

Justifications and Other Reporting Requirements

Summary of Changes

- The requirement for information on NPR targeted positions has been dropped.
- Submissions on remediation plans are mandatory when the agency head determines that financial systems do not comply with statutory requirements (section 15.4).
- Agencies making rental payments to the General Services Administration (GSA) or others in excess of \$5 million annually are required to report on their space requirements and costs using a new format (section 15.6).
- Requirements for reporting energy cost and efficiency data to OMB and the Department of Energy have been consolidated. Agencies will report on alternative fuel vehicles, in addition to energy information already required by OMB (section 15.12).
- A requirement for information on relocation expenses has been added (section 15.13).

15.1. Summary and highlight statement.

A summary and highlight statement (in the form of a transmittal letter from the head of the agency) will cover the budget submission of each agency. This narrative will summarize the highlights of the agency's budget and related major legislative proposals, identifying:

- the broad policies and strategies proposed and the total amounts of discretionary and mandatory budgetary resources and FTE requested;
- the relationship of the policies, strategies, and resources requested to the planning guidance for budgetary resources and for FTE provided by OMB;
- significant proposed differences, if any, from current Administration policies;
- the most important program performance indicators and performance goals, including those that are positive and negative with respect to performance and that are the basis for the major proposed policies;
- the major management initiatives that will be used to monitor and evaluate program efficiency and effectiveness;
- any significant proposals for changes in the current year budget, and the relationship of such changes to the budget year and outyear requests; and
- any significant proposals or changes in spending patterns for the five to ten year period beyond the budget year, and their relationship to outyear planning guidance and the policies proposed for the current and budget year.

Agencies must submit a listing of the amounts of budget authority and outlays and FTE requested through BY+5 (see section 15.2(b)(5)). This list will be itemized by account with proposed supplementals, pending supplementals, rescission pro-

posals, and legislative proposals shown separately. Offsetting receipts will be deducted to arrive at the net amount of the agency request (see section 14.2(d)). In addition, initial budget submissions should include an analysis of outlay estimates reflected in agency budget requests, with the form and level of detail to be determined in consultation with the OMB representative.

Agencies are reminded that development of an agency's budget request and annual performance plan should be coordinated. (See section 220.9 of Part 2 of this Circular.)

Agencies are also required to comply with stated policies required under sections 11.7 (responsibilities in reporting data), 12.3 (basis for estimates), 12.4 (required consultations), and 12.5 (estimates relating to specific objects of expenditure).

15.2. Justification of programs and financing.

A written justification will be provided for each budget submission. Subsection (a) describes the materials that generally are required. Specific informational requirements and formats will be determined in consultation with OMB representatives. It is expected that each agency will have agreed with OMB representatives on the form and specific content of the budget submission in the spring and summer preceding the budget submission.

The agency request should be consistent with the funding levels included in policy guidance. If the request is not consistent with policy guidance, the agency must provide a summary display of what its 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, agencies may be asked by the OMB representatives responsible for review of the

agency's budget submission to identify and discuss the implications of other funding levels.

The justification should be prepared in concise, specific terms and cover all programs and activities of the agency. Tables, charts, and graphs may be used in lieu of or to supplement text. Materials should be prepared in a manner designed to provide all of the information that the agency and OMB have agreed is necessary for OMB to understand and evaluate the agency's request and make its determinations.

(a) Materials required.—The justification materials normally should include 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; and supporting information. The supporting information should take into account agency and outside (e.g., think tanks, universities, interest groups) program evaluations and related analytic studies, as well as IG, GAO, and other congressional entity analyses, whether or not they agree with the proposed policy.

Performance indicators and performance goals.—

The primary means of providing performance information should be the annual performance plan (see section 220 of Part 2). Additionally, other performance information, including performance goals and indicators, may be included to explain major program issues and financial requirements. Performance indicators should be presented in terms of outputs or outcomes, and performance goals should be provided for short-term, as well as for long-term assessment of program performance. Justifications should emphasize outputs that reflect the products and services that are provided by the program and that are delivered or used outside the program, as opposed to process alone. Justifications should also emphasize outcomes that reflect the results of a program. For example, a justification tied only to increasing the numbers of individuals served is of little consequence without evidence of the cost and the outcome, consistent with program goals.

Information on performance indicators, goals, and objectives included in justification materials should be consistent with agency strategic plans and annual performance plans required by the Government Performance and Results Act (see Part 2 of this Circular.)

In addition, agencies that prepare annual financial statements should confirm, for the budget year, continuing use of the program performance indicators used in previous years or identify alternative indicators they plan to use in these statements.

(b) Other analyses.—Additional requirements for information on program evaluation; infrastructure and grant programs; streamlining plans; agency restructuring activities; an analysis of resources; and a table showing the relationship of programs to account structure are provided below. At the discretion of the agency's OMB representative, these requirements may be modified or alternative justification materials specified. Other materials also may be requested by OMB representatives.

