>not</u> authorize the use of any amounts not yet provided by the 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, 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 Circular A-130 "Managing Federal Information as a Strategic Resource" 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.

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

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. Additional information is included in the instructions for submitting a Business Case for Non-IT Capital Acquisitions. A link to the instructions can be found in section 25.5 Table 1.

- Section 51.19, Budgeting for the acquisition of 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 84, Character classification, requires information on different kinds of investment and grants to State and local governments.

Capital Programming Guide. 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–123, Appendix D, *Compliance with the Federal Financial Management Improvement Act of l996* (revised September 20, 2013), prescribes policies and standards for you to make the best use of financial systems to initiate, record, process and report transactions to support agency missions in making business decisions and to provide transparency to the public.

OMB Circular No. A–130, *Managing Information as a Strategic Resource* (revised July 28, 2016), provides principles for internal management and planning practices of information systems and technology.

OMB Contracting Guidance to Support Modular Development, The guidance presents a variety of factors that contracting officers, in support of IT managers, will need to consider as they plan for modular development efforts, such as whether to award to a single vendor or multiple vendors; how to ensure that there is appropriate competition at various stages in the process; how broad or specific the statements of work should be; when to use fixed-price contracts or rely on other pricing arrangements; and how to promote opportunities for small business.

OMB Memorandum M-18-19, Improving the Management of Federal Programs and Projects through Implementing the Program Management Improvement Accountability Act (PMIAA) (June 25, 2018), provides guidance and a strategic outline for improving program/project management. PMIAA requires Government-wide standards and policies for program management and establishes a new interagency council to improve program/project management practices among agencies. The Act establishes a new role, the Program Management Improvement Officer (PMIO). The responsibility of PMIOs is to implement program management policies established by their respective agencies and develop strategies to enhance the role of program management and managers within their departments. Additionally, the PMIAA requires that agencies conduct annual portfolio reviews of programs in coordination with the Office of Management and Budget (OMB) to ensure major programs are being managed effectively, and that OMB conduct reviews of areas identified by the Government Accountability Office (GAO) as "high risk."

PUBLICATIONS

Electronics Industries Alliance Standard 748, **Earned Value Management Systems**.

GAO Cost Estimating and Assessment Guide GAO-09-3SP (March 2009).

GAO Schedule Assessment Guide GAO-16-89G (December 2015).

CAPITAL PROGRAMMING GUIDE

V 3.1

SUPPLEMENT TO

OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A–11:

**PLANNING, BUDGETING, AND ACQUISITION
OF CAPITAL ASSETS**

LIST OF ABBREVIATIONS

ACP	Agency Capital Plan
CI	Commercial Items
COTS	Commercial-off-the-shelf
ESPC	Energy Savings Performance Contract
EVM	Earned Value Management
FAR	Federal Acquisition Regulation
FARA	Federal Acquisition Reform Act (Clinger-Cohen Act) of 1996[1] (Division D of Pub. L. No. 104–106)
FASA	Federal Acquisition Streamlining Act of 1994 (Pub. L. No. 103–355)
FRPC	Federal Real Property Council
GAO	Government Accountability Office
GPRA	GPRA Modernization Act of 2010 (Pub. L. No. 111-352)
IPT	Integrated Project Team
ITMRA	Information Technology Management Reform Act (Clinger-Cohen Act) of 1996 Division E of Pub. L. No. 104–106)
NDI	Non-Developmental Item
O&M	Operations and Maintenance
OMB	Office of Management and Budget
OFPP	Office of Federal Procurement Policy, Office of Management and Budget
PIR	Post-implementation Review
RMO	Resource Management Office, Office of Management and Budget
SFFAC	Statement of Federal Financial Accounting Concepts
SFFAS	Statement of Federal Financial Accounting Standards
SIS	Share-in Savings
SSA	Source Selection Authority
SST	Source Selection Team
UESC	Utility Energy Savings Contract

[1] Together, the Information Technology Management Reform Act of 1996 (Division E of Pub. L. No. 104–106), with FARA (Division D of Pub. L. No. 104–106) are known as the Clinger-Cohen Act of 1996.

KEY INTERNET ADDRESSES

The Capital Programming Guide:
https://www.whitehouse.gov/wp-content/uploads/2018/06/capital_programming_guide.pdf

Resources for the Federal acquisition workforce can be found at: https://www.acquisition.gov/.

OMB Circulars can be found on the OMB Homepage at: https://www.whitehouse.gov/omb/information-for-agencies/circulars/

Chief Financial Officers Council guidance documents can be found at: https://cfo.gov/

Federal Real Property Council guidance documents can be found on the OMB Asset Management website at: https://www.whitehouse.gov/omb/offices/offm/Asset-Management

Clinger-Cohen Act, February 10, 1996
Issued By: Congress—Posted: February 10, 1996
http://www.gpo.gov/fdsys/pkg/PLAW-104publ106/pdf/PLAW-104publ106.pdf

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INTRODUCTION

The Guide's Purpose

The Capital Programming Guide was originally released in 1997 and this release, Version 3.0, is part of a continuing effort to more routinely update the Guide to remain consistent with new requirements and leading practices. This version reflects developments in capital planning since the publication of the original guide and provides updated base practices and lessons learned regarding more efficient project and acquisition management of capital assets. This guide does not establish new or alter existing policies articulated elsewhere (e.g. in OMB Circular No. A–11, Preparation, Submission and Execution of the Budget, or other OMB circulars). It does, however, expand the explanation of the concepts in the original guide that were not fully developed. An inter-agency Capital Programming Guide Working Group, consisting of various agency representatives, was convened to author updates and identify examples for the revision. Their invaluable additions, editing, and hard work are commended.

Agencies must have a disciplined capital programming process that addresses project prioritization between new assets and maintenance of existing assets, risk management and cost estimating to improve the accuracy of cost, schedule and performance provided to management, and the other difficult challenges proposed by asset management and acquisition. The purpose of the Capital Programming Guide, herein referred to as the Guide, is to provide professionals in the Federal Government guidance for a disciplined capital programming process, as well as techniques for planning and budgeting, acquisition, and management and disposition of capital assets. At the same time, agencies are provided flexibility in how they implement the key principles and concepts discussed. We expect the Guide to be revised as agencies continue to gain experience and develop improved best practices.

The Guide is intended to assist Federal Departments, Agencies and Administrations (herein collectively referred to as agencies) effectively plan, procure and use these assets to achieve the maximum return on investment. The guidance integrates the various Administration and statutory asset management initiatives (including the Government Performance and Results Act (GPRA) Modernization Act (Pub. L. No. 111-352), Divisions D and E of Pub. L. No. 104–106 (the Federal Acquisition Reform Act and the Information Technology Management Reform Act of 1996, as amended, popularly known as the Clinger-Cohen Act), the Federal Acquisition Streamlining Act of 1994 (Pub. L. No. 103–355), and others) into a single, integrated capital programming process to ensure that capital assets successfully contribute to the achievement of agency strategic goals and objectives.

Agencies should use this Guide to help establish a capital programming process within each component and across the organization. Effective capital programming uses long range planning and a disciplined, integrated budget process as the basis for managing a portfolio of capital assets to achieve performance goals with the lowest life-cycle costs and least risk. This process should provide agency management with accurate information on acquisition and life-cycle costs, schedules, and performance of current and proposed capital assets. The Federal Acquisition Streamlining Act of 1994 (Pub. L. No. 103–355) (FASA) requires that agency heads manage the agency portfolio of major acquisitions within 90 percent of the individual investment's cost, schedule and performance goals. Project managers when developing the cost, schedule, and performance goals on developmental projects with significant risk must, therefore, provide the agency Executive Review Committee (ERC) with risk-adjusted and most likely cost, schedule, and performance goals. Without the knowledge of the risks involved managers at all levels—agency, Office of Management and Budget (OMB) and the Congress—cannot make the best decisions for the allocation of resources among the competing investments.

Managing the stock of Federal capital assets and planning, budgeting, and acquiring assets is hard work, but it takes time and adequately trained personnel to do it successfully. Large sums of taxpayer funds are involved and the performance of the assets determines, to a large extent, how well the agencies are able to achieve their missions and provide service to the public.

Agencies have flexibility in how they implement the key principles and concepts of the Guide. They are expected to comply with existing statutes and guidance (cited in the text where appropriate) for planning and funding new assets; achieving cost, schedule, and performance goals; and managing the operation of assets to achieve the asset's performance and life-cycle cost goals. However, the key principles and importance of thorough planning, risk management, full funding, portfolio analysis, performance-based acquisition management, accountability for achieving the established goals, and cost-effective lifecycle management will not change. In general, OMB will only consider recommending for funding in the President's Budget priority capital asset investments that comply with good capital programming principles. This Guide does not discuss the entire strategic planning process, only that portion that pertains to the contribution of capital assets.

At each stage in the preparation of the Agency Capital Plan, the agency is encouraged to work with OMB's Resource Management Offices (RMOs). Early inclusion of RMO staff with the Integrated Project Teams, to be discussed further in section I.2.1, will facilitate a continuing review and dialogue regarding the agency's plan in order to avoid unexpected events. This is key in integrating the Planning and Budgeting Phases. The process of submission should be consistent with the annual guidance contained in the OMB Circular No. A–11, as well as with other current OMB guidance.

Definition of Capital Asset

Capital assets are land (including parklands), structures, equipment (including motor and aircraft fleets), and intellectual property (including software) which are used by the Federal Government and have an estimated useful life of two years or more. Capital assets exclude items acquired for resale in the ordinary course of operations or held for the purpose of physical consumption, such as operating materials and supplies. The cost of a capital asset is its full life-cycle cost, including all direct and indirect costs for planning, procurement (purchase price and all other costs incurred to bring it to a form and location suitable for its intended use), operations and maintenance (including service contracts), and disposal. Capital assets may or may not be capitalized (i.e., recorded on an entity's balance sheet) under Federal accounting standards. Appendix 1 defines capital assets more fully.

Threshold for Capital Programming

As defined in OMB Circular No. A–11, Part 7, major acquisitions are capital assets that require special management attention because of their importance to the agency mission; high development, operating, or maintenance costs; high risk; high return; or their significant role in the administration of agency programs, finances, property, or other resources. Major acquisitions should be separately identified in the agency's budget. For small dollar investments relative to the agency's budget, the agency may wish to develop a less detailed programming process based on the basic tenets presented in this Guide. A stratified capital programming process involving more or less detail and review based on the size or strategic importance of proposed investments may be appropriate, particularly in large agencies. Agencies should have well documented thresholds clearly disseminated and implemented across the organization.

Capital Asset Management Infrastructure

A formal capital asset management infrastructure is a best practice used throughout industry and by many Government agencies to establish clear lines of authority, responsibility, and accountability for the management of capital assets. An ERC, acting for or with the agency head, should be responsible for reviewing the agency's entire capital asset portfolio on a periodic basis and making decisions on the proper composition of agency assets needed to achieve strategic goals and objectives within the budget limits.

This committee should be composed of the senior operations executives and the chief information, financial, budget, and procurement officers.

In addition to review by the ERC, each project requires an Integrated Project Team(s) (IPT) composed of a qualified program manager and necessary personnel from the user community, budget, accounting, procurement, value management, and other functions to be formed, as appropriate, to:

(1) establish a baseline inventory of existing capital assets;
(2) analyze and recommend alternative solutions;
(3) manage the acquisition if approved; and
(4) manage the asset once in use.

A sound financial management system is another key ingredient for sound decision making.

Agencies may choose to plan for capital assets agency-wide or by bureau or functional area. Many agencies have started to redesign their planning approach for information technology (IT) capital assets by establishing an IT capital asset infrastructure in accordance with the requirements of the Clinger-Cohen Act, Sec. 5122, Capital Planning and Investment Control.

In addition, Executive Order 13327 of February 4, 2004, Federal Real Property Asset Management, establishes the Federal Real Property Management Council (FRPC) that tasks Federal Real Property Officers with improving real property asset management within their agencies.

When one asset contributes to multiple programs, the linkage to each program should be described. In turn, the annual performance plan should include the performance goals for the procurement of the asset, as well as the program's performance, once the asset is operational. Separate documents are not required.

Organization of the Guide

This Guide is organized to reflect the three phases of the capital programming process:

- Planning and Budgeting, Acquisition, and Management-In-Use. Each phase is composed of a number of steps.

- Integration with guidance or source materials relevant to a particular phase and step, as well as a description of reporting requirements or formats, is also described.

- A Glossary and a list of Selected Capital Programming References are also included.

I. PLANNING AND BUDGETING PHASE

Introduction

The Government Performance and Results Act (GPRA) initiated program performance reform for greater service delivery and program effectiveness by encouraging greater accountability throughout the Federal Government, and was recently updated under the GPRA Modernization Act of 2010. It encourages collaboration between OMB and agencies to develop outcome oriented, program specific performance measures. Administrators must ask: Were program goals achieved within budgeted costs and established schedules? Does the program have baselines and ambitious targets for its annual measures?

This Guide stresses the importance of all phases in the capital asset life-cycle. By linking planning and budgeting to procurement to the management of capital assets, the resulting all-encompassing roadmap encourages agencies to develop an Agency Capital Plan that provides for the long-range planning of the capital asset portfolio in order to meet the goals and objectives in the strategic and annual plan.

The Annual Performance Plans, which describe an agency's incremental progress toward achieving its strategic goals and objectives, should also clearly demonstrate how capital assets will contribute to this progress. The program or project acquisition life-cycle starts with concept analysis, progressing through technology definition, requirements planning, acquisition, and finally through operations and maintenance. Although terminology may differ, government and industry use similar processes. These processes typically include decision points in which executive boards review and approve a program's entry to the next phase or stage, based on satisfactory completion of exit criteria from the prior phase or stage.

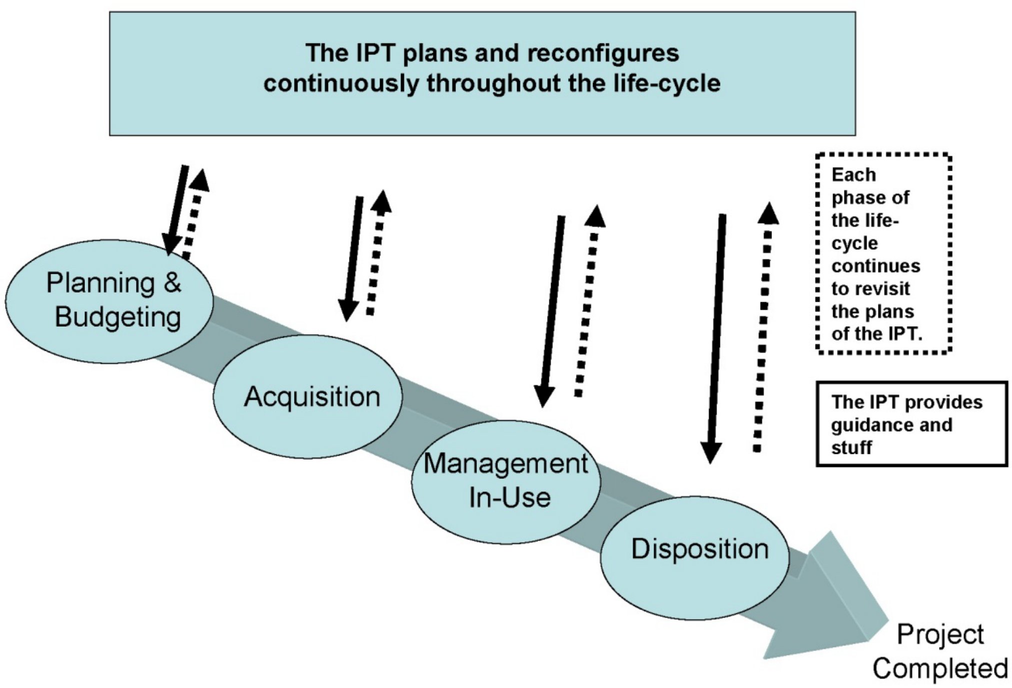


Figure 1. The Capital Planning Lifecycle

I.1) STRATEGIC AND PROGRAM PERFORMANCE LINKAGE

I.1.1) Strategic Planning

Capital programming, as guided by the GPRA Modernization Act of 2010, is an integral part of an agency's strategic planning process.

An effective strategic plan should anticipate changes in the agency's requirement for technological capabilities, identify major assets that are critical to implement the plan, and define the outcomes these assets will help realize. The plan should also be consistent with the level of future budgetary resources that will be available. See OMB Circular No. A–11, Part 6, Preparation and Submission of Strategic Plans, for detailed guidance on the requirements for strategic plans.

I.2) Enterprise Architecture (EA)

A complete Enterprise Architecture consists of a set of interrelated "reference models" designed to facilitate cross-agency analysis and identification of duplicate investments, gaps, and opportunities for collaboration within and across agencies. Collectively, the reference models comprise a framework for describing important elements of an EA in a common and consistent way. Through the use of this common framework and vocabulary, agencies can improve the way they manage IT or other portfolios.

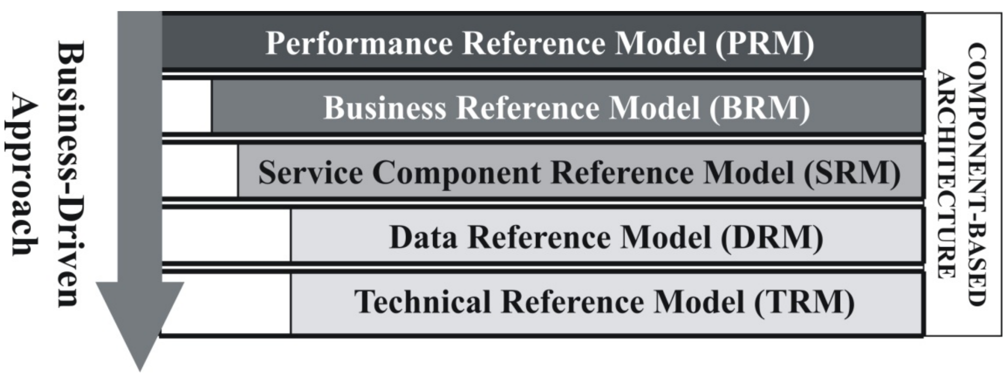


Figure 2. Component-Based Architecture

As agencies continue to utilize EA to model performance, business processes and services, decision makers must create clear line-of-sight relationships between investments in capital assets and specific components in the EA. For example, the business case for a capital asset must document the specific performance measures that are affected by the investment and how those measures are affected. The same clarity should exist for business processes, services delivered and data managed by a capital asset.

I.2.1) Integrated Project Team

Several acquisition disciplines are essential to planning and managing an acquisition through its life-cycle. The Integrated Project Team (IPT) is established to analyze the performance and capability of the portfolio of assets used by the program. The IPT will vary in size and acquisition disciplines depending on the phase of the program, but must always contain a qualified program manager and contracting officer. At initiation of a major acquisition, the team should consist of the individuals with skills in the following areas: Project Management (PM), Federal Contracting, Cost Estimating, Risk Management, Sustainability, Scheduling, Users, Budget, Technical Experts, Information Resource Management, Value Management, and Earned Value Management (EVM). Staff with other appropriate skill sets should also participate in the IPT.

Agencies should strongly consider co-locating the IPT, especially the PM and contracting professional who must work closely throughout the project to ensure that the requirements are clearly articulated into a statement of work and that adequate oversight of the contracted work is accomplished. The members of the IPT are the key functional team leaders under the leadership provided by a program manager. The key to success is organization, planning, estimating and budgeting resources, and executing the plan. The IPT must also develop sound cost estimates based on the "Principles of Government Cost Estimating" in Appendix 8 and the GAO Cost-Estimating Guide.

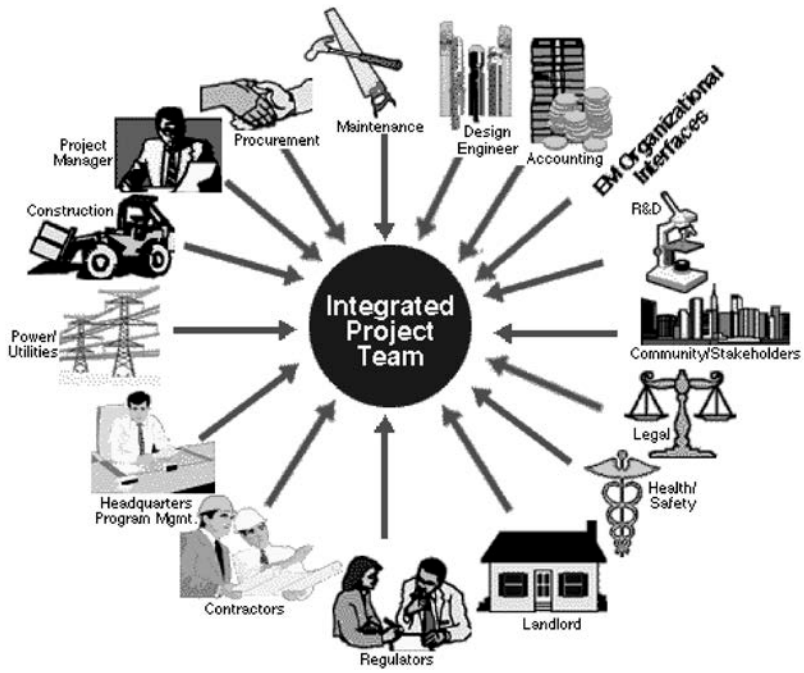


Figure 3. Integrated Project Team

The program manager should be given a charter, whether the work is to be performed by contract or by in-house resources, defining the scope of authority, responsibility, and accountability for providing quality analysis to support senior management decision-making during all phases of capital programming. Such leadership by program offices is intended to ensure that capital assets will be designed and operated to improve the performance of the program staff who use them—a seemingly self-evident goal, but one many businesses and Government agencies have failed to reach. For example, information systems often are developed by technology or finance specialists alone, without the benefit of an agency-wide review of the system's requirements and capabilities. Appendix 2 discusses IPTs in more detail.

Earned Value Management (EVM) and risk management are management tools used successfully in both the public and private sectors to mitigate risks in developing capital assets. Agencies must develop a level of expertise with both tools that is appropriate to the size and nature of their capital asset portfolio. This expertise may take the form of a full scale EVM and risk program management office, a center of excellence, or a capability held by one or two focal points within the agency.

IPTs must devote the planning time needed to create an adequate Work Breakdown Structure (WBS) at program initiation and keep it current throughout the program execution. Program management use of EVM depends on a well-developed WBS to ensure that a program is completely defined. Program experts, in collaboration with experts in the areas of Cost-Estimating, Procurement, Risk Management, Scheduling, and EVM, need to develop a WBS as a common framework within a given program, but also among related programs and across an organization's portfolio.

Even if the preferred solution has not yet been determined, planning for a program WBS must begin promptly upon program initiation during the earliest stage of the Planning Phase. Organizations that manage similar programs often use a standard WBS template to assist in program definition. The WBS when complete is an integrated family tree that defines all the products and services comprising the program. While some WBS elements are unique to each program, many are common, such as training, data, and program management. The program WBS established during concept definition will provide the framework for estimating the program's cost and risk during the pre-systems acquisition planning and for developing the program schedule. The cost estimate and program WBS provide the basis for suppliers to extend the Contract WBS to achieve integrated cost, schedule, and technical performance management using EVM during systems acquisitions.

I.3) FUNCTIONAL REQUIREMENTS

If current assets cannot bridge the gap between planned and actual performance, the IPT should define the gap in terms of performance requirements to be achieved. Depending on the depth of the analysis of program requirements during the first round of strategic planning, the IPT may wish to define more detailed requirements against which they can evaluate options for reducing the performance gap.

Functional requirements should not be defined in equipment or software terms, but in terms of the mission, purpose, capability, agency components involved, schedule and cost objectives, and operating constraints. Mission needs are independent of a particular capital asset or technological solution. A needs-based approach allows the agency the flexibility to evaluate a variety of solutions with an open mind. The key is not to limit potential solutions by too narrowly defining requirements.

When developing functional requirements, the capabilities of other assets or processes with which the function must interact are a major consideration. Functional requirements should include the following elements:

- The performance criteria of the function being acquired, developed, built, etc.;
- A definition of the common usages of the function;
- The ranking of each requirement in order of importance; and
- A decomposition of functional requirements into self-contained features (e.g., climate control for housing prisoners might have unique requirements that should be identified).

