

# **CIRCULAR NO. A-11**

## **PART 2**

# **PREPARATION AND SUBMISSION OF BUDGET ESTIMATES**



**EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET**

**JUNE 2002**



## SECTION 25—SUMMARY OF REQUIREMENTS

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**Summary of Changes**

Consolidates requirements previously included in four separate sections (old sections 25, 27, 50 and 70).

### 25.1 Does Part 2 apply to me?

By law ([31 U.S.C. 1104](#)), the President's budget must include information on all agencies of all three branches of the Federal government. Therefore, the instructions in Part 2 generally apply to all government agencies. In addition, these instructions apply to the District of Columbia, which must submit information in support of Federal payments to the District. OMB includes the information submitted by certain agencies in the budget without change (see below). In addition, Government-sponsored enterprises (GSEs) submit some of the information required of Government agencies on a comparable basis, and OMB includes it in the budget for information purposes (see section [25.6](#)).

If your agency appears in the following list, it isn't subject to executive branch review by law or custom. That means that the requirements for the initial submission (see section [25.5](#)) don't apply to you. However, you do need to submit the information required for inclusion in the budget database and documents (see section [25.6](#)), which OMB includes in the budget without revision.

- Legislative Branch agencies.
- Judicial Branch agencies.
- Executive Branch agencies, as follows:
  - ▶ Milk Market Assessment Fund, USDA.
  - ▶ International Trade Commission.
  - ▶ Board of Governors of the Federal Reserve System.
- Government-sponsored enterprises, as follows:
  - ▶ Student Loan Marketing Association.
  - ▶ Federal National Mortgage Association.
  - ▶ Federal Home Loan Mortgage Corporation.
  - ▶ Banks for cooperatives.
  - ▶ Agriculture credit banks.

- ▶ Farm credit banks.
- ▶ Federal Agricultural Mortgage Corporation.
- ▶ Federal home loan banks.
- ▶ Financing Corporation.
- ▶ Resolution Funding Corporation.

Contact your OMB representative if you have questions about the applicability of these instructions.

### 25.2 How do I get an exception from the requirements in Part 2?

For the sake of comparability among the budget data and presentations, OMB doesn't grant many exceptions to the specific requirements in this Part. However, if you believe special circumstances warrant an exception in your case, submit a written request detailing the circumstances and the specific exception needed to your OMB representative by August 1. If OMB approves the exception, it is valid only for one budget.

### 25.3 For what items do I need advance approval?

You must get advance approval from your OMB representative for the items shown in the table below. See the cited section for specific guidance.

| Item   | See section...                   | Timing  |
|--|----------------------------------|---|
| (1) Form and content of justification materials.   | <a href="#">51.2</a>             | Prior to initial submission.  |
| (2) Program activity structure in the program and financing schedule.                                    | <a href="#">82.2</a>             | By October 1.   |
| (3) Changes in functional classifications.   | <a href="#">71.4, 79.1, 79.3</a> | By October 1.   |
| (4) Changes in receipt account classification.   | <a href="#">71.4, 79.1, 79.3</a> | By October 1.   |
| (5) Changes in budget account structure (new accounts, merged accounts, changes in account titles, etc.) | <a href="#">71.4, 79.1, 79.3</a> | Prior to October 1, or as soon as possible thereafter for changes dependent on congressional action or other circumstances beyond agency control. |

### 25.4 When do I submit information to OMB?

You generally submit information in two stages, although your OMB representative will work with you to determine specific timing requirements:

- (1) *As part of your initial budget submission.* This stage includes the information and materials supporting your budget request you normally submit to OMB in September, at the beginning of the OMB Presidential decision-making process.
- (2) *After passback.* Usually beginning in late November, this stage includes MAX computer data, print materials, and additional information used to prepare the budget documents and supporting database. Also, you may need to revise and resubmit some materials included in the initial submission to reflect the effects of final decisions.

Executive branch agencies subject to executive branch review (see [section 25.1](#)) and the District of Columbia must provide their budget justifications and other initial submission materials to OMB by September 9<sup>th</sup>. Agencies that are not subject to Executive Branch review (see [section 25.1](#)) do not make initial submissions.

Your OMB representative will provide deadlines for the materials required after passback. Agencies that are not subject to Executive Branch review need to submit information for inclusion in the budget documents and the budget database.

In the following sections, we tell you more about each stage, including the timing of submissions, the items required, the criteria for determining whether the item applies to your agency, and where to find more detailed guidance on the item.

**25.5 What do I include in the initial submission?**

You should include the budget justification and other materials described below in Table 1. This applies to all agencies (except as noted in [section 25.1](#)).

In addition, if the criterion listed in the first column of Table 2 applies to you, include the information described in the second column.

The right-hand column of both tables tells you where to find more detailed guidance on the requirement. In addition to the information specified in the tables, your OMB representative may require you to include other materials in your initial submission (for example, information about your budget request by account and by Budget Enforcement Act category).

**TABLE 1: CONTENTS OF INITIAL SUBMISSION—ALL AGENCIES<sup>1</sup>**

| Include these items...          | See section...             |
|---------------------------------|----------------------------|
| Summary and highlight statement | <a href="#">51.1</a>       |
| Justification materials         | <a href="#">51.2-51.11</a> |

<sup>1</sup>Excluding agencies not subject to Executive Branch review (see [section 25.1](#)).

**TABLE 2: CONTENTS OF INITIAL SUBMISSION—CERTAIN AGENCIES<sup>1</sup>**

| If your agency...                                  | Then include this...  | See section..      |
|--|---|--------------------|
| Is covered by the Chief Financial Officers Act     | <ul style="list-style-type: none"> <li>Financial management budget justification; and</li> <li>Report on resources for financial management activities <sup>2</sup></li> <li>Report on material weaknesses and nonconformances</li> </ul> | <a href="#">52</a> |
| Is not covered by the Chief Financial Officers Act | <ul style="list-style-type: none"> <li>Brief summary of your financial management plan</li> </ul>   |                    |

TABLE 2: CONTENTS OF INITIAL SUBMISSION—CERTAIN AGENCIES<sup>1</sup>

| If your agency...   | Then include this...  | See section..                |
|---|---|------------------------------|
|   | <ul style="list-style-type: none"> <li>• Report on material weaknesses and nonconformances</li> </ul> |                              |
| Has motor vehicles  | Motor vehicle fleet report  | <a href="#">33.9</a>         |
| Is requesting IT funding via a Capital Asset Plan or has budget authority of \$500,000 or more for financial management systems | Report on information technology <sup>2</sup>   | <a href="#">53</a>           |
| Has credit liquidating accounts with unobligated balances that carry over into the current year                                 | Justification of unobligated balances in liquidating accounts   | <a href="#">51.12, 185.3</a> |
| Has geospatial data acquisitions greater than \$1 million   | Information on geospatial data acquisitions   | <a href="#">51.13</a>        |
| Controls its federally-owned building space or directly pays the utilities on its leased space                                  | Information on funds for energy efficiency management   | <a href="#">55</a>           |
| Operates a Federal fleet of 20 or more light duty motor vehicles  | Information on funds for transportation efficiency management   | <a href="#">55</a>           |
| Has budget authority or outlays for drug programs greater than \$500,000 in any year  | Information on drug control programs <sup>2</sup>   | <a href="#">56</a>           |
| Is listed in exhibit 57B  | Information on erroneous payments   | <a href="#">57</a>           |
| Has overseas employees under Chief of Mission authority   | Information on overseas staffing  | <a href="#">58</a>           |
| Is subject to GPRA requirements   | Initial annual performance plan   | <a href="#">Part 6</a>       |
| Has major capital acquisitions  | Capital asset plan and business case <sup>2</sup>   | <a href="#">300</a>          |
| Has financial or physical assets  | Information on asset management   | <a href="#">800</a>          |

<sup>1</sup> Excluding agencies not subject to Executive Branch review (see section [25.1](#)).

<sup>2</sup> If final decisions require changes to this information, revised materials must be submitted (see section [100.1](#)).

## 25.6 What do I submit after passback?

### (a) Overview.

After the President has considered the estimates and made his decisions, you will be notified. You submit three types of information after passback, as explained in more detail in the following sections:

- *MAX computer data*, submitted through the MAX budget data system (see sections 79-86).
- *Print materials*, which OMB uses to prepare parts of the budget *Appendix* (see sections 95-97).
- *Additional information*, which OMB uses for analytical and other special purposes (see section 100).

If the decisions affect other budget accounts (such as the amount of transfers), you need to coordinate these changes with whomever is responsible for the budget submission of those other accounts.

When you are informed of the President’s decisions, your agency head will determine the best and most appropriate distribution of amounts that have been left flexible.

This Circular does not address the process by which you appeal passback decisions. We issue separate guidance on the appeals process at the time of passback.

(b) *Timing.*

Passback usually occurs around the end of November. At that time, your OMB representative will give you deadlines for providing the information described below. These deadlines are based on the very tight schedule that OMB must maintain in order to transmit the budget on time. In order to meet the deadlines, you must begin providing the required information based on passback decisions. Don’t wait until you’ve resolved appeals. Appeals generally affect very little of the information you submit, and you will have an opportunity to change the information as necessary to reflect the appeal resolution. Unless your OMB representative agrees, don’t submit information that assumes an appeal resolution different from passback. When an appeal results in changes to passback decisions, the changes often differ from the agency proposal.

(c) *MAX computer data.*

You must submit the MAX computer data described below in the Table 3 for each applicable budget account. In addition, if the criterion listed in the first column of Table 4 applies to you, submit the data described in the second column for each applicable budget account. In both tables, we indicate the MAX data section or sections involved and tell you where to find guidance on the requirement.

**TABLE 3: MAX COMPUTER DATA—ALL AGENCIES \***

| <b>Submit for each applicable account...</b>   | <b>MAX data schedule..</b> | <b>See section..</b> |
|--|----------------------------|----------------------|
| Estimates of budget authority and outlays  | A, S                       | <a href="#">81</a>   |
| Program and financing schedules  | P                          | <a href="#">82</a>   |
| Object classification schedules  | O                          | <a href="#">83</a>   |
| Personnel summary  | Q                          | <a href="#">86.1</a> |
| Character classification data, including R&D data (such as, crosscuts, technology transfers) | C                          | <a href="#">84</a>   |

\* Including agencies not subject to Executive Branch review. Federal Reserve Board submits data for sections A, P, and O only. Nothing in this table applies to GSEs.

**TABLE 4: MAX COMPUTER DATA—CERTAIN AGENCIES <sup>1,2</sup>**

| <b>If your agency has...</b>   | <b>Then submit this for each applicable budget account...</b> | <b>Which is MAX data schedule...</b> | <b>See section...</b> |
|--|---|--------------------------------------|-----------------------|
| Receipt accounts   | Receipt estimates   | K and R                              | <a href="#">81</a>    |
| Credit liquidating or financing accounts; or non-credit revolving funds that | Statement of operation and balance sheet                      | E and F                              | <a href="#">86.2</a>  |

TABLE 4: MAX COMPUTER DATA—CERTAIN AGENCIES<sup>1,2</sup>

| If your agency has...   | Then submit this for each applicable budget account... | Which is MAX data schedule... | See section...       |
|---|--|-------------------------------|----------------------|
| conduct business-type activities (as determined by OMB), including GSE's. |  |                               |                      |
| Appropriations language requests for the budget year                      | Budget year appropriations requests in thousands       | T                             | <a href="#">86.4</a> |
| Major trust funds and certain other accounts (as determined by OMB)       | Status of funds  | J                             | <a href="#">86.5</a> |
| Unavailable special or trust fund receipts or offsetting collections      | Data on unavailable collections                        | N                             | <a href="#">86.6</a> |
| Contract authority  | Status of contract authority                           | I                             | <a href="#">86.7</a> |
| Credit programs   | Federal credit data                                    | G, H, U, and Y                | <a href="#">185</a>  |

<sup>1</sup> Including agencies not subject to Executive Branch review. GSEs submit data for schedules E, F, G, H only. Nothing in this table applies to the Federal Reserve Board.

<sup>2</sup> DOD-Military submits budget plan (MAX schedule D), see section [86.3](#).

(d) *Print materials.*

Print materials include these items printed in the *Budget Appendix*:

- *Appropriations language.* You must submit language for each account for which appropriations or limitation language was enacted in the CY or is proposed in the CY or BY, including supplemental appropriations requests. You must also submit any general provisions that pertain to you (see section 96).
- *Narrative statements, footnotes, and tables.* You must provide a narrative statement for each account with activity in the current or budget year, and separate statements for supplemental requests, rescission proposals, and items proposed for later transmittal. You may be required to provide tables and footnotes that aren't generated by MAX under certain circumstances (see section 97).

(e) *Additional materials.*

If the criterion listed in the first column of Table 5 applies to you, submit the additional materials described in the second column. The right-hand column tells you where to find guidance on the requirement.

TABLE 5: ADDITIONAL MATERIALS—CERTAIN AGENCIES

| If your agency...  | Then submit this...                                  | See section...        |
|--|--|-----------------------|
| Has budget authority or outlay differences of \$50 million or more between current year and budget year baseline estimates | Materials in support of baseline estimates           | <a href="#">100.2</a> |
| Has major formula grants to State or local governments   | Information on grants to State and local governments | <a href="#">100.3</a> |
| Operates at least 300 motor vehicles   | Information on motor vehicles                        | <a href="#">100.4</a> |
| Has obligations for relocation expenses for PY through BY  | Information on relocation expenses                   | <a href="#">100.5</a> |
| Had expenditures for official international travel in the PY   | Information on international travel                  | <a href="#">100.6</a> |
| Has credit programs  | Development of risk categories                       | <a href="#">185.3</a> |



## SECTION 30—BASIC POLICIES AND ASSUMPTIONS

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- 30.2 What is the scope of the policy estimates?
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- 30.4 What assumptions should I make about growth in agency workload?
- 30.5 How do I develop unit cost information?

**Summary of Changes**

Emphasizes that agencies should use existing personnel to the maximum extent as part of their strategy to meet the President's Management Agenda (section 30.4).

Clarifies the guidance on making unit cost comparisons (section 30.5).

**30.1 What should be the basis for my proposals?**

Your proposals should result from a comprehensive system that integrates analysis, planning, evaluation, and budgeting. They should reflect:

- The policies of the President, including full implementation of the President's Management Agenda;
- Guidance provided by OMB, including that contained in spring guidance memoranda sent to the heads of agencies in April 2002, which include guidance on:
  - ▶ The National Strategy for Homeland Security;
  - ▶ Budget and performance integration management initiatives (including effectiveness ratings for approximately 20 percent of your programs);
  - ▶ The President's Management Agenda;
  - ▶ Funding guidance (within the amount that was included in the 2003 Budget for your agency);
  - ▶ Evaluation metrics for several major crosscutting, government-wide functions (if your agency has programs involved in this effort) and
- The judgment of the agency head regarding the scope, content, performance, and quality of programs and activities proposed to meet the agency's missions, goals, and objectives.

In developing the estimates, consider the effect that demographic, economic, or other changes can have on program levels beyond the budget year. Be prepared to discuss the impact that program levels and changes in methods of program delivery, including advances in technology, will have on program operations and administration. Also consider the appropriate roles for Federal, State, and local governments, as well as the private sector, in conducting the covered activities. Involve State and local

officials in the development of policy and budget priorities and programs with significant State and local impact. Make sure your estimates are consistent with strategic and annual performance plans.

### 30.2 What is the scope of the policy estimates?

#### (a) *Presidential policy estimates for CY and BY.*

(1) *Regular annual estimates.* Your regular annual estimates must reflect all requirements anticipated at the time of budget submission, and should cover:

- Continuing activities, including those that must be reauthorized for the budget year;
- Authorized activities that are proposed for the budget year;
- Amounts necessary to meet specific financial liabilities imposed by law; and
- Decreases for activities proposed for termination.

(2) *Legislative proposals.* If you and your OMB representative determine that proposals for new legislation require a further budget request or result in a change in revenues or outlays, you must separately identify and provide a tentative forecast of the estimate in your submission. These proposals must be consistent with the items that appear in your legislative program, as required by [OMB Circular No. A-19](#).

(3) *Supplemental proposals.* You should make every effort to conduct your programs within the amounts appropriated for the current year and to postpone actions that require supplemental appropriations. OMB will only consider supplemental requests that meet the criteria provided in [section 110](#). Supplemental requests that are known at the time the budget is prepared and approved are normally transmitted to Congress with the budget, rather than later as separate transmittals. However, each case will be decided separately after OMB receives the agency's initial submission (see [section 51.10](#)). OMB representatives will tell you which supplementals will be transmitted with the budget so you can submit the necessary information.

#### (b) *Presidential policy outyear estimates.*

Policy estimates for the nine years following the budget year (BY+1 through BY+9) enable the President to present the long-term consequences of proposed program or tax policy initiatives. (Baseline estimates, described in [section 80](#), provide a basis for assessing alternatives, including Presidential policy estimates.) OMB may centrally calculate outyear policy estimates for discretionary programs with some exceptions. In this case, you may be asked to identify and justify any deviations from these estimates, by program or activity, that you believe are warranted.

When you develop outyear policy estimates, they should be consistent with the general policies and information required for the budget year and indicate the degree to which specific policy decisions made for the budget year or any subsequent year affect budget authority, outlay, and receipt outyear levels. Take into consideration changes in spending trends, economic assumptions, and other actions or events when you prepare estimates of budget authority, outlays, and receipts for BY+1 through BY+9.

### 30.3 What economic assumptions should I use when I develop estimates?

All budget materials, including those for the outyear policy and baseline estimates, must be consistent with the economic assumptions provided by OMB. The specific guidance below applies to outyear policy estimates.

OMB policy permits *consideration* of price changes for goods and services as a factor in developing estimates. However, this does not mean that you should automatically include an allowance for the full rate of anticipated inflation in your request.

For *mandatory programs*, reflect the full inflation rate where such an allowance is required by law and there has been no decision to propose less than required. For *discretionary programs*, you may include an allowance for less than the full rate of anticipated inflation or even no allowance for inflation. In many cases, you must make trade-offs between budgeting increases for inflation versus other increases for programmatic purposes. Unless OMB determines otherwise, you must prepare your budget requests to OMB within the budget planning guidance levels provided to you, regardless of the effect of inflation.

Economic assumptions may be revised shortly before final budget decisions are made. These revisions will not usually result in changes to the previous budget guidance on your agency totals.

Reflect Federal pay raises in your estimates of personnel compensation and benefits (see [section 32.2\(b\)\(1\)](#)).

You must identify the anticipated price level changes reflected in the financial resources required to finance each program level in your justification materials (see [section 51.3](#)).

#### **30.4 What assumptions should I make about growth in agency workload?**

Assume that growth in your agency workload will be offset by productivity. Use personnel currently funded to the maximum extent in staffing new programs and expansions of existing programs. These actions should be part of your agency's strategy to meet the President's Management Agenda, and reflected in the integrated performance plan ([sections 31.11, 32.2\(a\)\(1\), and 220](#) ).

#### **30.5 How do I develop unit cost information?**

Unit cost is used to make "apples to apples" comparisons between federal programs that have similar goals. Unit cost should reflect the average cost of the program producing a specific result. The unit cost should reflect the full cost of producing a result including overhead and other indirect costs. Where possible, you should separate costs into fixed and variable components so that marginal costs can be derived in addition to unit costs. Such information will also provide a credible base for projections of future costs and the need for budgetary resources. Upon request, you must provide both unit cost and marginal cost information to OMB.



**SECTION 31—COMPLIANCE WITH ADMINISTRATION POLICIES AND OTHER  
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**Summary of Changes**

Drops guidance related to customer service formerly included in section 31.2

Reminds agencies to include resources for environmental management systems in their funding requests (section 31.2).

**31.1 Advance appropriations.**

Do not request advance appropriations if the only purpose is to shift budget authority for a program that would normally be provided in the budget year. For example, if you would normally request budget authority in the budget year to cover a cohort of obligations for a grant program, even though some of the obligations will not be incurred until the following fiscal year, you may not request an advance appropriation of budget authority to cover the obligations expected to be incurred in the following fiscal year.