(1) Information on program evaluation.—Program evaluation is an important aspect of program planning and monitoring, assessing program results, and determining future funding levels. In budget justification materials, agencies are required to provide information on their program evaluation activities and on their program evaluation agenda. The agenda should describe the major program evaluation activities currently underway or planned. Agencies should consult with their OMB representative in the development of their multi-year evaluation plans and agenda. (See section 210.11 on program evaluation in strategic plans.)

(2) Information on infrastructure investment and grant programs.—Justification materials for major infrastructure investment and grant programs should include copies of systematic economic analyses of expected benefits and costs completed in accordance with Executive Order 12893. OMB Bulletin No. 94-16 provides additional guidance on this Executive Order, including a listing of the accounts covered by the Order.

(3) Update of streamlining plans.—As part of their justification materials, agencies should submit narrative information that updates streamlining plans. These materials should indicate changes in plans resulting from the President's FY 1999 Budget, and congressional action, as well as streamlining actions to change the structure and operation of the agency, and the composition and skill mix of the workforce.

(4) Agency restructuring or work process redesign.—Agencies should identify restructuring or process reengineering activities resulting from proposed and current investments in information technology that yield budgetary savings. Justification materials should indicate how these activities allow agencies

to utilize existing resources better while improving program management and service delivery.

(5) **Analysis of resources.**—A tabular presentation should be used to identify the financial and personnel resources required at the program levels under consideration.

Resources required should be presented for PY and CY, as well as the estimated requirements for each funding option for BY through BY+5. If current year rescissions, deferrals, or supplementals are pending or proposed, these will be identified separately. A subsidiary breakdown of such items as personnel compensation, capital outlay, or other categories of special concern may also be useful.

Generally, financial data should be presented in terms of new budget authority and outlays. However, the agency's OMB representative may require additional measures, such as unobligated balances and offsetting collections.

Personnel requirements will be expressed in terms of full-time equivalents (see section 13.2). Agencies must demonstrate that requests for FTE levels:

- are an effective and efficient use of resources to meet program requirements;
- are consistent with Administration policy;
- are consistent with proposed funding levels;
- can be justified in conjunction with requests for other resources;
- comply with applicable laws (e.g., buyout offset requirements); and
- are realistic in light of past, actual FTE usage.

Changes to the FTE levels in any year must be fully justified in terms of program management requirements. If an increase is requested, an analysis of agency-wide FTE must fully document why FTE cannot be moved from another function to meet the identified need.

Budgetary resources and FTE requests must be described in the context of the agency's management plan for the programs and activities. The plan should make clear the analysis used to determine that the resources are needed in order to accomplish program and Administration goals, and that all opportunities for making more efficient and effective use of resources have been explored.

(6) **Relationship of justification to account structure.**—Where the major programs in the agency justification materials do not coincide with the budget account structure, a table will be prepared to show the relationship. This table should be arranged by program, with all relevant accounts and parts of accounts listed, showing budgetary resources (usu-

ally budget authority and outlays) in millions of dollars and FTE. For programs that are mainly grants, contracts or other transfers of funds to entities other than the agency, related S&E accounts and parts of accounts, including allocations of overhead amounts, should be reported. A format for the table is illustrated in exhibit 15A. Alternate formats may be used if agreed upon by the agencies and their OMB representative. Where it is helpful to explain the coverage of the table or the relationship among accounts, a short narrative should accompany the table. This requirement only applies to major programs and activities. Agencies should consult their OMB representatives to ensure that tables are only provided for appropriate activities and that unnecessary paperwork is avoided.

(7) **Proposals for capital asset acquisitions.**—Funding requests for major capital asset acquisitions should follow the guidance in Part 3 of this Circular. Additional guidance appears in the *Capital Programming Guide*, which is published separately.

(c) **Derivation of amounts requested.**—Agencies should be prepared to submit performance information and other analyses justifying the amounts requested. Performance information will be provided as a part of agency annual performance plans. (See Part 2 of this Circular.) However, additional information may be required in budget justifications on workload analyses; performance indicators; unit costs; productivity trends; the impact of capital investment proposals on productivity; changes in quality and timeliness of output; and demonstrated outcomes of past program activities.

Productivity measurement, unit costs, and organizational performance standards should be used to the maximum extent possible in justifying staffing and other requirements.

A specific element in productivity improvement for activities of Federal staff should be 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.

Agencies should also be prepared to provide information on the basis for distribution of 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.

15.3.–15.4.

15.3. Explanations relating to supplemental appropriation requests.

When the need for a program supplemental appropriation is forecast (see section 12.2), justification material should be prepared in accordance with section 15.2. Information should be provided indicating 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. Requests for supplementals will be accompanied by proposals for offsets to be made elsewhere in the agency for both mandatory and discretionary resources, and must indicate related FTE savings or requirements and appropriate financing changes. If the estimate is approved for later transmittal (rather than in the budget), further justification of the supplemental estimate will be required when it is submitted to OMB (see section 61). The effect of requested supplementals should be shown in the appropriate portions of the justification material for the program elements affected.