Internal agency users and external customers (e.g., airlines for air traffic control systems, veterans for new benefits processing systems) should participate in the requirements definition process. It is important to balance the internal user and operator needs with the requirements of the external customers. Other agencies that may have acquired assets to accomplish similar goals or objectives should be identified. Where feasible, large, complex acquisitions that are very difficult to manage should not be pursued on an individual agency basis. Instead, management should look for cross-agency or Government-wide economies to avoid duplication of effort. As part of the requirements definition process, agencies must look at Government-wide programs and systems to see if they will meet most or all agency requirements. To the degree a program or system does not meet agency requirements, agencies should consult with the program management office of the program or system involved to see if and how any unmet needs can be met. Agencies should also consult with any Government-wide Line of Business initiatives that may apply to their area of effort to coordinate planning with the Line of Business involved.

One acute danger during this phase is "specification creep," where requirements grow uncontrolled to meet future potential needs or to incorporate emerging technology that would be "nice" to have. Emphasis should be placed on core requirements needed to meet the mission needs. Once a solution meets the core requirements, additional functionality can be added in a later stage of the project, if cost-beneficial. These functional requirements should be documented in the strategic plan. Modular or spiral development acquisition should be pursued where possible to prevent "specification creep." Projects that are purchased in modules, where the scope is limited to what the market can provide quickly, rather than requiring significant new development efforts with uncertain cost, or delivery goals, can freeze the scope to provide an initial capability that improves the function, with subsequent modules providing for increased capability when the market is ready and scope, cost, and schedule can be more clearly defined.

I.4) ALTERNATIVES TO CAPITAL ASSETS

I.4.1) Answering the Three Critical Questions

With detailed requirements defined, management should answer the Three Critical Questions before planning to acquire capital assets. These questions are applicable to all major capital investments.

1. Does the investment in a major capital asset support core/priority mission functions that need to be performed by the Federal Government?

- If not, end consideration of the investment and eliminate or privatize the function.
- If so, is there a clear explanation of how the investment supports core/priority mission functions? Are performance measures provided that are included in the agency Strategic Plan, including baseline data and the expected improvement? Is there an explanation of how the investment will contribute towards meeting a goal?
- Are the functions inherently governmental functions? IPTs can consult Office of Federal Procurement Policy letter 11-01 "Performance of Inherently Governmental and Critical functions." IPTs can also consult Subpart 7.5 of the Federal Acquisition Regulation and attachment A of OMB Circular No. A–76, Performance of Commercial Activities (May 29, 2003, as amended) to assist in deciding if a government activity is an inherently governmental function.

2. Does the investment need to be undertaken by the requesting agency because no alternative private sector or governmental source can better support the function?

- If not, consider devolving the function to State or local governments; sharing resources within the agency, with another Federal agency, a university, or a not-for-profit organization; or outsourcing to the private sector. For example, medical care can be provided through payments for care in non-profit or private hospitals, rather than directly by Federal agency hospitals.
- OMB Circular No. A–76 helps agencies decide through the use of public-private competition whether taxpayers are better served though the continued in-house performance of highly commercial activities (such as software development) or alternatively, by the best qualified contractor.

3. Does the investment 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?

- If not, management should reengineer business processes first, then search for alternatives, or the agency may issue a very broad statement of the requirements in a solicitation to the private sector and allow the private sector to do the reengineering in proposed solutions.

- Management should also improve internal processes by cutting red tape, empowering employees, revising or pooling existing assets within the agency or with other agencies, redeploying resources, or offering training opportunities.

Analyzing Agency Programs and Investments

Consider the kind of capital assets needed and how they will be acquired.

Ask Yourself…	If the answer is "No" then…
Is the function of the program central to the agency's mission?	• Send to other Federal agency • Direct to the private sector • Send to State or local government • Terminate function
Can this agency accomplish this function better than the private sector or other Federal agency?	• Partner with State or local governments • Cross-service with other Federal agencies • Contract out to private sector
Have work processes been re-engineered to reduce costs to improve effectiveness?	• Introduce competition • Find efficiencies • Empower employees and put customers first

Figure 4. Decision Tree for Analyzing Agency Programs and Investments

If the answer to all Three Critical Questions is yes, management should still consider options other than new acquisitions to reduce the performance gap, such as:

- Meeting objectives through regulation or user fees;
- Using human capital rather than capital assets; and
- Applying grants or other means beyond direct service provision supported by capital assets.

I.4.2) Frequent Use of Benefit-Cost or Cost Effectiveness Analysis

At many key decision points in the capital programming process, a benefit-cost or cost-effectiveness analysis could be used by senior management to help decide whether the best way to reduce the performance gap is through acquiring a new capital asset, undertaking a major modification on an existing asset, or by some other method. This analysis should follow the guidance of OMB Circular No. A–94, "Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs" (October 29, 1992). Guidelines for pursuing alternatives other than a capital asset are not contained in the remainder of this Guide. However, if the alternative chosen is a service contract, many of the analytical techniques and processes suggested in the Guide would be appropriate (see Appendix 8 on Cost-estimating).

I.5) CHOOSING THE BEST CAPITAL ASSET

Agencies should not undertake planning before a project is funded merely for the sake of compliance. They should plan because it results in better use of scarce resources and improves implementation.

Once the decision to acquire a capital asset is made, comparison of the various available asset options is needed to ensure the acquisition of the best product for the job.

I.5.1) Evaluate Asset Options

With the decision to evaluate the feasibility of acquiring a capital asset, management should provide the IPT with an estimate of the range of budget resources that may be available for an asset. The IPT should conduct market research to determine the feasibility of various capital asset alternatives that are available in the market to satisfy the requirements. Emphasis should be placed on generating innovation and competition from private industry and on the use of commercial items and non-developmental items to meet the mission needs. The IPT should determine:

- **Availability**. Can the market provide capital assets that partially or fully meet program requirements? How much of the need can be fulfilled without the need for developing new technologies or incurring other significant risk?

- **Affordability**. Are the assets affordable within budget limits? If the full requirement is not affordable, can it be divided into separate modules that are affordable? New technology should be subject to Technical Readiness Level (TRL) and Degree of Difficulty (R&D3) reviews to help determine the risk and potential necessary reserves.

- **Costs & Benefits.** For those alternatives that are affordable within budget limits, which are the most cost-beneficial, and should be among the portfolio of proposed assets that the agency head, the President, and the Congress consider for funding? (Value management methodology can provide the "best value" alternatives to meet the functional requirements.)

- **Sustainable Design Principles.** How much have the sustainable design principles been incorporated into the requirements identified for the asset? Has sustainability been considered in all aspects of the asset's life-cycle?

- **Risk**. In addition to applying risk management to the development of a Risk-Adjusted Program Budget and Risk-Adjusted schedule, the agency must assess overall risk of an investment as it chooses the best capital assets to meet the agency's mission and strategic objectives. High risk should be accepted only if it can be justified by high expected returns, and only if a program failure can be absorbed by the agency without loss of service capability or significant effect on budget. Decision thresholds should be set for cost, schedule, and performance expectations of development projects beyond which the return on investment becomes so low that the project should be canceled. Agencies can apply a variety of risk mitigation techniques, including limiting scope, contract type selected, and aggressive program management.

The process of choosing the best capital asset starts with the development of a strategy to review the market and ends with the development of an acquisition plan that outlines the best approach to acquire the recommended asset. Plans for asset evaluation, operation and maintenance, and disposal should also be developed, with the execution costs included in the Feasibility Analysis. If funding for the proposed asset is approved at the end of the Budgeting Phase, these plans will be executed in the Acquisition and Management-In-Use Phases.

I.5.1.1) Asset Availability

The establishment and use of a structured vehicle allocation methodology (VAM) by Federal agencies ensures that the agency vehicle fleets are not over-costly and both correctly sized in terms of numbers and appropriate for accomplishing agency missions. A VAM provides managers with a standard way to document the objective criteria of a vehicle fleet for a specific entity within an agency and make informed decisions in fleet acquisition, management, and disposition.

A program manager supported by thorough market analysis is an educated consumer, and is more likely to complete a program successfully. Availability is assessed by market surveillance and market research, ultimately producing a list of investment alternatives, accompanied with data necessary to assess affordability, benefits, and costs.

Market surveillance is an on-going process, one that is not driven by a specific planned acquisition. The IPT technical staff should keep abreast of the latest capabilities and performance through trade journals, advertisements, sales brochures, etc. Market research is undertaken with respect to a specific planned acquisition; it is the proactive part of market analysis. In market research, the IPT seeks information through research of published information, talking to other agencies that have conducted similar market research, and/or going directly to the market for information.

I.5.1.2) Market Research Strategy

Agencies should encourage contractors to provide any solution they believe will meet the agency's needs. The key is to not restrict potential offers by specifying requirements too narrowly.

Once a clear agency need has been identified, the IPT should begin with a plan to conduct both market surveillance and market research to ensure that as many alternative solutions as possible are identified for consideration. The plan should define the use of broad area announcements, requests for information, or requests for proposals to solicit information on alternative concepts from a broad base of qualified firms. When these documents are issued, contractors should be provided with mission performance criteria, life-cycle cost, and any other factors that the agency will use in the evaluation and selection of the solutions. Emphasis should be placed on solutions that are currently available (i.e., do not require significant development) with little risk in cost, schedule, performance, and technical obsolescence. This means commercial items (CI) or non-developmental items (NDI) where little or no development effort is required are preferred. However, contractors should be encouraged to provide any solution they believe will meet the agency's needs, including providing the capability contemplated through a service contract or lease. The key is to not restrict potential offers by specifying requirements too narrowly.

Agencies can, through market analysis, seek preliminary information on alternatives available in the commercial sector. If the information does not provide a clear indication that acceptable solutions are available, it may be necessary to award contracts to explore alternative design concepts. These contracts should be of relatively short duration and within defined dollar levels. When market capability is not sufficient to fulfill the agency's entire performance gap, the IPT should carefully weigh the extent of increased capability that can be obtained quickly within budget limits against the delay in capability improvement, risk of failure, and costs of a development effort to achieve the desired capability. In many cases, evolutionary changes in capability over time are the most cost-effective approach. Timely technical reviews should be made of the alternatives to ensure the orderly elimination of those that are least attractive.

There may be instances in which several alternatives offer essentially the same benefits and costs. In those instances, it may be necessary to conduct comparative demonstrations, where the different alternatives are actually tested in the operational environment for a period of time, to determine the best product.

The IPT should engage potential suppliers in an advisory process in which the Government provides a general description of the scope or purpose of the acquisition (such as a Request for Information, which could include a Statement of Objectives) and invites potential offerors to submit information that allows the Government to advise the offerors about their potential to be viable competitors. By doing this, the Government enables potential vendors to more wisely use their internal resources, such as bid and proposal money or independent research and development funds, to come up with the best solutions for the Government's needs. This process also enables the Government to refine its acquisition strategy by identifying in advance the extent of competition that can be expected for the acquisition.

I.5.2) Develop a Program Baseline

The program's (investment's) risk-adjusted budget establishes the baseline for reporting to OMB on program performance. The Program Risk-Adjusted Budget (PRB) is formed after determining the Program Budget (PB) and the Performance Measurement Baseline (PMB). The appropriate agency official must ensure the PRB is justified based on risk, and that the agency will fund the program at that level.

The foundation of the Program Budget is the Work Breakdown Structure (WBS). Once the technical scope of work has been described through a WBS, the appropriate experts along with cost and schedule estimators can use this information to develop cost and schedule estimates. Budgets are assigned to each WBS element, and when time-phased, form the Performance Measurement Baseline. The Performance Measurement Baseline is the total Budget-at-Completion (BAC) assigned to summary planning accounts, control accounts and the undistributed budget.

Significant investments require a clearly understood process for ensuring that the program budget, expected outcomes, and cost/schedule performance measurements are integrated with risk management. Risk management begins with evaluating the WBS for cost, schedule and technical risk. Risks in each of these areas for each WBS element should be identified, analyzed, and quantified in terms of potential cost to the program. Risk identification involves analyzing program areas and critical technical elements to identify and document the associated risk. Assumptions and constraints also need to be identified and analyzed for cost impact. Risk analysis involves examining each risk issue to determine the probability of the risk occurring and the cost, schedule, and technical consequences if the risk occurs. The cost of the risk occurrence is added to the BAC and the result of this analysis is a risk-adjusted budget.

The program's milestone schedule should also be adjusted for risk. Measurable WBS elements significant to a project milestone should be analyzed for most optimistic, most pessimistic, and most likely durations. A risk-adjusted schedule will have finish dates that reflect the likelihood of a risk event occurring and its associated schedule impact. If schedule delays will affect cost, this information should be reflected in a risk-adjusted cost estimate.

I.5.2.1) Changes to the Baseline (Rebaselining)

In general, agencies and their contractors should establish a performance measurement baseline for an investment, to track progress against the baseline and report the cost variance and the schedule variance to senior management at least monthly. While legitimate reasons exist for changing a baseline, as a general rule, changes should be rare. When a change to a baseline is needed, agency governance should review, approve and document the change. A revised baseline should not be used in performance reports until agency governance approves the change. If a change to a baseline is approved, agencies should maintain a record of the original baseline and the rationale for the change.

I.5.2.2) Breach Margins (Variance Thresholds)

As part of monitoring progress, agencies are encouraged to establish cost and schedule variance thresholds that will require a formal explanation to the agency when breached. Corrective action should be taken whenever a breach occurs. The breach margins should be set so that when a threshold is crossed, management is informed while there is still time to take corrective action. Agencies have significant latitude when setting a threshold for an investment unless breach margins have been specified in statute, regulation or Federal policy. As a general guide, a cost or schedule variance of plus or minus 10% or more should trigger formal reporting.

I.5.3) Select the Best Alternative: Benefit-Cost Analysis

Once the IPT determines that it has sufficient market information on alternative solutions, it should compare the initial acquisition cost and the other life-cycle cost elements of the various alternatives. It is critical that the cost estimates are realistic estimates of the final costs and are adjusted to consider risk. When seeking funds during the budget process, the credibility of the costs will be examined, and OMB and the Congress will hold agencies accountable for meeting the schedule and performance goals within the cost estimates. Alternative solutions that are not affordable within potential budget availability should be dropped from consideration, but documented for comparison purposes. The information needed to determine whether a proposed acquisition is affordable is based on a juxtaposition of three factors: availability of potential funding, agency mission objectives the investment will help achieve, and the impact that purchasing the new asset will have on funds available for other agency mission objectives.

The selection of the best alternative to compare with other agency projects should be based on a systematic analysis of expected benefits and costs. The fundamental method for formal economic analysis is benefit-cost analysis. OMB guidance on benefit-cost analysis can be found in OMB Circular No. A–94. Benefit-cost analysis includes the following steps:

> **Identify Assumptions and Constraints**. Assumptions are explicit statements used to specify precisely the environment to which the benefit-cost analysis applies. Assumptions reduce complex situations to manageable proportions. Constraints are requirements or other factors that cannot be traded off to achieve a more cost-beneficial approach. Cost estimates involve many assumptions and these assumptions carry risk. Risk should be quantified so that the budget accurately reflects the cost of risk.
>
> **Identify and Quantify Benefits and Costs.** Benefits and costs should be quantified in monetary terms wherever possible. All types of benefits and costs should be included, and should be discussed in a narrative. The level of detail should be commensurate with the size and criticality of the investment. The benefits should be linked to the program goals and needs identified in the previous Planning sections. Benefits and costs should be estimated over the full life-cycle of each alternative considered. Life-cycle costs include all initial costs, plus the periodic or continuing costs of operation and maintenance (including staffing costs), and any costs of decommissioning or disposal. Estimates of costs and benefits should show explicitly the performance and budget changes that result from undertaking the project.
>
> **Evaluate Alternatives Using Net Present Value.** Investment alternatives should be evaluated using the net present value criterion. Potential projects should be ranked according to the discounted value of their expected benefits, less the discounted value of expected costs. (Appropriate discounting techniques are described in OMB Circular No. A–94.) Qualitative evaluation considerations—such as explicit regulatory requirements, considerations of business strategy, or unquantifiable social benefits or costs—may override quantitative criteria in deciding on the final ranking of projects. The analysis may be supplemented by including other summary

measures, like the internal rates of return on the alternative projects or return on assets. Effects on income distribution should be identified for projects that have such effects. Even when the monetary value of benefits or costs cannot be measured, physical quantification may be feasible and should be pursued. When the benefits of alternative investments are the same, cost-effectiveness analysis may be used to rank alternatives. An investment is most cost effective when it has the lowest discounted present value of life-cycle costs for a given stream of annual benefits. When benefits are different, the most cost-effective investment is the one that has the highest discounted net (of cost) benefit.

Perform Risk and Sensitivity Analysis. Benefit and cost estimates involve a degree of uncertainty. Estimates are based on assumptions, and those assumptions carry risk. Risk analysis can be used to identify where uncertainties exist and subsequently quantified so that their cost can be factored into overall cost estimates. Benefits may not be realized as planned, and the risk of this occurring should be factored into cost-benefit analyses. Sensitivity analysis can identify the response of program costs and benefits to changes in one or more uncertain elements of the analysis. Sensitivity analysis should be used to test the response of the investment's net present value to changes in key assumptions.

I.5.4) Develop an Acquisition Strategy

The IPT should begin to tailor an acquisition strategy for the program as soon as the best alternative is selected. The acquisition strategy and analysis risks should be part of the information provided to the Executive Review Committee when seeking approval of the project.

I.5.5) Risk Management

Planning for risk management for the life-cycle is a critical component of program/investment management and begins at project conception. Risk analysis is an integral part of the planning process. An approach for managing risk on the investment should be established early in the Planning Phase. An effective Risk Management Plan addresses the following risk areas: schedule risk; cost risk; technical feasibility; risk of technical obsolescence; dependencies between a new project and other projects or systems; procurement and contract risk; and resources risks.

Risk Management is continual throughout the life cycle of an investment. Planning for risk and incorporating risk analysis into planning decisions is included in this section of the Guide. Managing risk in the Acquisition Phase and the Management-in-Use Phase is discussed in those sections of this Guide.

I.5.5.1) Earned Value Management

A critical component of risk management on major investments is the use of EVM. Implemented properly, an EVM system will measure progress against a baseline and provide an early warning of cost overruns and schedule delays. Most likely, a practical application of EVM will involve tailoring the principles to a project's unique circumstances. When an EVM system is required (see Federal Acquisition Regulation 34.2), the cost and schedule variances should be reported to senior management at least monthly. Appendix 3 provides an example of the calculations. Some project management software tools will perform the calculations with no additional effort.

EVM is not tied to any specific development methodology and does not prevent the use of other risk management techniques such as agile development. EVM and agile development are complementary and can be used on the same project. Agile development can be used to incrementally deliver functionality to the customer while EVM provides a standard method for measuring progress.

A related process used to mitigate risk is the Integrated Baseline Review (IBR) process. The IBR process provides program managers with a thorough understanding of the project plan and any risks associated with the Performance Measurement Baseline (PMB). Initial risks identified and their impact on program cost and schedule should be updated based on IBR findings. Risks identified in the IBR are documented, analyzed, and risk-handling plans are developed and are included in an overall program risk register. These risks are then monitored and acted upon as appropriate. By paying close attention to higher risk WBS elements, program managers are capable of prioritizing areas for management attention. Initial risks identified along with their impacts on program cost and schedule should be updated based on IBR findings and subsequently managed until they are retired. A close watch for new risk should also be maintained and these should be entered into the risk management process.

Use of an EVM system will assist in identifying and mitigating project risk. Additionally, projects with broad scope typically involve more risk than those that limit what they are trying to accomplish.

I.5.5.2) Planning for Contract Type

The agency should strive to use fixed price or fixed price incentive contracts to the maximum extent possible. The ability to use fixed price contracts results from the fact that the capability the agency is seeking is available in the market. The need to use cost type contracts usually means that the capability is not readily available in the market, requiring a risky development effort to be undertaken.

For long-duration contracts that include significant development, it may be impossible to estimate the cost of performing the entire contract with sufficient accuracy to use a fixed price or structured incentive contract from day one. As the contract progresses and the ability to estimate the cost of performance increases, the use of such contracts becomes more practical. Therefore, it may be desirable to initiate the work with a small, short-duration time and material or cost plus fixed fee contract for studies or early design, evolve to a cost plus award fee or cost plus incentive fee contract for later design and initial development, and then to a cost plus incentive fee, fixed price incentive, or fixed price contract for the initial and production units once all development work is complete. For such contracts, it also may be desirable to negotiate an estimated cost or price in increments. The initial estimated cost or price would be for the studies or early design. As work progresses, the estimated cost or price should be renegotiated upward at appropriate points in the contract as those costs become more predictable.

Agencies should make good use of contract type by matching the type of contract to how much is known about the requirement, and the likely accuracy of the agency's and the contractor's cost estimates. There are two basic sets of considerations:

1. How much is known about what it will actually take to do the contractor's part of the project?

A. Fixed Price: Does the agency know (and can a contractor reasonably be expected to discover) enough about what it will take for a contractor to do their part of the current phase(s) of the project so that the contractor could reasonably set a series of fixed (not hourly, but by task) prices to perform their part? If so, agencies should use fixed price contracting for the requirement. If the only element keeping an agency from being able to do this is moderately significant variations in the price of a key commodity used to make the item, then agencies can adjust for that using Fixed Price with Economic Price Adjustment. Agencies would then be able to adjust the price paid for an item in accordance with market fluctuations in the price of the key commodity. If agencies don't know enough about the requirement to reasonably expect a contractor to be able to price it this way, then they should explore Cost Reimbursement.

B. Cost Reimbursement (for example, Cost Plus Award Fee): Is the agency at the point where contractors can reasonably give the agency Rough Order of Magnitude (ROM) estimates to do what the agency asks? Is it likely that actual performance of the requirement will be within plus or minus approximately 50 percent of the ROM estimates? If the answer to both questions is yes, the agency should use cost reimbursement contracting to have the contractor meet the requirement. Agencies should use Integrated Baseline Reviews (preferably before contract award) to identify deficiencies in contractor proposals that would impede them from reasonably performing the proposed effort for the proposed price. The contractor would then include in their proposal the cost of correcting these deficiencies, and thus reflect the true "probable cost" of performing the contract. The ultimate goal of the cost reimbursement/IBR process is to yield enough information about what it will actually take to perform the project so that the Government could reasonably use a Fixed Price contract to fill the requirement.

C. Time and Materials or Labor Hour: If agencies are still some distance from being able to do either A or B above for a given project, then agencies should consider a small, short duration (less than one year) Time and Materials or Labor Hour type of contract for that project. This type of contract should only be used in the Planning Phase, and only when there is insufficient knowledge about the requirement to be able to use a cost reimbursement contract to fill the requirement. Agencies should remember that Integrated Baseline Reviews can and should be used in concert with cost reimbursement contracting to control project costs to a greater degree than is usually the case in Time and Materials or Labor Hour contracts. A "Term" Cost Reimbursement contract versus a "Completion" type is similar to this and does not require the contractor to complete the tasks. The discussion on the time to use Time and Materials versus Cost Reimbursement needs to make a distinction between Completion and Term CR contracts. See Federal Acquisition Regulation (FAR) 16.306.

2. How should agencies decide how much goods and services to require in a given contract, task or delivery order?

An agency should only require in the contract, task order or delivery order sufficient goods and services to result in the agency receiving complete, useful assets. (A useful asset is defined in the Glossary of this Guide.) Therefore, if funding was eliminated for the project, the agency would still be able to walk away with, for example, a completed building rather than just a foundation, or software that is complete enough to be useable in and of itself, without having to add software modules to make it useable.

Agencies should separately evaluate each piece of contracting support needed for their project in light of the above yardsticks to see what type of contract makes sense. Agencies are often able to combine parts of the contractor support effort that would require the same type of contract for that support. For example, in some initial parts of the requirements definition phase, so little is known about what it will take to do the contractor portions of the requirement itself that any ROM estimate is far enough outside the plus or minus 50 percent that it is closer to a guesstimate than a reliable estimate. For these parts, Time and Materials may be the best contract type to use. Once requirements are defined and as agencies are working on putting together Performance Work Statements, models, prototypes, etc., more is known about what it will take to meet Government requirements. Then estimates tend to become more reliable. With more reliable estimates, agencies are likely in the plus or minus 50 percent range for estimates, at which point a Cost Plus Award Fee may be the way to go. Once agencies get into production, deployment, and/or maintenance, even more is known about what it will take to meet Government requirements—enough to make it worthwhile to ask a contractor for fixed pricing. The Government then expects contractors and contracting personnel alike to be working in a fixed price contract environment. It is also possible to mix into any of these contract types the ability to place later orders, depending on how much is known about when, where, and in what quantities services are to be performed or goods are to be delivered.