**31.2 Environmental management.**

The OMB/CEQ joint letter of April 1, 2002 applauds those agencies developing and implementing effective environmental management systems (EMS). Federal agencies should develop and implement environmental management systems in order to integrate environmental accountability into agency day-to-day decision-making and long-term planning processes, across all agency missions, activities, and functions. These efforts must be funded within guidance totals. They should include, but not be limited to, the following components: initial self-assessments, development of performance measures, policy, and establishment of management systems.

**31.3 Equal opportunity.**

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Your estimates should reflect the Administration's commitment to programs designed to ensure or promote equal opportunity regardless of race, color, religion, national origin, sex, disability, or age. These civil rights activities include the following:

- Implementation of statutes or regulations requiring fair housing.
- Nondiscrimination in federally assisted or conducted programs.
- Equal credit opportunity.
- Full voting rights.
- Civil and Constitutional rights.
- Equal employment opportunity (including nondiscrimination by Federal agencies).
- Efforts to increase Federal contracting and subcontracting opportunities for minorities, women, and disadvantaged entrepreneurs.

### **31.4 Full funding.**

Requests for acquisition of capital assets must propose full funding to cover the full costs of the project or a useful segment of the project, consistent with the policy stated in Section [300.6\(b\)](#). Specifically, requests for procurement programs must provide for full funding of the entire cost. In addition, requests for construction programs must provide for full funding of the complete cost of construction. You should not submit estimates for construction funds for major construction projects unless planning will reach a point by the end of the current year that will ensure that a contract for construction could be awarded during the budget year. Remember that Administration policy and the Antideficiency Act require you to have sufficient budget authority or other budgetary resources to cover the full amount of unconditional obligations under any contract.

For policies related to leases of capital assets and lease-purchases, see section [33.4](#) and [Appendix B](#). For guidance on budget submissions for capital asset acquisitions, see Part 7 of this Circular. For guidance on principles and techniques of planning, budgeting, procurement, and management of capital assets, see the supplement to this Circular, the *Capital Programming Guide*, which is published separately and available on the OMB website with this Circular at:

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

### **31.5 Government perquisites.**

Your estimates should reflect Administration policy to limit the use of government vehicles, government aircraft, first class air travel, executive dining facilities, and conferences, in accordance with Presidential memoranda, dated February 10, 1993.

### **31.6 MAX electronic network.**

For the purpose of cost distribution specified in [OMB Circular No. A-130](#), OMB is the user of MAX. Accordingly, you are not required to pay for use of the MAX electronic network required by this Circular.

### 31.7 Multi-year appropriations.

Consider whether it is appropriate to request appropriations with multi-year availability, particularly for buildings, equipment, and other types of fixed capital assets, including major ADP and telecommunications systems, with long acquisition cycles. Where multi-year appropriations requests are appropriate, you should match the period of availability to the expected length of the acquisition cycle.

### 31.8 Performance indicators, performance goals, and management improvement.

Your estimates should reflect the Administration's commitment to improve program performance, e-Government, management integrity and controls, program delivery, and financial management.

- *Performance indicators and performance goals.* Your estimates should reflect the performance goals and indicators, including target levels for these goals and indicators, as set out in your agency's annual performance plan. In particular, they should reflect any specific guidance on outcomes and related outputs provided in OMB's spring guidance memorandum to your agency (see section [51.7](#) and [Part 6](#)).
- *Capital planning and investment control.* Your estimates should reflect the Administration's commitment to IT investments that directly support agency strategic missions, employ an integrated planning, budgeting, procurement process, are citizen-centered, and are consistent with the Clinger Cohen Act of 1996, the Paperwork Reduction Act, the Federal Acquisition Streamlining Act, and OMB Circular A-130, Management of Federal Information Resources (see also section [53](#) and [Part 7](#), where applicable).
- *Electronic transactions and electronic recordkeeping.* Your estimates should prioritize and manage e-Government projects effectively through your agency's capital planning process and enterprise architecture. Initiatives should create a citizen-centered electronic presence (maximizing use of the Internet) and advance an e-Government strategy that includes specific outcomes to be achieved. Your estimates should reflect the requirements of the Government Paperwork Elimination Act (GPEA) and OMB's guidance. Under GPEA, all transactions should have an electronic option and associated electronic recordkeeping by October 2003 if practicable. The National Archives and Records Administration has issued records management guidance for agencies implementing electronic signature technologies. The guidance can be found at the following Internet address:

[www.archives.gov/records\\_management/](http://www.archives.gov/records_management/)

- *Security.* Your estimates should reflect a comprehensive understanding of OMB security policies and NIST guidance, including compliance with the Government Information Security Reform Act, and OMB Memorandum No. M-01-08, "Guidance on Implementing the Government Information Security Reform Act," by:
  - ▶ Demonstrating that the costs of security controls are understood and are explicitly incorporated in the life-cycle planning of the overall system, including the additional costs of employing standards and guidance more stringent than those issued by NIST;
  - ▶ Demonstrating how the agency ensures that risks are understood and continually assessed;
  - ▶ Demonstrating how the agency ensures that the security controls are commensurate with the risk and magnitude of harm;

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- ▶ Identifying additional security controls for systems that promote or permit public access, other externally accessible systems, and those that are interconnected with systems over which program officials have little or no control;
  - ▶ Demonstrating how the agency ensures the effective use of security controls and authentication tools to protect privacy for those systems that promote or permit public access; and
  - ▶ Demonstrating how the agency ensures that the handling of personal information is consistent with relevant government-wide and agency policies.
- *Privacy.* Your estimates should reflect the Administration's commitment to privacy and should include a description of your privacy practices and steps taken to ensure compliance with all OMB privacy policies.
  - *Financial systems.* Your estimates should reflect plans to achieve a single, agency-wide, integrated financial management system and CFO plan initiatives. The scope of agency financial systems activities will include the following:
    - ▶ Core financial systems, as described in the JFMIP Core Financial System Requirements Document.
    - ▶ Financial and mixed systems critical to effective agency-wide financial management, financial reporting, or financial control.

[Sections 52](#) and [53](#) describe the materials that must be submitted for agency financial management systems.

**31.9 Performance of commercial activities.**

Your estimates should reflect the probable results generated by cost comparisons or other performance conversions authorized by [OMB Circular No. A-76](#) and its [Revised Supplemental Handbook](#) (March 1996), including potential savings that may result from actions taken as a result of the annual review of the commercial activities inventory required by the Federal Activities Inventory Reform Act (P.L. 105–270). For activities that assume additional FTE or dollar resources to provide a product or service, submit a full justification, including a possible recompetition, waiver justification, or determination of workload increase, as appropriate. To the extent possible, offset additional resource requirements to meet mission or administrative requirements for in-house performance through savings from these and other efforts to reduce costs, including savings from conducting cost comparisons on other existing in-house activities, reinvention savings, privatization, or attrition.

Under the requirements of the Revised Supplemental Handbook, you must justify the following types of requests for in-house government resources:

- To begin, expand, or enlarge, a government operated activity.
- To convert a contracted activity to in-house performance.
- To provide new or expanded services to another agency on a reimbursable basis.

Except where specifically exempted, all commercial activities are subject to the cost comparison requirements of [Circular No. A-76](#) and its [Supplemental Handbook](#). This includes the purchase and use of government aircraft and motor vehicle fleets.

In accordance with the requirements of [OMB Circular No. A-97](#), you must justify in advance and obtain the required certification before providing commercial support services to State and local governments.

Performance of commercial activities should be fully consistent with actions taken by the agency to implement other management reform initiatives, including those addressed in OMB Memorandum M-01-15, "Performance Goals and Management Initiatives for the FY 2002 Budget":

- Making greater use of performance-based contracts;
- Expanding the application of on-line procurement;
- Expanding A-76 competitions; and
- Increasing the accuracy of FAIR Act inventories.

Also, the performance of commercial activities should be consistent with your agency's five-year workforce restructuring plan (see section [31.11](#)).

### **31.10 User charges.**

Under [OMB Circular No. A-25](#), you must review user charges for your programs at least once every two years, and you must report the result of the review and any resultant proposals in the Chief Financial Officers Annual Report required by the Chief Financial Officers Act of 1990 (see section 8(e) of OMB Circular No. A-25). Develop your estimates in accordance with the full cost recovery policy for user charges set forth in that Circular. User charges normally should recover the full cost of providing goods or services to the public. The exception to this rule is when the Government provides goods or services under business-type conditions, including amounts collected for the use or sale of natural resources; in such cases, the user charge should be set at the market price.

When you determine full cost recovery, reflect the retirement costs associated with providing the goods or services. For the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS), estimate costs as specified in section [32.5](#).

There has been a growth in user charges, and some have been classified by law as offsetting collections or offsetting receipts when they more appropriately should have been classified as governmental receipts. Only user charges that arise from business-type transactions should be classified as offsetting collections or offsetting receipts. User charges are discussed further in [section 20](#).

If you propose new user charges that require authorizing legislation, provide a clear explanation of the new user charge and the legislation that will be required to authorize it. Include a detailed discussion of plans for achieving enactment of the legislation and the administrative actions planned for collecting the charges if the legislation is enacted. Assess the proposal's chances of enactment, taking into account the likely reaction to the proposal by Congress and the users. Describe the basis for your assessment in detail. If you believe that the proposal will lack support, explain why you believe the President should propose it in the budget anyway.

### **31.11 Workforce planning and restructuring**

Agencies must identify the specific organizational changes they are proposing to:

- Reduce the number of managers, reduce organizational layers, and reduce the time it takes to make decisions.

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- Increase the span of control, and redirect positions within the agency to ensure that the largest number of employees possible are in direct service delivery positions that interact with citizens and retrain and/or redeploy employees as part of restructuring efforts.

Your budget submission and performance plan must also identify the specific human resources management and development objectives and associated resources that support agency accomplishment of programmatic goals.

SECTION 32—ESTIMATING EMPLOYMENT LEVELS, COMPENSATION, BENEFITS, AND  
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**Summary of Changes**

Updates information related to calculating the Government's full share of pensions and post-retirement health benefits for Federal employees (section 32.5).

**32.1 What terms do I need to know?**

**Employee**, as defined in 5 U.S.C. 2105, means an officer or individual who is appointed under a delegated authority, is engaged in the performance of a Federal function, and is subject to the supervision of an officer or employee of the Federal Government.

**Full-time equivalent (FTE) employment** means the total number of regular straight-time hours (i.e., not including overtime or holiday hours) worked by employees divided by the number of compensable hours applicable to each fiscal year. Annual leave, sick leave, compensatory time off and other approved leave categories are considered "hours worked" for purposes of defining full-time equivalent employment that is reported in the personnel summary (see section [86.1](#)). This definition is consistent with guidance provided by the Office of Personnel Management (OPM) in connection with reporting FTE data as part of the SF 113G reporting system. A list of compensable days (with associated hours) for fiscal years 2002 through 2008 is provided in section [32.3\(b\)](#).

**32.2 What should be the basis for my personnel estimates?**

(a) *Personnel*.

(1) *Staffing requirements*. Base estimates for staffing requirements on the assumption that improvements in skills, organization, procedures, and supervision will produce a steady increase in productivity. Personnel should be reassigned, to the maximum extent, to meet new program requirements. Reductions generally should be planned where the workload is stable. Where information technology systems are installed or enhanced, gains in productivity should result in lower personnel requirements after the first year.

Where appropriate, use calculations converting workload to required personnel that include an estimate of available workhours per employee. Exclude annual leave, sick leave, administrative leave, training, and

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other non-work time in these calculations. Base estimates of available time on current data, reflect steps taken to improve the ratio of available time to total time, and recognize differences in available time by organization, location, or activity. Base exclusions for annual and sick leave on current experience of actual leave taken rather than leave earned. Employment levels should reflect budget proposals and assumptions with regard to workload, efficiency, proposed legislation, interagency reimbursable arrangements, and other special staffing methods. Employment intended for proposed legislation, or for carrying out proposed supplemental appropriations, cannot begin until the additional funds become available by congressional action. Employment proposed for activation of new facilities or start-up of new programs cannot begin until the new activity begins. Employment under estimated reimbursable arrangements also cannot begin until such arrangements have been negotiated and justified.

(2) *Personnel resources.* Just as estimates of employment are based on workyears/person hours, you should base estimates of personnel resources on the total number of regularly scheduled straight-time hours (worked or to be worked) in the fiscal year (see section [32.3\(c\)](#)). Note that, although budgetary resources must be sufficient to cover any extra compensable days in a fiscal year, some of the corresponding outlays may not occur until the following year.

(3) *Requirement for data in terms of FTEs.* Wherever entries in schedules or materials required by this Circular pertain to personnel requirements or total employment levels, state such entries for all years in terms of FTEs, as defined in section [32.1](#), unless another measure is explicitly required.

(b) *Personnel compensation.*

(1) *Pay scales.* Unless instructed otherwise by OMB, base estimates on compensation scales in effect at the time of submission of the estimates, adjusted for pay raises contained in the Mid-Session Review economic assumptions.

The Mid-Session Review pay raise assumptions will apply to the statutory pay systems (General Schedule, Foreign Service, and Veterans Health Administration), the Executive Schedule, the Senior Executive Service (SES), and wage grade employees. The pay raises encompass both the Employment Cost Index (ECI)-based national schedule adjustment and locality pay without assumption as to how the total increase will be distributed between the two. Use pay scales that reflect the most recent locality pay rates in preparing your estimates.

You may need to adjust your estimates when final pay assumptions for the budget are released. You should be prepared to provide supporting detail on calculating pay costs, including separate identification of the pre-pay raise wage base reflected in the submission. You must explicitly justify any increases in average compensation for the budget year, other than those due to changes in pay scales.

(2) *Hourly rates.* Base compensation for all employees (as defined in 5 U.S.C. 5504(b)) on hourly rates of compensation determined by dividing the annual rate of basic pay by 2,087, in accordance with section 15203(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99–272).

(3) *Within-grade increases.* Additional resources for within-grade increases are normally not allowed. Offset the net cost, if any, of within-grade salary increases (i.e., costs after turnover, downgrades, and other grade or step reducing events are taken into account) by savings due to greater productivity and efficiency.

(4) *Vacancies.* Base estimates related to vacancies expected to be filled in the budget year on the entrance salary for the vacancies involved.

- (5) *Savings in personnel compensation.* Give full consideration to savings in personnel compensation due to personnel reductions, delay in filling vacant positions, leave without pay, lag in recruitment for new positions, filling vacancies at lower rates of pay, part-time employment, and grade reduction actions. Identify terminal leave payments, including those for SES, as offsets against such savings.
- (6) *Positions above grade GS/GM-15.* Reflect these positions, including SES, only to the extent that positions have been authorized in those grades by OPM or other authority, or are specifically authorized in substantive law.
- (7) *Awards.* Estimates should include amounts for all cash incentive awards. Upon request by OMB, be prepared to provide detailed information on your cash incentive awards program, including a narrative explanation of the basis on which your agency distributes awards and how that relates to its overall performance management program.
- (8) *Executive selection and development programs.* Include in your estimates provisions for reasonable amounts for such programs, as required under Title IV of the Civil Service Reform Act of 1978 and by implementing guidelines issued by the Office of Personnel Management.
- (9) *Premium pay and overtime.* Fully justify increases over amounts for the preceding year for premium pay. In preparing estimates for overtime, you should analyze the use of overtime to ensure that it is used in a prudent and efficient manner; explore all reasonable alternatives to overtime (such as improved scheduling); and ensure that adequate approval, monitoring, and audit procedures are in place to avoid overtime abuses.
- (10) *Special rates for experts and consultants.* Authority to pay special rates for experts and consultants may be requested only when your agency demonstrates that the type and caliber of services required cannot be obtained at the maximum daily rate payable for grade GS-15 under the Classification Act. When such authority is justified and specifically authorized, special rates may not exceed the maximum rate for senior level positions under 5 U.S.C. 5376.
- (11) *Severance pay.* Estimate severance pay at the amount needed for the fiscal year. However, obligations will be incurred on a pay-period by pay-period basis, notwithstanding the fact that a liability arises at the time of an employee's separation. Your estimates must include changes in severance pay and personnel compensation that would occur upon the application of instructions covered in OMB Circular No. A-76.
- (12) *Physicians comparability allowance.* Reflect in your estimates approved plans to pay bonuses to physicians in accordance with the Federal Physicians Comparability Allowance Amendments of 1987 (Public Law 100-140) and the Federal Employees Health Care Protection Act of 1998 (Public Law 105-266). Instructions for reporting on the physicians comparability allowance program are issued separately.
- (13) *Bonuses and allowances.* Reflect in your estimates approved agency plans for paying recruitment and relocation bonuses and retention allowances. You should be prepared to supply information on planned and actual expenditures upon request by OMB.
- (14) *Retirement costs.* Reflect in your estimates the cost effects of changes in the distribution of employees between the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS). (See section [32.5](#) for retirement cost factors.)

### **32.3 What do I need to know about FTE budgeted levels?**

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(a) *Policy.*

Consistent with the general policy of making the most effective use of Government resources, each agency head will ensure close management of budgeted FTE levels for his or her agency. Agencies should not convert the work of their employees to contractors unless they first undertake cost comparisons that demonstrate that such a conversion is of financial advantage to the Government.

(b) *Determining FTE usage.*

You must prepare budget estimates relating to personnel requirements in terms of FTE employment, as specified in this Circular.

To determine FTE employment, divide the total number of regular hours (worked or to be worked) by the number of compensable hours applicable to each fiscal year. This calculation standardizes the FTE work year for purposes of setting total FTE estimates, so that OPM's SF 113G reporting mechanism will consistently measure the resulting FTE figure. The following list of compensable days and hours for fiscal years 2002 through 2008 should be used to compute FTE employment.

**COMPENSABLE DAYS AND HOURS FOR FISCAL YEARS 2001–2007**

| <b>Year</b> | <b>Days</b> | <b>Hours</b> |
|-------------|-------------|--------------|
| 2002.....   | 261         | 2,088        |
| 2003.....   | 261         | 2,088        |
| 2004.....   | 262         | 2,096        |
| 2005.....   | 261         | 2,088        |
| 2006.....   | 260         | 2,080        |
| 2007.....   | 260         | 2,080        |
| 2008.....   | 262         | 2,096        |

FTE employment levels apply to straight time hours only. Department of Defense indirect hire employees are not included in FTE employment totals. FTEs funded by allocations from other agencies will be included with the performing agency where the employees work and are payrolled.

Be sure to include in FTE employment estimates all Federal employees, including persons appointed under the Worker Trainee Opportunity Program, Federal Cooperative Education Program, summer aids, Stay-in-School Program, and the Federal Junior Fellowship Program. You are encouraged to participate fully in the student employment and other special employment programs and to ensure that these programs are not disproportionately reduced when agency-wide reductions are required.

The FTE estimates must take into account both seasonal variations in personnel requirements and employment trends (increasing or decreasing personnel levels) for each agency. Therefore, these levels will be related to, but not identical with, end-of-year data in the Monthly Report of Federal Civilian Employment, which is reported to OPM on the SF 113A and reflects a headcount of employees. Measure current year FTE estimates using information compiled from the SF 113G reports submitted to OPM.

(c) *Justification of FTE usage.*

The FTE estimates for each agency are determined at the time of the annual budget review, for the fiscal year in progress and for the succeeding fiscal year. You must ensure that the FTE estimates are consistent with all applicable laws. In particular, some statutes providing agencies with authority to use voluntary separation incentive proposals or buy-outs stipulate that agency-wide FTE levels must be reduced one-for-one for each buy-out. Further, FTE estimates must represent an effective and efficient use of resources to meet program requirements (see section 51.3).

Actual FTE usage reported in the PY column of the budget must equal the year-end FTE usage reported on the SF 113G to OPM.

Current year FTE estimates should be consistent with PY actuals, should be fully funded, and should be very close to the actual usage reported at the end of the fiscal year. For example, the 2003 estimate in the FY 2004 Budget should be very close to the 2003 actuals to be published in the 2005 Budget.

*(d) FTE transfers between agencies.*

Prior to entering into new or expanded agreements to perform work for other agencies on a reimbursable basis, you must prepare a cost justification in accordance with OMB Circular No. A-76. As part of this agreement, you may transfer FTEs on a one-for-one basis, provided that you notify OMB prior to making such a transfer. You may proceed with the FTE transfer fifteen days after notification to OMB unless OMB objects.