15.4. Information on financial management.

Agencies will ensure that their budget justifications provide results-oriented information on financial management operations and improvement initiatives in the context of the agency's mission and programs. This discussion should include the status and plans for financial management throughout the agency, and should represent an integrated discussion of financial management planning and associated resources. (Selected information on financial management resources for agencies covered by the Chief Financial Officers (CFOs) Act of 1990 is required by sections 40 and 42.) The content should be consistent with the Government-wide strategies and initiatives discussed in the most recent Federal Financial Management Status Report and 5-Year Plan issued jointly by OMB and the CFO Council. Consistent with the CFO Council's proposal to streamline reporting, agencies may wish to discuss with their OMB representatives how to integrate management planning and performance information into their budget justifications.

The Federal Financial Management Improvement Act of 1996 (FFMIA) mandates that agencies implement and maintain financial management systems that comply substantially with Federal financial management systems requirements, applicable Federal accounting standards, and the Standard General Ledger at the transaction level. When the agency

head determines that an agency's financial systems do not comply, FFMIA requires that the agency submit to OMB a remediation plan to bring the agency's financial management systems into substantial compliance. OMB will include information on remediation plans in the annual report to the Congress on the status of and plans for financial management systems required by the CFOs Act.

(a) Coverage and reporting.—All agencies are required to submit the materials prescribed by section 15.4(b) with their initial budget submissions. There are three exceptions to this rule: agencies not covered by the CFOs Act are not required to submit the (1) schematics, (2) inventory, or (3) discussion of audited financial statements described below.

For the 24 agencies covered by the CFOs Act, the materials required by this section will fulfill the Act's requirement that each agency CFO prepare a plan to implement the Government-wide financial management 5-year plan. The format in which this information is presented may be determined by the agency, unless otherwise specified by OMB.

(b) Materials required.—Agencies are required to provide the following information related to financial management as an integral part of their budget justification materials:

- a vision statement;
- a discussion of goals and strategies for implementing financial management improvements;
- a discussion of the current financial management systems structure and plans for moving to the targeted systems structure (including a remediation plan, if necessary, to bring the agency's financial management systems into substantial compliance with the FFMIA); and
- a discussion of impediments to the submission of the required annual audited financial statements.

(1) *Vision statement.*—Agencies should describe concisely the CFO's (or equivalent) vision for financial management, using as a basis the CFO Council Financial Management Vision Statement.

(2) *Goals and strategies.*—Agencies should briefly discuss how they will achieve the goals and strategies for implementing Government-wide financial management improvements that are associated with the Financial Management Vision Statement and achieving substantial compliance with the FFMIA. This discussion should focus on those goals and strategies that agencies determine to be priorities, and should include examples of ongoing and proposed initiatives.

Agencies should include sufficient information on the status of financial management activities and accomplishments to provide a context for their plans and resources request.

(3) *Financial systems structure.*—Agencies should discuss their current financial management systems structure and plans for moving to their targeted systems structure. The scope of the financial systems discussion should cover, at a minimum:

- core financial management systems, as described in the JFMIP Core Financial Management Systems Requirements Document; and
- financial and mixed systems critical to effective agency-wide financial management, financial reporting, or financial control.

The financial systems discussion should include the following information:

(A) *A baseline of financial and mixed systems, including a brief narrative assessment of major problems with current systems (e.g., audit findings indicating substantial non-compliance with the FFMLA).*—CFOs Act agencies should include updated schematics and an updated financial systems inventory. (Instructions for updating the financial systems inventory data will be distributed to Deputy CFOs through a separate memorandum.)

(B) *The target structure for financial and mixed systems, including a brief discussion of the agency's financial management systems strategy.*—CFOs Act agencies should include updated schematics illustrating the systems that will exist after implementation of planned improvements.

(C) *Projects required to move from baseline to target.*—Agencies should provide a synopsis of critical projects that they are currently undertaking or planning to bring their systems from the current structure, as identified in the baseline, to the target structure. FFMLA requires that systems not in substantial compliance be brought into compliance within three years of the date of determination. Agencies' remediation plans must include resources, remedies, and interim target dates for systems not in substantial compliance.

Information provided pursuant to subsections (A), (B), and (C) above will fulfill the requirement in OMB Circular No. A-127 that agencies prepare an annual plan for financial systems and the FFMLA requirement for a remediation plan. This information should be consistent with the information resource management plans required by OMB Circular No. A-130 that are submitted by the agency to OMB.

(4) *Audited financial statements.*—CFOs Act agencies should briefly discuss any impediments to the submission of the required annual audited financial statements, and steps to be taken to overcome the impediments.

15.5. Information technology (IT) management.

Agencies will ensure that their budget justifications provide results-oriented information on IT operations and improvement initiatives in the context of the agency's missions and operations. Budget justifications including the status and plans for information systems should be consistent with the agency submissions on financial management required by sections 15.4 and 40, data on information technology required by section 42, and applicable guidance in Part 3 of this Circular.