I.5.5.3) Planning for Competition

The acquisition strategy should include how to make the most effective use of competition in all phases of the process. In most cases, competition will yield better value at lower prices. In looking for ways to make the most effective use of competition, agencies should pay special attention to using: (1) performance-based contracting, where innovative solutions are sought to meet functional requirements rather than the more traditional method of detailed Government specifications; (2) competitive demonstrations, where the Government allows several competing vendors to demonstrate their products or prototypes in an operational environment; and (3) solicitation of assets, which permit interoperability with others by featuring open architectures.

I.5.5.4) Planning for Acquisition Management

The risk associated with the asset selected for consideration will determine the type of performance-based management system that should be used to monitor contractor performance in achieving the cost, schedule, and performance goals during the contract period. All major acquisitions with development effort will include the requirement for the contractor to use an Earned Value Management System (EVMS) that meets the guidelines in EIA Standard—748 to monitor contract performance. EVMS is normally used on Fixed-Price Incentive contracts and Cost Reimbursement contracts for major acquisitions. EVM shall also be used on Firm-Fixed Price and any other type of contract or task order that meets the major acquisition threshold if that contract or task order contains a significant amount of development effort.

Let competition improve results through:

- *Using commercially available and non-developmental items*
- *Publicizing opportunities widely*
- *Applying functional/ performance specifications/targets*
- *Limiting burdensome information requirements*
- *Using open architectures to enhance interoperability*

I.5.5.5) Integrating Earned Value into Acquisition Strategy

The acquisition strategy should make sure any contracts resulting from the acquisition that meet the Major Acquisition Threshold contain requirements for the use of EVM.

All contracts with EVM are required to have an Integrated Baseline Review (IBR) pre- or post-award to finalize the agreement on the baseline and ensure all risks are identified and understood. An IBR, a part of the overall risk management process, must be accomplished whenever there are major changes to the baseline. Depending on the risk to establishing an achievable performance measurement baseline at time of contract award, the use of an IBR before or after award must be determined. Agencies are expected to achieve at the completion of the contract at least 90 percent of the cost, schedule, and performance goals established at time of contract award. For more information see section II.2.4, Establishing an Earned Value Management System.

I.5.6) Allow for Adequate Time to Evaluate Alternatives

Selecting the most promising capital asset should not be rushed, especially for mission-critical assets. Selecting an alternative without adequate analysis has resulted too often in large dollar acquisitions that have significantly overrun both cost and schedule, while falling short of expected performance. Agencies should not request funds for the production or installation stage of an acquisition until they establish firm goals that have a high probability of successful achievement.

I.5.7) Plans for Proposed Capital Assets Once in Use

Plans should also be developed for management of the capital asset once in use, including plans for operational analysis, operations and maintenance, and disposal. Both assets that are on-hand and those being considered for acquisition will have to be disposed of at some point. These costs may be very large.

For example, a building may require demolition, or the production of waste may require large cleanup costs. The costs associated with the operating and disposal of assets should be included in the life-cycle and benefit-cost analysis (see Management-In-Use Phase).

Agencies should identify a measurement system for once the asset is in use that provides the cost and performance data needed to monitor and evaluate investments individually and strategically. For example, if an agency makes an advanced technology investment to achieve certain cost savings and quality improvements, the management system should permit the agency to measure whether these improvements occurred and whether operations and maintenance costs are within projections. The measurement system implemented should provide feedback on adherence to strategic initiatives and plans. The system should also allow for review of unexpected costs or benefits that result from the investment decision. This tracking system is a critical element of capital programming, for it follows through the operational life-cycle of the asset. One purpose of the measurement system is to help guide future investment decisions (see Management-In-Use Phase).

I.5.8) Portfolio Management

Capital assets should be compared against one another to create a prioritized portfolio of all major capital assets. Just as an individual invests in a diverse portfolio of securities, agencies invest in a diverse portfolio of capital assets. For the individual investor, returns are measured in dividends or capital gains. While the benefits and costs of capital asset portfolios should be quantified in monetary terms when feasible, agencies also measure return on the basis of outputs and outcomes.

Agencies should choose a portfolio of capital investments that maximizes return to the taxpayer and the Government—at an acceptable level of risk.

For the individual investor, some investments are more risky than others. Similarly, an agency's capital asset investments have various levels of risk. Sound planning for procurement and operational management can mitigate risk. But all assets, especially those that require extensive development work before they can be put into operation, are inherently risky and should be justified by high return. Agencies should choose a portfolio of capital investments that maximize return to the taxpayer and the Government—at an acceptable level of risk.

In general, agencies should establish and manage portfolios of programs, projects and other work in accordance with Federal policy and widely accepted standards. The coordinated management of the items in a portfolio should enhance executive decision making and help ensure programs and projects contribute to an agency's ability to achieve strategic goals and objectives. The process includes the selection, prioritization and monitoring of programs and projects, but it does not include the management of the items in a portfolio. The management of individual items should be addressed in program/project management policy.

Portfolio management theory and standards are readily available from commercial sources and academic literature. The theory is not repeated here. Agencies are encouraged to focus on the practical application of the principles as opposed to the development of portfolio management theory. Most likely, the practical application will involve the tailoring of the principles to an agency's unique circumstances.

All of the items in a portfolio must support strategic plans, goals, objectives and priorities. The strategy and goals drive the selection and prioritization. The selection process should eliminate unnecessary and poorly planned projects. In addition, the risks associated with each item should be evaluated and responses should be developed. The risk management process should reduce threats to the agency objectives. The selection and evaluation should result in a portfolio that is balanced so that the mix of items maximizes the agency's ability to achieve strategic goals.

Annual reviews should include key performance indicators and ensure that the portfolio only contains items that support the mission. In addition to reviewing portfolio performance, each item should be reviewed individually to evaluate its contribution. Items may be added, deleted or reprioritized based on their performance and alignment with the strategy. The reviews should also address programs, projects and other work identified as high risk by the Government Accountability Office.

One approach to devising a ranked listing of projects is to use a scoring mechanism that provides a range of values associated with project strengths and weaknesses. Appendix 11 shows examples of how some key risk and return criteria might be scored. These examples are drawn from multiple best practices organizations. Higher scores are given to projects that meet or exceed positive aspects of the decision criteria. Additionally, in this example, weights have been attached to criteria to reflect their relative importance in the decision process. To ensure consistency, each of the decision criteria should have operational definitions based on quantitative or qualitative measures. A scoring and ranking process, such as the one depicted in Appendix 11 may be used more than once, and in more than just this step to limit the number of projects that will be considered by an executive decision-making body.

An outcome of such a ranking process might produce three groups of projects:

Likely Winners: One group, typically small, is a set of projects with high returns and low risk that are likely "winners."

Likely Drop-outs: At the opposite end of the spectrum, a group of high-risk, low-return projects that would have little chance of making the final cut.

Projects That Warrant a Closer Look: In the middle is usually the largest group. These projects have either a high-return/high-risk or a low-return/low-risk profile. Analytical and decision-making energy should be focused on prioritizing these projects where decisions will be more difficult. At the end of this step, senior managers should have a prioritized list of capital investments and proposals with supporting documentation and analysis. An example of criteria and scoring process to rank capital assets is in Appendix 11.

I.6) THE AGENCY CAPITAL PLAN

As part of its strategic plan, each agency is encouraged to have an Agency Capital Plan (ACP) that defines the long-term agency capital asset decisions. The ACP is the ultimate product of the Planning and Budgeting Phase and should be the result of an executive review process that reviews the work done in this Phase. The ACP should include an analysis of the portfolio of assets already owned by the agency and in procurement, the performance gap and capability necessary to bridge it, and justification for new acquisitions proposed for funding.

I.6.1) Executive Review Process

Each agency should establish a formal process for senior management to review and approve the capital assets that make up the ACP before the plan is presented to the agency chief executive for approval.
As described in OMB's "Evaluating Information Technology Investments, A Practical Guide" (November 1995), the number of times a capital asset is reviewed by senior management should be based on the associated level of risk involved in the acquisition. The cost of an asset and its importance to achieving the agency mission should also be taken into consideration when defining criteria for executive review. One private sector best practice company requires more documentation and greater analytical rigor if a proposed asset would replace or change an operational system vital to keeping the company running, or if it matched a company-wide strategic goal. Lower-impact proposals that would affect only a particular office or had a non-strategic objective would not be analyzed by senior management in such detail. Senior management

should also review acquisitions not achieving 90 percent of established goals, as required by FASA Title V (see Acquisition Phase).

I.6.2) Purpose of the Agency Capital Plan

The Agency Capital Plan is the principal output of the Planning Phase. It is a dynamic plan that changes to reflect decisions about adding new assets and deleting old or even in-process asset acquisitions that are not meeting goals (i.e., the return on investment does not justify continued funding of the project). It should be the central document, or group of documents, that the agency uses for its capital asset planning. Agencies are encouraged to use a summary of the Agency Capital Plan for budget justifications to OMB, congressional authorizations of projects, and justifications for appropriations to the Congress. (See OMB Circular No. A–11, Part 2 for budget submission guidance.)

Agencies are encouraged to have on hand capital planning documents at various levels of detail, applying each for different purposes. For example, a summary level might be sufficient for the authorization process in the Congress or justifications for the appropriations committees. The same or a different summary might be made available to OMB to support agency budget proposals to, or if requested by, OMB. The most detailed level might remain in the agency for use in developing the summary materials for OMB and the Congress. In this regard, the Agency Capital Plan can be an excellent means of explaining the background for capital asset purchases, as well as their justification, and can be used as a means of answering inquiries related to an agency's budget submission. Last, the Agency Capital Plan can support an agency's related salaries and expenses associated with the staffing, operation, and maintenance of its capital asset portfolio.

I.6.3) Key Elements of the Agency Capital Plan

Agencies are encouraged to include the elements described below in their Agency Capital Plans. This outline and description should not be viewed as a required format. Agencies that choose to use a summary of their capital plans to justify funding requests for capital assets are encouraged to work with the Congress, OMB, and other stakeholders to determine what should be included and in what format.

The Agency Capital Plan may contain the following elements:

- Statement of agency mission, strategic goals and objectives, and annual performance plans;
- Description of the Planning Phase;
- Baseline assessment and identifying the performance gap;
- Justification of spending for proposed new capital assets;
- Cost-Schedule and performance goals and changes thereto;
- Risk-Management Plan;
- Staff requirements;
- Timing issues, if involved in a multi-agency acquisition;
- Plans for proposed capital assets once in use; and
- Summary of risk management plan.

Each of the elements is discussed in detail with a table demonstrating the relationships between strategic plan, annual plan, and capital plan in Appendix 12.

I.7) AGENCY SUBMISSION FOR FUNDING IN THE BUDGET YEAR

The Budgeting step of the capital programming process occurs when OMB works with the agencies to devise a funding plan to allocate resources among various priorities.

This process begins when the agency starts to incorporate budget concerns into its strategic and annual performance planning, including consultation with OMB staff and perhaps congressional staff. Budgeting is of greater urgency when the agency formally requests budget authority for the asset in its budget submission to OMB for the coming year. Although budgeting should be incorporated to account for all phases of an asset's life-cycle, the formal budget process really begins during this step of the Planning Phase once the agency requests OMB to include the funding for a program or project in the President's Budget. The Budgeting Step and the Planning and Budgeting Phase ends when the Congress appropriates funds for the acquisition and OMB apportions the funds to the agency.

Agencies are encouraged to work with OMB through the entire Planning and Budgeting Phase to greater increase its likelihood of funding. This is where a long-term capital asset investment and utilization plan is useful. It greatly assists the decision makers at OMB see where this asset, among others, fits into the long-term goals of the agency. The plan, as described above, which includes condition analysis, annual performance, and asset inventory, would be familiar with the OMB RMO staff and clearly list out where the asset in question fits into the long term plan.

This step differs from the other planning steps in part because the sole decision making authority does not rest within the agency. They are made in part by OMB (whether to include the request in the Administration's budget proposal to the Congress), and by the Congress (whether to enact budget authority for the acquisition).

This section could also be called the "Justification" or "Approval" section. The agency justifies its proposal to OMB and the Administration, and if approved, the agency and the Administration justify the proposal to the Congress.

Return on Investment (ROI) includes consideration of integrity, confidentiality and authenticity, availability and reliability. If an asset does not have all these characteristics, then the chances of realizing the ROI are reduced. Agencies must demonstrate the use of a repeatable framework for considering these aspects in the selection of capital asset investments. The Federal Information Security Management Act (FISMA) is such a framework for IT assets. Two key aspects of this framework are:

- Implementation of security configurations. FISMA requires each agency to determine minimally acceptable system configuration requirements and ensure compliance with them. In addition, agencies must explain the degree to which they implement and enforce security configuration.

- Plan of Action and Milestones. FISMA requires agencies to develop a process for planning, implementing, evaluating, and documenting remedial action to address any deficiencies in the information security policies, procedures, and practices of the agency.

Agencies must report annually the status of both implementation of security considerations and the Plan of Action and milestones. OMB uses this information to determine the degree to which agencies use the framework and to establish an understanding of the overall level of risk in the Federal IT portfolio.

I.7.1) Agency Submission to OMB

The agency submission should be consistent with the Principles of Budgeting for Capital Asset Acquisitions, which can be found in Appendix 6 to this Guide and is published annually within OMB Circular No. A–11 as Appendix J. Once submitted, the agency may be called upon to defend the proposal formally in OMB's agency hearings, or informally in many other ways. The proposal will undergo further scrutiny within OMB, and OMB may request more information from the agency, before the OMB Director makes the budget recommendation to the President.

In most cases, the formal submission to OMB will not be the first time OMB or the Congress learns of the proposal, because OMB, and perhaps the Congress, may have been involved in developing the Agency Capital Plan and in approving funding for the Planning Phase. It is also not the first time that the agency has been involved in budgeting and justification. Within the agency, budgeting and justification take place among the various programs and bureaus. Projects that cover more than one appropriation account within the agency or are multi-agency projects should have undergone careful planning to determine how the total cost should be allocated among the various accounts. By the time it is proposed to OMB for funding, the project has survived the competition for resources within the agency and is ready, in the view of the agency head, to compete in a larger and more demanding arena for budgetary resources.

I.7.2) Criteria for Justification of Spending for Proposed New Capital Assets

Although the details will vary depending on the acquisition, there are certain key criteria that OMB will look for in the justification. OMB Circular No. A–11, Part 7, defines the budget submission requirements for both new and in-process acquisitions. A discussion of the key elements of an Agency Capital Plan can be found in section I.6.3 of this Guide, with further detail in Appendix 8 and Appendix 12. The principles incorporate the requirements of the Clinger-Cohen Act of 1996 for justifying budgets for capital assets. The three parts of the justification discussed here are (1) basis for selection of the capital asset (2) principles of financing and (3) strategies for strengthening accountability for achieving goals.

I.7.2.1) Basis for Selection of the Capital Asset

The basis for selection of the capital asset is taken from the Justification of Spending for Proposed Capital Assets in Appendix 12. Illustrations of questions OMB Resource Management Offices (RMO) may ask when reviewing agency submissions are shown below.

Illustrative Requests from OMB and Others Regarding the Cost, Schedule, and Performance Goals:

- *Provide baseline cost and schedule goals for the acquisition.*
- *Explain the agency system for developing the baseline goals and evaluating whether the goals will be met.*
- *Explain the performance goals for the asset.*
- *Explain the risk that the cost, schedule, and performance goals will not be met and how that risk will be monitored and controlled.*

I.7.2.2) Principles of Financing

Illustrative Agency Statement of Program Objectives and Related Information: The program is expected to process 50,000 documents next year and will have to process a projected 60,000 documents five years later. Legislation making the documents more complicated is likely to be enacted. Current projections indicate that the number of Federal employees (FTE) must decline by 15 percent between now and then.

Illustrative Questions from OMB and Others Regarding Program Objectives: Are the documents important to the agency mission? What is the basis for the projected increase in the number of documents? What are the assumptions regarding the complexity of the documents and the amount of time needed to process each document? What is the basis for assuming that the number of Federal employees will decline?

The following principles of financing should be followed for the acquisition of capital assets. These are from Principles of Budgeting for Capital Asset Acquisitions (see Appendix 6).

- **Principle 1. Full Funding.** Agencies should request budget authority sufficient to complete a useful segment of a project (or the entire project, if it is not divisible into useful segments). Full funding must be appropriated before any obligations for the useful segment (or project) may be incurred.

- **Principle 2. Regular Appropriations and Authority for Multi-Year Contract Authority.** Regular appropriations for the full funding of a capital project or a useful segment (or investment) 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.

- **Principle 3. Separate Funding of Planning Segments.** As a general rule, planning segments (e.g., initial planning, competitive prototypes) should be financed separately from the procurement of a useful asset.

- **Principle 4. Accommodation of Lumpiness or "Spikes" and Separate Capital Acquisition Accounts.** To accommodate lumpiness or "spikes" in funding justified 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.

I.7.2.3) Strategies for Strengthening Accountability for Achieving Goals

Failure to achieve the project cost, schedule, and performance goals can have serious consequences on the ability of the agency to meet its strategic goals and objectives and can seriously affect the agency budget for many years. In addition to providing the cost, schedule, and performance goals, agencies should describe: how much development work is involved, the procurement strategy that will be used (including use of competition and financial incentives), how the acquisition will be managed (use of IPT and the performance-based management system that will be used to provide visibility into program status), the risks associated with the acquisition, the probability of achieving the goals, and the thresholds for termination of the project. This material can be taken from the ACP, Appendix 12.

II. ACQUISITION PHASE

Introduction

Acquisition Planning started with the steps in the previous phase and resulted in the capital plan that justified the funding to acquire the asset. The Acquisition Phase, for purposes of this Guide, begins after the agency has received funding from the Congress for a segment, module, or the entire asset and ends when the asset is delivered and fully operational. Although this section of the Guide addresses issues that arise when the agency intends to satisfy its requirements using outside contractors, most of the principles are equally germane when the work will be performed in-house. The in-house work must be managed with the same rigor as contractor work. In-house operations are expected to achieve the cost, schedule, and performance goals to ensure success of the project, just as with contractors. While a project charter replaces the contract for in-house work, the other requirements for good project management, including the use of EVM in accordance with the EIA 748 standard are applicable for development efforts or multiple projects in a program. Where there are both Government development efforts and contractor development efforts in the same program, the data from the two EVM systems must be consolidated at the reporting level for total program management and visibility. If specific EVM and other project management best practices are not deemed necessary for in-house management, the business case for major acquisitions will need to explain why the agency determined the specific management practice was not germane to the in-house operation.

Depending on the results of the research into the capabilities of the market to provide the asset, the agency will begin the process to procure the asset. In most cases, the procurement should be for a commercial item involving limited or no development work. When the risk inherent in development is offset by the high expected return, the procurement may begin with a development contract.

All projects involve risk, even those that seem ordinary and do not involve high technology. Nevertheless, agencies are expected to award contracts which have a high probability of achieving at least 90 percent of the cost, schedule, and performance goals established in the Planning Phase. The requirements to establish realistic goals and manage the acquisition to meet those goals applies to all contracts, including both development and production contracts. The IPT must ensure that the proposals and in-house estimates clearly recognize the amount and impact of risk on cost, schedule, and technical effort. The contract should provide for a reasonable profit if the contractor meets the risk-adjusted cost, schedule, and performance goals. It should also provide incentives to the contractor only for cost and schedule reductions while maintaining the expected performance, or for performance improvement while maintaining cost and schedule goals, if performance improvement is actually needed to meet agency strategic goals and objectives.

Not every project will achieve the cost-benefit expectations of the Planning and Budgeting Phase. If the EVMS and other management tools indicate that the planning expectations are not realized during the Acquisition Phase, agencies should undertake benefit-cost analysis to evaluate whether the benefits of completing the project are worth the additional costs, schedule delays, or performance reductions that would be incurred. Assuming the re-baselined project has an acceptable cost/benefit ratio, the agency must then compare that ratio with other projects within the agency's portfolio to determine if the re-baselined project merits continued funding. If not, agencies should concede the sunk-costs and terminate the project.

Sound acquisition management requires holding managers accountable. By making the decision makers responsible for their decisions, there will be a greater emphasis in the long run on setting realistic goals and on seeing that they are met. Agencies should establish for the IPT, and others as appropriate, a system of incentives to encourage achievement of the project's baseline goals. These incentives should include rewards (including bonuses), recognition, and consideration in both personnel evaluations and promotion decisions, when performance of IPT personnel contributes to achieving or exceeding the cost, schedule, and performance goals of the acquisition. Incentives are not appropriate if the acquisition does not achieve its baseline goals.

II.1) VALIDATE PLANNING DECISION

The Acquisition phase implements the planning discussed earlier in this Guide by using the funding provided via the budget process. The specifics of each acquisition are governed by the Acquisition Plan (AP) which documents the planning decisions. Formal written plans that include all of the information described in Phase I and FAR 7.105 are required for all major acquisitions. The FAR and the agency implementation regulations guide the program through the acquisition process from requirement need through close out of the final contract.

At the beginning of the Acquisition Phase, the IPT should re-examine the mission need. The IPT should also re-examine the sustainable design principles and determine if new sustainability initiatives are available. Furthermore, it should re-assess the market capabilities to verify the conclusions reached in the Planning Phase as to whether a commercially available asset can be acquired or limited (or full-scale) development work is needed. The amount of development and complexity of integration are usually the greatest risk factor. Therefore, this validation will have a significant impact on what types of risk treatment and mitigation will be necessary. The IPT should review any prior decisions that development work would be necessary, because technical advances that have occurred since the Planning Phase (or even pre-existing capabilities that were overlooked) could render development work unnecessary. Large, complex implementations of COTS solutions should be broken down into manageable components of useful functionality to reduce risk.

Alternatively, the IPT may determine that a decision in the Planning Phase for direct procurement is no longer valid and development is necessary. When such a determination is made, the analysis and recommendations to change direction should be considered and approved through the portfolio planning process before the IPT proceeds with the acquisition.

The IPT should also re-examine how it can make the most effective use of competition and financial incentives. For instance, if full-scale development was originally planned, but now only limited development will be necessary, more commercial firms may be willing to compete. Also, it is generally appropriate to use firm fixed-price or fixed-price incentive contracts if the development is limited or nonexistent. Of course, the re-examination of the contracting method will also lead the IPT to re-examine what type of acquisition management system is necessary to ensure adequate progress and accountability. If the scope of work requires development type work, EVM must be the major management system used. For major acquisitions, the use of interagency contracts and Indefinite Delivery/Indefinite Quality contracts should be limited. Major acquisitions are large dollar acquisitions and the maximum amount of competition should be solicited.

The IPT must review the WBS to ensure that it completely defines the program scope of work and will provide the basis to extend the Contract WBS to achieve integrated cost, schedule, and technical performance management. The cost estimates and risk assumptions must be reviewed by the systems engineers and cost estimators to ensure the Government has a sound basis for negotiating the contract.

II.2) MANAGE THE ACQUISITION RISK

The most important aspect of the Acquisition Phase is managing the risk. The Program/Project Manager must provide for continual risk management throughout the life of the program/project. Risk management should be built into an agency's Acquisition processes as a variety of risks may arise in each stage of the Acquisition process. Agencies should also carefully monitor the terms and conditions, including pricing, on which risk allocations are determined, to ensure that they reflect value for money. To ensure that all the risk is identified by the Government and contractors, integrated baseline reviews are required either prior to award or as soon as possible after award, as appropriate, and whenever there is a major modification to the program or a baseline change is requested. The purpose of this function during the Acquisition Phase is to:

1) Track, manage, and report risks associated with the Acquisition Phase;
2) Develop the risk management requirements for the RFP; and
3) Based upon the winning proposal, identify new risks associated with the Development and Implementation Phases of the project, and develop necessary mitigation/contingency strategies.

An appreciation of business risk management at all levels in the organization will help to ensure that the impact on a project is fully understood and monitored throughout its life. It is important that a risk management strategy is established early in a project and that risk is continually addressed throughout the project life cycle.

Risk management includes several related actions involving risk: planning, assessment (identification and analysis), handling, and monitoring.

The extent of risk management required by an agency will vary from following routine Acquisition processes to a significant undertaking involving a high level of planning, analysis, and documentation. Risk management increases the number of projects that will meet the established goals. Management of risk is an ongoing process throughout the life of the project, as risk will be constantly changing. Before starting any acquisition, the IPT should update the acquisition plan to ensure that the risk management strategies considered in the Planning Phase remain appropriate. Agencies should address considerations of safety, security, and risk management in acquisition strategy meetings, source selections, award fee structures, and project surveillance.

Appendix 5 further describes the risk management process.