*(e) Adjustment requests.*

Send all requests for adjustments in employment levels, including agreements to transfer FTEs between agencies, to the Director of OMB.

**32.4 How do I treat agency benefit payments under the Federal Employee Compensation Act?**

For accounts subject to appropriations action, include in your budget year estimates the amount billed by the Employment Standards Administration of the Department of Labor for benefits paid on behalf of employees of your agency in the past year under the Federal Employee Compensation Act.

For accounts not subject to appropriations action, you must pay the bill in the current year.

**32.5 How do I estimate Federal employee pension and health benefit costs?**

Your estimates should reflect the pension costs for Federal employees under the Civil Service Retirement System (CSRS), the Federal Employees' Retirement System (FERS), the Foreign Service Retirement and Disability System (FSRDS), and the Central Intelligence Agency Retirement and Disability System (CIARDS). Your estimates should also include active and retiree health benefit costs under the Federal Employees Health Benefits Program (FEHB). Estimates should also reflect pension and health benefits costs of the Military and Commissioned Corps systems.

The Administration has proposed legislation to require agencies to pay the full normal cost of providing CSRS and other retirement system benefits (see specific guidance below). 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 but will not include these amounts in the budget totals.

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You must identify the additional net budget authority and outlays that will be required for BY through BY+9 as well as the additional amounts that would have been required for the PY and CY, if the proposal had been enacted for FY 2002 and FY 2003. This information will be reported in MAX schedules A and P (see sections 81.4 and 82.7).

- **CSRS.** Your agency's cost is 8.51 percent of basic pay through FY 2002, except for law enforcement officers, firefighters, certain judges, congressional staff, and Members of Congress, as noted in 5 U.S.C. 8334(a). Under current law, the agency contribution rate for most or regular employees will revert to 7.5 percent for the first quarter of FY 2003, and to 7.0 percent in the following January. Basic pay is defined at 5 U.S.C. 8331(3).

Based on the current actuarial valuations, your agency's full cost is calculated as a percent of basic pay. The Office of Personnel Management periodically revises its valuations. Should this occur, OPM would notify your agency.

Use the following table to calculate your agency's costs:

**AGENCY CONTRIBUTION RATES**

| <b>Category of CSRS Employee</b> | <b>Fiscal Year</b> | <b>Current Law</b> | <b>Increment</b> | <b>Agencies' Full Cost</b> |
|----------------------------------|--------------------|--------------------|------------------|----------------------------|
| Regular                          | 2002/3             | 8.51%              | 8.89%            | 17.4%                      |
| Regular                          | 2004               | 7.0%               | 10.4%            | 17.4%                      |
| Regular offset                   | 2002/3             | 8.51%              | 9.69%            | 18.2% *                    |
| Regular offset                   | 2004               | 7.0%               | 11.0%            | 18.0%*                     |
| Law enforcement officers         | 2002/3             | 9.01%              | 22.49%           | 31.5%                      |
| Law enforcement officers         | 2004               | 7.5%               | 23.9%            | 31.4%                      |
| Law enforcement officer offset   | 2002/3             | 9.01%              | 24.09%           | 33.1% *                    |
| Law enforcement officers offset  | 2004               | 7.5%               | 25.6%            | 33.1%*                     |
| Air traffic controllers          | 2002/3             | 8.51%              | 16.89%           | 25.4%                      |
| Air traffic controllers          | 2004               | 7.0%               | 18.4%            | 25.4%                      |
| Air traffic controllers offset   | 2002/3             | 8.51%              | 18.29%           | 26.8% *                    |
| Air traffic controllers offset   | 2004               | 7.0%               | 19.8%            | 26.8%*                     |
| Members of Congress              | 2002/3             | 9.51%              | 9.99%            | 19.5%                      |
| Members of Congress              | 2004               | 8.0%               | 11.6%            | 19.6%                      |
| Members of Congress offset       | 2002/3             | 9.51%              | 13.89%           | 23.4% *                    |
| Members of Congress offset       | 2004               | 8.0%               | 15.5%            | 23.5%*                     |
| Congressional employees          | 2002/3             | 9.01%              | 16.69%           | 25.7%                      |
| Congressional employees          | 2004               | 7.5%               | 18.1%            | 25.6%                      |
| Congressional employees offset   | 2002/3             | 9.01%              | 17.69%           | 26.7% *                    |
| Congressional employees offset   | 2004               | 7.5%               | 19.0%            | 26.5%*                     |

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\* Rate applicable up to the maximum social security wage base. Because the employee contribution increases by 6.2% for basic pay above the maximum social security wage base, there is an offsetting 6.2% reduction in the agency contribution for basic pay above that amount.

- *FERS*. Your agency's cost is comprised of the costs for the FERS basic benefit, social security, and the thrift savings plan (TSP). The FERS basic benefit is 10.7 percent of basic pay, except for law enforcement officers, firefighters, air traffic controllers, certain CIA employees, congressional employees, and Members of Congress. For these employees, use the normal cost percentage provided in the *Federal Register* of May 9 2002, and reduce it by the employee contribution of 1.3 percent. Base your TSP estimates on your agency's actual experience, which should fall between one and five percent of the FERS basic payroll.
- *FSRDS, CIARDS, and the three Commissioned Corps (Coast Guard, Public Health Service, and the National Oceanic and Atmospheric Administration)*. Use the following tables to calculate your agency's costs:

**AGENCY CONTRIBUTION RATES**

| <b>FSRDS Retirement System</b> | <b>Fiscal Year</b> | <b>Current Law</b> | <b>Increment</b> | <b>Agencies' Full Cost</b> |
|--------------------------------|--------------------|--------------------|------------------|----------------------------|
| Regular                        | 2002/3             | 8.51%              | 12.19%           | 20.7%                      |
| Regular                        | 2004               | 7.0%               | 13.7%            | 20.7%                      |
| Regular offset                 | 2002/3             | 8.51%              | 12.29%           | 20.8%                      |
| Regular offset                 | 2004               | 7.0%               | 13.8%            | 20.8%                      |
| Law enforcement                | 2002/3             | 9.01%              | 21.99%           | 31.0%                      |
| Law enforcement                | 2004               | 7.5%               | 23.5%            | 31.0%                      |
| Law enforcement offset         | 2002/3             | 9.01%              | 22.19%           | 31.2%                      |
| Law enforcement offset         | 2004               | 7.5%               | 23.7%            | 31.2%                      |

| <b>Other Retirement Systems</b> | <b>Fiscal Year</b> | <b>Current Law</b> | <b>Increment</b> | <b>Agencies' Full Cost</b> |
|---------------------------------|--------------------|--------------------|------------------|----------------------------|
| CIARDS                          | 2002/3             | 7.0%               | 21.0%            | 28.0%                      |
| CIARDS                          | 2004               | 7.0%               | 21.0%            | 28.0%                      |
| US Coast Guard                  | 2002/3             | 0%                 | 34.5%            | 34.5%                      |
| US Coast Guard                  | 2004               | 0%                 | 35.2%            | 35.2%                      |
| NOAA Commissioned Corps         | 2002/3             | 0%                 | 32.9%            | 32.9%                      |
| NOAA Commissioned Corps         | 2004               | 0%                 | 32.9%            | 32.9%                      |
| PHS Commissioned Corps          | 2002/3             | 0%                 | 29.3%            | 29.3%                      |
| PHS Commissioned Corps          | 2004               | 0%                 | 30.0%            | 30.0%                      |

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- *FEHB*. Under current law, your agency pays the Government contribution for current health benefits coverage for your active employees on a pay as you go basis. Funds appropriated to OPM out of the General Fund of the Treasury are to pay the Government contribution for annuitants (5 U.S.C. 8906). The Administration has proposed legislation to require agencies, beginning in FY 2003, to pay currently the future cost of providing post-retirement health benefits to their active employees. As a result, in addition to your agency's cost for current year health insurance premiums, you should include in your submission a separate and additional amount to reflect the post-retirement cost of health benefits for your current employees. For the FY 2004 Budget, use the following agency contribution rates per participating employee whether full or part-time: for FY 2002 use \$3209; for FY 2003 use \$3,434; and for FY 2004 use \$3,976.
- *For Uniformed Services post-retirement medical care*. Post Retirement Medical care for "Medicare-eligible" retirees and their dependents/survivors is being funded on an accrual basis beginning in FY 2003. The Administration is proposing legislation that would extend this accrual funding to all retirees and families—not just those who are Medicare-eligible—beginning in FY 2004. Budget estimates in the FY 2004 budget submission must assume inclusion of all retirees and families (both medicare-eligible and non medicare-eligible). Agencies must calculate the following estimates for their budget submission:
  - ▶ Accrual contribution to the Uniformed Services Health Accrual Trust Fund (see below)
  - ▶ Estimate of the health care dollars to be expended in FY 2004 for all retirees
- *Accrual contribution to the Uniformed Services Health Accrual Trust Fund*. Current law has been interpreted to call for the uniformed services to use a single per capita rate in calculating the accrual contribution. The FY 2004 President's Budget will propose separate per capita rates for NOAA and PHS. These new per capita rates will take into account NOAA's and PHS's officer-only work force.

To develop appropriate accrual contribution estimates, agencies must use the per-capita rates provided below. Agencies must multiply these rates by the estimated average number of current uniformed service personnel for FY 2004. The resulting calculation is the agency-specific accrual contribution, which should be budgeted in the agency's personnel account.

| <b>Total: Normal Cost Contribution Per Capita Rate</b> | <b>Fiscal Year</b> | <b>Monthly Cost</b> | <b>Annual Cost</b> |
|--|--------------------|---------------------|--------------------|
| Full Time (DoD and Coast Guard)                        | 2002/3             | \$650               | \$7,805            |
| Full Time (DoD and Coast Guard)                        | 2004               | \$697               | \$8,364            |
| Part Time (DoD and Coast Guard)                        | 2002/3             | \$153               | \$1,841            |
| Part Time (DoD and Coast Guard)                        | 2004               | \$176               | \$2,108            |
| Full Time Officer Only (NOAA & PHH)                    | 2002/3             | \$892               | \$10,709           |
| Full Time Officer Only (NOAA & PHH)                    | 2004               | \$957               | \$11,483           |

| Medical Eligible Subcomponent       | Fiscal Year | Monthly Cost | Annual Cost |
|-------------------------------------|-------------|--------------|-------------|
| Full Time (DoD and Coast Guard)     | 2002/3      | \$353        | \$4,236     |
| Full Time (DoD and Coast Guard)     | 2004        | \$381        | \$4,572     |
| Part Time (DoD and Coast Guard)     | 2002/3      | \$134        | \$1,608     |
| Part Time (DoD and Coast Guard)     | 2004        | \$155        | \$1,860     |
| Full Time Officer Only (NOAA & PHH) | 2002/3      | \$526        | \$6,312     |
| Full Time Officer Only (NOAA & PHH) | 2004        | \$568        | \$6,812     |

| Pre-Medical Eligible Subcomponent   | Fiscal Year | Monthly Cost | Annual Cost |
|-------------------------------------|-------------|--------------|-------------|
| Full Time (DoD and Coast Guard)     | 2002/3      | \$297        | \$3,569     |
| Full Time (DoD and Coast Guard)     | 2004        | \$316        | \$3,792     |
| Part Time (DoD and Coast Guard)     | 2002/3      | \$19         | \$233       |
| Part Time (DoD and Coast Guard)     | 2004        | \$21         | \$248       |
| Full Time Officer Only (NOAA & PHH) | 2002/3      | \$366        | \$4,397     |
| Full Time Officer Only (NOAA & PHH) | 2004        | \$389        | \$4,672     |

- *Estimate of the health care dollars to be expended in FY 2004 for all retirees.* Agencies must estimate the FY 2004 expenditures for retiree health care. (Separate estimates must be provided for Medicare-eligible retirees and non Medicare-eligible retirees). These estimates are needed to develop the total amount that the Trust Fund will outlay for uniformed service health care during FY 2004. To prevent double counting, each agency must ensure that their health care account request does not include any amount for retiree health care.

### 32.6 How do I reflect the effects of pay raises?

For the following three types of budget accounts, reflect the effects of the increased agency contribution to employee retirement and of civilian and military pay raises using the pay raise assumptions specified for these accounts in the Mid-Session Review:

- Governmental receipt accounts containing Federal employee contributions to Federal employee retirement.
- Offsetting receipt accounts (employer share, employee retirement) containing employing agency contributions to Federal employee retirement.
- General fund contributions to Federal employee retirement.

Major agencies with accounts in these categories include DOD, State, Treasury, and OPM.

**32.7 How do I budget for unemployment compensation?**

In general, you should not budget for the costs of unemployment compensation for former Federal civilian and military personnel. The congressional intent is that such unemployment compensation be paid from appropriations available to the employing agencies. The liable agencies must absorb these reimbursements when they are required to be paid.

If you do not employ large numbers of temporary employees or other personnel expected to lead to significant unemployment compensation claims, your estimates for the current and budget year will not contain any special provisions for the costs of reimbursing the unemployment trust fund for such payments.

If you employ large numbers of temporary employees to meet part-year workload, you may request approval from OMB to budget for unemployment compensation costs for your temporary employees. OMB will consider such requests if you can demonstrate that you have a sound administrative control system for unemployment compensation claims.

SECTION 33—ESTIMATES RELATED TO SPECIFIC TYPES OF PROGRAMS AND  
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- Ex-33 Agency Motor Vehicle Fleet Report

**Summary of Changes**

Requires agencies to report on the size, composition, and annual cost of their motor vehicle fleets (section 33.9).

Includes guidance on proposals requiring coordination with other agencies previously included in section 34 (sections 33.27 - 33.30).

<sup>1</sup> Requests for capital assets must be submitted in accordance with Part 7.

**33.1 Construction and design of Federal facilities.**

(a) *Pollution control standards compliance.*

Prepare your estimates in accordance with [Executive Order No. 12088](#), which requires compliance with pollution control standards.

(b) *Safe workplaces.*

In your estimates for the design and construction of Federal facilities, capital investment, and the purchase of equipment, include the amounts required to ensure that existing facilities provide safe and healthful workplaces for Federal employees consistent with the standards promulgated under section 19 of the Occupational Safety and Health Act of 1970, the provisions of [Executive Order No. 12196](#), and the related Safety and Health Provisions for Federal Employees of the Secretary of Labor (29 CFR, Chapter XVII, Part 1960).

(c) *Structural barriers in Federal buildings.*

Prepare your estimates for the construction and renovation of Federal facilities consistent with requirements of the Architectural Barriers Act of 1968 to eliminate structural barriers impeding the mobility of individuals with disabilities.

(d) *Scientific laboratory facilities.*

If your submission proposes additional or replacement scientific laboratory facilities, you must include evidence that your agency has reviewed the GSA inventory of Federal laboratories and indicate the reasons you want to acquire new space instead of using existing laboratories that have sufficient space available, according to the GSA inventory.

**33.2 Construction in flood plains.**

Under Executive Order Nos. [11988](#) and [11990](#), you must develop estimates for the construction of buildings, structures, roads, or other facilities—whether financed directly by Federal funds or through grant, loan, or mortgage insurance programs—that are based on land utilization plans that preclude the uneconomic, hazardous, or unnecessary use of flood plains or wetlands. Indicate whether the proposed activities will be located in a flood plain or wetland and, if so, whether the activities are in accordance with the Executive Orders.

### 33.3 Construction of federally-owned housing.

#### (a) *General.*

Make sure that your estimates for construction of family housing for civilian and military personnel (either rental housing or public quarters) are consistent with the guidelines provided below. These guidelines apply to construction of family housing (including conversions of structures for dwelling purposes), both within the continental United States and overseas, except for construction of military barracks.

Do not include estimated funding for construction of housing for civilian employees, except where necessary to maintain continuity and efficiency of service. You should not include funding estimates for construction of family housing for civilian or military personnel if private capital can be found to do the financing. Unless OMB determines otherwise, you must justify your estimates for construction of housing under one or more of the following conditions:

- The construction is for *public quarters* (that is, where the law authorizes the provision of housing without charge, such as for military public quarters).
- The construction is necessary to meet *requirements for service or protection*.
- There is a lack of available housing.

Where seasonal demands of the agency's program or remoteness of the station would make housing and transportation costs together unreasonably high, and where such conditions jeopardize the agency's ability to maintain a qualified staff, you may submit a request for an exception to these guidelines.

#### (b) *Requirements of service or protection.*

You may justify construction of housing when the agency head determines that necessary service cannot be rendered, or United States property cannot be adequately protected, unless certain employees are required to live in government quarters at the station. In such cases, you must demonstrate that requirements for service or protection cannot be met if personnel are permitted to live away from the station.

#### (c) *Lack of available housing.*

You may justify construction of housing at remote stations, at foreign service posts, or under other circumstances when the agency head determines that necessary service cannot otherwise be rendered. You must base this determination on a supportable finding that the available supply—present and prospective—of government and private housing within reasonable commuting distance will not meet the necessary housing requirements. In determining the adequacy of the available supply, consider any additional private housing that can reasonably be expected to be constructed or otherwise become available.

- (1) *Available housing* usually includes both housing for sale and for rent, except where rotation of personnel between stations occurs at intervals of approximately three years. In those cases, only rental housing should be considered available.

(2) *Reasonable commuting distance* is, as a general rule, a distance requiring travel time of not more than two hours per round trip by automobile or public transportation, or resulting in expenses per person of not more than \$5.00 per round trip by public transportation (except in metropolitan areas). You may make exceptions to this rule under the following conditions:

- For military necessity.
- For requirements of service or protection.

(3) *Insufficiency or inadequacy of the housing supply* can be demonstrated by showing that one or more of the following conditions exist and are likely to be of extended duration:

- Housing cannot be located through realtors or advertisement.
- Available housing is substandard by reasons of design, construction, or location.
- Because of size, it is considerably more costly than employees can afford.
- Employees subject to rotation cannot obtain leases permitting them to vacate on thirty days notice, at prevailing rental rates.

#### **33.4 Leases of capital assets.**

You must justify that leases of capital assets are preferable to direct government purchase and ownership in accordance with the policies contained in [OMB Circular No. A-94](#).

Lease-purchases and capital leases will be scored consistent with the scorekeeping rules developed under the Budget Enforcement Act of 1990, as revised pursuant to the Balanced Budget Act of 1997 (see [Appendix B](#)). For all lease-purchases and leases of capital assets, you must have sufficient budgetary resources up-front to cover the present value of the lease payments discounted using Treasury interest rates.

For lease-purchases in which the government assumes substantial risk, report outlays over the period during which the contractor constructs, manufactures, or purchases the asset. For capital leases or lease-purchases in which the private sector retains substantial risk, report outlays over the lease period, equal to the annual payments under the lease. The explicit or implicit obligation of the Federal Government to make payments is the most important financial characteristic OMB will review to determine the level of risk involved. OMB will also consider other characteristics in evaluating the level of private sector risk in a project.

You will find detailed instructions on scoring lease-purchases and leases of capital assets in [Appendix B](#).

#### **33.5 Real property.**

If you plan to acquire real property, you must include estimates for these acquisitions in your budget submission. The estimates should be consistent with the policies set forth by the Administrator of GSA, as provided by [Executive Order No. 12512](#). Estimates for acquisition of real property under contract must be consistent with obligations reported in object class 32 (see [section 83.7](#)).

### 33.6 Hospital care.

When you develop estimates for hospital costs, use data based on the use of resources allocated by diagnosis-related groups. Compare these data with payment rates of other payers using similar groupings.

Clearly indicate whether or not capital and depreciation costs are contained. Your estimates should be accompanied by a description of the cost allocation method underlying the data.

If you provide hospital care on a reimbursable basis, you must identify the amount of reimbursement collected from third parties and Federal agencies. Base your estimates of reimbursements and other income from charges for such care on such per diem rates as may be established by the agencies specifically authorized to establish such rates for the particular class of patient and type of care involved, unless different rates or charges are established by or pursuant to a specific requirement of law.