15.6. Rental payments for space and land.

Information on rental payments for space and land is required for OMB's use in evaluating agency budget requests for rent in the context of personnel and program changes (e.g., downsizing), for use by the General Services Administration (GSA) in refining its estimates of rental costs, and for other agencies' analyses of their space-related requirements and rental costs.

(a) **Reporting threshold.**—Each agency that obligates more than \$5 million annually for rental payments to GSA or to others (e.g., other Federal agencies or commercial landlords) for rental of space, structures and facilities, and land and building services will provide the information described below.

For reporting purposes, obligations for rental payments to GSA *include* amounts for the services covered by the basic rental charge assessed by GSA, but *exclude* above standard services, such as security or cleaning provided to agencies. Agencies with delegated facilities should only report *net* rent obligations (i.e., GSA rent bill minus delegation) and net space occupied.

Obligations for rental payments to GSA (Part 1 of exhibit 15B) and obligations for other space services paid by agencies to non-GSA entities (Part 2) should be consistent with data reported as rental payments under the appropriate object classes (see section 15.6(d)).

(b) **Materials required.**—Each agency with annual obligations for rental payments that exceed the reporting threshold is required to submit an overall summary report, in the format of exhibit 15B, that provides a justification of the agency's budget

request for rent. *A separate report is required for each bureau or subordinate organization that makes rental payments.* Agencies with real property held and/or paid for centrally from one account will submit a single agency-wide summary report.

Information is required for PY–BY+2 on:

- rental payments to GSA that 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; and
- supporting detail on all changes from the GSA rent bill or GSA estimates of rental costs (see section 15.6(e)).

Each agency's submission must support its budget year request and list all applicable appropriations and/or other funding sources by account.

Summary and bureau-level reports on rental costs (exhibit 15B), as well as supporting detail, are required as a part of agency initial budget submissions to OMB (see section 10.3(a)). Copies of these reports should be provided to GSA at the same time they are submitted to OMB.

Agencies are required to complete exhibit 15B using an electronic spreadsheet (Excel or Lotus) available from GSA (phone: 202-501-2710). The spreadsheet format includes inflation factors to calculate outyear estimates automatically and it generates total obligations for rental costs and funding sources.

Space requirements will be reported to the nearest square foot; obligations will be stated in thousands of dollars and rounded to the nearest thousand. Where an amount falls exactly halfway in between, it will be rounded to the nearest even figure (for example, both \$11,500 and \$12,500 round to \$12.) Amounts of less than \$500 or less will not be identified.

Agencies should note that OMB will require them to provide preliminary information on some of the exhibit 15B data (e.g., actual and planned inventory changes for PY–BY) in advance of the initial budget submission.

Instructions on these requirements will be issued separately.

(c) **Definitions.**—For reporting purposes, the following definitions will apply.

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

The **GSA bureau code** designates 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 20.3.)

A **GSA budget estimate** is a document developed by GSA and sent to customer agencies once a year. Each 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. Agencies should use last year's GSA budget estimate to report the GSA budget estimate for the CY and this year's GSA budget estimate (available this summer) to report the GSA budget estimate for the BY.

An **OMB-approved inflation factor** designates the inflation factor used in the GSA budget estimate. Mid-Session Review inflation factors will be used for BY+1 (2.2%) and BY+2 (2.2%); the BY inflation factor will be provided later. The electronic spreadsheet format provided to agencies will use these factors to automatically inflate certain outyear estimates.

Chargeback denotes the process by which GSA's customers contest a GSA billing. Agencies claiming a chargeback are required to complete a Standard Form 238, "SIBAC Adjustment Voucher For Chargeback" and provide supporting chargeback data justifying the agency claim.

(d) **Reporting instructions.**—Explanations of the information required for exhibit 15B on rental payments to GSA (Part 1) and rental payments to others (Part 2) are provided below. Subtotals, totals, and certain other entries are automatically calculated (see exhibit 15B).