II.2.1) Limiting Development

The greatest risk factor to successful contract performance is the amount of development that is planned for the Acquisition. Projects requiring full scale development have the greatest potential to experience cost overruns, schedule delays and not meeting performance goals. Therefore, agencies should procure, to the maximum extent practicable, commercial and non-developmental items to satisfy needs.

When commercial or non-developmental items are not available, agencies should consider pursuing limited development work. Although limited development still poses more risk to successful contract completion than needing no development, it does not endanger the success as much as full-scale development. Full-scale development should normally only be considered when it promises exceptionally high returns for achievement of strategic goals if it is successful. Full-scale development should not be used if it will cause the agency to reduce service or increase costs if it is not successful.

There are several ways of mitigating risk, especially the risk that limited or full development presents. One method is to make use of the Nation's integrated industrial base (i.e., companies with facilities, design and manufacturing processes, and technologies capable of servicing both commercial and Government needs). When limited development is necessary, agencies should make maximum use of commercial assembly lines, technology, components, and processes.

Even when full scale development is required, the commercial marketplace has established processes for development work (e.g., design, quality control, and technologies) that the agency can use in its development effort. Furthermore, there are significant advantages if the contractor establishes a market for the product of the development effort beyond the current need. This approach creates the need for the contractor to plan for future maintenance. In many large, full scale development efforts, cost precludes selecting anyone other than the original developer to maintain the custom solution. Planning for custom solutions must address the risk of having to pay excessive amounts for future maintenance.

The Pentagon Renovation Program was conducted in stages relating to "wedges" in the building. The first phase of the renovation did not use a performance-based contract (PBC) and the design plans included 2,600 pages of detailed design specifications. The renovation of wedges 2 through 5 used a PBC and needed just 16 pages to communicate performance-based requirements. For this second part of the project, potential offerors were encouraged to attend the Government's requirements definitions meetings help identify performance requirements, not detailed specifications. For example, one of the sustainability requirements for restrooms was that wall surfaces should have a 50 year life. This resulted in Corian being proposed in place of the traditional tile because Corian was significantly less costly on a life-cycle basis.

II.2.2 Using Competition and Financial Incentives

The effective use of competition and financial incentives is another means to reduce the risk to successful contract completion. In the earliest stages of the acquisition process, the agency should still be looking for innovative solutions to meet its needs. Advance Acquisition Planning (AAP) should be used so that the contracting officer has time to perform any necessary market surveys, prepare a clear solicitation, and effectively identify and use available resources. Given the opportunity, industry can be helpful in proposing innovative solutions. This is more likely to be effective if sufficient time is given for a thorough review of the requirement. Requirements in solicitations should be written not as detailed design specifications, but rather as clear performance standards for asset function and performance, including long term operation and maintenance (O&M) costs, that allow sources to propose various alternative solutions for meeting the agency's needs. Additionally, making effective use of competition and financial incentives will help the agency obtain better cost, schedule, and performance goals at contract inception.

A major barrier to taking advantage of the Nation's integrated industrial base can be the burdens and risks imposed by the Government's demands, in order to ensure price reasonableness, for offerors to submit certified cost data and/or to comply with the Government's cost accounting standards. Agencies can avoid this problem by using acquisition strategies that rely on competition and fixed-price contracts to ensure that reasonable value is received for the price paid.

Creating a monopoly can create problems far beyond an increased procurement price in the current acquisition. Whenever the Government lacks viable alternative sources of supply the agency may lack a realistic means of enforcing contract cost, schedule, and performance goals. Additionally, the lack of viable alternative sources of supply increases the agency's risk of being unable to obtain spare parts and O & M services at reasonable prices.

Agency acquisition plans should attempt to avoid monopolies through mitigation techniques such as multi-sourcing and using commercial standards (e.g., interfaces and footprints that allow for the use of alternative components). Sometimes (e.g., in an extremely large development effort) the nature of an acquisition effectively precludes competition for the foreseeable future. In such circumstances, an agency must take precautions to mitigate the negative effects of the monopoly (e.g., long term pricing arrangements for system upgrades and maintenance with source code or technical data in escrow in case of a violation). The use of Indefinite Delivery Indefinite Quantity (IDIQ) contracts awarded to one contractor for a long term project means that the task orders for future work when defined are negotiated in a sole source environment, even though the FAR classifies the contract as competitive.

Rationale for Providing Stipends

- *Proposal Development is very costly;*
- *Signals the intent that owners are serious about carrying the project forward;*
- *Improves the quality of firms which are submitting; and*
- *Encourages proposers to give full effort.*

Providing stipends to contractors to cover some or all of proposal costs can provide an effective financial incentive to increase competition.

The use of a multi-step source selection process is necessary to effectively use stipends. Stipends to non-successful offerors help defray, but rarely come close to fully covering the costs that offerors expend in responding to RFPs. However, providing a stipend strongly encourages the very best companies to put forth their very best proposals. The Government may decide to require permission to use design plans as a precondition to receiving a stipend. Experience in construction contracts has shown that where an optional stipend is given to a non-successful offeror in exchange for the right to use the design plans, the stipend is generally readily accepted. The availability of a stipend and the terms governing its use must be identified in the RFP.

Financial incentives may reduce risk by motivating contractors to meet cost, schedule, and performance goals. Financial incentives can take the form of additional profit for reducing cost, faster delivery or improved performance. Incentives must be used properly. One way to motivate cost reduction without jeopardizing contract performance is to motivate based on the "probable cost" resulting from the IBR. The incentive must be large enough to be meaningful to the contractor.

Significantly faster delivery than required. Agencies need to be mindful of three things when working with delivery or performance incentives:

- Such incentives are only paid for delivery that is faster than not only what is called for in the contract, but also what is normally done in the marketplace.

- For cost reimbursement contracts, the effort to deliver early to earn the delivery incentive does not drive up the cost of contract performance.

- The incentive for delivery will not result in delivery before the Government is ready to use the items.

Delivery of goods/services that significantly exceeds Government performance requirements. This is when the contractor delivers a good or service that exceeds the performance requirements (other than delivery time) stated in the contract. Agencies need to be mindful of three things here:

- Agencies should only motivate performance that is significantly above and beyond contract requirements.

- For cost reimbursement contracts, agencies should also be careful that the effort to exceed Government requirements to earn the incentive does not drive up the cost of contract performance.

- The incentive should not encourage the provision of performance that exceeds the Government's needs to meet the agency strategic goals and objectives. This would be a waste of resources that could be used elsewhere in the agency where strategic goals and objectives are not being met.

The standards for the payment of incentives must be clearly defined in the contract and incentive payments must not be made if the standards are not met. Paying incentives without clear justification, even for award fee incentives, has been identified in GAO reviews as a major problem area in contract administrations.

For award fee contracts the award standards must be as clear as possible, but the incentive provisions can be for patterns of behavior, rather than specific measures. If performance evaluation requirements are written too narrowly, the agency may not reward sought after behavior.

Agencies need to be cautious and ensure that the incentive awards the appropriate behavior. An agency provided an award fee incentive if a call center picked up telephone calls within two rings and established a system to monitor the requirement. The contractor met the requirement by hiring more low-paid employees to answer calls, but the overall objective of achieving quality was lacking.

While the element of subjectivity must be recognized in evaluating award fees, suggested criteria for award fees may include:

- Quality of work
- Problem solving
- Safety
- Communications
- Minority business opportunities

II.2.3 Using Performance-Based Specifications

When developing the statement of work for major contracts, the more design and specification detail included by the Government on "how to" meet the contract requirements, the more the Government warrants that the specified "how" will meet the performance requirements of the contract; therefore, the more risk the Government assumes for the success of the project. Performance Work Statement (PWS) may reduce the amount of changes and limit the litigation risk.

Using PWS encourages competition by allowing offerors to compete based on providing unique and innovative solutions to performance needs, rather than just price. In this way, the Government benefits from a marketplace of potential solutions and may choose the solutions that best meet the agency's goals within the available budget.

The PWS must include the outcome goals of the acquisition. The outcome goals are normally discussed in the Justification section (I.) of the business case, and the performance goals section of the business case.

The use of PBSs is a mandatory requirement for all major acquisitions. Failure to use a PBS, unless justified, will result in a poor evaluation of the acquisition strategy in section I.G. of the business case when the business cases are being reviewed by management for funding.

II.2.4 Establishing an Earned Value Management System

The third key principle of risk management in the Acquisition Phase is using Earned Value Management in accordance with the guidelines in EIA Standard 748.

The solicitation for the contract, or in-house charter, must contain the FAR EVM provisions for pre- or post-award IBRs, as appropriate, and the EVM clause. The process and schedule for contractor and in-house EVM system validation for meeting the EIA 748 standard through EVMS Compliance Recognition documents or a Compliance Evaluation Review where a compliance document does not exist, and periodic systems surveillance must be also be defined in the solicitation.

When considering whether to conduct a pre- or post-award IBR, the IPT should consider that the baseline established with the initial contract award becomes the original baseline for meeting the requirement to achieve 90 percent of the cost, schedule, and performance goals. Any request for a baseline change after initial award that exceeds the 90 percent threshold will require agency head review and OMB approval before the new baseline may be included in the contract.

The Agency EVM process should be consistent with established best practices. For more information see Appendix 3, Example of Earned Value Concept and Schedule Variance for Capital Assets.

II.3) CONSIDER TOOLS

MODULAR CONTRACTING

Reduces Risk by:

- *Increasing competition among firms*
- *Facilitating fixed-price contracting*
- *Accommodating changing technology and agency priorities*

Various tools permit agencies to manage risk in the Acquisition Phase. Three such tools are modular contracting, advisory multi-step acquisitions, and competitive demonstrations/prototyping. All of these tools can be used in combination with each other.

II.3.1) Modular Contracting

Agencies should, to the maximum extent possible, consider breaking large acquisitions into smaller, more manageable segments or modules. Each module must be an economically and programmatically viable (i.e., useful) segment, as defined in the Glossary. A module should include whatever design, development, prototyping, testing, and production are necessary to obtain the identified functionality. However, a module may be a phase such as Planning, or a part of a phase, such as Development and Selection of Prototypes. Each module should be fully funded (see section I.7.2). As technology advances and agency priorities change, the design of subsequent modules may incorporate these improvements. Modular contracting, therefore, is appropriate even in commercial or non-developmental item Acquisitions. Although modular contracting is generally thought of in terms of contracts for information technology (the Clinger-Cohen Act of 1996 requires that IT contracts be completed within 18 months of the issuance of the solicitation, which almost demands modular contracting for IT), this concept is a best practice for other types of capital assets. This concept is also known as spiral development.

In addition, in limited or full-scale development efforts, if program progress falls short of expectations, it usually is easier and less expensive to make adjustments using modular contracting. A modular approach allows the agency to attack risk incrementally, thereby making it easier to manage. Projects may include successive modules, where each module depends upon already completed modules. Projects may also be composed of several parallel modules, provided that, if one fails, the others will still provide a cost-beneficial service.

The parameters of a module will vary depending upon the type of asset being acquired or the nature of the asset being developed. The following factors, however, should be considered:

- **Separability**. A module should be an economically and programmatically separable segment. The module should be fully funded, have substantial programmatic use that is not dependent on any subsequent module, and be capable of performing its principal functions even if no subsequent modules are acquired.

- **Interoperability**. Each module should comply with a common architecture or commercially acceptable technology standards. Increments should be compatible and capable of being integrated with other modules. By using common or commercially acceptable standards, agencies make competition for subsequent modules a more viable option. For IT acquisitions, modules should also conform to the agency's master information technology architecture regarding interoperability.

- **Performance requirements.** The performance requirement of each module should be consistent with the performance requirements of the completed, overall system and should address interface requirements with other increments.

In acquiring the first module, the agency should plan for the acquisition of subsequent modules. Contracts should be structured to ensure that the Government is not required to procure additional modules. The following list provides examples of contracting techniques that may be used to acquire subsequent modules:

- **Include Modules in Initial Contract**. This technique is most appropriate when product integration may be a problem, subsequent modules can be clearly defined at contract inception, and options can be exercised shortly after contract award. If there is going to be other than a minimal amount of delay in awarding the subsequent modules, it may not be prudent to include subsequent modules in the initial contract, because agencies would want the flexibility of taking advantage of technology improvements or changes in agency priorities.

- **New Solicitation.** An agency can issue a new solicitation and award a new contract for subsequent modules. This approach is most appropriate when integration will be relatively easy and there is a pool of contractors that could perform the work without a large capital investment.

- **Task and Delivery Order Contracts**. Some agencies have awarded IDIQ contracts with task orders issued for each module. These contracts normally are issued because the agency has not defined the work except in broad terms. These contracts contain a high degree of risk as the subsequent task order statements of work can be highly influenced by the contractor and the negotiation for scope of work and cost, and schedule goals is done on a sole source basis. Where possible, agencies should enter into multiple award contracts to maintain effective competition throughout the acquisition.

In order to reduce the high risk in IDIQ contracts for major acquisitions agencies should use competitive prototyping or define the first task order in the solicitation and conduct a full IBR on the two most qualified offeror's proposals before awarding the contract and first task order. Either of these methods will maintain competition through a detailed review of the proposed solution and provide a clear set of risk adjusted cost, schedule, and performance goals and a PMB that both the Government and contractor believe can be achieved without major changes. The award of this competitive task order will provide the Government with realistic cost information that can be used as a basis to negotiate the follow-on sole source task orders.

- **Sole Source.** When the original contract does not provide for follow-on modules and it is determined that follow-on modules should be awarded to the original source (see FAR 6.302–1(a)(2) (ii)), an agency may issue a sole source award for subsequent modules to the supplier of a previous module. This approach is appropriate when the benefits of having the incumbent contractor continue the work outweigh the benefits of competition (e.g., contractor continuity is necessary to ensure good system integration). Pre-award IBRs should be conducted before the award of any sole source contract to ensure the cost, schedule, and performance goals have been thoroughly reviewed and agreed to by both parties.

With modular contracting, agencies are better able to manage developmental risk. Accordingly, agencies are more likely to be able to use a firm fixed-price or fixed-price incentive contract for the acquisition of each module. As discussed more thoroughly in section II.4, using a firm fixed-price contract is the preferred contracting method. Modules can often be acquired on a firm fixed-price basis when a large developmental program could not, because modules reduce the risk to cost, schedule, and performance goals that a large developmental program would otherwise have. Modules also can limit the Government's exposure when contracting on a cost reimbursement basis because the task is smaller and more likely to be accomplished within goals by the contractor. In addition, the Government may terminate the acquisition with smaller sunk costs if it becomes apparent that the threshold goals will not be met.

Modular contracting, especially when using an open architecture, can also increase the effective use of competition. The contract base for large development efforts tends to be limited to those large companies that have the Government as their major, if not only, buyer. By breaking the acquisition into smaller pieces, the agency is able to make better use of the Nation's integrated industrial base by making the competition more attractive to smaller firms as well as firms that do predominantly commercial work. This increases both the quantity and quality of the competition.

II.3.2.) Advisory Multi-Step Acquisition

Like modular contracting, a multi-step approach has advantages regardless of the amount of development necessary. In a multi-step approach, the agency asks for limited information in the first phase. The requested information typically consists of information about past performance and experience, a conceptual outline of the proposed technical approach (versus a particular technical solution), and a rough order of magnitude pricing. Detailed technical and cost proposals are not received in the first phase. After requesting and evaluating the limited information submitted by potential offerors in the first phase, agencies can then advise each potential offeror whether or not it is a realistic contender for award. In general, when the agency does issue the actual solicitation, in the second phase, all responsible sources, even those sources that participated in the first phase but were advised that they were unlikely to be realistic contenders, as well as sources who did not participate at all in the first phase, are allowed to submit proposals and have those proposals fully considered. A third step may be added to allow for a down select to two offerors where a pre-award IBR will be conducted on each proposal to finalize the cost, schedule, and performance baselines, complete the risk management plan, and select the best offeror for award of the contract.

The type and amount of information the IPT requests in the first phase step depends on the type of acquisition. In commercial and non-developmental item acquisitions with limited or no development, the information requested in the first step can focus on past performance references and commercial catalogs. Such information would give the IPT a good sense of which offerors have demonstrated their success in applying their capabilities on similar projects.

Advising prospective offerors, in the first step of their competitive viability should limit the number of full technical and cost proposals the IPT receives. Limiting the number of full proposals received should save valuable resources for both the agency and prospective contractors. Prospective offerors' up-front expenditures will be reduced, and they need not expend more resources until after they have been advised of their likelihood of being competitive for the award. A multi-step process may, therefore, encourage more participation by firms that have successfully performed in the private sector, but because of the high cost, have not previously chosen to compete for Government contracts.

Regardless of whether or not development is required, a multi-step approach allows the acquisition to benefit substantially from the efficient and effective communication between sources and agency personnel. These communications will foster the development of requirements and evaluation criteria that allow the best fit between agency needs and marketplace capabilities. Sources that are advised, based on the first step review, that they are strong competitors should be encouraged to participate in such a due diligence effort. As a general matter, however, because the interchange occurs before issuance of the solicitation for proposals in the second step, all interested sources will have the opportunity to participate. Agencies that are not bound by the requirement in the Office of Federal Procurement Policy Act and the Small Business Act that all responsible sources be allowed to submit offers, can restrict participation in the due diligence effort to those offerors selected in the first phase, making it even more beneficial. This is consistent with the definition of budget authority contained in section 3(2) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Omnibus Budget and Reconciliation Act of 1990.

Multi-Step acquisition provides incentives to bidders to invest more of their own resources to perform due diligence to learn about agency needs and develop innovative high value solutions. The multi-step approach provides an incentive for offerors to invest resources in performing due diligence. Once an offeror has been told that, based on the first step review, it is a leading contender to receive the award and it knows that only a limited number of other offerors are in that position, the offeror has a strong incentive to work with the IPT, end-users, and others to obtain good information about the agency's needs. Offerors will be able to assess well the gaps between the functionality and performance available using existing assets and the functionality and performance desired. There is also a strong incentive to understand what is expected by those who will have to use, maintain, and rely on the new system. This information and understanding can enhance substantially offerors' ability to submit high value proposals and avoid contract disputes.

It is not necessary in the multi-step process outlined above to include firm requirements or evaluation criteria for the second step solicitation in the initial notice or before due diligence is complete. As a result, the dialogue between prospective offerors and agency personnel can contribute substantially to the development of requirements and evaluation criteria that yield very effective competition. The benefits of competition depend not only on the number of offers received, but also on how likely the offerors are to submit proposals that will meet the agency's needs and provide good value. It is better to receive three robust offers than ten mediocre ones. By accommodating and targeting marketplace capabilities that are suitable for meeting agency needs, the refined solicitation (that is produced by a multi-step approach) puts offerors in a good position to propose what the agency actually needs and wants and increases the probability of awarding a contract that represents the best value available in, or capable of being developed by, the marketplace.

Of course, if the Government believes it is appropriate (e.g., the development work will be substantial) to offer further incentives, the Government may award competing prototype contracts with limits on the total costs to be reimbursed by the Government (see II.3.3, Competitive Prototyping). This type of contracting can be used if the agency decides a pre-award IBR is necessary to establish a firm baseline with a high probability of achieving the cost, schedule, and performance goals for the contract or module before award to prevent the potential need to ask for a baseline change if the IBR is done after award.

The term prototype normally means a physical deliverable that can demonstrate actual performance characteristics. For long-duration contracts that include significant development, it may be impractical to proceed all the way through completion of a prototype. In lieu of a prototype, the Government may require an initial detailed design activity that is sufficient to demonstrate the adequacy of the proposed technical approach and enable the accurate estimation of the cost of development.

There is no generally preferred contract pricing mechanism for a multi-step acquisition. The pricing mechanism will depend on the type of acquisition. If the acquisition is for a commercial or non-developmental item or for a limited development effort, it should be a fixed-price effort; if, however, the acquisition is for a full-scale developmental system, a cost reimbursement contract may be necessary if the risk is too great for a fixed-price contract. For development efforts, however, thresholds should be established beyond which the project would not be cost-beneficial and should be considered for termination.

II.3.3. Competitive Prototyping

To mitigate the risk of full-scale or limited development, agencies may use competitive prototyping. In competitive prototyping, contractors offering alternative system design concepts are selected to develop prototypes of their products. In acquisitions with limited development, the development work can be completed as part of the prototyping effort. When limited development is done as part of the prototyping effort, the contractor would be ready to move to full-scale production after satisfactorily completing the prototype.

Whether full-scale or limited development is contemplated, both contractors and the agency can use the competitive prototyping phase to exchange information. This opportunity gives the contractor a better idea of what the end-users need. Similarly, it allows the agency to learn what the marketplace can provide. As is the case with multi-step acquisitions generally, continuing needs definition and market research in a due diligence effort—conducted with those sources selected to develop prototypes—allows for an effective and efficient information exchange. This exchange will foster achieving the best fit between agency needs and market capabilities. Prototyping also allows the Government to obtain enough information about the design and production to be able to determine the product's subsequent affordability. A goal of any prototyping and development effort is to get the project developed to the point that the agency can use firm fixed-price contract for production and/or implementation.

If full-scale development is contemplated, competitive prototyping can be used to verify that the chosen concepts are sound, to perform in an operational environment, and to provide a basis of selection of the system design concept to be continued into full-scale development, before the agency commits to large scale funding. Prototypes may range from a principal end item or critical subsystem, to a limited and less than complete development model. It is anticipated that the winning concept and contractor of the competitive prototyping evaluation will then move into full-scale development and initial production. In awarding the prototype contracts, agencies may provide different funding amounts to each contractor depending on several circumstances (e.g., particular design, the amount sought, and the concept's potential).

When using competitive prototyping in advance of full-scale development, the competitive prototyping contracts should provide for contractors to develop and submit proposals for full-scale development and initial production by the conclusion of the prototyping effort. When the agency is doing development after the prototyping effort, agencies can use fixed-price contracts in which the performance standards may vary to contain the development effort.

If only limited development is necessary, a commercial style approach can be used in which the development can be accomplished as part of a fixed-price prototype contract. This approach contains the development risk and is most appropriate in cases where the development is an extension of a commercial item or otherwise existing technology (e.g., for products that can be produced on a flexible manufacturing line).

Awarding at least two combined prototyping and development contracts provide a strong incentive for contractors to devise the highest value performance-cost tradeoff. In some cases, the contractor may choose to invest some of its own resources in development, particularly if the item has commercial as well as Government use. As when prototyping is done in advance of development, agencies may provide different amounts of funding to each contractor. As an alternative to the award of multiple combined prototype and development contracts (i.e., when at least two awards are not feasible) an agency can consider whether an upgrade of the current system (presumably requiring no more than limited development) is a realistic option that would provide competitive pressure.

A major benefit of the commercial style approach that combines development with prototyping under competitively awarded fixed price contracts is that it can avoid any need for the submission of certified cost data or compliance with Government cost accounting standards for the purposes of determining the initial price or supporting contract payments. Firms doing business in the commercial market view government demands for the submission of certified cost data, compliance with Government accounting standards and the associated burdens and risks to be among the most significant barriers to their participation in government contracting. The commercial style approach, by avoiding the need for such data and accounting, provides increased access to the Nation's integrated industrial base and the commercial assembly lines, technology, components, and procedures that can serve as the basis for achieving an agency's functional and performance objectives with only limited development.

II.4) SELECT CONTRACT TYPE AND PRICING MECHANISM

It is incumbent upon the agency IPT to clearly define the performance requirements and estimated costs for major acquisitions before RFPs are issued. This process starts with the development of the WBS to identify the requirements and the use of cost estimators and systems engineers to develop the Government cost estimate to be used in the contract negotiations. The Government cannot issue broad based statements of objectives without the basic performance standards and allow the contractors to set the scope of work and costs because the Government has not done sufficient market research and requirements definition to establish initial baselines upon which to evaluate offerors' proposals. This up-front planning work allows the Government to assess the amount of risk to the contractors and select the appropriate contract type to protect both the Government and contractors from a high probability of program failure to achieve cost, schedule, and performance goals. The objective is to negotiate a contract type and price (or estimated cost and fee) that will result in a reasonable contractor risk and provide the contractor with the greatest incentive for efficient and economical performance. Agencies should make good use of contract type by matching the type of contract to how much risk there is to meeting the requirement. The amount of developmental risk determines how accurate the Government and the contractor's cost estimates are likely to be.

