

General Requirements

11.1. Coverage.

The instructions in Part 1 of this Circular apply to all agencies of the Government and Government-sponsored enterprises, except as specified in section 11.2. Budget submissions must be prepared in accordance with these instructions, unless a specific exception is approved in writing by OMB. Requests for exceptions must be submitted to OMB in writing by *August 1*, as prescribed by section 11.6(a). *Exceptions approved by OMB are valid only for one year.*

Questions concerning the application of these instructions should be addressed to the agency's OMB representative.

Unless otherwise noted, for guidance on requirements related to the Government Performance and Results Act (GPRA) and capital assets, see Parts 2 and 3 of this Circular, respectively.

11.2. Exemptions.

Although budget submissions are required from agencies with budgets not subject to executive branch review, general policies, justification requirements, and instructions on additional data are not applicable. Agencies not subject to executive branch review include the:

- legislative branch;
- judicial branch;
- Milk Market Orders Assessment Fund of the Department of Agriculture;
- International Trade Commission; and
- Board of Governors of the Federal Reserve System.

The budgets of the following Government-sponsored enterprises are also not subject to review:

- Student Loan Marketing Association;
- Federal National Mortgage Association;
- Federal Home Loan Mortgage Corporation;
- Banks for cooperatives;
- Agricultural Credit Banks;
- Farm credit banks;
- Federal Agricultural Mortgage Corporation;
- Federal home loan banks;
- Financing Corporation; and
- Resolution Funding Corporation.

11.3. Definitions.

For the purposes of Part 1 of this Circular, “agency” designates departments and establishments

of the Government and “bureau” designates the principal subordinate organizational units of an agency.

The following phrases and abbreviations are used in these instructions 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)	The fiscal year following the budget year.
Budget year+2 (BY+2)	The second fiscal year following the budget year.
Budget year+3 (BY+3)	The third fiscal year following the budget year.
Budget year+4 (BY+4)	The fourth fiscal year following the budget year.
Budget year+5 (BY+5)	The fifth fiscal year following the budget year.
Budget year+6 (BY+6)	The sixth fiscal year following the budget year.
Budget year+7 (BY+7)	The seventh fiscal year following the budget year.
Budget year+8 (BY+8)	The eighth fiscal year following the budget year.
Budget year+9 (BY+9)	The ninth fiscal year following the budget year.

11.4. Materials required for appropriation or fund accounts.

Appropriation or fund accounts, as defined in section 11.5, are the basic building blocks of agency budget submissions to OMB and of the President's budget. More specifically, data are reported and presented at the account level in the budget and aggregated to provide the totals in the President's budget. In addition, appropriation or fund accounts are the basis for congressional action on the budget.

Budget schedules and related print materials are required for the various types of appropriation and fund accounts, as indicated below. Instructions on the preparation of these materials are included in sections 30–36. Computer materials are also required at the account level. Instructions on submission of computer materials are included in sections 20–25.