Entry*	Description
<p>PART 1. RENTAL PAYMENTS TO GSA</p>	<p>Obligations will be stated in thousands of dollars, rounded to the nearest thousand (see section 15.6(b)). Space requirements will be reported to the nearest square foot. Estimates of rental costs and square feet should be reported net (i.e., net of an adjustments within the relevant category being reported).</p> <p>In Part 1, include information on rental payments to GSA <i>only</i>. Data on rental payments to others will be reported in Part 2.</p>
<p>GSA rent estimate</p>	<p>For the PY, report amount of the annual (i.e., full year) rental cost, using the 2nd quarter PY GSA rent bill to determine the annualized cost. Report the total square feet in the 2nd quarter PY GSA rent bill. (The rent bill reflects total square feet utilized for the year.)</p> <p>For CY, report the square feet and rent estimate reflected in the GSA budget estimate for the CY. For BY, report the square feet and rent estimate reflected in the GSA budget estimate for the BY.</p> <p>Note.—GSA will provide agencies with the supporting documentation for the BY budget estimate, as required.</p> <p>The electronic spreadsheet will calculate rent estimates for BY+1 and BY+2 automatically using OMB-approved inflation factors. Estimates of square feet will be generated by the spreadsheet for BY+1 and BY+2 at the BY level.</p>
<p>Chargebacks <i>Use for the PY only.</i></p>	<p>Report the net amount of any chargeback (resolved or unresolved) for the PY that has not been reflected in the first or second quarter PY rent bill and the associated net square feet.</p>
<p>Actual changes in inventory</p> <p><i>Use for actual changes in space inventory that have already occurred and are not reflected in 2nd quarter PY rent bill.</i></p> <p><i>Use for actual changes in space inventory that have already occurred and are not reflected in GSA budget estimates for CY.</i></p> <p><i>Use the following categories to report adjustments:</i></p> <ul style="list-style-type: none"> Vacated space New space Changes to existing space Other adjustments <p>Statutorily-imposed rent caps</p>	<p>For the PY, report the net amount of actual changes in the inventory and adjustments in associated net square feet, by category (e.g., vacated space, new space, etc.). Adjustments may be an increase or decrease from the 2nd quarter GSA rent bill for PY and may include disputes over rates, space classifications, and current space requirements.</p> <p>For the CY, include, by category, the net amount of actual changes in inventory and associated adjustments in net square feet that are not reflected in GSA budget estimates for CY.</p> <p>For the BY, include by category, the net amount of actual changes in inventory and associated adjustments in net square feet that are not reflected in GSA budget estimates for the BY.</p> <p>For BY+1–BY+2, data (costs and square feet) will be automatically generated.</p> <p>This entry is for other adjustments not related to anticipated inventory adjustments or programmatic changes (e.g., space type or square feet adjustments).</p> <p>Report only on those rental payments to GSA that agencies consider constrained for legal reasons. The legal reference (i.e., public law citation) must be footnoted.</p> <p>Supporting detail must be provided, as described in section 15.6(e).</p> <p>Note.—Any adjustments that have occurred due specifically to planned inventory and/or requested programmatic changes will be reported under those categories, as described below.</p>
<p>Joint use space</p>	<p>For the PY, report amount of the annual (i.e., full year) joint use space cost, using the 2nd quarter PY GSA rent bill to determine the annualized cost. Report the total square feet for joint use space in the 2nd quarter PY GSA rent bill. (The rent bill reflects total square feet for joint use space for the year.)</p> <p>For the CY, report the same space cost and square feet as for the PY.</p> <p>For the BY, use the joint use space cost and square feet identified in the GSA budget estimate for BY.</p> <p>For BY+1—BY+2, costs will be automatically inflated and square feet will be straightlined at the BY level.</p>
<p>Planned changes to inventory</p> <p><i>Use for inventory changes in the planning stage.</i></p>	<p>Report adjustments for approved and funded inventory changes that are currently in the planning stage (i.e., space is not yet occupied).</p> <p>Note that the spreadsheet includes a matrix with columns and rows for the years PY–BY+2. Use the PY row, to report planned changes beginning in the PY; the CY row for planned changes beginning in the CY, etc., as described below.</p> <p>In the PY row of the PY column, include the net effect (cost and square feet) of all planned inventory changes for the PY that are not included in the PY GSA rent bill. Costs reported in this row of the PY column should represent the part-year costs from the date of the inventory change through the end of the PY. Costs reported in the CY column of the PY row should be the full-year costs for all part-year assignment included in the PY column and row. The remaining data (cost and square feet) for this row will be automatically generated.</p>

