



THE DIRECTOR

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

June 27, 2002

CIRCULAR NO. A-11
Revised
Transmittal Memorandum No. 75

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Preparing, Submitting, and Executing the Budget

This year's revision of OMB Circular No. A-11 is much more comprehensive in scope than previous versions. In addition to providing guidance on the FY 2004 Budget submission, it includes the instructions on budget execution formerly included in OMB Circular No. A-34. Merging the budget formulation and execution guidance is a major step toward integrating agencies' budget and accounting functions and improving the quality of financial information. With the publication of this revision to A-11, OMB Circular No. A-34 is rescinded. We also reviewed the budget guidance and reporting requirements imposed by other circulars, bulletins, and formal guidance issued by the Office of Management and Budget (OMB) and, where appropriate, incorporated that information into A-11.

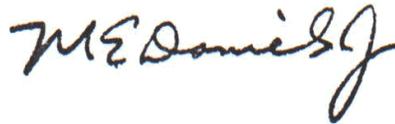
The Circular describes specific steps that agencies must take to integrate budget and performance, a key part of the President's Management Agenda. The revised Circular supports a major on-going initiative to assess the effectiveness of every agency program over the next five years. We intend to include extensive information that aligns resources with output and outcome measures in the FY 2004 Budget, and will be working toward a complete alignment of resources and performance in the FY 2005 Budget.

To help agencies ensure that proposals are linked to and support the President's Management Agenda, the Circular contains criteria for "getting to green" on the agency scorecards. There is also a new part on managing physical and financial assets, designed to be a first step in the Administration's initiative to improve asset management.

We have begun to enhance the search capabilities of the internet version of the Circular and added a number of hyperlinks to link the various parts of the Circular with each other and other web sites. We expect it will take a year to complete this process.

This Circular supersedes all previous versions. The summary of changes highlights the substantive changes made since last year.

Your proposals should reflect the policies of the President, including the government-wide initiatives and agency-specific management reform proposals identified in the President's Management Agenda. Your proposals should also be consistent with guidance provided by OMB, including that contained in OMB spring guidance memoranda.

A handwritten signature in black ink, appearing to read "M E Daniels Jr". The signature is written in a cursive, flowing style.

Mitchell E. Daniels, Jr.
Director

Attachment