The Government's preferred contract type is Firm-Fixed Price (FFP), because this contract type is used when the risk involved is minimal or can be predicted with a reasonable degree of certainty. When used for acquisitions with minimal risk this type of contract has the greatest probability of successful achievement of its cost, schedule and performance goals. The use of an EVM system on FFP contracts is based on the nature of the work. If this type of contract is used when the acquisition has a significant amount of development work, the Government is required to include the FAR EVM requirements in the contract

Fixed-Price Incentive contracts and all cost type contracts should be used as appropriate for the type of risk as discussed in FAR Part 16. These contracts should be performance-based and completion type contracts. Earned Value is required on all of these contracts because of their inherent risk. The business case for major acquisitions that use these types of contracts must clearly explain and list the risk that cannot be mitigated and why the risk cannot be mitigated through another approach. The risk should be quantified in the cost, schedule, and performance goals.

Time and Materials and Labor Hour Contracts are not appropriate for major acquisitions that have passed the planning stage. They are to be used only when it is not possible at the time of placing the contract to estimate accurately the extent or duration of the work or to anticipate cost with any reasonable degree of confidence. These types of contracts may be imbedded in the prime contract for short duration unquantifiable work, but never used as the primary vehicle for the delivery of products or services. Earned Value is required on these types of contracts if they are used for development work.

For long-duration contracts (that cannot be broken into modules) that include significant development, it may be impossible to estimate the cost of performing the entire contract with sufficient accuracy to use a fixed price or structured incentive contract from day one. As the contract progresses and the ability to estimate the cost of performance increases, the use of such contracts becomes more practical. Therefore, it may be desirable to initiate the work with a small, short duration time and material or cost plus fixed fee contract for studies of early design, evolve to a cost plus award fee or cost plus incentive fee contract for later design and initial development, and then to a cost plus incentive fee, fixed price incentive, or fixed price contract for initial and full scale production once all development work is complete. For such contracts, it also may be desirable to negotiate the cost or price in increments. The initial estimated cost or price would be for the studies or early design. As work progresses, the estimated cost or price should be renegotiated upward at appropriate points in the contract as those costs become more predictable.

II.5) ISSUE THE SOLICITATION

Solicitations should make the most effective use of competition. Generally, increased public exposure to agency functional and performance objectives will increase not only the quantity of solicitation, but also the quality of the procurement. Solicitation exposure is important, especially when trying to expand the supplier base for major asset acquisitions beyond those few firms that regularly sell only to the Government (sometimes so dependent on Government business that a monopoly exists) to include firms with significant commercial sales.

In addition to notices in the in Federal Business Opportunities and alternative electronic means when available, the IPT should make sure that upcoming or recently released solicitations get announced in trade journals and at related conferences.

The solicitation should explain the mission need in terms of functional and performance objectives (i.e., capability targets versus equipment needs), schedule, and operating constraints. To verify that the performance standards are measurable, the IPT should develop a preliminary quality assurance surveillance plan that defines the process for measuring the standard. Performance standards that cannot be measured need to be deleted and another measurable standard developed. Offerors should be free to propose their own technical approach, main design features, sub-systems, and alternatives to schedule, cost, and functional and performance capability goals.

In developing the evaluation factors to be considered for award, agencies should make allowances for trade-offs among technical features and between technical features and cost. Market analysis, as discussed in the Planning and Budgeting Phase, can help an agency better understand the general capabilities and the state-of-the-art available in the marketplace.

However, the IPT should not limit competition unduly by making trade-offs between price and technical factors too early in the solicitation and evaluation process. Targets should be considered for inclusion in solicitations in place of mandatory minimum requirements.

If an agency wanted to buy a specific fleet asset, it might try to discover every capability available in the market place and then, before issuing the solicitation, establish which capabilities it wants. A better way is to solicit for that particular asset, including any particular target performance capabilities the agency wants, and wait for the various bid offers to come in before making trade-offs.

Market research continues until contract award. It need not be completed prior to issuing the solicitation; in fact, it may be counterproductive to do so if it results in the adoption of minimum requirements in the solicitation that severely limit the range of possible best value tradeoffs. Market research includes the information that members of the Source Selection Team and IPT gain after receipt of offers, but prior to award, as a result of reviewing offers and communications with offerors.

In issuing the solicitation, agencies should consider as an evaluation factor the manner in which the offeror proposes to deal with the various risk considerations. For example, the evaluation strategy in the solicitation should prefer proposals that offer limited or no development over those that offer full-scale development.

The solicitation must require the contractor to operate and maintain an earned value management system to manage the acquisition during its performance period. The system must provide, at a minimum, monthly status reports to the agency IPT on the achievement of, or deviation from, the cost, schedule, and performance goals established for the acquisition. The solicitation for all major acquisitions must contain the appropriate FAR EVM provision for either a pre-award IBR or a post-award IBR, and the FAR EVM clause (see FAR Part 34). In addition, the agency must include the reporting requirements for the agency's oversight needs. Additional reporting may be necessary to manage programs that are not meeting goals. Non-major acquisitions should use EVM to the extent necessary to ensure the program meets its cost, schedule, and performance goals. The solicitation must also provide for the accomplishment of EVM system acceptance reviews for verifying a previous system acceptance or conducting an acceptance review, as needed. The schedule for system surveillance reviews should also be included.

IPTs should conduct orientation briefings for industry and allow industry to comment on the acquisition strategy and a draft solicitation. The objectives are to clarify the solicitation requirements and remove inhibitors to innovative solutions.

II.6) PROPOSAL EVALUATION AND NEGOTIATION

A Source Selection Team (SST) (whose members come from the IPT) should evaluate proposals based on the evaluation criteria in the solicitation. The SST should determine to what extent each proposal meets the criteria included in the solicitation and compare the proposals to each other based on those determinations. If appropriate, the SST should conduct negotiations with offerors to clarify and improve proposed technical solutions and costs. The team should prepare analyses and recommendations for presentation to senior management. If a pre-award IBR is required, it must be included in the proposal evaluation process during the best value tradeoff analysis. If a pre-award IBR was not contemplated at the time of the solicitation, but the SST determines that the proposals received do not clearly demonstrate that the cost, schedule, and performance goals have a high probability of being met, an IBR can be conducted before the award is made.

In selecting from competing alternatives, the reviewers, consistent with the solicitation, should consider:

- Functional and performance capabilities of the proposed solutions in relation to the mission needs and program objectives, including resources required and benefits to be derived by trade-offs, where feasible, among technical performance, acquisition costs, sustainable design principles, ownership costs, and time to develop and field.

- The competitors' relative accomplishment record (past performance).

- Offeror's documentation from a Cognizant Contracting Officer or a Cognizant Federal Agency that has conducted a systems acceptance review that the EVM system proposed for use meets the guidelines in EIA Standard 748. The SST should ensure that the documented system is compatible with the contemplated contract and that the contractor will actually use it to manage the project.

- If the offeror proposes to use a system that has not been determined to be in compliance with the EIA Standard, the offeror's comprehensive plan for compliance must be reviewed to ensure the system will likely be validated in a reasonable time to provide adequate reporting on contract status. The SST must schedule the systems acceptance review within the time established in the contract.

The contracting agency should ensure that the documented system is compatible with the contemplated contract and that the contractor will actually use it to manage the project. The contract must set a specific time for the system to be acceptable.

For long-duration contracts that include significant development, the effects of competition will drive competing suppliers to make overly optimistic estimates of the cost of performing the contract. If a contract is awarded at an estimated cost or price that is substantially less than the probable cost of performing the contract, the likelihood that the Government will receive the product or service on time and within the cost estimates is unlikely. If the contract requirements were appropriately written to reflect the true needs of the agency to meet its strategic goals and objectives, a low probable cost of performing the contract will result in the project's failure to meet essential goals. The evaluation process must require competitors to demonstrate the realism of their proposals to actually achieve the cost, schedule, and performance goals. Agencies are graded on their ability to achieve major acquisition goals, because failure to meet those goals causes budgeting and performance problems for the agency and reflects badly on the agency's and the project manager's ability to provide for the commitment to the public to be good stewards of public funds.

One method to reduce the probability of acquisitions not meeting original goals is to conduct an IBR prior to the award of any contract. An IBR may be conducted on the selected offeror or on the best two offerors. If the IBR is to be conducted on the best two offerors, provision for payment to both for the conduct of the IBRs should be made. The savings from keeping competition in the process until the end of the IBRs will more than cover the cost of conducting the IBRs. Deficiencies identified by the Government evaluation team during the IBR must be conveyed to the competitor, and corrected by proposal revisions. The estimated cost or price of any resulting contract must include the cost of correcting those deficiencies.

II.7) CONTRACT AWARD

The Source Selection Authority (SSA) selects the successful contractor. If a trade-off process (see FAR Part 15.101–1) is used, the award decision should ensure that any higher price paid is worth the perceived benefits, and is within the planned funding level for the project. However, if cost, schedule, or performance parameters proposed by the contractor offering the best value to the Government do not achieve program objectives within funding limitations, the SSA should discuss the funding shortfall with the Executive Review Committee. The Executive Review Committee will then decide if the project's revised cost-benefit ratio, in comparison with other potential projects, remains large enough, given the new information, to warrant award of the contract. If not, the SSA should terminate the acquisition and evaluate how and why the process failed.

II.8) CONTRACT MANAGEMENT

The success or failure of capital asset acquisitions to achieve cost, schedule, and performance goals can significantly affect the agency's ability to maintain budget discipline and achieve its strategic plan. Program managers need visibility early on into a contract's progress to identify any problems. This allows time for contractors and the Government to implement corrective actions before significant deviation from goals results. Agency financial management and control systems should have activity based costing capability to accumulate the actual costs of the project and integrate them with performance indicators to give program managers a clear understanding of how resources are connected to results.

If corrective actions cannot be implemented to maintain the expected return on investment, the contract can be terminated with limited loss, and planning for another solution may begin promptly. Information from the contractor's management system should be incorporated in the agency's financial management and control system. The agency's system should accumulate the actual costs of the project (including both contract costs and agency program management costs) and integrate them with performance indicators to give program managers a clear understanding of how resources are connected to results. Appendix 3 provides an example of the earned value management system concept. If a pre-award IBR was not conducted, it is essential that a post-award IBR be performed as soon as practical after contract award. This IBR must be completed no later than six months after contract award. If the post-award IBR results in a change to the cost, schedule, and performance goals, the new baseline must be approved by the ERC and OMB before being implemented.

Using EVM, the contractor plans its work using a contractually specified work breakdown structure as the baseline. The objectives, tasks, services, or deliverables that must be produced by the organization are described in the work breakdown structure. The IPT ensures that the contractor plans, budgets, and schedules the work effort in time-phased "planned value" increments constituting a performance measurement baseline (time-phased budget).

The contractor assigns the planned work for cost accumulation and individual responsibility to control accounts and subsidiary work packages under the cost-control accounts. The sum of the budgets for all the work packages scheduled to be accomplished is the "planned value" of the effort. This is called the Budgeted Cost for Work Scheduled.

By integrating the responsible organization and the specific deliverables at the control account or work package level, the project manager can see the relationship between the work and the responsible resources. The program manager can pinpoint both where problems occur and the responsible party. Work that does not earn its planned value can be identified so that corrective actions can be taken and new estimates of budget needs made.

As work is completed in the work packages, it is "earned" on the same budget dollar basis as it was planned. The sum of the budgets for completed work packages and completed portions of open work packages is the earned value. This is called the Budgeted Cost for Work Performed. The cost actually incurred and recorded in accomplishing the work performed within a given time period is called the Actual Cost of Work Performed.

Measuring the amount of work accomplished against the original planned baseline and against actual costs provides critical management visibility on the achievement of, or deviation from, goals. Management systems that only track actual expenditures against planned expenditures fail to provide the key piece of management information—amount of work actually accomplished—needed to make appropriate decisions about the status of the contract. Milestones must be defined in terms of products or functions that are measurable through demonstration or observation such that the percentage of completion can be determined in terms of dollars expended for milestones at certain points in time.

Contractor accounting systems should accumulate actual costs of accomplished work, which is compared with earned value, providing a cost variance for the accomplished work and indicating whether the work is over- or under-running its plan. Planned value, earned value, and actual cost data provide an objective measure of performance, enabling trend analysis and evaluation of cost estimated at completion at all levels of the acquisition.

The EVMS will provide useful information for all levels of the management team. The contractor's EVMS will provide the following information for analysis:

- Change control
- Cost variance
- Understanding of whether technical objectives are being achieved
- Variance analysis
- Performance variance
- Schedule variance
- Identification of problem areas at both the organization and work breakdown structure levels.
- Variance at completion analysis

II.9) ACQUISITION ANALYSIS

II.9.1) Contract Performance Evaluation

The IPT should receive monthly, or more often if necessary, status reports from the contractor on the acquisition. Direct access to the contractor's EVM system, if negotiated into the contract, can substitute for or supplement formal reporting. If the acquisition is not achieving cost, schedule, or performance goals, the IPT should determine the reasons for the deviations and the corrective actions planned by the contractor. The corrective actions should be evaluated as to whether they are likely to be effective. If the corrective action cannot return the contract within goals before contract completion, it must at least ensure that the deviations will not continue to expand and that the current estimates to complete the contract are realistic.

Agencies should establish thresholds for deviation from goals that require Executive Review Committee notification when exceeded. FASA Title V requires agency head review if major acquisitions are projected not to achieve at least 90 percent of cost, schedule, and performance goals. Agencies may establish tighter thresholds. If the threshold goals will not be achieved at contract completion, the IPT should prepare an analysis of the estimated changes in cost, schedule, and performance goals and whether the acquisition would remain cost-beneficial and should continue to receive priority in comparison to other projects at the new funding levels. It is important to note that a recommendation to reduce the performance requirements also affects the amount of cost and schedule overruns. Not only has the ability to meet strategic goals and objectives been effected, but the costs and schedules are for a lesser amount of work so the deviations must be adjusted upward to reflect the lesser scope of work.

The IPT's analysis and recommendations should be evaluated by the Executive Review Committee for a determination to:

Continue the acquisition (by reallocating or seeking additional funds through OMB);

Restructure the acquisition with lower goals (and not seek additional funding); or

Terminate the acquisition.

Periodic status reports should be provided by the IPT to the Executive Review Committee on all major acquisitions, even if they are within goals. Because of changing technology, mandates, and mission, a project within goals may no longer provide the agency with the highest return on the use of the funds.

II.9.2.) OMB RMO Review

OMB's RMO staff will review status information for all major acquisitions at least once a year, or as necessary, for critical acquisitions and those other major acquisitions that are not projected to achieve 90 percent of goals. RMOs shall request a sample or all of an agency's Major Acquisition Business Case with the annual budget submission to OMB. OMB reviews the reasons for deviation from goals, the reasonableness of the corrective actions proposed, and the validity of increased cost estimates. OMB considers approving a re-baseline proposal only when the agency has provided justification, based on an IBR, demonstrating the new goals have a high probability of success and that the acquisition will still have a benefit-cost result that justifies continued funding after comparison with the other projects in the portfolio and budget limitations. Acquisitions not meeting objectives that have no acceptable plan for fixing the problems may be recommended for termination and the agency instructed to return to the Planning Phase for consideration of alternative solutions.

If OMB agrees to the new baseline and the Congress funds it, the project may measure deviations from the new baseline, but all reporting on the project/program must also show the deviations from the original baseline.

II.9.3) OFPP Assessment

OFPP is responsible, under FASA Title V, for submitting an annual assessment to the Congress on progress made by civilian agencies in achieving 90 percent of acquisition goals. The Secretary of Defense has the same requirement for Defense acquisitions. Civilian agencies must submit with their annual budget a list of all major acquisitions with the original cost, schedule, and performance goals and all deviations over 10 percent to the original baseline from the start of the acquisition to the date of the budget submission.

II.10) ACCEPTANCE

Acceptance is the final step in the Acquisition Phase. Upon acceptance of the asset, the asset moves to the Management-in-Use Phase. The IPT should ensure the asset meets the requirements of the contract. Often this will be accomplished through an acceptance test plan. Acceptance testing can be performed during and/or at the end of contract performance.

Effective testing will determine whether the agency received the benefits it anticipated and whether the system is acceptable for use in accomplishing the agency's mission. Agencies should invest adequate resources to ensure that there is a thorough test plan. A thorough plan is one that will accurately determine if the contractor's product meets all of the requirements of the contract. The plan should also determine whether the asset is capable of meeting the program needs and providing the projected benefits which supported the project. If a commercial or non-developmental item is procured, the IPT should consider using commercial quality standards or the contractor's quality system to ensure acceptability. Where appropriate, independent validation, verification, quality assurance processes, and regression testing should be required as part of testing for acceptance.

Having established a thorough test plan, managers should ensure it is followed, the tests are performed rigorously, and acceptance does not occur unless each item of the test plan is fully met. Properly conducted demonstrations evidencing the product's ability to meet the test plan and program needs and to provide the anticipated benefits are very important. Time should be planned in the contract schedule for such demonstrations.

Agencies should also ensure that unacceptable ratings with respect to contract requirements are effective disincentives to contractor's poor performance. When appropriate, agencies should withhold payment or fee depending on the contract's payment mechanisms. Agencies should also make it a policy to use accurate performance ratings in subsequent contract award decisions.

If the agency accepts the asset with deviations from the contract requirement, these deviations should be documented, including any consideration (e.g., reduction in price) received from the contractor as required by the contract. Formal contractor performance evaluations are required to be completed by the IPT at least annually and at completion of the contract. These evaluations are entered into the past performance database used by the agency.

The evaluations must reflect an accurate summary of the contractor's performance in meeting the cost, schedule, and performance goals from the beginning to the end of the contract. When entered in the past performance data base they provide a contract performance record that can be used by Government source selection teams when evaluating the contractor's potential for other contract awards.

III. MANAGEMENT IN-USE

Introduction

The Management-In-Use Phase begins after completion of the Acquisition Phase. Effective Management-In-Use requires the continuous monitoring of an Agency's inventory of capital assets to ensure they are maintained at the right size, cost, and condition to support agency mission and objectives. Management-In-Use is generally the longest phase of the investment or asset life-cycle. Ownership costs, such as operations, maintenance (including service contracts), energy use, and disposition, can often consume more than 80 percent of the total life-cycle costs. Agencies must review, properly plan for, and actively manage their investment during this phase and employ effective measures of an asset's financial and physical condition and its operational support for the agency mission. This portion of the Guide describes tools that can be used to ensure the continued viability of each capital asset to support the agency mission. Unlike other sections of this guide, the actions in the Management-In-Use Phase can occur simultaneously and some activities necessarily occur iteratively.

III.1) OBJECTIVES DURING MANAGEMENT-IN-USE

Key objectives during the Management-in-Use Phase are: 1) to demonstrate that the existing investment is meeting the needs of the agency, delivering expected value or that the investment is being modernized and replaced consistent with the Agency's enterprise architecture; and 2) to identify smarter and more cost effective methods for delivering performance and value. Thus, an operational analysis seeks to examine specific areas such as: Customer Results, Strategic and Business Results, and Financial Performance.

The following questions help reveal useful information about each area:

- Are annual operating and maintenance costs comparable to the estimates developed during the Selection, Planning, and Budgeting Phases? (Financial Performance)
- Are operational costs to the customer as low as they could be for the results delivered? (Customer Results)
- Is the asset meeting performance goals established during the Selection and Planning Phases? (Customer Results)
- Is the asset performing in accordance with the sustainable design? (Strategic and Business Result)
- Is the asset continuing to meet stakeholder needs? (Customer Results)
- Does the asset continue to meet business needs and contribute to the achievement of the organization's current and future strategic goals? (Strategic and Business Results)
- Are there smarter or more cost effective ways of deliver the functionality? (Financial Performance)

To ensure sound investment decisions throughout the life of the asset, managers at all levels must use the information derived from these types of questions.

III.2) OPERATIONAL ANALYSIS IS A KEY TOOL IN MANAGEMENT-IN-USE

Operational analysis is a method of examining the ongoing performance of an operating asset investment and measuring that performance against an established set of cost, schedule, and performance goals. An

OMB Circular No. A-123, Management's Responsibility for Internal Control, emphasizes effectiveness and efficiency of operations as one of its three core objectives. Agencies should ensure that the appropriate controls are in place to make sure that the asset is being managed effectively. For capital investments, the greatest level of operational efficiency occurs at the asset or project level. To improve the accuracy and efficiency of operational data collection, whenever possible, an agency should employ an efficient way of collecting and analyzing operating cost and performance data.

operational analysis is, by nature, less structured than performance reporting methods applied to developmental projects and should trigger considerations of how the investment's objectives could be better met, how costs could be reduced, and whether the organization should continue performing a particular function.

While great emphasis is often placed on meeting the budget, scope, schedule, and goals during the Acquisition Phase, developmental costs are only a fraction of the asset's total life-cycle costs. Operations is a critical area where improved effectiveness and productivity can have the greatest net measurable benefit in cost, performance, and mission accomplishment. A periodic, structured assessment of the cost, performance, and risk trends over time is essential to minimizing costs in the operational life of the asset.

Beyond the typical developmental performance measures of cost and schedule performance, an operational analysis should seek to answer more subjective questions in the specific areas of:

- Customer Satisfaction,
- Strategic and Business Results,
- Financial Performance, and
- Innovation

In addressing Customer Satisfaction, the analysis should focus on whether the investment supports customer processes as designed. The focus is on how well the investment is delivering the goods or services it was designed to deliver.

Strategic and Business Results measure the effect the investment has on the performing organization itself, and should provide a measure of how well the investment contributes to the achieving the organization's strategic goals.

In measuring the Financial Performance of an operating asset, the operational analysis should compare current performance with a pre-established cost baseline. While financial performance is typically expressed as a quantitative measure, the investment should also be subjected to a periodic—preferably annual—review for reasonableness and cost efficiency.

Addressing innovation in the operational analysis is an opportunity to conduct a qualitative analysis of the investment's performance in terms of the three previously mentioned areas. It also demonstrates that the agency has revisited alternative methods or achieving the same mission needs and strategic goals.

Operational analysis is also an opportunity to conduct a qualitative analysis of the investment's performance in a holistic fashion. The analysis should address issues such as greater utilization of technology or consolidation of investments to better meet organizational goals and also include an ongoing review of the status of the risks identified in the investment's Planning and Acquisition Phases.

Operational analysis may indicate a need to redesign or modify an asset if previously undetected faults in the design, construction, or installation are discovered during the course of operations; if operational or maintenance costs are higher than anticipated; or if the asset fails to meet program requirements.

Operational analysis may show a need to apply an improvement methodology, such as value management, to identify better ways for the asset to meet its life-cycle cost and performance goals. Such analysis may also help to identify where faulty operations are eroding the asset's ability to perform its function. Operational analysis will lose much of its benefit to the capital programming process if early warning indicators do not serve as a trigger mechanism within the agency to take corrective actions.

III.3) OPERATIONAL ANALYSIS PROCESS AND OUTCOME

The operational analysis process consists primarily of tracking and identifying the operational cost and performance of assets in the Management-In-Use Phase of their life cycle. If any of the cost, schedule, or performance variances are 10 percent or more, agencies are to provide a complete analysis of the reasons for the cost overrun or performance gap with planned actions to correct the variance and share techniques that generated the savings. Agency discussions should address lessons learned, why the problems occurred, or how the savings were realized. If the asset cost or schedule variance is +/– 10 percent and/or if the performance goals are not being met, then the project requires a more in-depth operational review in which relevant indicators will be applied for analysis purposes. The outcome of the analysis may include recommendations to redesign or modify an asset before it becomes a problem, identify areas where cost of ownership can be reduced, or potentially serve as input to the Select Review.

Regardless of performance of operational indicators, a formal operational analysis is warranted for every steady-state project. Recommendations and evaluations will be consolidated into the project's operational analysis plan. This plan will continuously be reviewed and updated as future operational analyses will be conducted yearly or on an as-needed basis.

Agencies must submit information about their data collection methods and evidence that the methods used lead to the collection and use of valid and accurate performance data. Only current, complete, accurate, and relevant data can help the agency to make informed decisions regarding the allocation of resources, compare actual vs. planned results, and provide meaningful feedback to improve the planning process. The collection and verification of accurate asset or investment data should be a priority in establishing the baseline and collecting actual operational data.

III.3.1.) Continuous Monitoring

Whether an asset is newly acquired or already operational, focus should be placed on analyzing each asset's ability to support the organizational mission. Continuous monitoring of both supply (the assets currently available in the inventory) and demand (the agency's changing mission requirements) is essential. The resulting gap analysis should be documented in the Enterprise Architecture (EA), Real Property Asset Management Plan, or other strategic planning tool.

These tools document the agency's strategy for integrating capital programming and agency mission requirements. The agency should analyze their portfolio of capital assets, set goals and priorities for the optimization of the inventory, explain their use of performance indicators and analysis in decision-making, and develop a strategic timeline outlining improvement initiatives.