Entry*	Description
	<p>For the CY row of the CY column, include the net effect (cost and square feet) of all planned inventory changes beginning in the CY that are not included in the GSA budget estimate for the CY. Costs reported in this row of the CY column should represent the part-year costs from the date of the inventory change through the end of the CY. Costs reported in the BY column of the CY row should be the full-year costs for all part-year assignment included in the CY column and row. The remaining data (cost and square feet) for this row will be automatically generated.</p> <p>Complete the remaining rows (for BY–BY+2) in the matrix in the same manner.</p> <p>For the BY, use the GSA budget estimate for the BY as the basis for determining net inventory changes.</p> <p>For BY+1–BY+2, use the GSA rent estimate for those years (generated by the spreadsheet) as a basis for determining inventory changes.</p> <p>Supporting detail must be provided, as described in section 15.6(e).</p>
<p>Requested program changes</p> <p><i>Use for the years CY–BY+2</i></p>	<p>Report inventory changes that will result from changes in programs that are reflected in the President's CY Budget (for the CY row) and that are requested in the agency's BY budget submission to OMB (for the BY–BY+2 rows).</p> <p>For the CY row of the CY column, include the net effect (cost and square feet) of all inventory changes due to program changes beginning in the CY that are not included in the GSA budget estimate for the CY. Costs reported in this row of the CY column should represent the part-year costs from the date of the inventory change through the end of the CY. Costs reported in the BY column of the CY row should be the full-year costs for all part-year assignment included in the CY column and row. The remaining data (cost and square feet) for this row will be automatically generated.</p> <p>Complete the remaining rows (for BY–BY+2) in the matrix in the same manner.</p> <p>For the BY, use the GSA budget estimate for the BY as the basis for determining net inventory changes.</p> <p>For the BY+1–BY+2, use the GSA rent estimate (generated by the spreadsheet) as the basis for determining program changes.</p> <p>Supporting detail must be provided, as described in section 15.6(e).</p>
<p>Total, net rental payments to GSA</p>	<p>Total obligations for a year should equal total estimated obligations for net rental payments to GSA (including any adjustments reported above) for that year (i.e., an agency's best estimate of what GSA will actually be paid).</p> <p>Totals for square feet should represent the net space for which GSA will actually be paid.</p>
<p>FUNDING SOURCES FOR RENTAL PAYMENTS TO GSA</p> <p>Funded by direct appropriations:</p> <p>Account title and ID code</p> <p>Subtotal, direct appropriation</p>	<p>List each direct appropriation that funds rental payments to GSA, by account title and identification (ID) code. Use a 9-digit ID code, that includes the OMB agency/bureau code, followed by the 4-digit basic account symbol assigned by Treasury (xxx-xx-xxxx) (see section 20.3).</p> <p>For PY–BY+2, 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.</p> <p><i>If there are more than three accounts listed, change the electronic spreadsheet to add rows, as needed.</i></p> <p>The sum of amounts of direct appropriations reported for a year for accounts listed. <i>If more than 3 accounts are listed, change the spreadsheet formula to calculate the amount funded by direct appropriations.</i></p>
<p>Funded by other sources:</p> <p>Account title and ID code</p> <p>Subtotal, other funding sources</p> <p>Total, funding sources (object class 23.1)</p>	<p>List all other sources of funding for rental payments to GSA (i.e., other than direct appropriation) by account title and ID code (described above). Include additional information on the line stub to identify the source of funding, as necessary.</p> <p>For PY–BY+2, include the amount of obligations for rental payments to GSA that are funded from reimbursements, other offsetting collections, and allocations.</p> <p><i>If there are more than three accounts listed, change the electronic spreadsheet to add rows, as needed.</i></p> <p>The sum of amounts reported for other funding sources for a year for accounts listed. <i>If more than 3 accounts are listed, change the spreadsheet formula to calculate the amount funded by other sources.</i></p> <p>The sum of amounts reported for all funding sources (direct appropriations plus other funding sources) for a year for accounts listed. Amounts reported should be consistent with obligations classified as "Rental payments to GSA" (object class 23.1).</p>

a report that the President is required by law to transmit to the Congress.

(a) Reporting threshold.—Agencies, as defined in 5 U.S.C. 105, that operate at least 300 motor vehicles are required to report data on acquisition, operation, maintenance, leasing, and disposal of motor vehicles. The Tennessee Valley Authority, the Postal Service, and the Postal Rate Commission are exempted from these requirements.

(b) Definitions.—For the purposes of reporting motor vehicle data under this subsection, the following definitions apply.

Motor vehicles are any vehicles that are self-propelled or drawn by mechanical power, except that the term does not include any vehicle designed or used for military field training, combat, or tactical purposes, or any other special purpose vehicle exempted by the Administrator of GSA.

Special purpose vehicles and equipment include vehicles and equipment used and designed for specialized functions. Vehicles and equipment exempted by this definition include, but are not limited to: trailers, semi-trailers, other types of trailing equipment, trucks with permanently-mounted equipment (such as aerial ladders); construction and other types of equipment included in Federal Supply Class (FSC) 38; material handling equipment in FSC 39; and fire-fighting equipment in FSC 42.

Cost of privately-owned vehicles (POVs) while on official business means the mileage cost reimbursed by the Government to the owner or operator of such a vehicle, except when a POV is used:

- in a permanent change of station move;
- in lieu of a common carrier; and
- to commute between an employee's residence and a common carrier terminal or facility.

(c) Materials required.—Agencies are required to provide a report on total obligations and outlays for motor vehicle activities for PY through BY and a narrative statement on the use of the GSA's Interagency Fleet Management System and other fleet management systems. These materials are required after final budget decisions are made (see section 10.3).

Amounts reported will cover costs of motor vehicle acquisition, operation, maintenance, leasing, and disposal, including Government-owned, leased, and privately-owned vehicles used for official business. Separate identification of the various categories (e.g., operation, maintenance, etc.) of motor vehicle activities is not required.

As a general rule, agencies are required to report agency totals only. However, supporting account level detail may be required upon request by OMB. Data will be reported in millions of dollars using the stub entries shown below.