### 33.7 Inpatient care facilities and medical care services.

In your estimates for capital improvement of Federal inpatient care facilities and plans for provision of major new care services, reflect the results of (or information from) review by State and appropriate area-wide agencies in accordance with [Executive Order No. 12372](#).

### 33.8 Aircraft.

Reflect the policies on agency aircraft programs and the results of periodic reviews of these programs in accordance with OMB Circulars Nos. [A-126](#) and [A-76](#) (see sections [31.4](#) and [31.8](#)).

### 33.9 Motor vehicles.

#### (a) *Changes in agency motor vehicle fleets.*

Your initial budget submission should be accompanied by a report on the size, composition, and annual cost of your agency's motor vehicle fleet in the format of [exhibit 33](#). Using FY 2000 as the starting year, show new totals and changes for each year through 2004. In reporting the composition of your motor vehicle fleet, use the same vehicle categories that you report annually to the General Services Administration. Include with the exhibit a narrative that:

- Explains any significant changes in the size and cost of your vehicle fleet since the beginning of this Administration as well as any changes being implemented in the current year and planned for the budget year as a result of the Director's April 10, 2002 letter to agency heads;
- Briefly describes the ways in which motor vehicles are used to support your agency's mission;
- Discusses agency policies for assigning vehicles; and
- Identifies any impediments (statutory, regulatory, budgetary, or other) to managing your motor vehicle fleet in the most cost-effective manner. Also provide your recommendations for overcoming these impediments.

**SECTION 33—ESTIMATES RELATED TO SPECIFIC TYPES OF PROGRAMS AND EXPENDITURES**

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(b) *Alternative-fueled vehicles.*

Your estimates must reflect the Administration's commitment to comply with the requirements of sections 303 and 304 of the Energy Policy Act of 1992 (EP Act), which mandates that, subject to some conditions and exemptions, 75 percent of vehicles acquired by Federal agencies in FY 1999 and subsequent years should be alternative-fueled vehicles (AFVs). As specified in [Executive Order No. 13149](#) and [OMB Memorandum M-97-04](#), incorporate plans for acquiring AFVs in your vehicle ordering plans for the current, budget, and future years. You must report annually on compliance with sections 303 and 304 of the EP Act ([see section 55](#)).

(c) *Other requirements.*

Base your estimates for sedans and station wagons on the requirements of GSA's Federal Property Management Regulations and Federal Standard No. 122. Do not exceed price limitations in effect for the current year plus the estimated cost of additional systems and equipment justified to GSA, unless otherwise provided by law. Make provisions for replacement of motor vehicles and related equipment in accordance with GSA replacement standards.

**33.10 Advisory committees and interagency groups.**

Your estimates should reflect the results of the committee reviews required by Executive Order No. 12838, which requires agencies to reduce the number and cost of non-statutory advisory committees. The reduction required by the Executive Order and the agency advisory committee ceilings established by [OMB Circular No. A-135](#) remain in effect. You should consider the continued reduced number and cost of advisory committees in your budget planning. Separately identify the costs of advisory committees established by statute that you are proposing for termination.

You are prohibited from financing *interagency groups* (including boards [except Federal Executive Boards], commissions, councils, committees, and similar groups) by contributions from member agencies' appropriations by a government-wide general provision unless such financing is specifically authorized by statute. Therefore, you must propose financing for such groups in the budget in one of the following forms:

- Appropriations specifically for the interagency group.
- Specific language authorizing interagency funding.

Consider the expenses of advisory committees in your estimates using the policies and provisions contained in GSA's Interim Rule on Federal Advisory Committee Management (Federal Register, Vol. 48, No. 83, April 28, 1983, p. 19326) and any related instructions.

**33.11 Benefit payments.**

(a) *Medicare and Medicaid.*

Base Medicare and Medicaid estimates on the Department of Health and Human Services forecasts and the latest actual information available. Assumptions on medical care prices related to the consumer price index, utilization rates, number of beneficiaries, and other factors affecting the estimates will be developed jointly by the agency and OMB.

(b) *Other benefit payments.*

Calculate other benefit payment program estimates (including old-age, survivors, and disability insurance; railroad retirement; civilian and uniformed services retirement; supplemental security income; and veterans' compensation, pensions, and readjustment benefits) by multiplying the expected number of beneficiaries in each future year by average benefit payments per beneficiary for each future year. Determine the average benefit payments by identifying changes in the earnings base, as applicable, on which the benefit is computed, unless existing law or Administration-supported legislation provides otherwise. When existing or proposed legislation provides for automatic cost-of-living adjustments, multiply the result by a cost-of-living or other adjustment factor to be supplied by OMB.

**33.12 Coastal Barrier Resources Act.**

Do not include any new Federal expenditures or financial assistance prohibited by the Coastal Barrier Resources Act (Public Law 97-348).

**33.13 Contractor claims.**

Include amounts for reimbursement of the Claims and judgment fund for the full amount paid from the fund on behalf of an agency for contractor claims during the past year.

**33.14 Credit programs.**

Prepare estimates for all direct and guaranteed lending programs in accordance with OMB requirements (see section [185](#), [OMB Circular No. A-129](#), Managing Federal Credit Programs, and the OMB credit subsidy calculator and accompanying documentation).

Guarantees of timely payment of 100 percent of loan principal and interest against all risk create the equivalent of Federal direct loans. The Federal Financing Bank (FFB) generally finances these guarantees by borrowing from the Treasury under the authority of the Federal Credit Reform Act of 1990 (FCRA). The budget treats these guarantees as direct loans. Therefore, if you propose legislation to create a new, or renew an existing, credit program that does not require substantial risk sharing, provide for direct loans rather than loan guarantees.

**33.15 Foreign currencies.**

Where applicable, refer to Department of Treasury and Department of State guidelines on the use of foreign currencies. Detailed instructions are set forth in the Treasury Financial Manual (chapters 3200 and 9000) and the Department of State Foreign Affairs Manual (Volume 4, Chapter 360). In addition, OMB periodically issues guidance on excess and near excess foreign currencies. You should consult with the Department of Treasury, International Trade Office, the Department of State's Office of Financial Operations, Banking and Foreign Currency staff, or your OMB representative on questions not addressed by these instructions.

**33.16 Mail.**

In your estimates for official use of the United States mail, package delivery, and/or private carrier service, include a sufficient amount to pay postage due, in accordance with the Postal Service regulations, vendor requirements, and GSA government-wide mail management instructions in effect at the time estimates are prepared. Take into consideration changes in program requirements. Assume maximum use of available postage discounts.

### **33.17 National security crosscut.**

OMB requires information about programs to counter unconventional threats such as combating terrorism, weapons of mass destruction preparedness, critical infrastructure protection, and continuity of operations to conduct an interagency review process that coordinates government-wide funding and implementation of these programs. Detailed instructions about this requirement and the associated electronic reporting format have been issued and are available from your OMB representative. This information is not collected in MAX. Data on enacted funding levels are due in July; on requested levels in October; and on final levels included in the Budget in January.

### **33.18 Radio spectrum-dependent communications-electronics systems.**

The National Defense Authorization Act of 1999 (P.L. 105–261) requires the private sector to reimburse Federal agencies for costs associated with relocating or modifying systems to make spectrum available to new commercial licensees. The Act requires you to submit cost estimates to OMB for such relocations or modifications of radio spectrum-dependent communications-electronics systems anticipated under section 113 of the National Telecommunications Information Administration Organization Act (47 U.S.C. 923). These estimates will form the basis for estimates that must be provided to the Commerce Department's National Telecommunications and Information Administration in advance of an auction of the spectrum that has been reallocated for commercial use. OMB will issue separate instructions regarding this requirement.

### **33.19 Records storage.**

You must budget for the costs of storing and servicing your temporary and inactive records. You will reimburse the National Archives and Records Administration for these costs through individually-executed interagency memoranda of agreements. Agencies should avoid retention of duplicate and inappropriate Federal records.

### **33.20 Remedial environmental projects.**

Prepare estimates of the cost of the design, construction, management, operation, and maintenance of remedial environmental projects at Federal facilities consistent with policies set forth in Executive Order No. [12088](#).

### **33.21 Space and related requirements.**

Include payments required for space, structures and facilities, land, and building services provided by GSA and by others. In addition, provide supporting materials indicating the total amounts for these charges to be paid to GSA and the basis for distributing these amounts by appropriation to OMB if agency rental payments exceed \$5 million in PY, CY or BY (see [section 54](#)). Where you are experiencing employment reductions, plan corresponding reductions in space requirements and associated costs.

### **33.22 Systems acquisitions.**

You should develop your estimates for acquisition of major systems, including information technology systems, consistent with guidance in the *Capital Programming Guide*, the requirements of Title V of the Federal Acquisition Streamlining Act of 1994 (FASA), and the Clinger Cohen Act of 1996 (ITMRA). Reflect the Administration's commitment to thorough capital planning to define requirements and

establish realistic cost, schedule, and performance goals for new acquisitions. Where appropriate, and in accordance with Federal Acquisition Regulations, make your estimates for major information systems projects as narrow in scope and as brief in duration as practical in order to reduce risk, promote flexibility and interoperability, increase accountability, and better match mission need with current technology and market conditions. See Part 7 for reporting requirements related to FASA and the Clinger Cohen Act.

You should ensure electronic and information technology acquisitions meet the requirements of section 508 of the Rehabilitation Act of 1973, as amended and upon becoming effective to allow individuals with disabilities comparable access to and use of data as allowed individuals without disabilities, unless providing such accessibility would impose an undue burden on your agency.

### **33.23 Taxes and tax expenditures.**

Reflect full and explicit consideration of the resources made available by the Federal Government through tax expenditures and other tax incentives. *Tax expenditures* are attributable to provisions of the Federal income tax laws that allow a special exclusion, exemption, or deduction from gross income or that provide a special credit, rate of tax, or deferral of tax (2 U.S.C. 622). Tax expenditures include subsidies provided through the income tax system.

You must consult with the Office of Tax Analysis, Department of Treasury on all proposals for new or modifications of existing taxes whether or not the modification results in a tax expenditure (see section [33.30](#)). After consulting with the Office of Tax Analysis submit a justification of the proposal to OMB. The justification should include the views of the Office of Tax Analysis and address the following items:

- The nature and extent of the problem addressed by the proposal.
- The reason a subsidy is needed.
- The non-tax alternatives.
- The reason a tax change is preferable to the non-tax alternatives.

In addition, you should be prepared to submit justifications for continuing or reenacting existing taxes and tax expenditures in the program areas for which you have primary responsibility. Such justifications will contain the information described above.

In general, tax expenditures are subject to the same degree of performance evaluation as spending and regulatory programs. Tax expenditures often complement or substitute for agencies' spending or regulatory programs, and the resources and incentives provided through tax expenditures can be substantial. Work with the Office of Tax Analysis, which has lead responsibility for tax policy and analysis of tax expenditures, to develop data and methods to evaluate the effects of tax expenditures that affect (or are directed at the same goals as) your programs. You should be prepared to furnish, upon request, problem analyses, estimates of economic effects, and other materials that will provide explicit quantitative information on the relationship of existing or proposed tax expenditures to proposed budget expenditures. See [Part 6](#) for guidance on inclusion of tax expenditure data in annual performance plans.

### **33.24 Tort claims.**

Do not include amounts for payment of tort claims in your estimates, except where a substantial volume of claims is presented regularly.

**33.25 Travel.**

Make every effort to minimize official travel. Use established sources for official travel, such as the General Services Administration's Travel Management Centers, negotiated hotel rates, city-pair airline contracts, etc. Reflect the allowances authorized under the Federal Travel Regulations issued by GSA or comparable regulations issued by the Department of Defense for travel of military personnel and by the Department of State for foreign service personnel. Take into account changes in prices for travel by commercial modes.

**33.26 Water and sewer payments to the District of Columbia.**

Include amounts for payment to the government of the District of Columbia for water and sewer services.

**33.27 Nuclear reactors.**

You must obtain a letter setting forth the recommendations of the Department of Energy before you submit estimates for construction of nuclear research and test reactors.

**33.28 Public works in the District of Columbia and National Capital area.**

*(a) District of Columbia.*

You must consult the Commission of Fine Arts regarding plans for the construction of buildings and other structures in the District of Columbia that may affect in any important way the appearance of the city, and other questions involving artistic considerations with which the Federal Government is concerned.

*(b) National Capital area.*

You must consult with the National Capital Planning Commission in advance regarding proposed developments and projects or commitments for the acquisition of land in the National Capital area, in accordance with 40 U.S.C. § 71d, 71f (see <http://www.ncpc.gov>).

**33.29 Radio spectrum-dependent communications-electronics systems.**

You must obtain a certification by the National Telecommunications and Information Administration, Department of Commerce that the radio frequency required can be made available before you submit estimates for the development or procurement of major radio spectrum-dependent communication-electronics systems (including all systems employing space satellite techniques) (see [section 33.18](#)).

**33.30 Tax expenditures.**

You must consult with the Office of Tax Analysis, Department of Treasury on all proposals for new or modifications of existing taxes whether or not the modification results in a tax expenditure ([see section 33.23](#)).

AGENCY MOTOR VEHICLE FLEET REPORT

Size, Composition, and Annual Cost  
(in thousands of dollars)

Agency: Department of Government

| Fiscal Year    | Number of Vehicles by Type * |                  |                  |               |              |             |       | Total Vehicles | Annual Operating Costs |
|----------------|------------------------------|------------------|------------------|---------------|--------------|-------------|-------|----------------|------------------------|
|                | Sedans & Station Wagons      | Light Trucks 4X2 | Light Trucks 4X4 | Medium Trucks | Heavy Trucks | Am-bulances | Buses |                |                        |
| <b>FY 2000</b> | 316                          | 600              | 69               | 210           | 123          | 7           | 72    | 1,397          | \$12,257               |
| Change **      | 5                            | 4                | -1               | 0             | -1           | 0           | 0     | 7              | \$1,290                |
| <b>FY 2001</b> | 321                          | 604              | 68               | 210           | 122          | 7           | 72    | 1,404          | \$13,547               |
| Change **      | -20                          | -2               | 0                | 0             | 0            | 0           | -1    | -23            | -\$326                 |
| <b>FY 2002</b> | 301                          | 602              | 68               | 210           | 122          | 7           | 71    | 1,381          | \$13,221               |
| Change **      | -5                           | 0                | 1                | -4            | -1           | 0           | -1    | -10            | \$302                  |
| <b>FY 2003</b> | 296                          | 602              | 69               | 206           | 121          | 7           | 70    | 1,371          | \$13,523               |
| Change **      | -6                           | -1               | -1               | 0             | 0            | 0           | -6    | -14            | -\$534                 |
| <b>FY 2004</b> | 290                          | 601              | 68               | 206           | 121          | 7           | 64    | 1,357          | \$12,990               |

NOTES:

\* These numbers include vehicles that are owned by the agency, leased from commercial sources, and leased from GSA.

\*\* All significant year-to-year changes should be discussed in a narrative provided separately.



## SECTION 35—REPORTING AND ESTIMATING

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*Responsibilities in Reporting*

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 35.4 How do I report transfers between accounts?

*Estimating Collections and Outlays*

- 35.5 How do I estimate collections?  
 35.6 How do I estimate outlays?  
 35.7 Do outlay rates for presidential policy and baseline have to be consistent?

**35.1 Who reviews the status of over-expended or over-obligated accounts?**

The primary responsibility for reviewing the status of accounts rests with the agency managing the appropriation or fund account. The reports required by the Department of the Treasury form the basis for compiling and publishing data on *over-expended* or *over-obligated* appropriations 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.

**35.2 How do I develop past year estimates?**

Obligations for the past year must have firm accounting support and be consistent with laws, regulations, and any reports made to Congress ([31 U.S.C. 3512\(b\)\(4\)](#)). Agency budget officers must ensure that past year amounts agree with the corresponding amounts reported in:

- the year-end SF 133 Report on Budget Execution and Budgetary Resources (used to monitor SF 132 Apportionments and other apportionments, and the primary source of the audited Statement of Budgetary Resources) and
- the Department of the Treasury's FMS 2108 Year-end Closing Statement (one of the primary sources for the Treasury Combined 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 and should pay particular attention to resolving differences in past year outlays and receipts. Section [51.1\(b\)](#) describes the certification of obligations required by [31 U.S.C. 1108\(c\)](#). Sections [82.18](#) through [82.24](#) contain requirements related to reporting past year amounts in the program and financing schedule. Section [130.15](#) contains requirements related to reporting past year amounts in the SF 133 Report on Execution and Budgetary Resources.

Past year FTE data must be consistent with data reported to the Office of Personnel Management (OPM). Actual FTE usage reported in the past year column of the budget should equal year-end FTE usage reported on the SF 113G to OPM (see section [32.3](#)).

### 35.3 How do I develop current year estimates?

You should estimate the current year's transactions as accurately as possible within the limits of funds presently available or expected to become available during the year.

### 35.4 How do I report transfers between accounts?

Section [20.4\(j\)](#) describes the various types of transfers between accounts. 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.

(a) *Where allocations are used.*

The agency administering the parent account will compile and submit all necessary material, obtaining whatever information it needs for this purpose from the receiving agencies except FTEs funded by allocations will be reported in the receiving account (see sections [71.6](#), [82.15](#), [83.17](#), and [86.1](#)).

(b) *Where payments are made to other appropriations, to revolving funds, to management funds, and to trust funds (expenditure transfers).*

The paying agency will include obligations in the amount of the payment in its schedules. The receiving agency will report such amounts as spending authority from offsetting collections.

(c) *Adjustments of appropriations and balances (non-expenditure transfers).*

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 are responsible for ensuring that the amounts are identical in the schedules of both the losing and gaining accounts.

### 35.5 How do I estimate collections?

Make your estimates of collections consistent with economic assumptions provided by OMB. Include amounts to be received under proposed legislation, separately identified, as well as under existing legislation. Base your estimates of collections resulting from charges for government services and property on the policies included in OMB Circulars No. A-25, A-45, and A-130, as applicable.

For *offsetting and governmental receipts*, report amounts that include all collections credited to your receipt accounts and exclude collections credited to receipt accounts of other agencies (except amounts credited to certain Treasury Department accounts, as explained in section [51.11](#)). Report receipts on the basis of collections credited to receipt accounts during the year, plus or minus adjustments. For indefinite appropriations of receipts, be sure that the budget authority estimate equals the amount of estimated collections, except where amounts are precluded from obligation by provisions of law, such as a limitation on obligations or a benefit formula.

Report amounts for investment receipt accounts in accordance with the instructions in section [20.12](#). Report earned discounts, sales premiums, and purchase premiums to the interest receipt account (usually, suffix .20).

**35.6 How do I estimate outlays?**

You have primary responsibility for accurate outlay estimation. Take full account of time lags between the incurring of obligations and the receipt of, and payment for, goods and services. Take into consideration the viability of obligations (that is, the likelihood that unliquidated obligations will have to be paid) and make realistic estimates of outlays. Outlays are directly involved in determining the size of the surplus or deficit and thus in determining overall budget policy. Further, outlay estimation has taken on increasing importance under the Budget Enforcement Act. Outlay estimates should represent the best estimate for a given level of program activity. See section [135](#) for budget execution procedures related to monitoring Federal outlays.

**35.7 Do outlay rates for presidential policy and baseline have to be consistent?**

Outlay rates (i.e., the amount of outlays from new budgetary resources made available in that year compared to the amount of such new budgetary resources, expressed as a percentage) for presidential policy and baseline estimates should be generally consistent for each budget account. Outlays from prior year balances for presidential policy and baseline estimates should be the same, except where policy proposals restrict or accelerate spending from balances.

If outlay rates differ between presidential policy and baseline estimates (e.g., due to a shift in programs within an account), be prepared to explain the differences.



## SECTION 51—BASIC JUSTIFICATION MATERIALS

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Ex-51 Relationship of Programs to Account Structure

**Summary of Changes**

Includes requirements related to changes in receipts estimates and unobligated balances in liquidating accounts previously included in section 58 (sections 51.11 and 51.12).

Requires agencies to report on geospatial data acquisitions greater than \$1 million (section 51.13).