Executive Order 13327, the Federal Property Reform Management Act (PL 114-318), and the corresponding guidance issued by the Federal Real Property Council (FRPC) and the Office of Management and Budget, defines the basic descriptive elements each Agency should know about every asset in their real property inventory. All data is required to be collected at the individual, constructed asset level and reported to the Federal Real Property Profile database, managed by the General Services Administration, on an annual basis. In addition to a number of key inventory data elements, the guidance also identifies performance measures for real property, including:

Operating Costs per Square Foot—Costs attributed to recurring maintenance and repair, utilities, janitorial and roads/grounds expenses.
Condition Index (CI)—A measure of a facility's condition at a particular point in time. The FCI rating is a ratio of the cost of repair needs of the asset divided by the current replacement value of the asset.
Office Space Utilization (Square Feet per person) —Agencies report office space utilization in square feet per person to help identify office space that can be used more efficiently, consolidated, or disposed.

Analyzed separately and in combination with each other, along with other key data points, the performance measures can help the agency determine reinvestment priorities. For example, an asset with high utilization and that is critical to an agency's mission execution, but that has a poor condition index, requires immediate attention. Such an asset should receive funding priority over an asset that is mission-critical with low utilization with the same poor condition index. Conversely, an asset with low mission execution value, poor utilization and a poor condition index could be a viable candidate for disposition. These and other agency-specific performance indicators and data points are powerful tools that allow agencies to segment their entire asset portfolio in a quantitative, objective manner for analysis. This is discussed further in section III.4, Asset Disposition.

III.3.2.) Operations and Maintenance

Poorly performing assets detract from mission effectiveness by utilizing resources that could be used more effectively to support other mission priorities. If not properly managed, a capital asset's useful life can be shortened dramatically or prolonged beyond the planned termination date at high cost and risk, thereby reducing the return on the taxpayers' investment. Each asset should have an Operations and Maintenance (O&M) plan that outlines the procedures and responsibilities for scheduled preventive and regular or routine corrective maintenance.

A 100,000 square foot (sf) office building just outside of Washington, D.C. is separately metered for all utilities. The owner began comparing the facility's utility costs to properly adjusted private sector benchmarks and discovered that the asset's electricity costs were $1.20/sf over market averages. The asset manager alerts field personnel who are able to study and correct the problem, saving over $120,000 per year in wasted electricity charges. If the building were part of a larger facility or complex of buildings where one electricity meter monitored the entire complex, for accounting purposes the electricity costs would be allocated by square foot across the entire complex of assets (a common occurrence). The $120,000 in wasted electricity costs is no longer easily recognizable, and never raises the red flag for management attention. Cost and energy savings such as these are one reason the Energy Policy Act of 2005, sec. 103, requires the installation of meters and advanced meters of all Federal buildings (where appropriate) by the year 2012.

The elements of an Operations and Maintenance Plan include:

- For scheduled preventative maintenance:
    - Sign-offs to instill personal responsibility,
    - Training of use staff, and

    - Tracking of labor and material costs.
- For predictable corrective maintenance:
    - Budget expenditure for minor maintenance and repair, and
    - Maintenance contracts.

To ensure efficient operations, relevant and appropriate public and private sector benchmarks should be implemented whenever possible. For example, real property managers should benchmark an asset's janitorial costs against those of their private sector counterparts. As a reminder, benchmarks should be adjusted to reflect differences in accounting practices (i.e., capitalization thresholds or indirect costs), if necessary. Combined with strategic targets, benchmarks contribute significantly to improved performance management and informed decision-making.

Some Agencies have implemented computerized maintenance management systems (CMMS) to manage their preventive maintenance and service call workload. These systems automatically generate and track:

- Instructions and schedules for preventive maintenance
- Equipment warranty information and automatically filing claims when appropriate
- New work orders
- Service call response time and customer satisfaction
- Service call history to alert management to potential problem areas

The use of these systems allows management to measure operating performance against established goals such as system downtime, preventive maintenance hours, or backlog. Service call history along with other diagnostic tools can help managers proactively identify and correct deficiencies in advance of breakdown, reducing unexpected downtime and repair costs.

III.3.3) Post Implementation Review and Post-Occupancy Evaluation

Whereas operational analysis is a control mechanism during the operational life cycle of an asset, the Post Implementation Review (PIR) for IT projects and a similar Post Occupancy Evaluation (POE) for construction projects are diagnostic tools to evaluate the overall effectiveness of the agency's capital planning and acquisition process.

The primary objectives of a PIR/POE are:

- To identify how accurately a capital investment project meets the objectives, expected benefits, and the strategic goals of the agency;
- To ensure continual improvement of an agency's capital programming process based on lessons learned; and
- To minimize the risk of repeating past mistakes by providing quality services to business partners and customers.

Both a PIR and a POE evaluate an investment's efficiency and effectiveness to determine how well the investment achieved the planned functionality and anticipated benefits. The POE also determines if the investment supports the mission efforts and strategic plan as originally identified. It is an essential and valuable component in soliciting customer feedback and incorporating that feedback into improvements to the performance and delivery of the capital investment process.

The PIR and POE have a dual focus:

- They provide assessments of implemented investments, including an evaluation of the development process; and
- They indicate the extent to which the agency's decision-making processes are sustaining or improving the success rate of capital investments.

Team membership: The PIR and POE teams should be comprised of individuals not directly involved in the acquisition of the asset. Members can include owners and users of the asset, other personnel, and consultants.

Factors to be considered include:

Customer/User Satisfaction

- Strategic Impact and Effectiveness
- Business process support
- Investment performance
- Investment performance

Strategic Impact and Effectiveness

- System impact and effectiveness
- Alignment with mission goals
- Portfolio analysis and management
- Cost savings

Internal Business

- Project performance
- Infrastructure availability
- Standards and compliance
- Maintenance
- Evaluations (accuracy, timeliness, Program quality, adequacy of information)
- Employee satisfaction/retention

Innovation

- Workforce competency
- Advanced technology use
- Methodology expertise

To ensure that each asset is evaluated consistently, the organization should have a documented methodology for conducting these reviews. The methodology chosen must be in alignment with the organization's planning process and must build on the organization's memory. The organization should determine whether there may be better cost, benefit, and risk measures that could be established that would improve the monitoring of future projects. A mechanism should also be in place that takes the lessons learned through the PIR or POE and uses the lessons to update the Planning and Budgeting Phase decision criteria as well as the Acquisition and Management-in-Use processes.

III.3.3.1) Post Occupancy Evaluation (POE)

A Post Occupancy Evaluation (POE) is usually conducted 12 months after the construction project has been beneficially occupied. The 12-month review timeframe allows sufficient time for the customer to evaluate systems performance and relevant aspects of project delivery. Agencies, however, may perform the POE at different times to meet their unique requirements. The POE team reviews the provided information and assesses process successes as well as failures. Areas for improvement are analyzed and improvements to the process are evaluated.

Some common POE activities include:

- Commissioning
- Completing the POE questionnaire
- Analyzing the completed questionnaire
- Interviewing with key stakeholders
- Measuring performance
- Providing recommendations for process improvements

III.3.3.2) Post-Implementation Review (PIR)

The Post-Implementation Review (PIR) usually occurs either after a system has been in operation for about six months or immediately following investment termination. The review should provide a baseline to decide whether to continue the system without adjustment, to modify the system to improve performance or, if necessary, to consider alternatives to the implemented system. Some common elements reviewed during the PIR include:

- Mission alignment
- IT architecture including security and internal controls
- Performance measures
- Project management
- Customer acceptance
- Business process support
- Financial performance
- Return on investment
- Risk management
- Select and control phase performance ensuring initiative success
- Gaps or deficiencies in the process used to develop and implement the initiative
- Best practices that can be applied to other IT initiatives or the CPIC process

As a minimum, a PIR team should evaluate stakeholder and customer/user satisfaction with the end product, mission/program impact, and technical capability, as well as provide decision-makers with lessons learned so they can improve investment decision-making processes.

Even with the best system development process, it is quite possible that a new system will have problems or even major flaws that must be rectified to obtain full investment benefits. The PIR should provide decision-makers with useful information on how best to modify a system, or to work around the flaws in a system, to improve performance and bring the system further in alignment with the identified business needs.

To minimize inadequate returns on low value or high cost IT investments, the agency will conduct periodic reviews of operational systems to determine whether they should be retained, modified, replaced, or retired. With the emergence of new business and process requirements, and new and updated technology, systems should be assessed to determine the extent to which they continue to support the agency's mission and business objectives.

III.4) ASSET DISPOSITION

Asset disposition is the culmination of previous planning, budgeting, and acquisition efforts. But the determination to dispose of a capital asset should not be an afterthought once obsolescence is reached. Agencies have established best practices in the disposition of capital assets, focusing primarily on real property and information technology assets. The methodologies presented are general and may be applicable to the disposition of other types of capital assets, e.g. motor vehicle, ship, and aircraft fleets. The laws and statutes that govern the disposition of the wide array of Federal assets vary among agencies. It is important that agencies comply with the applicable laws and statutes.

III.4.1) The Decision Process

Disposition of an asset is the culmination of the processes discussed earlier in this Guide. Projected costs of asset disposal are critical elements in the planning and budgeting for asset acquisition. The decision to dispose of an asset may be triggered by any number of events; most will be part of a systematic plan formulated in advance that integrates the asset into the agency's broader Capital Asset Plan. Beginning with mission analysis and planning for the purpose of matching capabilities to mission requirements, and continuing with ongoing analysis, criteria are established and monitored to determine the condition of the asset and how well it is performing. If an asset becomes uneconomical to keep in service or fails to meet performance criteria, the agency should critically assess the asset to determine whether it should be retired, replaced, enhanced, or refurbished.

The following questions are a starting point to assist agencies in determining whether or not any type of capital asset is a candidate for disposition. It is important that all appropriate stakeholders are involved in the decision process.

- Does the capital asset still support the mission?
- Is the asset wholly or partly unneeded?
- Is the asset being put to optimum use?
- Is the asset functionally obsolete or has it deteriorated beyond economical repair?
- Will program changes alter asset requirements?
- Is the asset used only irregularly for program use? Would a portion of the asset satisfy program needs?
- Is continued Federal ownership and operation of the property justified in light of its current use?
- Are operating and maintenance costs excessive?
- Can the asset be made available for use by others within or outside the Federal community?
- Are there security or other considerations that outweigh disposition of the asset?

III.4.2) Real Property Assets and Information Technology Considerations

The two major categories of capital assets are Real Property Assets and Information Technology Systems. Both of these capital asset types have similar life-cycles within the Federal Government. However, both types of assets also have their own unique characteristics and considerations, which are explained in turn below.

III.4.2.1) Real Property Assets

Executive Order 13327, Federal Real Property Asset Management, issued on February 6, 2004, which establishes the Federal Real Property Council (FRPC), addresses many of the opportunities and challenges of asset disposition within the Federal Government. Agencies are expected to dispose of unneeded assets, in accordance with applicable statutes, to ensure that the agency real property inventory of assets is maintained at the right size, cost, and condition. Inventories should contain mission critical and mission dependent assets that are maintained in the appropriate condition and operated at the right cost.

Additional Real Property Considerations. In addition to the considerations highlighted above in section III.4.1, the following should also be considered when evaluating real property assets for disposition:

- Is the asset uneconomical to retain?
- If so, could it be sold or exchanged for a more suitable asset with lower maintenance and operating costs, at a price roughly equivalent to the value of the present asset?
- Considering the cost of acquisition or lease, moving costs, preparation of the new space, operation and maintenance costs, and the increase in efficiency of operations, can net savings to the U.S. Government be realized by relocation?
- What effect does the availability of alternative facilities, if required, have on the foregoing?

III.4.2.2) Information Technology

Growing demands for performance require increased and sharpened focus on management in use and disposition of information technology assets. Overall IT investments in steady state assets have increased in each year since 2003. During this same period, investments in development, modernization, and enhancements have trended downward. Agency Capital Planning and Investment Control processes should lead to overall reductions or stabilization in costs during the Management-In-Use of all Capital Assets.

Additional IT Considerations. In addition to the considerations highlighted above in section III.4.2, the following should also be considered when evaluating IT assets for disposition:

- Does the effect on program performance measures justify the cost to operate and maintain the asset?
- Is the asset compliant with current security, architectural, and technological standards?

III.4.3) Decision Models

Agencies are encouraged to use decision models to determine if an asset should exit the agency inventory of capital assets. Decision models define and document the decision process, ensuring a consistent application of identified criteria in deciding a course of action. As discussed earlier in this guide, the FRPC developed four performance measures (operating and maintenance costs, utilization index, condition index, and mission-dependency) to facilitate the continuous monitoring of real property assets. Agencies should apply the four performance measures to segment their portfolio and identifying assets that are candidates for disposition. A decision tree is just one of many diagnostic tools available to supplement agency portfolio analysis and provide additional information for decision-making. Specific examples of real property and IT assessment models can be found in Appendix 9.

III.4.4) Executing the Asset Disposal Plan

The procedure for disposition of an asset will depend upon the type of asset, as well as existing agency guidelines and any laws and regulations governing the disposal of that particular asset (e.g., E.O. 12999, of April 17, 1996, authorizing Federal agencies to donate excess computers and related peripheral tools directly to schools). Upon determination that an asset is a candidate for disposition, agencies must consider a broad range of regulatory requirements to ensure that all proper procedures are followed and all alternatives are considered before an asset is disposed. For example, a specialized contractor following environmental laws monitored by EPA would most likely perform hazardous material disposal, while GSA, following real property regulations, would dispose of an office building. In all cases, relevant subject matter experts, guided by internal policy and applicable laws and regulations, should work closely with agency executives to ensure cost-effective and timely asset disposal.

Once the decision to dispose is made, a number of issues must be considered, including how to remove the asset from service, planning for transition to a replacement if required, redeployment elsewhere in the agency where it may continue to provide a benefit greater than the cost, or final removal of the asset from the agency's inventory. Depending on the type of asset, disposal may be as simple as transferring the item to another agency, turning it over to GSA as excess, or demolishing it and selling it as scrap. Additional methodologies can be found in Appendix 10.

The disposition of an asset leads to the phase-out of an obsolete asset, transition to a new asset or significant enhancement to an existing asset. Due to increased risk to agency programs during the transition and the required planning and coordination the status of the asset necessarily moves from steady state to mixed life cycle. It is important that agency carefully plan the timing of an asset transition to minimize disruption to programmatic function. For IT systems, transition planning begins immediately upon deployment. After the new system has been acquired, developed, and tested, deployment takes place according to the plan developed early in the Acquisition Phase. The elements of a transition may include:

- Converting data from the old asset to the new,
- Operating both the old and new assets concurrently,
- Validating that the new system has converted old data properly,
- Ensuring users are trained on the new asset,
- Keeping the customers informed of transition progress, and
- Outlining these actions and agreements in a memorandum of understanding signed by representatives from all parties affected by the conversion.

Once an asset has exited the inventory, agencies should ensure that updates are made to budgeting, accounting, and inventory systems, as appropriate.

APPENDICES

APPENDIX 1

DEFINITION OF CAPITAL ASSETS

Capital assets are land (including park lands), structures, equipment (including motor and aircraft fleets), and intellectual property (including software), which are used by the Federal Government and that have an estimated useful life of two years or more. Capital assets exclude items acquired for resale in the ordinary course of operations or held for the purpose of physical consumption such as operating materials and supplies. The cost of a capital asset is its full life-cycle costs, including all direct and indirect costs for planning, procurement (purchase price and all other costs incurred to bring it to a form and location suitable for its intended use), operations and maintenance (including service contracts), and disposal.

Capital assets may be acquired in different ways: through purchase, construction, or manufacture; through a lease-purchase or other capital lease, regardless of whether title has passed to the Federal Government; through an operating lease for an asset with an estimated useful life of two years or more; or through exchange. Capital assets include the environmental remediation of land to make it useful, leasehold improvements and land rights; assets owned by the Federal Government but located in a foreign country or held by others (such as Federal contractors, State and local governments, or colleges and universities); and assets whose ownership is shared by the Federal Government with other entities. Capital assets include not only the assets as initially acquired but also additions, improvements, modifications, replacements, rearrangements and reinstallations, and major improvements (but not ordinary repairs and maintenance). Examples of capital assets include the following, but are not limited to them:

- Office buildings, hospitals, laboratories, schools, and prisons;
- Dams, power plants, and water resources projects;
- Motor vehicles, airplanes, and ships;
- Satellites and space exploration equipment;
- Information technology hardware, software and modifications;
- Department of Defense (DOD) weapons systems; and
- Environmental restoration (decontamination and decommissioning efforts).

Capital assets may or may not be capitalized (i.e., recorded on an entity's balance sheet) under Federal accounting standards. Examples of capital assets not capitalized are DOD weapons systems, heritage assets, stewardship land, certain assets acquired for environmental cleanup efforts, and some software.

Capital assets do not include grants for acquiring capital assets made to State and local governments or other entities (such as National Science Foundation grants to universities). Capital assets also do not include intangible assets such as the knowledge resulting from research and development (R&D) or the human capital resulting from education and training, although capital assets do include land, structures, equipment (including fleet), and intellectual property (including software) that the Federal Government uses in R&D and education and training. Agencies are encouraged to use the capital programming process or elements thereof in planning for expenditures not covered by this definition, to the extent that they find it useful.

APPENDIX 2

INTEGRATED PROJECT/PROGRAM TEAMS (IPTs)

Agencies should apply an integrated project and process development (IPPD) approach to manage capital assets, using Integrated Project Teams (IPTs) assigned, as appropriate, to manage the various capital programming phases or major acquisition programs within the agency. The approach of having specific teams, accountable for managing all or specific parts of the capital programming process for large projects, enjoys a successful track record in industry and Government.

A program manager with the appropriate level of knowledge, skills, and experience shall normally lead the IPT. The program manager should understand user needs and constraints, and demonstrate the ability to manage large projects to achieve cost, schedule, and performance goals. This manager should have sufficient tenure and interest in the project to provide continuity and to ensure personal accountability for her or his actions. Continuity reinforces accountability. Program managers and other senior IPT staff (e.g., contracting officer who should be assigned to the IPT from its inception and remain at least through the Acquisition Phase) should commit to remain with the project for four years or the completion of the Acquisition Phase whichever is earlier, or at least until (a) the phase that is underway is completed, or (b) a milestone during the phase is completed where accountability for success or failure to achieve goals may be assessed. When possible, senior members of the IPT should be encouraged to remain with the project from the Baseline Assessment Step of the Planning Phase into the Management-In-Use Phase.

The program manager should be provided with a written charter defining the team's responsibilities, budget constraints, and the extent of authority and accountability for accomplishing project objectives. The charter should be updated as necessary, but at least at the start of each phase, and should be based on decisions of the Executive Review Committee. Program managers should be given sufficient funding to establish an IPT to meet the charter. To keep the project moving on a tight schedule, management layers between the program manager and senior management should be limited to ensure accountability for the program manager and timely decisions from above.

The members of the IPT should be dedicated to the project and responsible to the program manager for the duration of their assignment to the IPT. Where services of team members are not needed on a full-time basis, support to the IPT should take priority over other duties. This is necessary to maintain the continuity for good management and team accountability.

The team should be cross-functional, as necessary, to accomplish the various tasks of the project. The members should reflect the user community, the project's stakeholders and should have a core knowledge of project management, value management, budget, finance, sustainable design, and procurement.

APPENDIX 3

EXAMPLE OF EARNED VALUE CONCEPT

Earned value is a management technique that relates resource planning to schedules and to technical, cost, and schedule requirements. All work is planned, budgeted, and scheduled in time-phased "planned value" increments constituting a cost and schedule measurement baseline. There are two major objectives of an earned value system:

- To encourage contractors to use effective internal cost and schedule management control systems, and
- To permit the Government to be able to rely on timely data produced by those systems for determining product-oriented contract status.

The example shown here illustrates how the earned value concept works. The analysis begins with a baseline schedule showing how much work is planned for each time period. The subsequent sections show how to calculate the deviation from the planned schedule (schedule variance) and the deviation from the planned cost (cost variance).

Baseline. For this hypothetical example, the baseline plan (planned value increments) in Table 1 shows that 6 work units (A–F) would be completed at a cost of $100 for the period covered by this report.

Table 1. Baseline Plan

Work Units	A	B	C	D	E	F	Total
Planned Value ($)	10	15	10	25	20	20	100

Schedule Variance. As work is performed, it is "earned" on the same basis as it was planned, in dollars or other quantifiable units such as labor hours. Planned value compared with earned value measures the dollar volume of work planned vs. the equivalent dollar volume of work accomplished. Any difference is called a schedule variance. In contrast to what was planned, Table 2 shows that work unit D was not completed and work unit F was never started, or $35 of the planned work was not accomplished. As a result, the schedule variance shows that 35 percent of the work planned for this period was not done.

Table 2. Schedule Variance

Work Units	A	B	C	D	E	F	Total
Planned Value ($)	10	15	10	25	20	20	100
Earned Value ($)	10	15	10	10	20	0	65
Scheduled Variance	0	0	0	–15	0	–20	–35 = –35%

Cost Variance. Earned value compared with the actual cost incurred (from contractor and agency accounting systems, not through estimation techniques) for the work performed provides an objective measure of planned and actual cost. Any difference is called a cost variance. In this example, a negative variance means more money was spent for the work accomplished than was planned. Table 3 shows the calculation of cost variance. The work performed was planned to cost $65 and actually cost $91. The cost variance is a negative 40 percent.

Table 3. Cost Variance

Work Units	A	B	C	D	E	F	Total
Earned Value ($)	10	15	10	10	20	0	65
Actual Cost ($)	9	22	8	30	22	0	91
Cost Variance	1	–7	2	–20	–2	0	$ –26 = –40%

Spend Comparison. The typical spend comparison approach, whereby contractors report actual expenditures against planned expenditures, is not related to the work that was accomplished and is not a valid measure of program status. Table 4 shows a simple comparison of planned and actual spending which indicates the program is under running by 9 percent. When compared to the schedule and cost variance examples under an earned value system, the management information provided below gives a false indication of true program performance.

Table 4. Spend Comparison Approach

Work Units	A	B	C	D	E	F	Total
Planned Value ($)	10	15	10	25	20	20	100
Actual Cost ($)	9	22	8	30	22	0	91
Variance	1	–7	2	–5	–2	20	$9 = 9%

References:

Electronic Industries Alliance (EIA) Standard 748 Earned Value Management Systems

APPENDIX 4

ACCOUNTING FOR CAPITAL ASSETS

The Statement of Federal Financial Accounting Standards (SFFAS) No. 6, Accounting for Property, Plant, and Equipment (PP&E), revised by SFFAS No. 23, Eliminating the Category of National Defense Property, Plant and Equipment, and SFFAS 29 Heritage Assets and Stewardship Land, establishes standards for capital assets. These standards were issued by the Federal Accounting Standards Advisory Board, in which OMB subsequently published guidance in its OMB Circular No. A–136 Financial Reporting Requirements (June 28, 2019).

One significant objective of financial accounting standards is to support assessment of operating performance. Financial reporting should provide information to determine: (1) the cost of providing specific programs and activities, including the composition of these costs and changes over time; (2) financial inputs in relation to a program's outputs; and (3) the efficiency and effectiveness of the Government's management of its assets. To facilitate meeting these information needs, PP&E has been divided into two categories: general PP&E; and Stewardship PP&E, consisting of heritage assets and stewardship land.

For general PP&E (i.e., PP&E used to produce general Government goods and services), SSFAS 6 supports these information needs by allocating costs—including cleanup costs—of general PP&E to the periods in which the assets are used through historical cost depreciation methods. The cost is allocated to the period when it is incurred. Managerial cost accounting standards, established by SFFAS 4, Managerial Cost Accounting Concepts and Standards for the Federal Government, will result in these period costs being tied to outputs. In addition, deferred maintenance reporting will provide financial statement users with information on the condition and management of assets.

The Stewardship PP&E category consists of assets whose physical properties resemble those of general PP&E that are traditionally capitalized in financial statements. However, due to the nature of these assets, (1) valuation would be difficult, and (2) matching costs with specific periods would not be meaningful. The standards provide for a different type of reporting. SFFAS No.8, Supplementary Stewardship Reporting, superseded by SFFAS 29, requires that information on Stewardship PP&E be reported in a manner that highlights their long-term-benefit nature and demonstrates accountability over them. SFFAS 29 reclassified all heritage assets and stewardship land information as basic except for condition and deferred maintenance information, which is classified as required supplementary information (RSI). SFFAS 29 requires that entities reference a note on the balance sheet that discloses information about heritage assets and stewardship land, but no asset dollar amount should be shown.