Entry	Description
Data on motor vehicles: Obligations	Report total obligations for the agency for motor vehicle acquisition, operation, maintenance, leasing, and disposal for PY, CY, and BY.
Outlays	Report total outlays (net) for the agency for motor vehicle acquisition, operation, maintenance, leasing, and disposal for PY, CY, and BY. Report outlay totals as separate entries even if total obligations and outlays for motor vehicle activities are identical.

A narrative statement will be provided with each report. The statement will explain why existing and new motor vehicle acquisition, operation, maintenance, leasing, and disposal activities cannot be met through:

- the use of a qualified private fleet management firm or other private contractor;
- increased reliance on the Interagency Fleet Management System operated by the General Services Administration; or
- other existing motor vehicle management systems.

Both the report and narrative should be identified as "Submission on Motor Vehicles" and include, in the lower right-hand corner, the date of preparation, and the name and telephone number of an individual responsible for answering questions concerning the submission.

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15.9. Information on receipts estimates.

Agencies are required to provide narrative information on receipts estimates, as described below.

Explanations are required for major changes from one fiscal year to the next in the amounts reported for any account, trends in receipt estimates that differ from outlay trends for the related programs, and any other unusual circumstances relating to the estimates.

Agencies will report to OMB 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 it is expected 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.

Explanations of legislative proposals must be consistent with the agency's legislative program and outyear policy estimates (see section 12.2) and should cover the expected timing of enactment and the annual level of receipts anticipated.

15.10. Information on Inspectors General for Designated Federal Entities (DFEs).

Each agency designated to establish an Office of Inspector General in the Inspector General Act Amendments of 1988 will submit information on budget authority in thousands of dollars and FTE levels for PY through BY for its Office of Inspector General. In addition, a concise narrative justifying the funding levels should be provided. Information on Inspectors General for DFEs will be submitted with the initial budget submission.

15.11. Justification of unobligated balances in liquidating accounts.

Agencies must submit information justifying any unobligated balances expected to be carried forward into the current year with their initial budget submission (see section 33.5).

15.12. Information on energy costs.

Agencies are required to provide information on energy costs and improvements in energy efficiency with their initial budget submissions (see section 10.3(a)). This data collection consolidates similar requirements for information from OMB and the Department of Energy's Federal Energy Management Program (FEMP) and is designated to serve the needs of both agencies. Agencies are required to provide this information to the Department of Energy at the same time it is provided to OMB.

Each agency that leases, owns, or operates (i.e., pays energy bills for) a building or facility and obligates more than \$500,000 in PY, CY, or BY is required to report data on energy costs and improvements in energy efficiency. Agencies with delegated authority from the General Services Administration (GSA) are subject to this reporting requirement. However, agencies that pay energy costs solely through rental payments to GSA are exempt.

Agencies are required to report for PY–BY:

- total obligations for energy costs for electricity, fuel oil, natural gas, LPG or propane, coal, steam, or other energy utilities;

- summary data on energy efficiency improvements, energy savings performance contracts, utility incentives, and energy management training;
- information on the lease or purchase of alternative fuel vehicles, including purchase of alternative transportation fuels; and
- a narrative describing the agency's energy efficiency accomplishments.

Reporting on energy consumption and cost data by energy type (e.g., electricity, natural gas) is optional.

Revised materials, reflecting PY actuals and final budget decisions, should be submitted promptly after such decisions are made.

More detailed instructions on the specific requirements and reporting format will be issued separately. The information required will be consistent with data reported to FEMP and OMB in the past.

15.13. Information on relocation expenses.

All Federal departments and agencies are required by law to report total obligations for the expenses of employee relocation for PY–BY in their budget submissions to OMB. This information is used by OMB to prepare a table on total agency relocation expenses that is provided to Congress as a part of the *Object Class Analysis* report.

(a) Definition of relocation expenses.—For reporting purposes, employee relocation expenses are obligations incurred for payments to Federal employees for costs related to a permanent change in workstation, i.e., when the Federal Government pays a person to move to a new residence because he or she is assigned to work in a different place; e.g., city, State, or country. These expenses are normally reported as part of the following object classes:

- travel and transportation of persons (object class 21);
- transportation of things (e.g., movement of household goods, except for storage costs in object class 22);
- civilian personnel benefits (e.g., various relocation allowances, expenses associated with sale of residence, breaking a lease in object class 12.1);
- military personnel benefits (object class 12.2); and,
- operation and maintenance of equipment (e.g., contractual services for storage and care of vehicles and storage of household goods; but

only those associated with relocation in object class 25.7).

(b) Materials required.—Agencies are required to report total obligations for relocation expenses for PY–BY for the agency as a whole no later than five days after the MAX database is locked. Agencies

will need to ensure that data reported is consistent with that in MAX Schedule O. Data will be reported in millions of dollars. The name and phone number of the individual responsible for preparing the submission must be included.

Relationship of Programs to Account Structure

For the account ID, use the 2-digit Treasury agency code and 4-digit basic account symbol, transmittal code, fund type and subfunction code (see section 20.3).