Type of print material	General and special fund accounts	Revolving funds (including trust revolving funds)	Management funds	Trust funds (excluding trust revolving funds)
Appropriations language (section 31)	Required (if there is language for the current year or budget year).	Required (if there is language for the current year or budget year).	Required (if there is language for the current year or budget year).	Required (if there is language for the current year or budget year).
Program and financing schedule (section 32)	Required.	Required for funds and for annual limitations.	Required.	Required for funds and for annual limitations.
Schedules on status of direct loans and guaranteed loans (section 33)	Generally not required.	Required for all accounts with direct loan or loan guarantee activities.	Not applicable.	Generally not applicable.
Summary of loan levels, subsidy budget authority, and outlays by program (section 33)	Required for all program accounts with direct loan or loan guarantee subsidies.	Not applicable.	Not applicable.	Not applicable.
Narrative statements on program and performance (section 34)	Required, except where there is no activity after the past year.	Required.	Required.	Required.
Schedule of object classification (section 35)	Required.	Required for funds and for annual limitations.	Required.	Required for funds and for annual limitations.
Personnel summary (section 36.1)	Required when personnel compensation is reported in object class 11.1 or 11.3, or when FTE are funded by allocations from other accounts.	Required when personnel compensation is reported in object class 11.1 or 11.3, or when FTE are funded by allocations from other accounts.	Required when personnel compensation is reported in object class 11.1 or 11.3, or when FTE are funded by allocations from other accounts.	Required when personnel compensation is reported in object class 11.1 or 11.3, or when FTE are funded by allocations from other accounts.
Summary of budget authority and outlays (section 36.2)	Required where applicable.	Required where applicable.	Required where applicable.	Required where applicable.
Statement of operations; balance sheet (section 36.3)	Not required.	Required for Government-sponsored enterprise funds, and for credit liquidating accounts. For credit financing accounts, only a balance sheet is required. For noncredit revolving funds, optional at the discretion of OMB.	Not applicable.	Not required.
Schedule on status of contract authority (section 36.4)	Required where applicable.	Required where applicable.	Not applicable.	Required where applicable.
Schedule on status of funds (section 36.5)	Required for certain accounts.	Required where applicable.	Not applicable.	Required where applicable.
Schedule on unavailable collections (section 36.6)	Required for special funds and, where applicable, for general funds.	Required where applicable.	Required where applicable.	Required.
Status of contingent emergency funding (section 36.9)	Required where applicable.	Required where applicable.	Required where applicable.	Required where applicable.

Receipt account data, which are included in the budget data base, are also used to derive budget totals. Instructions on submission of computer materials for receipt accounts are included in sections 20 and 21. These data are printed in the *Budget Appendix* and are reflected in printed budget summary tables.

A summary of requirements for credit program, financing, and liquidating accounts is found in section 33.5(c).

11.5. Basis for presentation of data in budget schedules.

General rules on presentation of data in budget schedules are discussed below. Specific instructions

on the format and style of presentation of required materials are found in section 30.4.

(a) Appropriation or fund accounts.—Congress provides budget authority by appropriating amounts to appropriation or fund accounts for a specific period of availability (i.e., annual, multi-year, or no year availability). An appropriation or fund account is established in the Treasury for each successive annual or multi-year appropriation, as well as for a no year appropriation, provided by Congress for a given purpose under the same or similar titles. However, for the reporting requirements in Part 1 of this Circular and presentation of data in the budget, appropriations and other types of budget authority provided to an account with the same or similar titles for the years covered by the budget are considered to be a single account under a single title. In addition, two or more accounts may be merged or consolidated for budget presentation purposes into a single account under some circumstances (see sections 11.5(g), (h), and 20.4(b)). (Note: Budget execution data required by OMB Circular No. A-34 are generally reported for each separate appropriation or fund account established by Treasury (i.e., each account with different availability) rather than at the level of aggregation required for budget presentation.

(b) Alignment of budget accounts.—Agencies are encouraged to review their budget account structure and to propose changes that would align budget accounts providing resources for a program with program results. In particular, the link between resources and results should be kept in mind when:

- proposing budget account changes in response to current legislative and budgetary changes;
- considering changes to GPRA activity structure in annual performance plans (see section 220.9 of Part 2);
- developing budget requests for acquisition of capital assets (see section 300.8 and Appendix 300A of Part 3); and
- reviewing small accounts that provide partial financing for a program financed mostly by another account; to the extent possible, such accounts should be consolidated or merged with the primary account supporting the program (see sections 11.5(g), (h), and 34.3).

When goods and services financed by other budget accounts are used to achieve program results, consideration should be given to charging the program for such goods and services or permitting the program to purchase them competitively.

(c) Establishment of new accounts.—Proposals for new accounts should be approved in advance by OMB (see sections 11.6 and 20.4) and should be consistent with the guidelines described below.

- (1) In general, appropriation accounts should provide the basis for effective control over agency programs and should facilitate the presentation of information for both the congressional and the executive branch budget processes. Toward this end, proposed programs that are closely related to existing appropriation accounts should be included in those accounts.
- (2) Major new programs that are significantly different from others in substance or in type should be in separate budget accounts.

