



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

November 14, 2002

MEMORANDUM FOR USERS OF OMB CIRCULAR NO. A-11

FROM: Art Stigile
Chief, Budget Concepts Branch

SUBJECT: Revisions to OMB Circular No. A-11 dated June 27, 2002

We have updated the electronic version of OMB Circular No. A-11 to reflect several changes and clarifications. The updated Circular is available for viewing or downloading at the following Internet address:

www.whitehouse.gov/OMB

Paper copies of the updated pages will not be issued.

The revised guidance:

- Gives updated information on the budget presentation of the Administration's proposal to fund employee health and retirement systems on an accrual basis.
- Updates guidance on budget performance integration.
- Updates the MAX edit checks.
- Corrects some typographical errors.

The attachment describes these changes in greater detail.

Attachment

Terms and concepts (section 20):

- Corrects a typographical error in the definition of budgetary resource.

Revisions affect old page [20-3](#).

Reporting retirement and post-retirement health care accruals (sections 32, 81, and 82)

- The budget will present information on the net budget authority and outlay impact of requiring agencies to pay the full share of accruing employee pensions and annuitant health benefits. However, unlike last year, these amounts will not be included in the budget request or baseline estimates. The information will be collected as *memorandum entries* in schedule A and printed at the bottom of the affected program and financing schedules.
- Report the additional net budget authority required to fully accrue employee pensions and annuitant health benefits in schedule A on line 9900 for PY through BY. Enter the data by subfunction and budget enforcement category under each of the applicable transmittal codes (i.e., 0, 1, 2, 3, 4, 5). Transmittal code 9 will not be used to report retirement accruals.
- MAX will automatically calculate net budget authority (mandatory and discretionary) for BY+1 through BY+9 based on inflation factors entered by OMB. MAX will automatically calculate net outlays in schedule A on line 9901 for PY through BY+9 using a 100 percent spendout rate.
- MAX will automatically calculate the additional net budget authority and outlay entries in schedule P (lines 9900 and 9901) based on the information reported in schedule A.
- The appropriations language request for FY 2004 and MAX schedule T will not include the accrual estimates.
- Section 32.5 provides updated rates and factors for calculating agency costs.

Revisions affect old pages [32-5](#) through 32-10; [81-12](#) through 81-17; and [82-21](#) through 82-29.

Listing of OMB Agency/Bureau and Treasury Codes (Appendix C):

- Corrects a typographical error under the Department of Transportation.

Revisions affect old page [Appendix C-4](#).

MAX edit checks (Appendix D):

- Updates the explanation of MAX edit checks.

Revisions affect old pages [D-1 through D-22](#).

Budget performance integration (section 221):

- Agencies should continue to modify their FY 2004 budget account and program activity structure to bring about greater alignment of resources with performance. Agencies that have submitted a performance budget justification but are not ready to implement alignment changes in 2004 should develop plans for the changes in 2005. The *Analytical Perspectives* volume of the budget will discuss the changes underway and the potential for additional changes. There will be no separate effort to prepare informational tables in the FY 2004 Budget for selected programs aligning performance and full cost.

The June 27, 2002 version of A-11 will not be revised to reflect this change.