**51.1 Summary and highlight statement.**

(a) *Required information.*

You must prepare a summary and highlight statement (in the form of a transmittal letter from the head of the agency) that covers the budget submission of your agency. Summarize in this narrative the highlights of your agency's budget and related major legislative proposals. Identify the following:

- 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 implementation of the President's Management Agenda, including a summary of the specific actions and organizational changes the agency is proposing to achieve the Executive Branch Standards for Success.
- 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. If OMB's spring guidance memorandum listed outcomes and related outputs for your agency, the letter should address them (see section [51.7](#)).

- 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.
- 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.
- Particular emphasis should be given to describing the actions and associated costs needed to address the deficiencies in the agency's human capital management; for example, how to address mission critical skills gaps, or to restructure the agency to deploy more resources to front-line service delivery.

You must also include a listing of the budget authority and outlays and FTE requested through BY+4. Itemize this list by account showing proposed supplementals, pending supplementals, rescission proposals, and legislative proposals separately. Deduct offsetting receipts to arrive at the net amount of the agency request. In addition, include an analysis of outlay estimates reflected in your agency budget request, with the form and level of detail to be determined in consultation with the OMB representative.

Refer to sections 30 through 35 for general information and policies related to developing estimates and proposals and responsibilities in reporting data. Remember that development of your budget request and annual performance plan should be coordinated. (See section [220.8](#).)

(b) *Certification of obligations.*

[31 U.S.C. 1108\(c\)](#) 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 [31 U.S.C. 1501\(a\)](#). 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 20[BY] consist of valid obligations as defined in section 1501(a) of that title."

You must furnish this certification no later than November 20th. You may include it in the summary and highlight statement or transmit it separately at a later date.

## **51.2 General requirements for justifying programs and financing.**

You must provide a written justification for each budget submission. You should determine specific informational requirements and formats in consultation with your OMB representative. You should reach agreement with your OMB representative on the form and specific content of the budget submission in the spring and summer preceding the budget submission.

Your request should be consistent with the funding levels included in policy guidance. If the request is not consistent with policy guidance, you must provide a summary display of what your 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, you may be asked by your OMB representative to identify and discuss the implications of other funding levels.

Prepare your justification in concise, specific terms and cover all programs and activities of your agency. Use tables, charts, and graphs in lieu of or to supplement text. Prepare materials in a manner designed to provide all of the information that the you and OMB have agreed is necessary for OMB to understand and evaluate your agency's request and make its determinations.

You must identify the anticipated price level changes reflected in the financial resources required to finance each program level in your justification materials.

If you have funding requests for major capital asset acquisitions, follow the guidance in [Part 7](#) of this Circular. Additional guidance appears in the [Capital Programming Guide](#), which is published separately.

You are required to provide the following with the justification materials:

- An analysis of resources (see section [51.3](#)).
- Information on the relationship of the justification material to account structure (see section [51.4](#)).
- Information on agency workforce planning and restructuring to make the agency more citizen-centered (see sections [30.4](#) and [31.11](#)).
- Information on grant programs and infrastructure investment (see section [51.6](#)).
- Information on performance indicators and performance goals (see section [51.7](#)).
- Information on program evaluation (see section [51.9](#)).

At the discretion of OMB, you should include the following information for legislative proposals:

- Your estimates of the costs of implementing or administering proposed legislation.
- The assumptions underlying your estimates, including new work years, program outputs, and costs of inputs such as materials, contract costs or personnel costs. You should also include a discussion of alternative implementation strategies considered (e.g., contracting out versus in-house), and a discussion of any models used to develop your estimates.
- The budget category for the cost of implementation and administration of the legislative proposal along with a written justification for your selection.
- Productivity savings and/or offsets for these costs. You should also provide a discussion of the methods and assumptions underlying your estimates for productivity savings and offsets.

You should also include the following:

- 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.

- Supporting information that takes into consideration agency and outside (e.g., think tanks, GAO, CBO, universities, interest groups) program evaluations and related analytic studies, whether or not they agree with the proposed policy.

At the discretion of your OMB representative, these requirements may be modified or alternative justification materials specified. It should be emphasized that late decisions on proposed law provisions for the budget will require flexibility in this process. Other materials may be requested by your OMB representative.

### **51.3 Analysis of resources.**

Use a tabular presentation to identify the financial and personnel resources required at the program levels under consideration.

Present resources required for PY and CY, as well as the estimated requirements for each funding option for BY through BY+4. If current year rescissions, deferrals, or supplementals are pending or proposed, identify these separately. A subsidiary breakdown of such items as personnel compensation, capital outlay, or other categories of special concern would be useful.

Generally, present financial data in terms of new budget authority and outlays. However, your OMB representative may require additional measures, such as unobligated balances and offsetting collections.

Express personnel requirements in terms of full-time equivalents (see section [32.1](#)). You 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.

Fully justify changes to the FTE levels in any year in terms of program management requirements. If you request an increase, prepare an analysis of agency-wide FTE that fully documents why FTE cannot be moved from another function to meet the identified need.

Describe budgetary resources and FTE requests in the context of your management plan for the programs and activities. Explain the analysis used to determine the resources needed to accomplish program and Administration goals, and demonstrate that all opportunities for making more efficient and effective use of resources have been explored.

### **51.4 Relationship of justification to account structure.**

Where the major programs in your justification materials do not coincide with the budget account structure, prepare a table to show the relationship. Arrange this table by program, with all relevant accounts and parts of accounts listed, showing budgetary resources (usually budget authority and outlays) in millions of dollars and FTE. Report programs that are mainly grants, contracts or other transfers of funds to entities other than your agency, related salaries and expenses accounts and parts of accounts, including allocations of overhead amounts. Use the format illustrated in [exhibit 51](#) unless an alternate format is agreed upon by you and your OMB representative. Where it is helpful to explain the coverage of the table or the relationship among accounts, prepare a short narrative to accompany the table. This

requirement only applies to major programs and activities. You should consult your OMB representative to ensure that you provide tables for appropriate activities and that you avoid unnecessary paperwork.

### **51.5 Agency restructuring or work process redesign.**

You should identify restructuring or process reengineering activities resulting from proposed and current investments in information technology that yield budgetary savings. Indicate how these activities allow your agency to utilize existing resources better while improving program management and service delivery.

### **51.6 Information on grant programs and infrastructure investment.**

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.

### **51.7 Performance indicators and performance goals.**

Your annual performance plan includes the performance goals and indicators for the fiscal year covered by your budget justification (see section [220](#)). Cabinet departments and selected major agencies have received spring guidance memoranda from OMB that include a list of several outcomes with related outputs. In their performance plan, these departments and agencies should provide integrated budget and performance information for the listed outcomes and outputs in sufficient detail to allow OMB to pass back both budget and performance levels. In addition, you may include in your budget justification additional relevant performance information to explain major program issues or resource requirements. Any additional performance information that you include in your justification materials must be consistent with the performance information in your agency's annual performance plan.

In addition, if you prepare annual financial statements, you should confirm, for the budget year, continuing use of the program performance indicators used in previous years' statements, and identify any new indicators you plan to use in these statements.

### **51.8 Other analytical information.**

Additional information may be required in budget justifications on the following:

- Workload analyses.
- Unit costs.
- Productivity trends.
- Impact of capital investment proposals on productivity.

Use productivity measurement, unit costs, and organizational performance standards to the maximum extent possible in justifying staffing and other requirements.

Include as a specific element in productivity improvement for activities of Federal staff 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.

You should also be prepared to provide information on the basis for distributing 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.

### **51.9 Information on program evaluation.**

Program evaluation is an important aspect of program planning and monitoring, assessing program results, and determining future funding levels. A program evaluation schedule, including the evaluation methodology to be used and the issues to be addressed, is included in your strategic plan. Changes to this schedule are included in an interim adjustment to your strategic plan. The interim adjustments to your strategic plan are appended to your annual performance plan. You should consult with your OMB representative as you develop your multi-year evaluation plans and agenda. (See section [210.7](#) on program evaluation in strategic plans, and section [222.2\(d\)](#) on program evaluations as part of an interim adjustment to a strategic plan.) Your annual program performance report includes a summary of any program evaluations completed during the past fiscal year (see section [231.9\(a\)](#)).

### **51.10 Explanations relating to supplemental appropriations requests.**

When you forecast the need for a program supplemental appropriation (see section [30.2](#)), you must prepare justification material in accordance with this section. Provide information 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. Submit proposals for offsets to be made elsewhere in your agency for both mandatory and discretionary resources along with your requests for supplementals, and indicate related FTE savings or requirements and appropriate financing changes. If the estimate is approved for later transmittal (rather than in the budget), you will be required to submit further justification of the supplemental estimate to OMB (see section [110.3](#)). Show the effect of requested supplementals in the appropriate portions of the justification material for the program elements affected.

### **51.11 Major changes in receipts estimates**

Provide narrative explanations for major changes from one fiscal year to the next in the amounts of receipts reported for any account, trends in receipt estimates for the related programs, and any other unusual circumstances relating to the estimates.

Advise OMB of 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 you expect 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.

Make your explanations of legislative proposals consistent with your legislative program and outyear policy estimates (see section [30.2](#)). Cover the expected timing of enactment and the annual level of receipts anticipated.

### **51.12 Unobligated balances in liquidating accounts**

You must submit information justifying any unobligated balances you expect to carry forward into the current year (see section [185.3\(k\)](#)).

### **51.13 Geospatial data acquisitions**

Agencies must provide a list of all geospatial data acquisitions budgeted for FY 2004 that are greater than \$1 million for a specific program. For each such budget request, indicate whether or not the planned data buy will be in accordance with approved Federal Geographic Data Committee (FGDC) data standards. If the data buy will not be consistent with an approved FGDC standard, you must explain why not. You

must also document whether the planned data buy will be processed by a major system listed on the agency information technology investment portfolio ([see exhibit 53](#)).

In February 2003, agencies must post information on all geospatial data acquisitions in excess of \$1M planned for FY 2004 on the FGDC clearinghouse, characterized using the FGDC metadata standard, taking care to specify the geographic area and scale to which the data layer is proposed to be collected.

For the account ID, use the 2-digit Treasury agency code and 4-digit account symbol, transmittal code, fund type and subfunction code (see section 79).

| DEPARTMENT OF GOVERNMENT<br>(in millions of dollars)  |                    |                |
|---|--------------------|----------------|
| <u>Program by Bureau and Account</u>  | <u>BY Estimate</u> |                |
|   | <u>BA</u>          | <u>Outlays</u> |
| <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Budget request for the program.</div>   |                    |                |
| <p><b>BUREAU OF HOSPITAL CARE</b><br/>Mental health (16-2361-0-1-531):</p>  |                    |                |
| Grants to community health centers.....   | 160                | 158            |
| Construction of mental hospitals.....   | 120                | 105            |
| Total, mental health.....   | 280                | 263            |
| <p><b>BUREAU OF WATER QUALITY</b><br/>Water resources control (16-2650-0-1-301):</p>  |                    |                |
| Water enforcement.....  | 14                 | 14             |
| Water quality standards setting, planning,<br>assistance, and training.....   | 44                 | 47             |
| Water research and analysis.....  | 24                 | 23             |
| Total, Water resources control.....   | 82                 | 84             |
| <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">These amounts represent the budget request for the account and the estimated outlays.</div> |                    |                |
| <p><b>OFFICE OF THE SECRETARY</b><br/>Salaries and expenses (16-1166-0-1-755):</p>  |                    |                |
| Budgetary and financial administration and service.....   | 1                  | 1              |
| General management of hospital construction.....  | 2                  | 2              |
| Total, Salaries and expenses.....   | 3                  | 3              |

This overhead activity supports the program to construct mental hospitals.

## SECTION 52—INFORMATION ON FINANCIAL MANAGEMENT

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- 52.1 What are the general reporting requirements?
- 52.2 What other reporting requirements does this fulfill?
- 52.3 Who must report financial management information?
- 52.4 What materials are required in the budget justification?
- 52.5 What is the report on resources for financial management activities (exhibit 52A)?
- 52.6 What are the line descriptions and coding for exhibit 52A?
- 52.7 How do I complete exhibit 52B?
- 52.8 How do I submit exhibits 52A and 52B and when are they due?

- Ex-52A Report on Resources for Financial Management Activities
- Ex-52B Report on Material Weaknesses and Nonconformances

### Summary of Changes

Requires that budget justifications align with the President's Management Agenda, Federal E-Government initiatives, and enterprise architectures (section 52.4).

Requires that financial management plans address impediments to improving financial performance, especially items identified in the Executive Branch Management Scorecard (section 52.4).

Modifies information required for E-Grants and requires agencies to report on participation in the government-wide E-Grants initiative (section 52.4).

Eliminates requirement to report on asset management in exhibit 52A (section 52.6).

Requires agencies to prepare plans for eliminating material weaknesses and nonconformances and provides a new reporting format (exhibit 52B) for tracking progress (section 52.7).

#### 52.1 What are the general reporting requirements?

Agencies are required to provide three reports on financial management:

- Financial management budget justification materials (including agency financial management plans);
- Report on resources for financial management activities (exhibit 52A); and
- Report on material weaknesses and nonconformances (exhibit 52B).

#### 52.2 What other reporting requirements does this fulfill?

For the 24 agencies covered by the Chief Financial Officers Act of 1990 (CFO), the materials required in this section fulfill the following requirements:

- CFO Act: Requires each agency CFO to prepare a financial management plan to implement the Government-wide financial management five-year plan.
- The Federal Financial Management Improvement Act of 1996 (FFMIA): Requires each agency head to determine **substantial** compliance with the Act. When the agency head determines that the agency's financial management systems do not comply with FFMIA, the Act requires the agency to submit a remediation plan to bring the agency's financial management systems into substantial compliance with FFMIA with the agency's budget justifications materials. Guidance in this section outlines the information that must be provided on remediation activities to fulfill FFMIA requirements.
- OMB Circular A-127, Financial Management Systems: Requires each agency to develop, prepare, and maintain financial management systems plans.

### 52.3 Who must report financial management information?

**CFO Act Agencies.** All CFO Act agencies must submit the materials prescribed by section 52.4 with their initial budget submission. The CFO Act assigns to the CFO responsibility for preparing and revising the agency's financial management plan and developing the agency's financial management budget.

**Non-CFO Act Agencies.** Non-CFO Act agencies must include in their initial budget submission a brief summary of their financial management plans to ensure sound financial management practices.

### 52.4 What materials are required in the budget justification?

The budget justification should describe financial management operations and improvement initiatives, including desired results and performance measures. It should include plans for financial management throughout the agency and financial management performance measures. The justification should align with the agency's mission and programs and address the President's Management Agenda.

The financial management plan should include:

- *Goals and strategies.* Briefly discuss how the agency will achieve the goals and strategies for implementing government-wide financial management improvements that are associated with the President's Management Agenda. Include information on the status of financial management activities to provide a context for the agency's plans and resources request.
- *Financial performance.* Briefly discuss impediments to improving your financial performance, especially those identified in your agency's most recent Executive Branch Management Scorecard. Describe plans to overcome the impediments, such as efforts to reduce erroneous payments, eliminate material weaknesses identified by previous audits and material weaknesses and nonconformances identified under the FFMIA process, obtain and sustain clean audit opinions on financial statements, ensure timely and useful financial reporting including financial performance measurement, and meet accelerated year-end reporting.
- *Financial management systems structure.* Present an overview of current and targeted financial management systems structure and plans for achieving targeted systems structure, covering core financial management systems and financial and mixed systems critical to effective agency-wide financial management, financial reporting, or financial control (see [section 53.3](#)). Include an inventory and brief description of baseline financial and mixed systems, including an assessment of major problems. (Guidance and instructions for the systems inventory update will be available

on the Internet; a separate memorandum will be distributed to Deputy CFOs advising them of the location and posting date.) Include a synopsis of critical projects currently underway or planned to accomplish the target structure. Identify FFMIA remediation activities planned and underway and describe (either in this synopsis or by referencing other documents or budget exhibits) the resources, remedies, interim target dates, and officials responsible for bringing systems into substantial compliance with FFMIA.

- *Grants management.* Describe grants management policies and practices, including:
  - ▶ How the agency ensures policy consistency across grant programs.
  - ▶ How program-specific requirements (e.g., application forms, financial reports, and award conditions) are reviewed to ensure consistent treatment of grantees.
  - ▶ Agency efforts to coordinate policies and practices with other agencies.
  - ▶ Recommendations for changes in law to improve the effectiveness, performance, coordination, and accountability of grant programs, including program-specific statutes.
  - ▶ Efforts to ensure quality of audits performed by non-Federal auditors in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A–133. Information should be included for the prior, current, and budget years, addressing the number of audit quality control reviews, FTE for audit quality efforts, results of the audit quality efforts, actions taken or planned to improve quality of non-Federal audits, and other relevant information to assess your agency's reliance on audits under Circular A–133 in grant management.
  - ▶ Participation and efforts in the E-Grants area (which encompasses P.L. 106-107 initiatives), including systems efforts to interface with the government-wide E-Grants system for simplified grant application and management processes.

### **52.5 What is the report on resources for financial management activities (exhibit 52A)?**

Each CFO Act agency is asked to report total budgetary resources and full-time equivalent (FTE) employment data for CY and BY and obligations for PY for each of the following categories of financial management activities:

- Accounting and reporting;
- Audits of financial statements; and
- Financial management systems.

In addition, in-house and contract data are required on resources for accounting and reporting and the audits of financial statements.

### **52.6 What are the line descriptions and coding for exhibit 52A?**

Report obligations (PY) and budgetary resources (CY and BY) in millions of dollars and FTE employment data for the entries described below. Resource information should represent the agency's best estimate of salaries, contracts, or other major expenses to be reported. Allocation of overhead expenses is not required.

## REPORT ON RESOURCES FOR FINANCIAL MANAGEMENT ACTIVITIES

| Entry   | Description   |
|---|---|
| Line coding   | Use the first three digits of the line number to identify the financial management activities to be reported (e.g., accounting and reporting) and the fourth digit to distinguish FTE (e.g., 2001) from obligation and budget authority (e.g., 2002) data.  |
| 200x In-house accounting and reporting                      | Include in-house resources for processing, recording, and reporting of revenues, receipts, appropriations, apportionments, allotments, obligations, outlays, expenditures, assets, liabilities, and other financial transactions; reconciliation of asset and liability accounts, such as accounts or loans receivable, with subsidiary records and with external data, such as Treasury cash records; funds control; and preparation of financial statements.  |
| 2102 Contractor Accounting and Reporting                    | Include resources for contracts to perform accounting and reporting activities. <i>Report PY obligations and budget authority only.</i>   |
| 300x Audits of financial statements                         | Include resources for performing audits of financial statements, with separate identification for contract and in-house costs, as detailed in exhibit 52A. Do not include resources for preparation of financial statements.  |
| 400x Financial management systems                           | Include resources for financial management systems, which consist of financial systems and financial portions of mixed systems necessary to support financial management. (See definitions of financial management systems in section 53.3.) Include in this category grants management systems as either a financial or mixed system (see section 53.3). Data reported should be consistent with information reported as the estimated percentage of total system BA associated with financial components in exhibit 53. |
| 500x Subtotal   | The sum of corresponding amounts reported on lines 200x through 400x.   |
| 600x Adjustments (–)  | Include adjustments to eliminate double counting (a minus entry). For example, costs for a loan system reported under the "asset management" category may also be reported under the "financial management systems" category. If any adjustments are reported on lines 6001-6002, a hard copy list should describe the adjustments and be available to OMB upon request.  |
| 700x Total, net   | Equals the total of corresponding amounts on lines 500x and 600x.   |
| 8102 Audits of financial statements, contract costs         | Include resources for contracts to perform audits of financial statements. Do not include preparation costs on lines 8102 through 9402.   |
| 820x Audits of financial statements, in-house costs         | Include resources to perform audits of financial statements in-house.   |
| 9102 Organization-wide financial statements, contract costs | Include resources for contracts to perform organization-wide audits of financial statements.  |
| 920x Organization-wide financial statements, in-house costs | Include resources for performing organization-wide audits of financial statements in-house.   |
| 940x Total, all reporting entities                          | For total FTE (line 9401), report the sum of lines 8201 and 9201. This total must be equal to line 3001. For total budget authority (line 9402), report the sum of lines 8102, 8202, 9102, and 9202. This total must equal  |

| Entry | Description      |
|-------|------------------|
| 9998  | Agency contact   |
| 9999  | Telephone number |

line 3002.