(d) Reimbursements.—Advances or reimbursements lawfully credited to appropriation or fund accounts and the corresponding obligations will be *included* in the budget schedules of these accounts.

Advances received under the authority of the Economy Act (31 U.S.C. 1535 and 1536) will be included as collections in the appropriation or fund account that actually provides the service or materials.

(e) Allocations.—These are amounts of budget authority and other resources transferred to other agencies or bureaus to carry out the purposes of the parent account that are placed in separate Treasury transfer appropriation accounts. For the purposes of budget presentation, the budget schedules of the parent account will reflect these transactions as a part of that account's regular activities. Object class schedules and personnel summaries will identify allocations separately (see sections 35.4 and 36.1). (See section 13.3(c) for the treatment of allocations of FTE employment and 14.2(l) for the distinction between allocations and other types of transfers.)

(f) "Feeder" accounts for revolving funds.—These are appropriation accounts whose budgetary resources are available only for transfer to specified revolving fund accounts. Amounts included in feeder accounts are reflected without separate identification in the presentation of the revolving fund to which they relate.

(g) "Merged" accounts.—In some circumstances, amounts from several accounts are merged into a single account for budget presentation purposes.

- (1) When two or more appropriation accounts have been replaced by a single appropriation, amounts in the old accounts will be merged into schedules for the single account (see section 32.8(g)).

(2) It may be desirable to propose merger of several appropriations into a single account and to request the budget year appropriation on that basis. The objective of account mergers is to permit flexibility in achieving program goals by managing and budgeting at a higher level of aggregation. While aggregation of accounts may be desirable, this objective should be balanced against other needs, including the need for public disclosure and review and control by the President and Congress.

(h) Consolidated schedules.—A single set of schedules for two or more accounts of a bureau (or of an agency when appropriations are not made by bureaus) will be submitted for:

- Federal fund accounts for which no budget authority is anticipated after the past year;
- permanent appropriations of the general fund and special funds for similar purposes or where accounts contain small sums that have no direct bearing on programs financed by current appropriations; and
- small trust fund accounts.

Below threshold accounts (i.e., with amounts of \$500,000 or less) will also be consolidated with larger accounts. For this purpose, below threshold trust fund accounts may be consolidated with general fund accounts. (See section 20.4 for a description of account identification codes for consolidated accounts and section 32.8(h) for budget presentation of these schedules.)

(i) Accounting adjustments.—Those accounting adjustments between appropriations authorized by 31 U.S.C. 1534 will be made without separate identification in the budget schedules.

11.6. Advance approval.

Advance approval by OMB is required for exceptions to requirements in Part 1 of this Circular, changes in the format of justification materials, and changes in budget or activity structure, data classifications assigned at the account level, and appropriations language, as described below.

(a) Exceptions to Part 1 requirements.—Requests for exceptions to specific requirements of Part 1 must be submitted to OMB, with full written justification, by August 1. Approved exceptions are valid only for the year in which they are granted, although they may apply to all years shown in the budget.

(b) Justification materials.—Specific information and format requirements are determined in consultation with OMB representatives. Advance approval

must be obtained before modifications are made to the standard justification material requirements used to present program and financial information.

(c) Budget structure.—As a general rule, approval for changes in budget structure should be requested by *October 1*, unless OMB specifies an earlier due date. Changes dependent on pending decisions or resulting from late congressional action or from other circumstances beyond agency control should be submitted as soon as possible after October 1.

Changes in budget structure include establishment of new accounts (see section 20.4), changes in account titles, account mergers, changes in the sequence of existing accounts, and new methods of financing.

When prospective internal reorganizations are likely to necessitate budget structure changes, OMB approval of the revised budget structure should be obtained prior to the reorganization. A request for such approval, in the form of a letter or memorandum, must be submitted as early as possible.