Each agency's financial system needs to have the capability to accumulate, recognize, and distribute the cost of an agency's activities such as the costs of major acquisitions and other major programs within the agency that need to provide visibility to senior management on their total costs.

APPENDIX 5

RISK MANAGEMENT

The aim of risk management is to ensure that risks are identified at project inception and their potential impacts allowed for and accepted, where possible, so that the risks or their impacts are minimized. Risk management is an integral part of project management on the project. Risk management processes are utilized from project initiation through development, maintenance and operations, and end only when the project/system is shutdown or retired.

A risk is an uncertain event or condition that, if it occurs, has a positive or negative effect on a project objective. Risk is one of those words that immediately conjures up an image of something bad, but it is important to remember that risk can provide positive benefits as well as negative ones.

Risk management is the systematic process of identifying, analyzing, and responding to project risk. The need to manage risk increases with the complexity of the investment. It is an ongoing process that requires continuous risk identification, assessment, planning, monitoring, and response. It is the responsibility of everyone on the IPT. It implies control of possible future events and is proactive rather than reactive.

Risk planning

This is the process of developing and documenting an organized, comprehensive, and interactive strategy, the methods for identifying and tracking the risk issues, developing risk handling plans, performing continuous risk assessments to determine how risks have changed, and assigning adequate resources. Projects should develop a Risk Management Plan that:

- Establishes the purpose, objective, and goals of the project,
- Assigns responsibility for specific areas,
- Describes how risks will be assessed,
- Defines the risk rating approach,
- Establishes monitoring metrics;,
- Defines how risk will be monitored throughout the project life-cycle, and
- Assesses risk.

This process involves identifying and analyzing program areas and critical technical process risks to increase the likelihood of meeting cost, performance, and schedule objectives.

- **Risk identification** is the process of examining the program areas and each critical technical process to identify and document the associated risk.

The following common areas of risk are consistent with OMB risk requirements.

- Technology—Lack of expertise, software and hardware maturity or immaturity, installation requirements, customization, O&M requirements, component delivery schedule/availability, uncertain and changing requirements, design errors and/or omissions, technical obsolescence.

- Project Schedule and Resources—Scope creep, requirement changes, insufficient or unavailable resources, overly optimistic task durations, and unnecessary activities within the schedule, critical deliverables or reviews not planned into the schedule.

- Business—Poorly written contracts, market or industry changes, new competitive products become available, creating a monopoly for future procurements.

- Organizational and Change Management—Business process reengineering acceptance by users and management, time and commitment managers will need to spend overseeing the change, lack of participation by business owners in the reengineering process, necessary change in manuals and handbooks, personnel management issues, labor unions, ability of the organization to change.

- Strategic—Project does not tie to the Department's mission or strategic goals, project is not part of the Department's IT Capital Planning and Investment Control (CPIC) process.

- Security—Project does not conform to the requirements of OMB Circular No. A–130 Managing Information as a Strategic Resource (July 28, 2016).

- Privacy—Project does not conform to the requirements of OMB Circular No. A–130.

- Data—Data standards are not defined, data acquisition and/or conversion costs are unknown.

- Integration Risks

- Project Team Risks

- Requirements Risks

- Cost Risks

- Project Management Risks

Risk analysis is the process of examining each identified risk issue or process to refine the description of the risk, isolate the cause, and determine the effects. The cost of a risk event occurring can be quantified by determining its expected value (probability X impact). These costs must be included in cost estimates. A risk register should be developed and maintained. The table below provides a means by which risk identification can be easily captured, documented and analyzed.

Risk Priority	Risk Category	Date Identified	Risk Description	Risk Rating	Risk Response Strategy	Status

Risk handling is the process that identifies, evaluates, selects, and implements options in order to set risk at acceptable levels given program constraints and objectives. This includes the specifics on what should be done, when it should be accomplished, who is responsible, and associated cost and schedule. Risk handling options include assumption, avoidance, control (also known as mitigation), and transfer. The most desirable handling option is chosen, and then a specific approach is developed for this option.

Risk monitoring is the process that systematically tracks and evaluates the performance risk handling actions against established metrics throughout the acquisition process and provides inputs to updating risk handling strategies, as appropriate. After encountering problems on a program, the IPT should document any warning signs that, with hindsight, preceded the problem, what approach was taken, and what the outcome was. This will not only help future programs, but could help identify recurring problems in existing programs.

APPENDIX 6

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. 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 that 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 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 made, 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 (including fleet), and intellectual property (including software), and weapon systems that are used by the Federal Government. Not included are grants to States or others for their acquisition of capital assets. A complete definition is provided in Appendix 1.

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; 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. For information technology investments, be consistent with Federal and agency enterprise architectures which: integrate agency work processes and information flows with technology to achieve the agency's strategic goals, reflect the agency's technology vision, specify standards that enable information exchange and resource sharing while retaining flexibility in the choice of suppliers and in the design of local work processes, and ensure that security is built into and funded as part of the enterprise architecture in accordance with OMB Memorandum M–00–07, Incorporating and Funding Security in Information Systems Investments (February 28, 2000);

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 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 No. A–94 (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 that 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 (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 and Advance Appropriations

Regular appropriations for the full funding of a capital project or a useful segment (or investment) 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 (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 management 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.
- 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.

APPENDIX 7

VALUE MANAGEMENT

The value management methodology (also known as value analysis, value engineering, value planning, etc.) should be considered for use in the Planning and Budgeting, Acquisition, and Management-In-Use Phases of capital programming. The value methodology uses a systematic job plan to identify essential functions necessary to accomplish an activity, analyze those functions, and generate alternatives to secure them at their greatest worth on a life-cycle benefit-to-cost basis. By following the process defined in the job plan, the use of the value methodology will facilitate the selection through evaluation and analysis of the "best value" alternative for those functions. The process provides plans and actions to acquire and implement the selected alternatives. The IPT may employ the use of the value management methodology in several ways including a professional value management specialist as a member of the team, using team leaders trained in the value management methodology, or using value specialists (either agency employees or industry consultants) to perform studies.

Planning Phase

This process has seven elements which define capital asset needs in terms of the performance and functional requirements necessary to meet an agency's strategic goals. The seven elements are:

1. Selection of the Function/Process to be studied.

2. Determination of why the function is performed. The need for the function itself may be questioned by asking: "What does it do?"

3. Information gathering. This is the collection and assembly of all necessary information concerning the selected study item. This provides an understanding of what is to be accomplished through the performance of the function and provides answers to the questions: "What does it cost?" and "What is the function worth?"

4. Development of alternatives. This is the single most important element of the process. The use of free imagination, tempered with experience, will develop the best ideas. In initial brainstorming sessions, all ideas, even the wildest, should be duly recorded and encouraged. Many times, the most progressive, breakthrough ideas, with the greatest payoff, will come from near or beyond the edge of the current function paradigms in the area being studied. This element provides answers to the question, "What are the different ways this function can be performed?"

5. Analysis of alternatives. The purpose of this analysis process is to eliminate those ideas that are technically or financially unfeasible in order to permit the selection of alternatives for further feasibility testing based on the resulting cost estimates. This element will answer the question, "What is the cost of the selected alternative?"

6. Feasibility testing and function verification. This determines that the selected alternative can perform the required function and is technically feasible. A viable alternative must provide the essential function performance and be capable of being implemented. This element answers three questions for each selected alternative: "Is the alternative feasible?"; "Does the alternative provide the essential function?" and "Does the alternative meet the definition of function worth?"

7. Implementation and follow-up. This is the selection of the final alternative, documentation of the decision, and preparation of the necessary implementation plans. Integrating schedules and funding requirements documents into the agency capital plan is part of this element.

Procurement Phase

The agency should include the FAR Part 48, Value Engineering, requirements in its contracts and actively encourage the contractor(s) to identify potential cost savings, along with schedule and performance enhancements.

Management-In-Use Phase

The use of statistical process control, Pareto analysis, and the value management function analysis methodology can be used to analyze performance data to determine whether the asset is meeting cost and performance goals, and can help identify if there are better ways for the asset to meet its life-cycle cost and performance goals.

The IPT may perform the value management function by including a professional value management specialist as a member of the team, using team leaders trained in the value management methodology, or using value process facilitators (either agency employees or commercial consultants) to perform the value management studies.

APPENDIX 8

COST ESTIMATING

Introduction

Credible cost estimates are vital for sound management decision making and for any program/capital project to succeed. Early emphasis on cost-estimating during the planning phase is critical to successful life cycle management of a program/project. As requirements and approaches vary based on the Agency's mission, agencies have to develop a cost estimating capability—collecting, managing, and sharing cost data that best meets their mission needs.

This Appendix is based on the Government Accountability Office's (GAO) guide to their auditors on how to evaluate an agency's cost estimating process, and the reliability and validity of the data used to develop the cost estimates. Following these guidelines will help agencies to meet most cost estimating requirements. Individual cost estimating guides are also available from, or are in use by, several Government agencies, including several DOD Service branches, NASA, and the Department of Energy.

Cost Estimating and its Role in Managing Capital Assets

A disciplined Cost Estimating process provides greater information management support, more accurate and timely cost estimates, and improved risk assessments that will help to increase the credibility of capital programming cost estimates. Cost Estimation touches on various disciplines such as accounting, economics, management science, engineering, statistics, probability, and more. Combining these disciplines and using them effectively produces sound cost estimates which can be used in preparing annual budgets, developing net present value or other return on investment estimates, improving life cycle management of various capital assets with more reliable performance baselines and earned value management, evaluating alternatives through cost-benefit analysis, assessing risk, and so forth.

Types of Government Cost Estimates

Capital cost estimating attempts to predict future capital expenditures even though not all factors and conditions of the investment are fully defined. There are many different types of cost estimates that agencies develop for various purposes and at different phases of the life cycle. For each type of estimate, bases (ground rules) and assumptions are spelled out. Some key challenges in performing the estimates are: insufficient data are available; the program scope is not fully defined; the availability of resources is not definitive; and risks are not fully determined.

The following are types of cost estimates used in the program life-cycle:

- **Conceptual Cost Estimate:** This is used early in the Planning Phase of the acquisition life cycle and is often based on a one-to-one comparison with an existing system similar to the system being proposed.
- **Preliminary Cost Estimates:** This is used as more details are available and for preparing budgets.
- **Detailed or Engineering Cost Estimates:** This is a bottom-up estimate using the detailed WBS structure to price out discrete components, such as material, design hours, labor, off the shelf software, etc.
- **Definitive Cost Estimate:** This is used late in the acquisition life cycle during the Project Control Phase, based on actual cost data, available from the same system at an earlier time. The Earned Value Management concept is used to arrive at the Estimate at Completion (EAC).

- **Life Cycle Cost (LCC) Estimate**: This estimate provides the total cost to the Government of acquisition and ownership of the system over its full life time. It includes the cost of development, acquisition, support, and (where applicable) disposal.
- **Independent Cost Estimate (ICE):** This estimate is based on the same scope as the LCC, except that it is prepared by an independent review team using independent data sources and cost estimating approaches.
- **Independent Government Cost Estimate (IGCE):** This estimate is prepared for evaluating and validating contractor proposals presented during the Acquisition Phase. This is prepared from the offeror's point of view and is based on the scope of work outlined in the solicitation.

Techniques of Cost Estimating

Many techniques can be used for cost estimating, from simple arithmetical calculations, to complex mathematical models with numerous variables. Some of the techniques (as defined by DOD –DAU) are:

- **Analogy:** Used early in the acquisition life cycle based on a one-to-one comparison with an existing system similar to the system you are designing.
- **Parametric:** Uses statistical analysis from a number of similar systems and their relationship to your system.
- **Engineering:** A bottom-up estimate using the detailed WBS structure to price out discrete components, such as material, design hours, labor, etc.
- **Extrapolation-from-actual-costs:** Method used late in the acquisition life cycle after actual cost data are available from the same system at an earlier time.

Cost Estimating Methodology

To keep the estimate current, accurate and valid, the cost estimating process is continuously updated, based on the latest information available. As the project matures, the availability of valid data increases. The major steps in the cost estimating process are as follows:

- Based on preliminary project scope, prepare a high level Work Breakdown Structure (WBS)—generally three levels deep.
- Define the Ground Rules and Assumptions including technical, economic, schedule, business, and other factors. These assumptions need to be realistic, and continuously reviewed and updated as the scope of the project becomes better defined with the passage of time.
- Develop Data: Collect, identify, and analyze data for the cost estimate. Data (accurate, relevant, and correct confidence level) is the most important piece of the cost estimate, is time consuming to prepare properly, and includes cost drivers for the cost estimate and risk. Agencies need to develop the capability to collect, identify, and analyze data from various sources such as previous in-house projects, outside parties (professional organizations, vendors, and others engaged in the industry), various procurement/contract data, project management data, accounting/financial management systems, and other sources. Most data are in raw form and must be normalized using learning curves and other methods so that they are comparable and consistent. The normalized data are then adjusted to make them useable for the specific project. All data, including any adjustments made, should be thoroughly documented so an audit trail is established for verification purposes.
- Select/Construct Cost Model: Select the most appropriate tool/model or create a model to estimate the cost. Document factors that influence the selection process such as data and resource availability, schedule, and cost.
- Develop the Estimate: Based on the Ground Rules and Assumptions, and using the normalized/adjusted data, develop the cost estimate and the level of confidence using the various risk factors.
- Perform the sensitivity analysis: Once the estimate is developed, decision makers want and need to know how sensitive the total cost estimate is to changes in the data input. Therefore, a sensitivity

analysis is performed to identify the major cost drivers for the estimate. Sensitivity analyses determine how the different ranges of estimates affect the estimates. Cost drivers are those variables that, when changed in value, create the greatest changes in cost. Generally, many initial assumptions made in the early phases of a project's definition will, in later phases, be found to be inaccurate.

- Develop Contingency Reserve: Based on the confidence level, a contingency allowance is used to cover the items of cost which are not known exactly at the time of the estimate. A Preliminary Estimate generally has a confidence level of 70 percent while a Definitive Estimate will have a confidence level of 90 percent. Contingency allowances of 30 percent and 10 percent, respectively, would be added to the preliminary estimate and definitive estimate.
- Document Cost Estimate: Explain the cost estimating process used, and document how the cost estimates were prepared so that the quality of the estimate could be determined. Perform a peer review. Proper documentation will increase credibility, facilitate information sharing, and make these estimates usable in the future.
- Update Cost Estimate: On a regular basis, keep the cost estimates current. Such quality data are needed for decision-making using "what if" models and to project the impact of alternative decisions.

Application of Cost Estimating

Capital budget estimates: Using these estimating techniques and processes, agencies can develop more reliable and accurate capital budget estimates for funding acquisition programs with realistic schedules. This may be submitted to OMB in a business case during the agency budget submission cycle.

Cost and benefit studies: Through cost and benefit studies, agencies can determine the best investments meeting the agency mission, goals, and objectives.

Life Cycle Cost: The project's Life Cycle Cost helps management to make the right decision.

Project Management: Determines the project's PMB and identify risks which are managed through the EVM technique and through pre-award or post-award IBRs.

Risk Analysis: Cost estimates at various stages of the program identify the nature of the risk and its impact on the program. As the program matures, uncertainties are reduced as the design and development processes are known. Therefore through the use of EVM, risks are managed. Management reserves are defined for the use by the Program Manager.

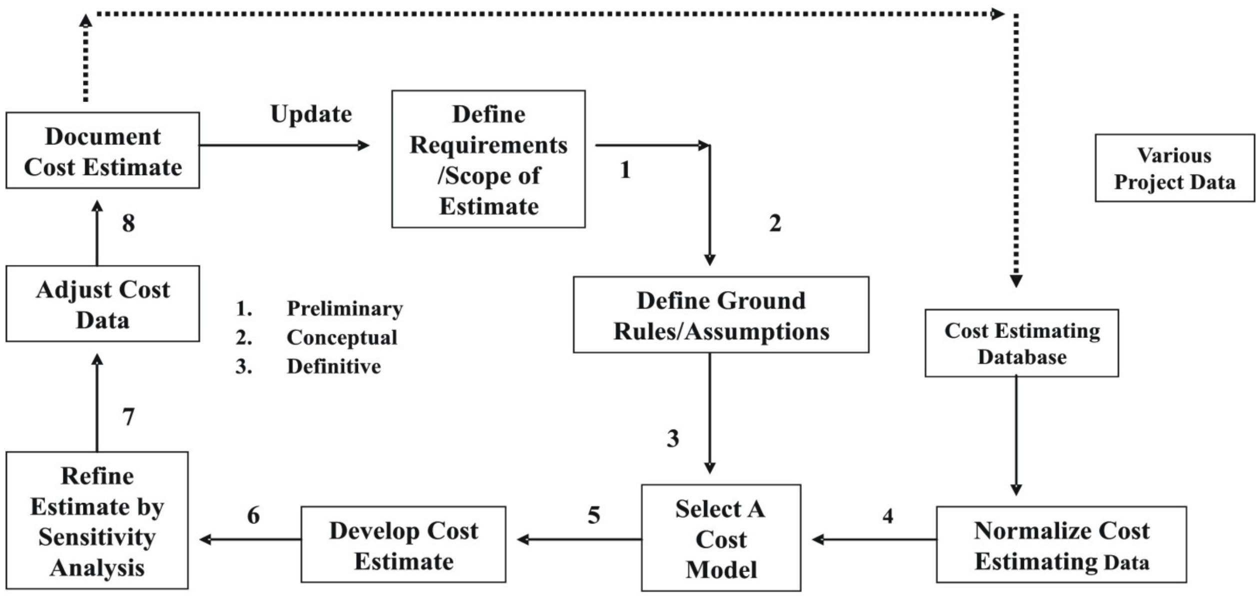
Conclusion:

Understanding the type of estimating technique is important for providing a useful estimate to the decision makers. Cost estimates are key elements of a project plan, so project personnel expend considerable effort preparing them. They provide the basis for assessing the total requirement and the recommended phasing of budgets. Obtaining accurate cost estimates can be difficult for complex projects which involve new technologies and require extensive time to complete. While managers sometimes feel pressured to provide optimistic estimates in order to obtain project go-ahead approval, a poor cost estimate can create an un-executable plan. A project with an inaccurate cost estimate undermines the process for developing an optimal portfolio of capital projects, and when the funding shortage becomes apparent may lead to significant de-scoping or termination of the project.

References:

GAO Cost Estimating and Assessment Guide, March 2009, GAO-09-3SP

DOD/DAU—Integrated Defense Acquisition, Technology and Logistics Life Cycle Management Framework



Flow Chart Cost Estimating Model

APPENDIX 9

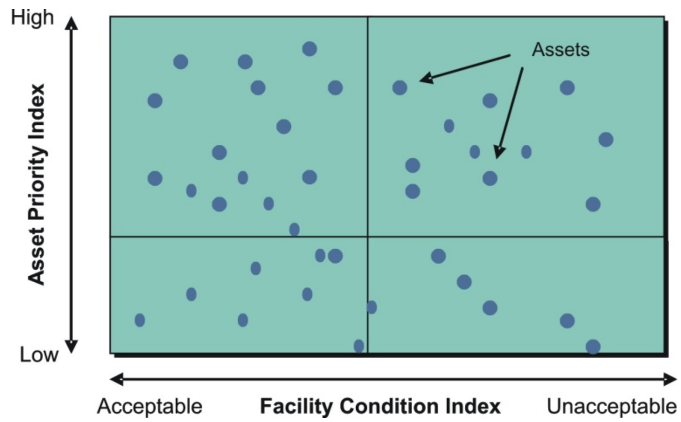
Disposition Decision Models

Real Property Assessment Models

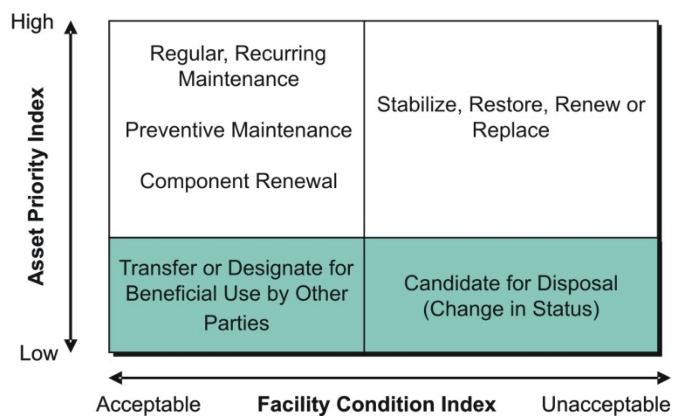
Disposition of an asset results in a change in its status that is accomplished through either employing a disposal option (such as sale, demolition, deconstruction or transfer) or a retention option (such as alteration for another use, doing nothing/hazard prevention, or interim leasing). Initiating a disposition program for the asset portfolio ensures that managers are able to properly identify assets that may no longer support the mission and are potential candidates for disposal, thereby freeing up resources for other uses. This applies to all assets, whether owned, leased, or acquired through another means.

Asset Prioritization

Prioritizing assets based on their importance to mission is one of the most significant criteria used in both focusing reinvestment funds and finding candidates for disposition. The adjacent diagram shows an example of a distribution of assets graphed by their importance to mission and their condition. Graphical representations such as this scatter diagram can be a useful tool in segmenting and presenting asset portfolios. Other performance indicators such as cost or utilization can also be used for portfolio analyses such as finding opportunities for consolidation.



The use of the tools such as this Asset Priority Index (API), help managers identify the most important assets, and therefore provides a logical continuum for which to direct limited funding. In addition, the use of the API is not only important in developing deferred maintenance and component renewal projects; it is equally important when planning for operations, recurring maintenance, and preventive maintenance and changes in asset status (e.g., expansion, consolidation, and disposal).

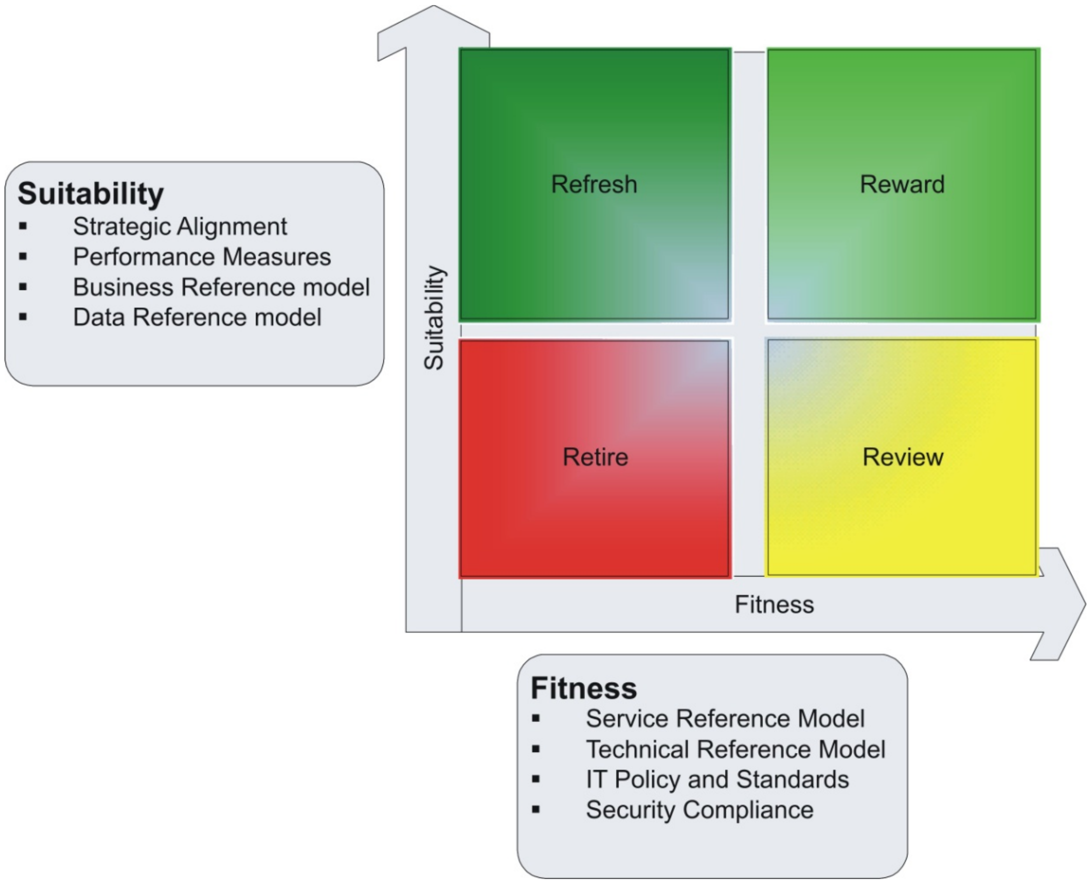


The area highlighted in the adjacent chart shows where an asset no longer supports the mission of the site or bureau or that has reached the end of its useful life. It is at this point in an asset's life-cycle that a manager should consider asset disposition. In this part, the disposition of an asset is considered which can result in the disposal of an asset and removal from the inventory, or retention of the asset with a change in its status within the inventory.