DEPARTMENT OF GOVERNMENT
RELATIONSHIP OF PROGRAMS TO ACCOUNT STRUCTURE
(in millions of dollars)

Program by Bureau and Account BY Estimate
BA Outlays

BUREAU OF HOSPITAL CARE

Mental health (16-2361-0-1-551):

Grants to community health centers.....	160	158
Construction of mental hospitals.....	<u>120</u>	<u>105</u>
Total, Mental health.....	280	263

Budget request for the program.

BUREAU OF WATER QUALITY

Water resources control (16-2650-0-1-301):

Water enforcement.....	14	14
Water quality standards setting, planning, assistance, and training.....	44	47
Water research and analysis.....	<u>24</u>	<u>23</u>
Total, Water resources control.....	82	84

These amounts represent the budget request for the account.

OFFICE OF THE SECRETARY

Salaries and expenses (16-1166-0-1-755):

Budgetary and financial administration and service.....	1	1
General management of hospital construction.....	2	2

This overhead activity supports the program to construct mental hospitals.

Total, Salaries and expenses.....	<u>3</u>	<u>3</u>
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PY-past year BY+1-budget year plus one
CY-current year BY+2-budget year plus two
BY-budget year

Space Budget Justification

Note: The PY GSA RENT estimate is based on the latest GSA Rent Bill. CY and BY rent estimates are taken from the GSA budget estimates for these years.

Agency _____
Bureau _____
GSA Bureau Code _____

Shaded entries are automatically generated by the electronic spreadsheet.

Round dollars to the nearest thousand, as required by section 15.6(b). Report space requirements to the nearest square foot.

Department of Government (obligations in thousands of dollars)

	PY		CY		BY		BY+1		BY+2	
	Sq. Ft.	\$	Sq. Ft.	\$	Sq. Ft.	\$	Sq. Ft.	\$	Sq. Ft.	\$
PART 1: 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	28,300,000	\$457,484
Chargebacks: (FY 1998 only).....	833,000	\$10,000								
Actual changes in inventory:										
Vacated space.....	-500,000	-\$4,000	-500,000	-\$7,500	-500,000	-\$7,658	-500,000	-\$7,826	-500,000	-\$7,998
New space.....	1,000,000	\$10,000	1,000,000	\$15,000	1,000,000	\$15,315	1,000,000	\$15,652	1,000,000	\$15,996
Changes to existing space.....	50,000	\$700	50,000	\$750	50,000	\$766	50,000	\$783	50,000	\$800
Other adjustments.....										
Statutorily imposed rent caps.....										
Joint use space.....	100,000	\$1,500	100,000	\$1,500	100,000	\$1,532	100,000	\$1,565	100,000	\$1,600
Planned changes to inventory:										
PY.....	200,000	\$2,000	200,000	\$3,000	200,000	\$3,063	200,000	\$3,130	200,000	\$3,199
CY.....			100,000	\$1,200	100,000	\$1,500	100,000	\$1,533	100,000	\$1,567
BY.....					135,000	\$1,750	135,000	\$2,150	135,000	\$2,197
BY+1.....							115,000	\$1,000	115,000	\$1,000
BY+2.....									-300,000	-\$3,750
Requested program changes:										
CY.....			115,000	\$1,000	115,000	\$1,700	115,000	\$1,737	115,000	\$1,776
BY.....					100,000	\$1,200	100,000	\$1,500	100,000	\$1,533
BY+1.....										
BY+2.....									200,000	\$2,500
Total, net rental payments to GSA.....	28,183,000	\$420,200	29,365,000	\$439,950	29,600,000	\$457,168	29,715,000	\$468,860	29,615,000	\$480,903

FUNDING SOURCES FOR RENTAL PAYMENTS

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 15.6(e)).

Funded by direct appropriations:										
Account title and ID code:										
Acct. 1 Salaries and expenses 016-10-1166		\$583,000		\$587,000		\$594,000		\$603,000		\$612,300
Acct. 2										
Acct. 3										
Subtotal, direct appropriations		\$583,000		\$587,000		\$594,000		\$603,000		\$612,300
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		\$78,603
Acct. 2										
Acct. 3										
Subtotal, other funding sources		\$31,750		\$54,950		\$67,168		\$73,860		\$78,603
Total, funding sources (object class 23.1)		\$614,750		\$641,950		\$661,168		\$676,860		\$690,903
Deduction for pass-through payments:										
Account title and ID code:										
Acct. 1 Working capital fund 016-45-4555		-\$194,550		-\$202,000		-\$204,000		-\$208,000		-\$210,000
Acct. 2										
Acct. 3										
Subtotal, deductions for pass-through payments		-\$194,550		-\$202,000		-\$204,000		-\$208,000		-\$210,000
Total, net payments to GSA		\$420,200		\$439,950		\$457,168		\$468,860		\$480,903

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	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	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	23,050,000	\$277,000