Include the name of the individual responsible for answering the above questions.

Include telephone number of agency contact.

### 52.7 How do I complete exhibit 52B?

The unshaded blocks for prior years through March 31 should be filled in with the number that was presented in the most recent auditor's report or FMFIA report. The target numbers should correspond to the agency plans and should tie into the discussion in section 52.4. If a material weaknesses or nonconformance was merged with a similar issue for reporting purposes, indicate the reason(s) for that action. All agencies must complete this report even if there are no material weaknesses or nonconformances.

### 52.8 How do I submit exhibits 52A and 52B and when are they due?

Exhibit 52A and Exhibit 52B are due with the initial budget submission. Both should be approved by the agency CFO before submission to OMB. E-mail both exhibits using the formatted spreadsheets provided at [www.cio.gov](http://www.cio.gov). Send the completed Exhibit 52A spreadsheet to exhibit [52A@omb.eop.gov](mailto:52A@omb.eop.gov). Send the completed Exhibit 52B spreadsheet to exhibit [52B@omb.eop.gov](mailto:52B@omb.eop.gov). Before sending the completed spreadsheets, verify that the subject line has the three-digit OMB agency code (see Appendix C) and the full agency name. Update the data on exhibit 52A to reflect final budget decisions (see section 100.1).

Report on Resources for Financial Management Activities

| Department of Government<br>(in millions of dollars) |                                      | PY     | CY             | BY      | Report obligations for PY and budgetary resources for CY and BY.   |
|--|--------------------------------------|--------|----------------|---------|--|
| Accounting and Reporting                             |                                      |        |                |         |  |
| 2001   | No. of FTE.....                      |        | 250            | 250     |  |
| 2002   | Budgetary Resources.....             |        | 15,500         | 16,120  |  |
| Contractor Accounting and Reporting                  |                                      |        |                |         |  |
| 2102   | Obligations/Budgetary Resources..... | 2,000  |                |         |  |
| Audits of Financial Statements                       |                                      |        |                |         |  |
| 3001   | No. of FTE.....                      |        | 35             | 35      | Amounts reported for financial management systems on line 4002 must be consistent with the percentage of budgetary resources for financial management systems in exhibit 53. |
| 3002   | Obligations/Budgetary Resources..... | 2,250  | 2,250          | 2,290   |  |
| Financial Management Systems                         |                                      |        |                |         |  |
| 4001   | No. of FTE.....                      |        | 728            | 731     |  |
| 4002   | Obligations/Budgetary Resources..... | 86,500 | 87,016         | 96,456  | If any adjustments are reported on lines 6001-6002, a list describing them should be prepared in hard copy.  |
| Subtotal   |                                      |        |                |         |  |
| 5001   | No. of FTE.....                      |        | 1,013          | 1,016   | Do not include preparation costs on lines 8102-8202.   |
| 5002   | Obligations/Budgetary Resources..... | 90,750 | 104,766        | 114,866 |  |
| Adjustments  |                                      |        |                |         |  |
| 6001   | No. of FTE.....                      |        | -20            | -30     |  |
| 6002   | Obligations/Budgetary Resources..... | -900   | -1,000         | -1,800  | Total, all reporting entities, should equal the corresponding entries for audits of financial statements reported on lines 3001-3002.  |
| Total, Net   |                                      |        |                |         |  |
| 7001   | No. of FTE.....                      |        | 993            | 986     |  |
| 7002   | Obligations/Budgetary Resources..... | 89,850 | 103,766        | 113,066 |  |
| Audits of Financial Statements                       |                                      |        |                |         |  |
| Component Contract Audits                            |                                      |        |                |         |  |
| 8102   | Obligations/Budgetary Resources..... | 1,100  | 1,250          | 1,250   |  |
| Component In-House Audit Costs                       |                                      |        |                |         |  |
| 8201   | No. of FTE.....                      |        | 35             | 35      |  |
| 8202   | Obligations/Budgetary Resources..... | 1,000  | 1,000          | 1,040   |  |
| Organization-wide (department) financial statements  |                                      |        |                |         |  |
| Contract Audit Costs                                 |                                      |        |                |         |  |
| 9102   | Obligations/Budgetary Resources..... | 4,000  |                |         |  |
| In-House Audit Costs                                 |                                      |        |                |         |  |
| 9201   | No. of FTE.....                      |        |                |         |  |
| 9202   | Budgetary Resources.....             |        |                |         |  |
| Total, all reporting entities                        |                                      |        |                |         |  |
| 9401   | No. of FTE.....                      |        | 35             | 35      |  |
| 9402   | Obligations/Budgetary Resources..... | 6,100  | 2,250          | 2,290   | Total, all reporting entities, should equal the corresponding entries for audits of financial statements reported on lines 3001-3002.  |
| 9998   | Agency Contact.....                  |        | R.W. Rogers    |         |  |
| 9999   | Telephone Number.....                |        | (202) 696-4712 |         |  |

**Department or Agency  
Report on Material Weaknesses and Nonconformances**

| Issue                                   | As of<br>9/30/00 | Activity<br>During FY 2001 |          | As of<br>9/30/01 | Activity As of<br>3/31/02 |          | FY 2002<br>Target<br>for<br>9/30/02 | FY 2003<br>Target<br>for<br>9/30/03 | FY 2004<br>Target<br>for<br>9/30/04 |
|---|------------------|----------------------------|----------|------------------|---------------------------|----------|-------------------------------------|-------------------------------------|-------------------------------------|
|   |                  | New                        | Resolved |                  | New                       | Resolved |                                     |                                     |                                     |
| Auditor-Reported<br>Material Weaknesses |                  |                            |          |                  |                           |          |                                     |                                     |                                     |
| FMFIA                                   |                  |                            |          |                  |                           |          |                                     |                                     |                                     |
| Section 2 Material<br>Weaknesses        |                  |                            |          |                  |                           |          |                                     |                                     |                                     |
| Section 4 Noncon-<br>formances          |                  |                            |          |                  |                           |          |                                     |                                     |                                     |
| FMFIA Total                             |                  |                            |          |                  |                           |          |                                     |                                     |                                     |
| <b>AGENCY TOTAL</b>                     |                  |                            |          |                  |                           |          |                                     |                                     |                                     |

## SECTION 53—INFORMATION TECHNOLOGY AND E-GOVERNMENT

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- 53.1 Why must I report on information technology?
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- 53.5 How do I submit exhibit 53 and when is it due?
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- 53.8 How is exhibit 53 coded?
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Ex-53 Agency Information Technology (IT) Investment Portfolio

### Summary of Changes

Changes the title of section 53 to "Information Technology and E-Government."

Adds directions for linking IT Investments to the President's Management Agenda and "getting to green" on the scorecard for expanding e-government (section 53.2).

Defines life-cycle costs and provides guidance for formulating life-cycle costs (section 53.3).

Adds information on attendant documents and their requirements (section 53.5).

Provides information on formulating life-cycle costs for IT security (section 53.7).

Deletes the significant project definition and provides criteria for identifying systems as "major" or "small (section 53.7).

Requires appropriation/funding source information for each major project (section 53.7).

Adds information on identifying IT investments that support Homeland Security (section 53.7).

### 53.1 Why must I report on information technology?

This information helps OMB:

- Ensure that spending on IT supports an agency's mission;
- Identify investments in agency infrastructure and office automation;
- Identify investments that support agency enterprise architecture development, business process re-engineering (BPR), IT policy development, and acquisition management;
- Identify IT and E-Gov investments for review during the budget process;

- Identify opportunities for agencies to collaborate on e-Government initiatives that provide common lines of business to serve citizens, governments, and internal federal operations;
- Ensure that spending on IT prioritizes and manages e-Government projects effectively through your agency's capital planning process and enterprise architecture;
- Ensure that initiatives create a citizen-centered electronic presence and advance an e-Government strategy that includes specific outcomes to be achieved;
- Understand the amounts being spent on development and modernization of IT versus the amount being spent on operating and maintaining the status quo for IT;
- Understand an agency's governance processes (capital planning and investment control processes and enterprise architecture) for the portfolio of IT investments;
- Identify the funding sources for agency IT investments;
- Identify investments for IT security as part of agency life-cycle costs for specific investments and IT security that is crosscutting or infrastructure related;
- Ensure that life cycle costs for specific investments reflect compliance with OMB and agency privacy policies;
- Provide a full and accurate accounting of IT expenditures as required by the Paperwork Reduction Act of 1995 and the Clinger-Cohen Act of 1996;
- Ensure that spending on IT supports agency compliance with the requirements of Section 508 of the Rehabilitation Act Amendments of 1998 (Electronic and Information Technology Accessibility) and Section 504 of the Rehabilitation Act of 1973 (Reasonable Accommodation);
- Identify spending and priorities consistent with agency Government Paperwork Elimination Act (GPEA) Plans;
- Identify investments that support Homeland Security goals and objectives;
- Review requests for agency financial management systems;
- Review requests for agency grant management systems; and
- Prepare the Government-wide five-year plan required by the Chief Financial Officers (CFOs) Act of 1990.

You must provide this information using the Agency IT Investment Portfolio (exhibit 53) reporting format. This format was developed jointly by OMB and the Chief Information Officers' Council and provides basic information your agency needs to link its internal planning, budgeting, acquisition, and management of IT resources (i.e., the capital planning and investment control process). In addition, as an output of your agency's internal capital planning process, your budget justification for IT must provide results oriented information on IT operations and improvement initiatives in the context of the agency's missions and operations. Your budget justification, including the status and plans for information systems, should be consistent with your agency's submissions on financial management activities required by section 52 and the applicable guidance in Part 7 of this Circular.

Total investments costs must cover the life of each system and include all budgetary resources (direct appropriation, working capital fund, revolving funds, etc.). Budgetary resources are defined in section 20 of this circular. Life cycle costs should also be risk adjusted to include any risks addressed on the Capital Asset Plan and Business Case that have not been mitigated. Examples of areas that may cause the adjustment of life-cycle costs would be strategic risks, technological risks, human capital issues, acquisition strategy, IT security and privacy risks, enterprise architecture, and any other issues identified on the capital asset plan. These total investment costs must be formulated and reported in order for OMB to meet the Clinger-Cohen Act's requirement that "at the same time that the President submits the budget for a fiscal year to Congress under section 1105(a) of title 31, United States Code, the Director shall submit to Congress a report on the net program performance benefits achieved as a result of major capital investments made by executive agencies in information systems and how the benefits relate to the accomplishment of the goals of the executive agencies."

### **53.2 How do I ensure that IT investments are linked to and support the President's Management Agenda?**

All IT Investments must support the President's Management Agenda and must clearly demonstrate that the investment is needed in order to close a specific performance gap and enable agency strategic goals and missions. The President's Management Agenda Scorecard Items are:

- Human Capital;
- Competitive Sourcing;
- Financial Performance;
- E-Government; and
- Budget and Performance Integration.

The President's Budget also defines guiding principles for the investments supporting the President's Management Agenda. The principles OMB will use to implement the PMA and the supporting IT investments are to ensure that investments:

- Create a citizen centered, results oriented, and market based government;
- Support Homeland Security, War on Terrorism, and Revitalizing the Economy;
- Identify and manage corporate measures of success;
- Simplify and unify redundant activities, both within and across agencies;
- Where appropriate, investments are aligned with the President's E-Gov initiatives, identified at <http://www.whitehouse.gov/omb>
- Represent sound business cases that address overall solutions (human capital, competitive sourcing, financial performance, e-government, and budget and performance integration) as applicable; and
- Include strategic partnerships to perform business with state, local, other federal agencies, non-profit organizations, and private industry as appropriate.

OMB will give priority consideration to IT investments that leverage technology purchases across multiple entities, ensure operational objectives are met, utilize technology that improves decision making,

employ knowledge management tools, support the Federal Business Architecture, and ensure that systems and information are secure.

OMB will present investments for the President's E-Government initiatives, as well as new e-government investments identified through the Federal Business Architecture, using an integrated budget process that compliments each agency's investment portfolio. OMB will work with agencies to build from the IT and E-Government strategy outlined in this section and section 300 in identifying these cross-agency investments. Accordingly, where one agency's activities should be aligned with those of another agency in order to serve citizens, businesses, governments, and internal Federal operations, OMB will give priority to agencies that have worked collectively to present and support activities in an integrated fashion. The FY 2004 Budget will appropriately reflect such interagency collaboration, and agencies will be expected to use the Exhibit 300 to demonstrate these efforts.

Each of the line items for major projects on the Exhibit 53 are a roll-up of particular line items and elements from the Exhibit 300 detailed in Section 300. Exhibit 300 is where the agency makes the business cases, and the Exhibit 300 serves as the primary means of justifying IT investment proposals as well as managing IT investments once they are funded. The details of those business cases and their viability inform the overall Exhibit 53 and the budget decisions that are made.

As detailed in Section 300, business cases (Exhibit 300s) for IT, must:

- Demonstrate the overall strategy outlined in this section;
- Follow the guiding principles of this section;
- Support the agency's strategic plans and annual performance plans;
- Link to and support the agency strategic IRM plans;
- Be a visible part of the modernization strategy of the agency (enterprise architecture);
- Address solutions (people, processes, and technology) rather than IT alone;
- Demonstrate strong acquisition strategies that mitigate the risk to the federal government;
- Demonstrate strong program and project management;
- Identify, control, and manage risks associated with the investment;
- Demonstrate how the investment is specifically addressing a performance gap or business need of the agency and how it supports the agency's strategic and performance goals;
- Demonstrate the use of earned value management system information to manage and control the investment;
- Ensure information and systems are secure and that security is part of the management of the process from initial concept and throughout the entire life cycle of the investment;
- Protect privacy in a manner consistent with relevant laws and OMB policies, including privacy impact assessments where appropriate;

- Demonstrate that project is achieving at least 90 percent of planned costs, schedule, and performance goals; and
- Ensure life cycle costs as formulated are risk adjusted as necessary and are as inclusive as the business case would require.

The governance processes required as attendant documents to this section (IRM Plan, document CPIC process, and the EA) are used in connection with the business cases (Exhibit 300) and this "Agency IT Investment Portfolio" (Exhibit 53) to demonstrate the agency management of IT investments and how these governance processes are used to make decisions about IT investments within the agency.

The individual agency Exhibit 53s are used to create an overall "Federal IT Investment Portfolio" that is published as part of the President's Budget. OMB's portfolio review and budget process will ensure that IT investments support the strategy identified in this section and ensure that the Federal IT Investment Portfolio includes the most effective portfolio of investments that:

- Simplify and integrate processes across redundant or duplicative programs to make it easier for citizens to get service;
- Directly improve the management of programs to achieve better program outcomes;
- Ensure sound security of government information systems and appropriate protection of information held in those systems;
- Eliminate redundant or non productive IT investments;
- Bring successful e-business practices to government administrative operations, such as effective procurement and human capital management strategies, including maximizing web-based architectures;
- Make appropriate use of technology components identified through the component based architecture work of OMB and CIO Council;
- Support the Federal Business Architecture; and
- Support the President's E-Government Initiatives and Strategy.

Annually, Chapter 22 of the Analytical Perspectives of the President's Budget provides the results of OMB reviews for agency's capital planning processes, enterprise architectures, business cases, efforts on expanding e-government, IT performance management, and overall health and well being of the management of the agency IT Investments. A companion document entitled "Performance Information for Major IT Investments" uses information from the Exhibit 300s and this section to provide a snapshot of IT investments, their planned investments, support of the agency strategic goals, and the performance goals and measures identified for the investments.

***Getting to Green on Expanding E-Government:***

Agency plans for achieving "Green" on the E-Gov Scorecard should include plans to achieve:

- Strategic Value: all major systems investments have a business case submitted that meets the requirements of OMB Circular A-11 ([Exhibit 53](#), [Exhibit 300](#));

- Agency has an integrated, departmental, capital planning and enterprise architecture process;
- IT Program Performance: On average, all major IT projects operating within 90% of Exhibit 300 cost, schedule, and performance targets; and
- IT Security: Agency has implemented and manages an enterprise-wide program to monitor the IT security programs of its major components. Each component identifies and manages risks to information and information systems.

E-government and GPEA implementation (must show department-wide progress or participation in multi-agency initiative in 3 areas):

- Citizen one-stop service delivery integrated through Firstgov.gov, cross-agency call centers, and offices or service centers;
- Minimize burden on business by re-using data previously collected or using ebXML or other open standards to receive transmissions;
- Intergovernmental: Deploying E-grants or Geospatial Information one-stop; and
- Obtaining productivity improvements by implementing customer relationship management, supply chain management, enterprise resource management, or knowledge management best practices.

### 53.3 What special terms must I know?

**Capital planning and investment control (CPIC)** is the same as capital programming and is a decision-making process for ensuring that information technology (IT) investments integrate strategic planning, budgeting, procurement, and the management of IT in support of agency missions and business needs. The term comes from the Clinger-Cohen Act of 1996 and generally is used in relationship to IT management issues.

**E-business** (Electronic Business) means doing business online. E-business is often used as an umbrella term for having an interactive presence on the Web. A government e-business initiative or project includes web-services type technologies, component based architectures, and open systems architectures designed around the needs of the customer (citizens, business, governments, and internal federal operations).

**E-government** is the use by the government of web-based Internet applications and other information technologies, combined with processes that implement these technologies.

**Earned Value Management (EVM)** is a project management tool that effectively integrates the project scope of work with schedule and cost elements for optimum project planning and control. The qualities and operating characteristics of earned value management systems are described in American National Standards Institute (ANSI)/Electronic Industries Alliance (EIA) Standard –748–1998, *Earned Value Management Systems*, approved May 19, 1998.

**Federal Enterprise Architecture Business Reference Model (IT related)** is a function-driven framework for describing the Lines of Business and Internal Functions performed by the Federal Government independent of the agencies that perform them. The Business Reference Model (BRM) serves as the business layer of the Federal Enterprise Architecture (FEA). It provides a foundation on which the applications, data, and technology layers of the FEA are developed. Agency Capital Asset Plans (Exhibit

300s) will be mapped against this framework to identify opportunities for cross-agency collaboration and potential system redundancies.

The BRM employs a three-tiered hierarchy to describe the business of the Federal government. *Business Areas* provide a high-level view of the types of operations the Federal Government performs. The Four Business Areas decompose into 31 *Lines of Business* and *Internal Functions*. The Lines of Business describe more specifically the services and products the Government provides to its stakeholders, while the Internal Functions describe the back office and support activities that enable the Government to operate. Finally, there are 132 *Sub-Functions* that form the final level of decomposition within the FEA BRM and communicate the specific activities that Federal agencies perform within each Line of Business and Internal Function.

**Financial management systems** are financial systems and the financial portion of mixed systems (see definitions below) that support the interrelationships and interdependencies between budget, cost and management functions, and the information associated with business activities.

**Financial systems** are comprised of one or more applications that are used for any of the following:

- Collecting, processing, maintaining, transmitting, and reporting data about financial events;
- Supporting financial planning or budgeting activities;
- Accumulating and reporting cost information; or
- Supporting the preparation of financial statements.

A financial system supports the processes necessary to record the financial consequences of events that occur as a result of business activities. Such events include information related to the receipt of appropriations or resources; acquisition of goods or services; payment or collections; recognition of guarantees, benefits to be provided, or other potential liabilities or other reportable activities.

**Funding source** means the direct appropriation or other budgetary resources an agency receives. You need to identify the account and the budget authority provided. Report those accounts that provide the financing for a particular investment. *To avoid double counting, do not report any accounts receiving intra-governmental payments to purchase IT investments or services as funding sources.*

**Information system** means a discrete set of information technology, data, and related resources, such as personnel, hardware, software, and associated information technology services organized for the collection, processing, maintenance, use, sharing, dissemination or disposition of information.

**Information technology**, as defined by the Clinger-Cohen Act of 1996, sections 5002, 5141, and 5142, means any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. For purposes of this definition, equipment is "used" by an agency whether the agency uses the equipment directly or it is used by a contractor under a contract with the agency that (1) requires the use of such equipment or (2) requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product. Information technology includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources. It does not include any equipment that is acquired by a Federal contractor incidental to a Federal contract.

