

GUIDE TO OMB CIRCULAR NO. A-34**Table of Contents**

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Summary of Changes

Includes information formerly in sections 10 and 11.1.

1.1 What is the purpose of this Circular?

This Circular is your reference for instructions on budget execution, monitoring Federal outlays, obtaining exemptions from the General Accounting Office (GAO) access to records, reporting requirements for unvouchered expenditures, closing accounts, and monitoring Federal employment. All appropriations, funds, and other authorizations are subject to the instructions in this Circular (see section 20.6 for exemptions from apportionment requirements).

In this Circular, “you” refers to you the reader and the agency you represent. “OMB” usually refers to the Office of Management and Budget Resources Management Office representative with primary responsibility for reviewing your agency’s budget, unless otherwise indicated.

By law, you must submit information required for apportionment in the form, manner, and at the time OMB specifies in this Circular. OMB also may issue alternative requirements that supercede those contained in this Circular.

If you want a modification to the requirements in this Circular, you must get OMB approval in advance.

This year’s version of this Circular looks very different from previous years’ versions. We revised it for style as well as substance. We reorganized the entire Circular to place related sections together and present information more logically and chronologically where appropriate. We rewrote all the sections using plain language to make them easier to read and follow. Changes include subdividing several chapters into more sections and using informative section headings that ask questions. A table that crosswalks the old structure to the new structure of the 2000 revision follows this Guide.

We identify substantive changes in the Table of Contents at the beginning of each chapter, and use vertical revision bars in the margins to highlight new requirements and significant changes.

1.2 What is the budget execution process?

The budget execution process encompasses the apportionment of funds, the obligation of those funds over the course of a fiscal year, and the actual outlay of funds. Prior to the fiscal year, or within 30 days after a spending bill is approved, you must submit an apportionment request to OMB for each account. At the beginning of the fiscal year, or at such other times as necessary, OMB apportions funds – that is, OMB specifies the amount of funds that you may use by time period, program, project or activity – from the funds appropriated to you for that fiscal year.

Throughout the year, you carry out various 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 complete cycle of the budget execution process lasts for a minimum of six years, as the actual outlay of funds obligated during the fiscal year can occur during the next five years.

During the budget execution process, your authority to incur obligations and spend money generally passes through the following major phases:

- The various types of budgetary resources are made available for use.
- Budgetary resources may be reduced or proposed for reduction, for example, proposed for rescission or deferred.
- OMB apportions the amounts available for obligation by time, project, or activities.
- You may allot amounts available from the apportionment.
- You obligate and make outlays of amounts available from the apportionment.

Your ability to use budgetary resources changes over time. For example, you may not incur new obligations on “expired” accounts, and you may not make outlays on canceled accounts.

1.3 What laws and regulations govern this process?

The budget execution process is governed by the following:

- *Chapters 13 and 15, Title 31, United States Code.* These chapters prescribe rules and procedures for budget execution. Many of the specific provisions were previously enacted as section 3679 of the Revised Statutes, also known as the "Antideficiency Act." The provisions known as the "Economy Act " are found in section 1535. The provisions that govern the closing of accounts are found in sections 1551 through 1557.
- *Executive Order 11541 of July 1, 1970, as amended.* This executive order delegates the President's budget execution responsibilities to the Office of Management and Budget.

- *Impoundment Control Act of 1974 (Public Law 93-344), as amended.* Contained in the same act as the Congressional Budget Act, this law prescribes rules and procedures under which the President may withhold appropriated amounts from obligation. The requirements related to rescissions (a type of cancellation of funds) and deferrals of budget authority stem from this law.
- *Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), as amended.* This law prescribes rules and procedures (including “sequestration”) designed to constrain spending and receipts legislation. When originally enacted, the Act was commonly known as the Gramm-Rudman-Hollings Act. The Budget Enforcement Act (BEA) (described above) significantly amended this act, and many people refer to its requirements as the BEA requirements.
- *The Federal Workforce Restructuring Act of 1994 (P.L. 103-226a).* This law requires monitoring Federal employment.
- *The Miscellaneous Receipts Law (31 USC 3302(b)).* This law requires that all monies collected must be deposited in the Treasury, unless another law specifies a different treatment.
- *31 USC 716.* This law prescribes procedures for agencies to follow to exempt them from providing information to GAO.
- *31 USC 3524.* This law prescribes the reporting requirements for unvouchered expenditures.

1.4 What are OMB’s responsibilities?

OMB may make apportionments or reappportionments on the basis of agency requests or on OMB’s initiative. The Director of OMB is responsible for reviewing and approving agency systems of administrative control of funds to prevent violations of the Antideficiency Act. The Director of OMB will also prepare and submit the report on unvouchered expenditures to certain congressional committees and to the GAO before December 1 of each year, as required by law.

1.5 What are my responsibilities?

You are responsible for following the instructions in this Circular.

Electronic versions of OMB circulars, including this one, are available on the OMB website at:

<http://www.whitehouse.gov/omb/circulars>.

1.6 Where can I get help?

Ask your OMB contact to help you in complying with the requirements of this Circular.