Until requests are approved, budget materials should be based on the existing structure. If changes are approved, budget schedules and other materials will be revised accordingly.

(d) Activity structure.—Agency proposals to change the activity structure, including the use of subactivities, in the obligations by program activity section of the program and financing schedules should be submitted prior to the initial budget submission (see section 32.2).

(e) Functional, subfunctional, and receipt classifications.—Reorganizations, program reorientations, or revisions in appropriation structure sometimes require changes in functional, subfunctional, and receipt classifications. Requests for changes in these classifications for existing accounts should be made prior to the initial budget submission (see section 20.4).

11.7. Responsibilities in reporting data.

In preparing the budget submission, data will be reported as accurately as possible.

(a) Past year data.—Obligations for the past year must have firm accounting support and be consistent with laws, regulations, and any reports made to Congress. Agency budget officers are responsible for ensuring that offsetting collections, appropriations, transfers, outlays, and balances for the past year agree with the corresponding amounts reported in the final Report on Budget Execution (Standard Form 133) and to the Department of the Treasury

on the FMS 2108 year-end closing Statement. Agency budget and accounting offices should review and reconcile differences in data, to the extent possible, *prior* to reporting year-end data to the Department of the Treasury and to OMB (see section 32.9). Particular attention should be paid to resolving differences in past year outlays and receipts.

Agencies should also ensure that past year FTE data are consistent with data reported to OPM. Actual FTE usage reported in the past year column of the Budget should normally equal year-end FTE usage reported on the S.F. 113G to OPM (see section 13.3).

(b) Current year data.—The current year's transactions will be estimated as accurately as possible within the limits of funds presently available or expected to become available during the year.

(c) Certification of obligations.—Section 1108(c) of Title 31, United States Code, requires the head of each Federal agency, in connection with submission of all requests for proposed appropriations to OMB, to certify that any statement of obligations furnished consists of valid obligations, as defined in section 1501(a) of that title. The certification may be in the form of the following paragraph:

“As required by section 1108(c) of Title 31, United States Code, I am reporting that all statements of obligations furnished to the Office of Management and Budget in connection with the [name of agency] requests for proposed appropriations for the fiscal year 19[BY] consist of valid obligations as defined in section 1501(a) of that title.”

This certification will be included in the summary and highlight statement (see section 15.1) or transmitted separately by the agency head at a later date. In any event, it must be received no later than *November 20*.

The primary responsibility for reviewing the status of its accounts rests with the agency managing the appropriation or fund. Agencies should recognize that the reports required by the Department of

the Treasury form the basis for compilation and publication of data on *over-expended* or *over-obligated* appropriation or fund accounts resulting from agency operations that may be in violation of the Antideficiency Act (31 U.S.C. 1341). Disposition of over-expended or over-obligated amounts is the sole responsibility of the agency managing the appropriation or fund. Agency heads should be aware that, in connection with those reports, they are certifying that obligations are valid and that the amount of obligations or expenditures incurred is proper.

(d) Consistency in reporting transfers.—Responsibilities of the paying or administering agency and the receiving agencies or accounts for estimating and reporting charges and credits between accounts are discussed below.

(1) *Where allocations are used.*—When reporting budgetary resources, the agency administering the parent account will compile and submit all necessary material (see section 11.5(e)). That agency will obtain whatever information it needs for this purpose from the receiving agencies. (See section 13.3(c) and 36.1 for treatment of allocations of FTE employment.)

(2) *Where payments are made to other appropriations, to revolving funds, to management funds, and to trust funds.*—The paying agency will include in its schedules obligations in the amount of the payment. The receiving agency will report such amounts as offsetting collections credited to the appropriation, fund, or receipt account, as appropriate (see section 14.2).

(3) *Adjustments of appropriations and balances.*—Where there are authorized transfers between accounts that represent adjustments in the amounts appropriated or in balances previously appropriated, both the paying and receiving agencies will be responsible for seeing that the amounts included are identical in the schedules of both the losing and gaining accounts (see sections 32.3, 32.4, and 32.8).