**Integrated Project Team (IPT)** means a multi-disciplinary team lead by a program manager responsible and accountable for planning, budgeting, procurement and life-cycle management of the project to achieve its cost, schedule and performance goals. Team skills include: budgetary, financial, capital

planning, procurement, user, program, value management, earned value management, and other staff as appropriate.

**Life Cycle Costs** means the overall estimated cost for a particular program alternative over the time period corresponding to the life of the program, including direct and indirect initial costs plus any periodic or continuing costs of operation and maintenance.

**Major IT system or project** means a system that requires special management attention because of its importance to an agency mission; its high development, operating, or maintenance costs; or its significant role in the administration of agency programs, finances, property, or other resources. Large infrastructure investments (e.g., major purchases of personal computers or local area network improvements) should also be evaluated against these criteria. Your agency Capital Planning and Investment Control Process may also define a "major system or project." All major systems or projects must be reported on Exhibit 53. In addition, a "major" IT system is one reported on your "Capital Asset Plan and Business Case," Exhibit 300. For the financial management mission area, "major" is any system that costs more than \$500,000. Additionally, if the project or initiative directly supports the President's Management Agenda Items, then the project meets the criteria of "high executive visibility." Projects that are E-Government in nature or use e-business technologies must be identified as major projects regardless of the costs. If you are unsure about what systems to consider as "major," consult your agency budget officer or OMB representative. Systems not considered "major" are "small/other."

**Mixed system** means an information system that supports both financial and non-financial functions of the Federal Government or components thereof.

**Non-financial system** means a system that supports management functions of the Federal Government or components thereof and does not record financial events or report financial information.

**On-Going Project** means a project that has been through a complete budget cycle with OMB and represents budget decisions consistent with the President's Budget for the current year (BY-1).

**Operational** (steady state) means an asset or part of an asset that has been delivered and is performing the mission.

**Planning** means preparing, developing or acquiring the information you will use to design the project; assess the benefits, risks, and risk-adjusted life-cycle costs of alternative solutions; and establish realistic cost, schedule, and performance goals, for the selected alternative, before either proceeding to full acquisition of the capital project or useful segment or terminating the project. Planning must progress to the point where you are ready to commit to achieving specific goals for the completion of the acquisition. Information gathering activities may include market research of available solutions, architectural drawings, geological studies, engineering and design studies, and prototypes. Planning is a useful segment of a capital project. Depending on the nature of the project, one or more planning segments may be necessary.

**Small/Other IT Project** means any initiative or project not meeting the definition of major defined above but that is part of the agency's IT investments.

**Useful segment** means an economically and programmatically separate component of a capital project that provides a measurable performance outcome for which the benefits exceed the costs, even if no further funding is appropriated.

### 53.4 How do I determine whether I must report?

Submit an agency IT investment portfolio (exhibit 53) to OMB if either of the following are true:

- Your agency is requesting funding for IT investments via a Capital Asset Plan and Business Case (see section 300). If you are unsure whether your agency will submit exhibit 300, consult your OMB representative.
- Your financial management system budgetary resources are above \$500,000.

### 53.5 How do I submit exhibit 53 and when is it due?

Section 53 requires the submission of the Exhibit 53 and several attendant documents. OMB Circular A-130, "Management of Federal Information Resources", requires that agency initial budget submissions include:

- Agency IRM Plan;
- Documented Capital Planning and Investment Control (CPIC) process; and
- Agency Enterprise Architecture.

For specifics on what should be included in these attendant documents and their requirements, please refer to section 8B of Circular A-130. OMB Circular A-130 is available on the OMB Website at <http://www.whitehouse.gov/omb/circulars/a130/a130trans4.html>.

You must submit exhibit 53 in an electronic format either by e-mailing a spreadsheet version of exhibit 53 to [exhibit53@omb.eop.gov](mailto:exhibit53@omb.eop.gov) or, if your agency uses I-TIPS, by submitting it directly from I-TIPS. The attendant documents must all be submitted electronically in whatever format the agency used to create the documents. All of these items will be assessed as part of the budget process and information provided to the agency via passback. The subject line must have the three digit OMB agency code (see [Appendix C](#)) and the full agency name.

Your exhibit 53 and the attendant documents are due to OMB by September 9<sup>th</sup>. In addition, you must update each exhibit 53 and the accompanying Capital Asset Plans and Business Cases (Exhibit 300) you submitted in September to reflect any changes due to final budget decisions (see [section 100.1](#)).

### 53.6 If I submitted exhibit 53 last year, how do I revise it this year?

If your agency provided an exhibit 53 for the FY 2003 Budget, you may choose to update the file that your agency submitted last year. The file should be updated to reflect any new column headings in the FY04 reporting requirements. It is important that you ensure that the file is updated to reflect PY for FY2002, CY for FY2003, and BY for FY2004. The exhibit 53 will also need to be updated to add the financial percentage and IT security percentage of spending for the entry.

### 53.7 How is exhibit 53 organized?

(a) *Overview.*

As a general rule, exhibit 53 covers IT for your agency as a whole. Provide investment amounts in millions (to one decimal point) PY through BY. Information reported here must be consistent with data you report in MAX schedule O, object classification (specifically, object classes 11.1 through 12.2, 23.1,

23.2, 25.2, 25.3, 25.7, 26.0, 31.0, and 41.0). Include all major IT systems, projects, and initiatives, including financial management systems, reported in exhibit 300.

Exhibit 53 has four major parts:

- Part 1. IT systems by mission area.
- Part 2. IT infrastructure and office automation.
- Part 3. Enterprise architecture and planning.
- Part 4. Grants management.

All parts use the following common data elements:

- **Title** means a definitive title that explains what the project or investment is entitled. This should include a short project description for each project of one-hundred words or less. This description should explain the entry item, its components, and what program(s) it supports. This description should be understandable to someone who is not an expert in the agency.
- **Development/modernization/enhancement** means the program cost for new systems, changes or modifications to existing systems that improve capability or performance, changes mandated by Congress or agency leadership, personnel costs for project management, and direct support. This amount equals the sum of amounts reported for planning and full acquisition of that system in exhibit 300 and is required for "major" systems only.
- **Steady state** means maintenance and operation costs at current capability and performance level including costs for personnel, maintenance of existing information systems, corrective software maintenance, voice and data communications maintenance, and replacement of broken IT equipment. This amount equals amounts reported for maintenance of that system in exhibit 300 and is required for "major" systems only.
- **Percentage financial** means an estimated percentage of the total system budget authority associated with the financial components. See the financial system definition for a description of financial functions.
- **Supports Homeland Security** means an IT system or project that supports homeland security goals and objectives, i.e., 1) improves border and transportation security, 2) combats bioterrorism, 3) enhances first responder programs, 4) improves information sharing to decrease response times for actions and improves the quality of decision making.
- **Percentage IT security** means an estimated percentage of the total investment for budget year associated with IT security for a specific project. Federal agencies must consider the following criteria to determine security costs for a specific IT investment:
  1. The products, procedures, and personnel (Federal employees and contractors) that are primarily dedicated to or used for provision of IT security for the specific IT investment. Do not include activities performed or funded by the agency Inspector General. This includes the costs of:
    - risk assessment;
    - security planning and policy;

- certification and accreditation;
- specific management, operational, and technical security controls (to include access control systems as well as telecommunications and network security);
- authentication or cryptographic applications;
- education, awareness, and training;
- system reviews/evaluations (including security control testing and evaluation);
- oversight or compliance inspections;
- development and maintenance of agency reports to OMB and corrective action plans as they pertain to the specific investment;
- contingency planning and testing;
- physical and environmental controls for hardware and software;
- auditing and monitoring;
- computer security investigations and forensics; and
- reviews, inspections, audits and other evaluations performed on contractor facilities and operations.

2. Other than those costs included above, security costs may also include the products, procedures, and personnel (Federal employees and contractors) that have as an incidental or integral component, a quantifiable benefit to IT security for the specific IT investment. This includes system configuration/change management control, personnel security, physical security, operations security, privacy training, program/system evaluations whose primary purpose is other than security, systems administrator functions, and, for example, system upgrades within which new features obviate the need for other standalone security controls.

3. Many agencies operate networks, which provide some or all necessary security controls for the associated applications. In such cases, the agency must nevertheless account for security costs for each of the application investments. To avoid "double-counting" agencies should appropriately allocate the costs of the network for each of the applications for which security is provided.

In identifying security costs, some agencies find it helpful to ask the following simple question, "If there was no threat, vulnerability, risk, or need to provide for continuity of operations, what activities would not be necessary and what costs would be avoided?" Investments that fail to report security costs will not be funded. Therefore, if the agency encounters difficulties with the above criteria they must contact OMB prior to submission of the budget materials.

- **Funding Source** means any budgetary resource used for funding the IT Investment. Budgetary resource is defined in section 20. For each funding source, identify the budgetary resources (direct appropriation or other specific budgetary resources such as working capital funds, revolving funds, user fees, etc) for a project or investment. Identify the budget account and organization or

operating division. Add as many funding source line items as are appropriate for the investment or project. To avoid double counting, do not report any accounts receiving intra-governmental payments to purchase IT investments or services.

- **Funding Source subtotal** means the totals of all funding sources used for funding the IT Investment.

(b) *Part 1. IT systems by mission area.*

Consistent with your agency's strategic and annual performance plan, report amounts for IT investments that directly support an agency-designated mission area (e.g., human resource management, financial management, command and control). Report each mission area in which IT systems, programs, projects, or initiatives are funded. For each mission area, itemize each "major" and "small/other" system. To determine how many systems, including all parts of the exhibit, should be listed as either "major" or "small" in each mission area, use the rule that the greater percent of your IT expenditures should be identified within the major category. For FY 2003, agencies identified an average of 52 percent of their total IT investments as "major." Major projects should account for at least 60 percent of the IT investment portfolio for FY 2004 reporting. This is the performance goal to focus on achieving and increasing as agencies use capital planning and investment control processes to better manage information technology.

You must have a mission area titled "Financial Management," and it must be reported as the first mission area. Some systems support financial functions in addition to other functions. If a system supports financial functions, you must include an estimated percentage of the total system obligations associated with the financial components. See the financial system definition for a description of financial functions. Systems that predominately support financial functions should be included in the first mission area, "Financial Management." If the project reported is 100 percent financial, indicate 100 percent in the column. For mixed systems or projects, indicate the appropriate percentage that is financial. For those projects that are fully non-financial, enter zero.

(c) *Part 2. IT infrastructure and office automation.*

Report amounts for IT investments that support common user systems, communications, and computing infrastructure. These investments usually involve multiple mission areas and might include general LAN/WAN, desktops, data centers, cross-cutting issues such as shared IT security initiatives, and telecommunications. Report each "major" IT infrastructure system, program, project, or initiative separately. Report your IT security initiatives and projects that are not directly tied to a major project on a separate line identified as "small/other."

(d) *Part 3. Enterprise architecture and planning.*

Report amounts for IT investments that support strategic management of IT operations (e.g., business process redesign efforts that are not part of an individual project or initiative, enterprise architecture development, capital planning and investment control processes, procurement management, and IT policy development and implementation).

(e) *Part 4. Grants management.*

Report amounts for IT investments that represent planning, developing, enhancing or implementing a grants management system or portion thereof. Highlight any grants systems initiatives as defined by this section. To highlight a system, which is not defined as major/critical, agencies should identify the grants system as small/other.

**53.8 How is exhibit 53 coded?**

Use the following 17 digit line number coding system to update or complete your exhibit 53:

| Entry:                  | Description:  |
|-------------------------|---|
| XXX-xx-xx-xx-xx-xxxx-xx | The first three digits are your agency code (see Appendix C).   |
| Xxx-XX-xx-xx-xx-xxxx-xx | The next two digits are your bureau code (see Appendix C). If this is a department only reporting, use 00 as your bureau code.  |
| Xxx-xx-XX-xx-xx-xxxx-xx | These two digits indicate the four parts of exhibit 53: <ul style="list-style-type: none"> <li>• 01 = Part 1. IT Systems by Mission Area</li> <li>• 02 = Part 2. IT Infrastructure and Office Automation</li> <li>• 03 = Part 3. Enterprise Architecture and Planning</li> <li>• 04 = Part 4. Grants Management</li> </ul>  |
| Xxx-xx-xx-XX-xx-xxxx-xx | These two digits indicate the mission area. Assign a unique code for each mission area reported.  |
| Xxx-xx-xx-xx-XX-xxxx-xx | These two digits indicate your agency's type of investment. Select one of the following two digit codes according to the type of investment you are reporting: <ul style="list-style-type: none"> <li>• 01 = Major investments</li> <li>• 02 = Small/Other investments</li> </ul>   |
| Xxx-xx-xx-xx-xx-XXXX-xx | This is a four digit identification number that identifies a specific investment or project. If a new project is added to exhibit 53, locate the area of exhibit 53 where you are going to report the project and use the next sequential number as your four digit identification number.  |
| Xxx-xx-xx-xx-xx-xxxx-XX | The final two digits identify which part of the investment you are reporting. Select one of the following two digit codes according to what you report on the title line: <ul style="list-style-type: none"> <li>• 00 = Total project investment title line, or the first time the agency is reporting this particular investment</li> <li>• 04 = Funding source or appropriation</li> <li>• 09 = Any subtotal</li> </ul> |

**53.9 What are the steps to complete exhibit 53?**

The following provides step-by-step instructions to complete each part of exhibit 53. See section 53.3 and 53.7 for definitions.

**AGENCY IT INVESTMENT PORTFOLIO**

| Entry                                     | Description   |
|---|---|
| <b>Part 1. IT Systems by Mission Area</b> | Report amounts for IT investments that directly support an agency-designated mission area. Report each mission area in which IT systems, programs, projects, or initiatives are funded. This information should map directly to your agency's strategic and annual performance plan. For IT applications that cover more than one |

| Entry   | Description   |
|---|---|
|   | <p>agency, report in the mission area with oversight of the project. Mission area 01 is reserved for your "financial management" projects and activities.</p> <p>Step 1: For each mission area, list each major IT system or project and the corresponding investment costs. For BY only, if financial or mixed, identify what percentage is financial. For BY only, if IT security costs are included, identify what percentage of the total investment is IT security. If this system or project supports Homeland Security goals and objectives (see section 53.7), answer yes. Provide the development/ modernization/enhancement and steady state costs.</p> <p>Step 2: For each mission area, list each small/other project. If either of these has financial, mixed, or IT security, identify the appropriate percentages. If this system or project supports Homeland Security goals and objectives (see section 53.7), answer yes.</p> |
| <p><b>Part 2. IT Infrastructure and Office Automation</b></p> | <p>Report amounts for IT investments that are common user systems, communications, shared IT security initiatives, and computing infrastructure. Investments listed will usually support multiple mission areas (e.g., general LAN/WAN, desktops, data centers, telecommunications). Report each major IT infrastructure system, program, or project separately.</p> <p>Follow the step-by-step instructions outlined in Part 1.</p>  |
| <p><b>Part 3. Enterprise Architecture and Planning</b></p>    | <p>Report amounts for IT investments that support strategic management of IT operations (e.g., business process redesign, enterprise architecture development, IT investment planning, procurement management, and IT policy development and implementation).</p> <p>Follow the step-by-step instructions outlined in Part 1.</p>   |
| <p><b>Part 4. Grants Management</b></p>                       | <p>Report amounts for IT investments that support grants management operations.</p> <p>See classification instructions in section 53.7 under Grants Management.</p>   |

Agency IT Investment Portfolio

| Code                    | Entry  | Total Investment |    |    | Percentage |             | Homeland Security | DME |    |    | Steady State |    |    |
|-------------------------|--|------------------|----|----|------------|-------------|-------------------|-----|----|----|--------------|----|----|
|                         |  | PY               | CY | BY | Financial  | IT Security | Y/N               | PY  | CY | BY | PY           | CY | BY |
| 123-45-00-00-0000-00    | <b>Agency, Total IT Investment Portfolio</b> (sum of all parts 1, 2, 3, 4)                         | X                | X  | X  |            |             |                   | X   | X  | X  | X            | X  | X  |
| 123-45-01-00-0000-00    | <b>Part 1. IT Systems by Mission Area</b> (subtotal for all mission areas under part 1)            | X                | X  | X  |            |             |                   | X   | X  | X  | X            | X  | X  |
| 123-45-01-01-0100-00    | Title of mission area and subtotal for all major and small projects under the mission area         | X                | X  | X  |            |             |                   | X   | X  | X  | X            | X  | X  |
| 123-45-01-01-01-1010-00 | Major project title and total investment   | X                | X  | X  | X          | X           | X                 | X   | X  | X  | X            | X  | X  |
| 123-45-01-01-01-1010-04 | Funding Source   | X                | X  | X  |            |             |                   | X   | X  | X  | X            | X  | X  |
| 123-45-01-01-01-1010-09 | Funding Source subtotal  | X                | X  | X  |            |             |                   | X   | X  | X  | X            | X  | X  |
| 123-45-01-01-02-0000-00 | Small/other project and total investment   | X                | X  | X  | X          | X           | X                 |     |    |    |              |    |    |
| 123-45-02-00-00-0000-00 | <b>Part 2. IT Infrastructure and Office Automation</b> (subtotal for all investments under part 2) | X                | X  | X  |            |             |                   | X   | X  | X  | X            | X  | X  |
| 123-45-02-01-01-1010-00 | Major project title and total investment   | X                | X  | X  | X          | X           | X                 | X   | X  | X  | X            | X  | X  |
| 123-45-02-01-02-0000-00 | Small/other project and total investment   | X                | X  | X  | X          | X           | X                 |     |    |    |              |    |    |
| 123-45-03-00-00-0000-00 | <b>Part 3. Enterprise Architecture and Planning</b> (subtotal for all investments under part 3)    | X                | X  | X  |            |             |                   | X   | X  | X  | X            | X  | X  |
| 123-45-03-01-01-1010-00 | Major project title and total investment   | X                | X  | X  | X          | X           | X                 | X   | X  | X  | X            | X  | X  |
| 123-45-03-01-02-0000-00 | Small/other project and total investment   | X                | X  | X  | X          | X           | X                 |     |    |    |              |    |    |
| 123-45-04-00-00-0000-00 | <b>Part 4. Grants Management</b> (subtotal for all investments under part 4)                       | X                | X  | X  |            |             |                   | X   | X  | X  | X            | X  | X  |
| 123-45-04-00-01-1010-00 | Major project title and total investment   | X                | X  | X  | X          | X           | X                 | X   | X  | X  | X            | X  | X  |
| 123-45-04-01-02-0000-00 | Small/other project and total investment   | X                | X  | X  | X          | X           | X                 |     |    |    |              |    |    |

X in any position above indicates it is required for that type of investment.



## SECTION 54—RENTAL PAYMENTS FOR SPACE AND LAND

| Table of Contents                |  |
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| 54.1                             | Do I need to report on rental payments?          |
| 54.2                             | What materials must I provide?                   |
| 54.3                             | What terms do I need to know?                    |
| 54.4                             | How do I prepare the space budget justification? |
| 54.5                             | What supporting information must I provide?      |
| Ex-54 Space Budget Justification |  |

**54.1 Do I need to report on rental payments?**

If your agency 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, you must submit a space budget justification in the format of exhibit 54. OMB uses this information to evaluate your budget request for rent in the context of personnel and program changes (e.g., downsizing). The General Services Administration (GSA) uses this information to refine its estimates of rental costs. You should use this information to analyze your space requirements and rental costs.

For reporting purposes, *include* amounts for the services covered by the basic rental charge assessed by GSA as obligations for rental payments to GSA, but *exclude* amounts above standard services, such as overtime utility services. From GSA's monthly bill, use line D, "Total Annual Rental" plus, in some cases, line 14a "Billing Adjustments and Corrections, Current Year" to compare to the amount on the line "GSA rent estimate" of exhibit 54. These amounts are already *net* of obligations for the cost of operations in buildings where GSA has delegated authority for building operations. The cost of building operations in buildings whose operational authority is delegated should be budgeted in the appropriate object classes, such as 25.4, operations and maintenance of facilities. These costs should appear on exhibit 54.