Traditionally, many agencies' disposal programs consist of waiting for field offices to alert management of a vacant facility. Under the concept of continuous monitoring, the disposition of an asset should be a proactive process that occurs at the portfolio level.

IT Assessment Models

A similar approach can be utilized for continuous monitoring of IT assets. The results can be used to identify candidates for disposition.



The business case for disposal is clear: resources are limited. Inefficient and underutilized assets waste those limited resources, detracting from an agency's ability to fund capital improvements and deferred maintenance for those assets critical to supporting the agency mission.

APPENDIX 10

Federal Sustainability

The Federal Government has a wide range of statutory requirements and Executive Order (E.O.) goals related to facility energy and water efficiency, high performance buildings, renewable energy consumption, purchasing, and other aspects of managing Federal facilities and operations.

E.O. 13834, *Efficient Federal Operations*, signed on May 17, 2018, directs Federal agencies to meet those requirements in a manner that increases efficiency, optimizes performance, eliminates unnecessary use of resources, and protects the environment. It further directs agencies to prioritize actions that reduce waste, cut costs, enhance the resilience of Federal infrastructure and operations, and enable more effective accomplishment of their missions.

As emphasized in the introduction to the Capital Programming Guide, agencies need to consider all phases in the capital assets' lifecycle, including acquisition, operation and maintenance, deconstruction or reuse.

Real Property Asset Management:
E.O. 13834 directs agencies to ensure that new construction and major renovations conform to applicable building energy efficiency requirements and sustainable design principles; consider building efficiency when renewing or entering into leases; implement space utilization and optimization practices; and annually assess and report on building conformance to sustainability metrics.

To determine whether a Federal building qualifies as a sustainable building (including existing buildings, new construction, and major renovations), agencies should consult the Guiding Principles for Sustainable Federal Buildings and Associated Instructions (*Guiding Principles*) issued by the Council on Environmental Quality. Agencies may also use third-party building certifications systems or standards identified by GSA's Office of High Performance Buildings.

Electronics Asset Management:
Agencies should ensure that appropriate life cycle management strategies for electronics assets are implemented in accordance with statutory requirements and E.O. goals.

- Acquire equipment that meets statutory requirements for energy efficiency;
- Identify and implement best life cycle management business practices for electronic equipment that minimize consumption of energy and supplies; and
- Ensure that equipment is appropriately managed in accordance with Federal guidance on reuse, donation, transfer, sale, de-manufacturing, and recycling of electronics.

Resources:

- Energy Policy Act of 1992, Energy Policy Act of 2005, Energy Independence and Security Act of 2007, Resource Conservation and Recovery Act of 1976
- Council on Environmental Quality, Office of Federal Sustainability website, Sustainability.gov
- E.O. 13834 and E.O. 13834 Implementing Instructions
- Guiding Principles for Sustainable Federal Buildings

APPENDIX 11

Scoring Process to Rank Proposed Capital Assets

A Example of Criteria and Scoring Process to Rank Proposed Capital Assets

	Capital Asset (l thru n)	Weight
DECISION CRITERIA	SCORING	%
Overall Risk Factors		Weights for Risks Σ=100%
Investment Size—How large is the proposed investment, especially in comparison to the overall budget?	1________5______10 Large Small	40
Project Longevity—Do projects adopt a modular approach that combines controlled systems development with rapid prototyping techniques? Are projects as narrow in scope and brief in duration as possible to reduce risk by identifying problems early and focusing on projected versus realized results?	1________5______10 Non-modular Modular	30
Technical Risk—How will proposed assets be integrated into existing ones? Will proposed investment take advantage of Commercially Available and Non-Developmental Items? How will the complexity of the asset's design effect the development of the project?	1_______5_______10 Experimental Established Custom Industry Standard	30
Sum of Overall Risk Factors		

Overall Return Factors		Weights for Returns Σ=100%
Business Impact or Mission Effectiveness—How will the asset contribute toward improvement in organizational performance in specific outcome-oriented terms?	1________5______10 Low High	25
Customer Needs—How well does the asset address identified internal and/or external customer needs and demands for increased service quality and timeliness or reductions in costs?	1________5______10 Low High	15
Quantitative Analysis—Is the benefit-cost analysis reliable and technically sound?	1_______5_______10 Risky Known estimates benefits	20
Organizational Impact—How broadly will the asset effect the organization (e.g., the number of offices, users, work processes, and other systems)?	1________5______10 Low High	25
Expected Improvement—Is the asset to be used to support, maintain, or enhance operational systems and processes (tactical) or designed to improve future capability (strategic)? Are any projects required by law, court ruling, Presidential directive, etc.? Is the project required to maintain critical operations—beneficiary checks, human safety, etc.—at a minimal operating level? What is the expected magnitude of the performance improvement expected from the asset?	1________5______10 Tactical: Strategic: Low High	15
Sum of Overall Return Factors		
Total Risk Adjusted Score = Weighted Sum of Overall Risk Factors + Weighted Sum of Overall Return Factors		

APPENDIX 12

JUSTIFICATION OF SPENDING FOR NEW CAPITAL ASSETS

Statement of Agency Mission, Strategic Goals and Objectives, and Annual Performance Plans

The Agency Capital Plan should begin with a summary of the agency mission, strategic goals and objectives, and Annual Performance Plan. This is a summary of the analysis done in Step I.

Description of the Planning Phase

The Agency Capital Plan should describe its planning process and the phase's key decision points. It should include: a description of the Executive Review Process discussed in section I.6.1. of the Guide; the role of the IPT; and decision points in the process to determine whether assets should be acquired and whether the acquisition should be terminated if cost, schedule, and performance goals are not met.

Baseline Assessment and Identifying the Performance Gap

This section of the Agency Capital Plan should be a summary of the work done in section 2. It should help lay the groundwork for justifying the need for new acquisitions.

- Examining the existing portfolio. An examination of the existing portfolio of assets is encouraged in order to identify capital assets currently in use and in procurement that can help meet program objectives. This analysis will be the basis for assessing where there are gaps and whether funding for new assets should be proposed. The analysis should ensure that the assets are linked to mission needs. The analysis should be across programs and bureaus to identify cross-servicing, and should be over a multi-year horizon to ensure a dynamic analysis that anticipates future changes.

- Identifying the performance gap. This section should identify the performance gap. The gap identifies the agency objectives that cannot be met with existing assets and other resources. Asset inventory and current condition information should be made available here.

Justification of Spending for Proposed New Capital Assets

Agencies are encouraged to include in their Agency Capital Plan a section that justifies proposed spending on new capital assets, using the criteria described in this Step and expanded upon in Appendix 6, Principles of Budgeting for Capital Asset Acquisitions. The main elements of these principles are incorporated in the suggested sections of the justification discussed below. Agencies should feel free to use other justification criteria as well.

As a general presumption, OMB will recommend new or continued funding only for those capital asset investments that satisfy these criteria. Funding for those projects 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 that there are multiple units that need to be acquired at the same time.

Basis for Selection of the Capital Asset

This section should justify the selection of the proposed asset.

- Statement of program objectives and functional requirements. This statement should be a summary of the analysis done in sections I. through 1.3 as it relates to the proposed asset. The statement should identify program objectives from the annual performance plan, the performance gap, and the functional requirements for the asset. These requirements should be defined in terms of the mission, purpose, capability, agency components involved, schedule and cost objectives, and operating constraints. The requirements should not be defined in terms of equipment or software.

- Explanation of alternative ways of meeting the program objectives. This should be a summary of the analysis in section I.4, Alternatives to Capital Assets. It should review alternatives to meeting the program objective by means other than acquisition of the asset and explain why these alternatives were rejected.

- Explanation of why the acquisition of the proposed asset is the best alternative. This section should justify why the proposed asset is the best alternative for meeting the program objectives. It should summarize the analysis that appears largely in section I.5, Choosing the Best Capital Asset. The explanation should be based on a benefit-cost analysis, including an analysis of life-cycle costs and an analysis of how best to identify, monitor, manage, and control risk. The explanation should also include the baseline cost, schedule, and performance goals that will be the basis for the budget request and tracking of achievement of goals and demonstrate that the Comptroller or Chief Financial Officer has evaluated the cost goals to meet the FASA Title V requirements.

- Budget projections and financial forecasts. This section should draw from the elements above to give a year-by-year forecast of total projected budget authority and outlays for the asset to ensure that all relevant costs are understood in advance. The request should provide for full funding (see section I.7.2.2, Principles of Financing). This section should also discuss performance measures relevant to the asset, tied to agency mission and performance goals and objectives, and address cost-effectiveness.

Strategies for Strengthening Accountability for Achieving Goals

Once the acquisition is funded, the IPT is accountable for achieving the project cost, schedule, and performance goals that are the basis used to obtain approval to acquire the asset. This section should discuss the strategies that will be used to manage the project during the Procurement Phase. These strategies should include:

- Having budget authority apportioned for a useful segment, if appropriate;

- Selecting types of contracts and pricing mechanisms that are efficient and provide incentives to contractors in order to allocate risk appropriately between the contractor and the agency;

- Monitoring cost, schedule, and performance goals for the project—or the useful segment being proposed—using an earned value management system (Earned value is described in Appendix 3);

- Establishing thresholds for cost, schedule, and performance goals of the acquisition, including return on investment, which, if not met, may result in termination of the acquisition;

- Management actions 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 (senior management review of the project should be instituted to determine the continued viability of the project with modifications, or the termination of the project, and the start of exploration for alternative solutions if it is necessary to fill a gap in agency strategic goals and objectives); and

- Proactive risk management approach and a process for identifying, analyzing, and monitoring risks throughout the life-cycle of the investment.

Staff Requirements

This section should discuss the management staff, both in-house and contracted, needed by the agency to manage the Acquisition Phase and the operations and maintenance staff projections, both in-house and contractor, for the Management-In-Use Phase.

Timing Issues, if Involved in a Multi-Agency Acquisition

Agencies are encouraged to explore multi-agency acquisitions where feasible. This section should discuss the timing of the support to be provided to the acquisition by the various agencies involved in the acquisition. These include the timing of fund transfers to the lead agency and the timing of use of the asset by the various agencies.

Plans for Proposed Capital Assets Once in Use

The Agency Capital Plan should discuss the costs associated with the asset's procurement, management-in-use, and ultimate disposal, and how these costs will be tracked by program managers.

Summary of Risk Management Plan

Planning, budgeting, and procurement of capital assets is not always a smooth process. In spite of careful planning, there are normally disruptions to the process, and the analysis of alternative ways of meeting program objectives should respond to disruptions quickly. The risk management plan developed in section I.5.5 should be summarized in the Agency Capital Plan.

(This example is hypothetical, and does not represent the program or activity of any Federal agency.)

AGENCY STRATEGIC PLAN (ASP)	**Year 1 Budget Year (BY)**	**Year 2 BY +1**	**Year 3 BY +2**	**Year 4 * BY +3**
Mission: ... prevent loss of life ...	ASP Submitted			
Outcome Goal: By year 4, hurricanes will cause 50 percent fewer fatalities than in Year 0 (100).	ASP Submitted			Goal measured**
Outcome Objectives: By year 4, the Neptune satellite will be operational. Predictive accuracy at 24 hours pre-landfall will increase from current 100 mile landfall range to 15 miles; and estimated barometric pressure (hurricane strength) at landfall will be within 3 millibars compared to current 25 millibar standard.	ASP Submitted			Objectives measured**
Description of resources, technologies, assets needed to achieve goals and objectives.	1 Neptune satellite	1 Booster rocket to launch Neptune satellite		1 Neptune II satellite
ANNUAL PERFORMANCE PLAN (APP)				
Outcome Goals and objectives measured.				Goals Referenced in ASP Program performance measured**
Output Goals defined and measured.		Satellite: - Issue RFPs for components - Evaluation - Award contracts	Satellite: - Assembly - Test - Acceptance Booster Rocket: - Issue RFP - Evaluation - Award contract	Satellite - Launch - Made fully operational Booster rocket: - Test - Acceptance - Launch satellite
Description of resources, technology, assets needed to achieve goals			1 Neptune satellite	1 Booster rocket
AGENCY CAPITAL PLAN				
Outcome Goal				Goal Referenced in ASP & APP
Output Goals				Goals Referenced in ASP & APP
Asset Procurement Goals	Neptune Satellite: - Capital Plan submitted - Funds included in budget - Congress appropriates	Satellite: - Issue RFPs for components - Evaluation - Award contracts Booster Rocket: - Capital plan submitted - Funds included in budget - Congress appropriates	Satellite: - Assembly - Test - Acceptance Booster Rocket: - Issue RFP - Evaluation - Award contract	Neptune II Satellite: - (Steps before including budget request for Neptune II satellite in Capital Plan.) Booster rocket: - Test - Acceptance - Launch satellite

* A revised/updated Strategic Plan would be required by year 4. Replacement satellite required, as Neptune I class satellite has 3 year operational life.
** Achievement of outcome goals and objectives in Strategic Plan is determined by including those goals and objectives in an Annual Performance Plan for the appropriate year, and using the Program Performance Report (or Accountability Report) to record and report on actual performance compared to the goals.

GLOSSARY

Appropriations. An appropriation provides budget authority that permits Government officials to incur obligations that result in immediate or future outlays of Government funds.

Regular annual appropriations. These 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).

Availability. 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.

Assets. Tangible or intangible items owned by the Federal Government which would have probable economic benefits that can be obtained or controlled by a Federal entity (adapted from SFFAS No. 6, Elements of Financial Statements, and Kohler's Dictionary for Accounting).

Baseline Goals. Baseline cost, schedule, and performance goals will be the standard against which actual work is measured. They will be the basis for the annual report to the Congress required by FASA Title V on variances of 10 percent or more from cost and schedule goals and any deviation from performance goals. The goals, and any changes to the goals, must be approved by OMB.

- **Cost and schedule goals**. The baseline cost and schedule goals should be realistic projections of total cost, total time to complete the project, and interim cost and schedule goals. The interim cost and schedule goals should be based on the value of work performed or a comparable concept. Appendix 3 illustrates the earned value concept for establishing cost and schedule goals, one of several concepts that could be used.

- **Performance goals**. A target level of performance against which actual achievement or progress can be compared, preferably expressed as a tangible, measurable objective or as a quantitative standard, value, or rate. This can include goals containing key milestones or goals framed as a position relative to the past or relative to peers.

- **Illustrative major milestones in establishing goals**. Illustrative major milestones in establishing or proposing revised baseline goals could be:
    - Agency mission analysis, process design, and requirements development;
    - Agency submission and justification to OMB;
    - Approval for inclusion in the Administration's budget proposal to the Congress;
    - Enactment of appropriations;
    - Before and after the contract or contracts are signed; and
    - Other times after the contracts are signed, depending on circumstances.

Budget Authority. Budget authority (BA) is the authority provided by Federal law to incur financial obligations that will result in outlays. Most budget authority for acquisitions is in the form of appropriations; other types are contract authority, authority to borrow, and spending authority from offsetting collections.

This definition of budget authority is consistent with the definition contained in section 3(2) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Omnibus Budget and Reconciliation Act of 1990. Section 20.4 of OMB Circular No. A-11 explains budget authority in more detail.

Capital Assets. See Appendix 1.

Capital Programming. See OMB Circular No. A–11, Part 7 definition on page 2.

Capital Project and Useful Segments of a Capital Project. The total capital project, or acquisition of a capital asset, includes useful segments that are either planning segments or useful assets.

- **Planning segments**. A planning segment of a capital project provides information that allows the agency to develop the design; assess the benefits, costs, and risks; and establish realistic baseline cost, schedule, and performance goals before proceeding to full acquisition of the useful asset (or canceling the acquisition). 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 process of gathering information for a capital project may consist of one or more planning segments, depending on the nature of the asset. If the project includes a prototype that is a capital asset, the prototype may itself be one segment or may be divisible into more than one segment.

- **Useful asset**. A useful asset is an economically and programmatically separate segment of the asset or whole asset that may be procured to provide a useful asset for which the benefits exceed the costs, even if no further funding is appropriated. The total capital asset procurement may include one or more useful assets, although it may not be possible to divide all procurements in this way. Illustrations follow:

Illustration 1. If the construction of a building meets the justification criteria and has benefits greater than its costs without further investment, then the construction of that building is a "useful segment." Excavation is not a useful segment because no useful asset results from the excavation alone if no further funding becomes available. For a campus of several buildings, a useful segment is one complete building if that building has programmatic benefits that exceed its costs regardless of whether the other buildings are constructed, even though that building may not be at its maximum use.

Illustration 2. If the full acquisition is for several items (e.g., aircraft), the useful segment would be the number of complete aircraft required to achieve benefits that exceed costs, even if no further funding is available. In contrast, some portion of several aircraft (e.g., engines for five aircraft) would not be a useful segment if no further funding is available, nor would one aircraft be a useful segment if two or more are required for benefits to exceed costs.

Illustration 3. For information technology, a module (the information technology equivalent of "useful segment") is separable if it is useful in itself without subsequent modules. The module should be designed so that it can be enhanced or integrated with subsequent modules if future funding becomes available.

Commercially Available Off-The-Shelf (COTS) Item. Any item, other than real property, that is of a type customarily used by the general public for nongovernmental purposes, and that has been sold, leased, or licensed to the general public; is sold, leased, or licensed in substantial quantities in the commercial marketplace; and is offered to the Government, without modification, in the same form in which it is sold, leased, or licensed in the commercial marketplace.

Cost. Defined in SFFAC No. 1, Objectives of Federal Financial Reporting, as the monetary value of resources used. Defined more specifically in SFFAS No. 4, Managerial Cost Accounting Concepts and Standards for the Federal Government, as the monetary value of resources used or sacrificed or liabilities incurred to achieve an objective, such as to acquire or produce a good or to perform an activity or service. Depending on the nature of the transaction, cost may be charged to operations immediately (i.e., recognized as an expense of the period) or to an asset account for recognition as an expense of subsequent periods. In most contexts within SFFAS No. 7, Accounting for Revenue and Other Financing Sources, "cost" is used synonymously with expense. See also, "Full Cost."

Efficiency measures. While outcome measures provide valuable insight into program achievement, more of an outcome can be achieved with the same resources if an effective program increases its efficiency. Agencies are encouraged to develop efficiency measures. Efficiency gains 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 much greater degree than costs are increased. Simply put, efficiency is the ratio of the outcome or output to the input of any program.

Full Cost. All direct and indirect costs to any part of the Federal Government of providing goods, resources, and services (OMB Circular No. A–25: User Charges (July 8, 1993)). The total amount of resources used to produce the output. More specifically, the full cost of an output produced by a responsibility segment is the sum of: (1) the costs of resources consumed by the responsibility segment that directly or indirectly contribute to the output; and (2) the costs of identifiable supporting services provided by other responsibility segments within the reporting entity and by other reporting entities (SFFAS No. 4, Managerial Cost Accounting Concepts and Standards for the Federal Government).

Funding. There are two types of funding for projects: (1) Full funding means that appropriations are enacted that are sufficient in total to complete a useful segment of a capital project (investment) before any obligations may be incurred for that segment. When capital projects (investments) or useful segments are incrementally funded, without certainty if or when future funding will be available, it can result in poor planning, acquisition of assets not fully justified, higher acquisition costs, projects (investments) delays, cancellation of major projects (investments), the loss of sunk costs, or inadequate funding to maintain and operate the assets. Budget requests for full acquisition propose for full funding. (2) Incremental (annual) funding means that appropriations are enacted that only fund an annual or other part of a useful segment of a capital project (investment). OMB or the Congress may change the agency's request for full finding to incremental funding in order to accommodate more projects in a year than would be allowed with full funding.

Information Technology. Section 5002 (3) of the Clinger-Cohen Act defines information technology as follows:

INFORMATION TECHNOLOGY.

(A) The term "information technology", with respect to an executive agency means any 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 information by the executive agency. For purposes of the preceding sentence, equipment is used by an executive agency if the equipment is used by an executive agency directly or is used by a contractor under a contract with the executive agency which (i) requires the use of such equipment, or (ii) requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product.

(B) The term "information technology" includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources.

(C) Notwithstanding subparagraphs (A) and (B), the term "information technology" does not include any equipment that is acquired by a Federal contractor incidental to a Federal contract."

Information Technology Systems for National Security. Section 5142 of ITMRA defines a national security system as follows:

"(a) DEFINITION. In this subtitle, the term "national security system" means any telecommunications or information system operated by the United States Government, the function, operation, or use of which:
1. involves intelligence activities;
2. involves cryptologic activities related to national security;
3. involves command and control of military forces;
4. involves equipment that is an integral part of a weapon or weapons system; or
5. subject to subsection (b), is critical to the direct fulfillment of military or intelligence missions.

(b) LIMITATION. Subsection (a)(5) does not include a system that is to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications)."

Integrated Project Team (IPT). Integrated Project Team means a multi-disciplinary team led by a project manager responsible and accountable for planning, budgeting, procurement and life-cycle management of the investment to achieve its cost, schedule, and performance goals. Team skills include: budgetary, financial, capital planning, procurement, user, program, architecture, earned value management, security, and other staff as appropriate.

Life-cycle Costs. Life-cycle costs of an asset are all direct and indirect initial costs, including planning, procurement, development, construction, and other costs; all periodic or continuing costs of operation and maintenance; and costs of decommissioning and disposal.

Nation's Integrated Industrial Base. The Nation's integrated industrial base includes those companies with facilities, design and manufacturing processes, and technologies capable of servicing both commercial and Government needs.

Non-Developmental Item (NDI). Any previously developed item of supply used exclusively for governmental purposes by a Federal agency, a State, or local government that requires only minor modifications or modifications of a type customarily available in the commercial marketplace.

Outcome Measure. Outcomes describe the intended result of carrying out a program or activity. Outcome measure indicates progress against achieving the intended result of a program. Indicates changes in conditions that the Government is trying to influence.

Outlay. The issuance of checks, disbursement of cash, or electronic transfer of funds made to liquidate a Federal obligation. Outlays also occur when interest on the Treasury debt held by the public accrues and when the Government issues bonds, notes, debentures, monetary credits, or other cash-equivalent instruments in order to liquidate obligations. Also, under credit reform, the credit subsidy cost is recorded as an outlay when a direct or guaranteed loan is disbursed.

Output Measure. A type of measure, specifically the tabulation, calculation, or recording of activity or effort usually expressed quantitatively. Outputs describe the level of activity that will be provided over a period of time. Outputs refer to the activities or products of a program. While output measures can be useful, there must be a reasonable connection between outputs used as performance indicators and outcomes. Agencies should select output measures 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.

Performance budget. A budget presentation that clearly links performance goals with costs for achieving a target level of performance. In general, a performance budget links strategic goals with related long-term and annual performance goals (outcomes) with the costs of specific activities to influence these outcomes about which budget decisions are made. The Performance Budget/Annual Performance Plan is either used to structure or is a part of the agency's budget submission to OMB and the agency's Congressional Budget Justification.

Performance Measurement. A means of evaluating efficiency, effectiveness, and results. A particular value or characteristic used to measure progress toward goals, and also used to find ways to improve progress, reduce risks, or improve cost-effectiveness.

Portfolio. A set of programs, projects or other work grouped together to meet strategic goals and objectives.

Program Risk-Adjusted Budget (PRB). The total budget that represents the amount of resources and schedule expected to be needed to cover the risk of cost and schedule overruns to meet a 90 percent probability of project/program success. It is an amount held at a level above the program level to be released to the program when needed to cover risk that was not identifiable through an IBR, but that history indicates will cause cost and schedule overruns from the Performance Measurement Baseline through no fault of the program management process.

Program. An ongoing initiative composed of a group of projects and other work managed in a coordinated way to obtain benefits not obtained from managing them individually.

Project. A temporary endeavor to create a unique product or service with a start date, a completion date, and a defined scope.

Strategic Goal. 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, and challenges. Each performance goal should relate to the strategic goals of the agency.

Support Costs. Costs of activities not directly associated with production. Typical examples are the costs of automation support, communications, postage, process engineering, and purchasing.

Target. Quantifiable or otherwise measurable characteristic that tells how well or at what level a program aspires to perform.