Make your obligations for rental payments to GSA (Part 1 of exhibit 54) and your obligations for other space services paid to non-GSA entities (Part 2) consistent with data reported as rental payments under the appropriate object classes (see section [54.4](#)).

**54.2 What materials must I provide?**

You must submit an overall summary report in the format of exhibit 54 for the agency as a whole. This report provides a justification of your agency's budget request for rent. In addition, you must submit a separate report for each bureau or subordinate organization that makes rental payments. Submit a single agency-wide summary report if these costs are paid for centrally from one account.

*You must complete exhibit 54 using an electronic spreadsheet (Excel or Lotus) available from GSA (phone: 202-219-0370 or <http://hydra.gsa.gov/exhibit54>). The spreadsheet format includes inflation factors to calculate outyear estimates automatically and it generates total obligations for rental costs and funding sources.*

The report contains information for PY through BY+1 on:

- Rental payments to GSA, which 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.
- Supporting detail on all changes from the GSA rent bill or GSA estimates of rental costs (see section [54.5](#)).

Your submission must support your budget year request and list all applicable appropriations and/or other funding sources by account.

Report space requirements to the nearest square foot; state obligations in thousands of dollars and round to the nearest thousand. Where an amount falls exactly halfway in between, round to the nearest even figure (for example, both \$11,500 and \$12,500 round to \$12.) Do not identify amounts of \$500 or less.

Provide copies of these materials (electronic versions) to GSA (attention: OMBExhibit54@gsa.gov) at the same time you submit them to OMB.

### 54.3 What terms do I need to know?

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

**GSA bureau code** means 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 3–digit OMB bureau code described in section 79.2 and Appendix C.)

**GSA rent estimate** means a document developed by GSA and sent to customer agencies once a 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. You should use this year's GSA budget estimate (available this summer) to report the GSA rent estimate for the CY and BY.

**OMB-approved inflation factor** means the inflation factor used in the GSA budget estimate. Mid-Session Review inflation factors will be used for CY through BY+1. The electronic spreadsheet format provided to you will use these factors to automatically inflate certain outyear estimates.

**Chargeback** (or *adjustments to the bill*) means the process by which GSA's customers contest a GSA billing. If you claim a chargeback, you are required to complete a Standard Form 238, "SIBAC Adjustment Voucher For Chargeback" and provide supporting chargeback data justifying your claim.

### 54.4 How do I prepare the space budget justification?

The following table explains the information needed to prepare the space budget justification (see exhibit [54](#)). Exhibit 54 illustrates the summary page of the submission. There are five worksheets that contain the detail for the chargebacks, planned changes to inventory and the requested program changes. One worksheet is for the chargebacks, and there is one for each year in which to detail planned changes to inventory and the requested program changes (i.e., PY, CY, BY and BY+1). The summary justification consists of two parts:

- Rental payments to GSA (Part 1). (With the exception of the lines "Other adjustments," "Statutorily-imposed rent caps," and "Funding sources for Rental Payments to GSA," data in this part is derived by formula from five back-up worksheets); and
- Rental payments to others (Part 2).

Subtotals, totals, and certain other entries indicated in **boldface** will be automatically calculated (see exhibit [54](#)).

**INFORMATION REQUIRED FOR THE SPACE BUDGET JUSTIFICATION**

| Entry   | Description  |
|---|--|
|   | <p>Report in dollars and to the nearest square foot on the individual worksheets. The totals will be automatically calculated for the summary page, with obligations rounded to the nearest thousand.</p> <p>Report net estimates of rental costs and square feet (i.e., net of any adjustments within the relevant category being reported).</p>  |
| <b>PART 1. RENTAL PAYMENTS TO GSA</b>           | In Part 1, include information on rental payments to GSA only. Report data on rental payments to others in Part 2.   |
| GSA rent estimate                               | <p>For the chargeback and PY worksheets, report amount of the annual (i.e., full year) rental cost. To calculate the annual rental cost, use the monthly GSA bill with the same date as the date on the GSA rent estimate and multiply the rent estimate for the current month by the number of months remaining in the fiscal year and add this amount to the year-to-date rent estimate on the monthly bill.</p> <p>Report the total square feet in the monthly GSA rent bill with the same date as the date on the GSA rent estimate for the BY. (The monthly GSA bill reflects total square feet billed for the month.)</p> <p>For the CY worksheet, report the square feet and rent estimate reflected in the CY column of GSA rent estimate for the BY.</p> <p>For the BY worksheet, report the square feet and rent estimate reflected in the GSA rent estimate for the BY.</p> <p>Note: GSA will provide agencies with the supporting documentation for the BY rent estimate, as required.</p> <p>The electronic spreadsheet will calculate rent estimates for BY+1 automatically, using OMB-approved inflation factors. Estimates of square feet will be generated by the spreadsheet for BY+1 at the BY level.</p> |
| Actual adjustments to the bill<br>Enter PY only | Report the net amount of any chargeback (resolved or unresolved) and actual changes in the inventory for the PY that has not been reflected in the monthly rent bill used above and the associated net square feet. This may include disputes over rates, space classifications, and current space requirements.   |
| PY Worksheet planned changes in inventory       | For the PY worksheet, report the net amount of approved and planned changes in the inventory and adjustments from the base month (as reflected in the GSA rent estimate) to the end of the fiscal year. Adjustments may be an increase or decrease from the monthly rent bill used above for PY.   |

**SECTION 54—RENTAL PAYMENTS FOR SPACE AND LAND**

| <b>Entry</b>  | <b>Description</b>   |
|---|--|
| Enter the inventory changes for the remainder of the year | Enter the square feet and the estimated annual rent under the “Agency Information” columns. Enter the effective date of the project. The annual change and the part-year change for rent are automatically calculated.   |
| CY, BY and BY+1 worksheets                                | For the CY, BY, and BY+1 worksheets, include the approved and planned changes in inventory and associated adjustments that are not reflected in GSA rent estimates, including projects in the pipeline.<br><br>Enter the changes in the worksheet for the year in which the change will first occur. The worksheet will automatically generate outyear estimates.                    |
| Requested program changes in inventory                    | For CY, BY, and BY+1 worksheets, report inventory changes that will result from changes in programs that have been enacted by law, are reflected in the President’s budget, and/or are included in your BY request to OMB.<br><br>Enter the CY, BY, and BY+1 requested program changes in each corresponding worksheet. The worksheet will automatically generate outyear estimates. |
| <b>Space budget justification—the summary worksheet</b>   |  |
| Other adjustments   | Use this space to enter any other adjustments that are not included in the individual worksheets. Include an explanation of these items.   |
| Statutorily-imposed rent caps                             | Report only on those rental payments to GSA that you consider constrained for legal reasons. Include as a footnote the legal reference (i.e., public law citation).<br><br>Supporting detail must be provided, as described in section 54.5.   |
| <b>Total, net rental payments to GSA</b>                  | The Space Budget Justification worksheet will automatically generate these totals.   |
| <b>FUNDING SOURCES FOR RENTAL PAYMENTS TO GSA</b>         |  |
| Funded by direct appropriations:                          | 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 <a href="#">79.2</a> ).   |
| Account title and ID code                                 | For PY-BY+1, 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.<br><br>If there are more than three accounts listed, change the electronic spreadsheet to add rows, as needed.   |
| <b>Subtotal, direct appropriation</b>                     | Report the sum of amounts of direct appropriations for a year for accounts listed. If more than 3 accounts are listed, change the spreadsheet formula to calculate the amount funded by direct appropriations.   |
| Funded by other sources:                                  | 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).   |
| Account title and ID code                                 | Include additional information on the line stub to identify the source of funding, as necessary.   |

| Entry  | Description   |
|--|---|
|  | <p>For PY-BY+1, include the amount of obligations for rental payments to GSA that are funded from reimbursements, other offsetting collections, and allocations.</p> <p>If there are more than three accounts listed, change the electronic spreadsheet to add rows, as needed.</p>   |
| <b>Subtotal, other funding sources</b>                       | Report the sum of amounts for other funding sources for a year for accounts listed. If more than 3 accounts are listed, change the spreadsheet formula to calculate the amount funded by other sources.   |
| <b>Total, net rental payments to GSA (object class 23.1)</b> | Report the sum of amounts paid to the GSA Federal building fund for all funding sources (direct appropriations plus other funding sources) for a year for accounts listed. Report amounts that are consistent with obligations classified as "Rental payments to GSA" (object class 23.1). Make the totals for each year equal to the corresponding "Total, net rental payments to GSA" reported above (see exhibit 54).  |
| <b>PART 2. RENTAL PAYMENTS TO OTHERS</b>                     | In Part 2, report information on rental payments to Federal agencies other than GSA and to entities outside the Federal Government. Exclude data on rental payments to GSA, which are reported in Part 1.   |
| Non-Federal sources (object class 23.2)                      | <p>Include obligations for possession and use of space, land, and structures leased from non-Federal sources (i.e., commercial landlords).</p> <p>Report amounts consistent with obligations classified as "Rental payments to others" (object class 23.2).</p>   |
| Federal sources other than GSA (object class 25.3)           | <p>Include obligations for payments to Federal agencies other than GSA for space, land, and structures that are subleased or occupied by permits, regardless of whether the space is owned or leased.</p> <p><i>Note:</i> Typically, with the approval of the Administrator of GSA, you may sublease your GSA-assigned space to another agency or bureau. In such cases, if you are the agency assigned the space by GSA, report rental payments for this space in Part 1 as "Rental payments to GSA". If you are the agency or bureau subleasing space from another agency or bureau, report payments for the sublease in Part 2 as "Federal sources other than GSA."</p> <p>Report amounts consistent with obligations for rental payments to Federal sources reported as "Purchases of goods and services from Government accounts" (object class 25.3).</p> |
| Total, rental payments to others                             | Report the sum of amounts as rental payments to non-Federal sources and to Federal sources other than GSA. Make the totals consistent with rental obligations classified in object classes 23.2 and 25.3.   |

### 54.5 What supporting information must I provide?

Complete and submit all six worksheets of exhibit 54 that support the Space Budget summary page. For each change, include the GSA bureau code, the GSA building number (if known), city and State, type of action, effective date, square feet, and rent on the appropriate worksheet. For any program changes requested, provide supporting information that identifies the program initiatives related to the requested changes. In addition, provide a list that identifies major acquisitions, renovations, or consolidations required to implement agency planned space changes, as well as the timing, amount of work space, and cost of each action.

Space Budget Justification

Agency \_\_\_\_\_  
 Bureau \_\_\_\_\_  
 GSA Bureau Code \_\_\_\_\_

Shaded entries are automatically generated by the electronic spreadsheet.

Note: The PY GSA RENT estimate is based on the monthly rent bill with "date of inventory" that matches the GSA budget estimate for BY. CY and BY rent estimates are taken from the GSA budget estimates for the BY.

Round dollars to the nearest thousand, as required by section 54.2. Report space requirements to the nearest square foot.

Department of Government  
 (obligations in thousands of dollars)

|  | PY      |    | CY      |    | BY      |    | BY + 1  |    |
|--|---------|----|---------|----|---------|----|---------|----|
|  | 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        |
| Actual adjustments to the bill:              |                   |                  |                   |                  |                   |                  |                   |                  |
| Chargebacks (PY only).....                   | -500,000          | -\$4,000         | -500,000          | -\$7,500         | -500,000          | -\$7,658         | -500,000          | -\$7,826         |
| Other adjustments.....                       |                   |                  |                   |                  |                   |                  |                   |                  |
| Statutorily imposed rent caps.....           |                   |                  |                   |                  |                   |                  |                   |                  |
| Planned changes to inventory:                |                   |                  |                   |                  |                   |                  |                   |                  |
| PY.....                                      | 200,000           | \$2,000          | 200,000           | \$3,000          | 200,000           | \$3,063          | 200,000           | \$3,130          |
| CY.....                                      |                   |                  | 100,000           | \$1,200          | 100,000           | \$1,500          | 100,000           | \$1,533          |
| BY.....                                      |                   |                  |                   |                  | 135,000           | \$1,750          | 135,000           | \$2,150          |
| BY + 1.....                                  |                   |                  |                   |                  |                   |                  | 115,000           | \$1,000          |
| BY + 2.....                                  |                   |                  |                   |                  |                   |                  |                   |                  |
| Requested program changes:                   |                   |                  |                   |                  |                   |                  |                   |                  |
| CY.....                                      |                   |                  | 115,000           | \$1,000          | 115,000           | \$1,700          | 115,000           | \$1,737          |
| BY.....                                      |                   |                  |                   |                  | 100,000           | \$1,200          | 100,000           | \$1,500          |
| BY + 1.....                                  |                   |                  |                   |                  |                   |                  |                   |                  |
| BY + 2.....                                  |                   |                  |                   |                  |                   |                  |                   |                  |
| <b>Total, net rental payment to GSA.....</b> | <b>26,200,000</b> | <b>\$398,000</b> | <b>28,215,000</b> | <b>\$422,700</b> | <b>28,450,000</b> | <b>\$439,555</b> | <b>28,565,000</b> | <b>\$450,860</b> |

**FUNDING SOURCES FOR RENTAL PAYMENTS**

|   |  |                  |  |                  |  |                  |  |                  |
|---|--|------------------|--|------------------|--|------------------|--|------------------|
| Funded by direct appropriations:              |  |                  |  |                  |  |                  |  |                  |
| Account title and ID code:                    |  |                  |  |                  |  |                  |  |                  |
| Acct. 1 Salaries and expenses 016-10-116..... |  | \$366,250        |  | \$367,750        |  | \$372,387        |  | \$377,000        |
| Acct. 2.....                                  |  |                  |  |                  |  |                  |  |                  |
| Acct. 3.....                                  |  |                  |  |                  |  |                  |  |                  |
| <b>Subtotal, direct appropriations.....</b>   |  | <b>\$366,250</b> |  | <b>\$367,750</b> |  | <b>\$372,387</b> |  | <b>\$377,000</b> |

|  |  |                 |  |                 |  |                 |  |                 |
|--|--|-----------------|--|-----------------|--|-----------------|--|-----------------|
| 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        |
| Acct. 2.....                                     |  |                 |  |                 |  |                 |  |                 |
| Acct. 3.....                                     |  |                 |  |                 |  |                 |  |                 |
| <b>Subtotal, other funding sources.....</b>      |  | <b>\$31,750</b> |  | <b>\$54,950</b> |  | <b>\$67,168</b> |  | <b>\$73,860</b> |

|  |  |                  |  |                  |  |                  |  |                  |
|--|--|------------------|--|------------------|--|------------------|--|------------------|
| <b>Total, net payments to GSA (object class 23.1).....</b> |  | <b>\$398,000</b> |  | <b>\$422,700</b> |  | <b>\$439,555</b> |  | <b>\$450,860</b> |
|--|--|------------------|--|------------------|--|------------------|--|------------------|

**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        |
| Federal sources (object class 25.3).....     | 150,000           | \$1,800          | 150,000             | \$1,800          | 150,000             | \$2,000          | 150,000             | \$2,000          |
| <b>Total, rental payments to others.....</b> | <b>24,150,000</b> | <b>\$291,800</b> | <b>\$25,150,000</b> | <b>\$301,800</b> | <b>\$23,050,000</b> | <b>\$277,000</b> | <b>\$23,050,000</b> | <b>\$277,000</b> |

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 54.5).

Pursuant to section 83.12, only payments made directly to the GSA Federal buildings fund should be classified as object class 23.1. All other rental payments should be classified as object class 23.2 or object class 25.3.

SECTION 55—ENERGY AND TRANSPORTATION EFFICIENCY MANAGEMENT

**Table of Contents**

- 55.1 Why collect this information?
- 55.2 Which agencies need to report?
- 55.3 How do I prepare exhibit 55?

Ex-55 Funding Request for Energy and Transportation Efficiency Management

**Summary of Changes**

Requires agencies to report on funding requested for energy efficiency management and transportation efficiency management as required by Executive Orders 13123 and 13149. Most of the Federal energy management data formerly collected in this section will continue to be collected electronically by the Department of Energy as part of each agency's annual report to the President due by January 1.

**55.1 What is the purpose of this information?**

Executive Order 13123 on efficient energy management requires agencies to track their energy use to ensure progress toward the Order's quantitative goals, including goals for improving energy efficiency, expanding the use of renewable energy, and reducing petroleum use. Part 3 of the Order requires each agency to request funding necessary to achieve the goals of the Order.

Executive Order 13149 on Federal fleet and transportation efficiency requires agencies to report on progress in acquisition of alternative fuel vehicles, use of alternative fuels, and acquisition of higher economy vehicles. Part 3 of this Order requires each agency to identify in its annual budget submission the funding necessary to meet the requirements of the Order.

**55.2 Which agencies need to report?**

**Energy efficiency management data:** Agencies that control their federally-owned building space or pay utilities directly in leased space must report the information required in Table 1.1 of [exhibit 55](#). Agencies that lease all space from the General Services Administration (GSA) and do not pay any energy surcharges do not have to report any data on Table 1.1. GSA is responsible for reporting energy data for that space.

**Transportation efficiency management data:** Each agency operating a Federal fleet of 20 or more light duty motor vehicles within the United States, whether they are GSA-leased, commercially-leased, or agency-owned must report the information required in Table 1.2 of [exhibit 55](#).

**55.3 How do I prepare exhibit 55?**

If your agency is required to report *Energy efficiency management data*, you must complete Table 1.1 of [exhibit 55](#). If your agency is required to report *Transportation efficiency management data*, you must complete Table 1.2 of [exhibit 55](#). Both tables require you to identify investments planned for the budget

year as well as investments made or planned in the past and current years. Use the following definitions to prepare the tables:

(a) *Table 1.1 -- Identification of funds for energy efficiency management as required by Executive Order 13123.*

**Energy Savings Performance Contracts (ESPC) or Utility Energy Service Contracts (UESC)** mean alternative financing instruments that enable agencies to hire a private-sector energy service company (ESCO) or local utility to finance, install and operate energy-efficiency improvements in a federal facility. The agencies pay the contractors using a portion of the energy cost savings that the contractor guarantees to accrue over the life of the energy efficiency improvements. These contracts allow agencies to undertake more and larger efficiency improvements than budgets might otherwise permit. Report the funding for *overhead costs* associated with encouraging the use of and administering ESPCs and UESCs. Do not report the total investments or awarded value of ESPCs and UESCs.

**Direct spending on energy efficiency** means the funds requested each year for efficiency activities. This will measure your agency's cost and management of activities undertaken with direct appropriations to achieve the Executive Order's goals.

**Direct spending on training** means expenditures for energy management training for your agency's energy management team as well as Federal employees and on-site contractors who are energy or facility managers, operations and maintenance workers, facility design personnel, procurement and budget staff, and legal counsel.

**Energy Star®** means a building that ranks in the top 25 percent in energy efficiency relative to comparable commercial and Federal buildings. **Leadership in Energy and Environmental Design (LEED)** is a green building rating system that includes standards for improving energy efficiency and environmental performance of buildings. Investments in better building design and construction typically return dividends (such as reduced operations and maintenance costs) that will save money over the life of the building, above and beyond any up front costs incurred to design and implement them (i.e., investments are life-cycle cost effective. Agencies are encouraged to incorporate Energy Star® or LEED building standards into up front design concepts for new construction and/or building renovations. If you incur or anticipate incurring additional costs for incorporating these standards, report them. It is understood that, in many cases, Energy Star® or LEED building design requirements can be incorporated at no additional cost.

**Green Power** means electricity generated from the following renewable energy sources: solar, wind, wave, geothermal, and biomass. Thermal energy purchased from these renewable sources and incremental hydropower should also be included in green power reporting.

**On-site generation and renewable power generation** means costs for installation of technologies that use renewable energy to provide light, heat, cooling, or mechanical or electrical energy for use in facilities or other activities. The term also means the use of integrated whole building designs that rely upon renewable energy resources, including passive solar design.

(b) *Table 1.2 -- Identification of funds for transportation efficiency management as required by Executive Order 13149.*

**Acquisition of alternative fuel vehicles** means funding for acquisition of *only* light duty motor vehicle that are defined as alternative fuel vehicles (dedicated or dual fueled vehicle).

***Infrastructure development and use of alternative fuels*** means funding to develop or enhance vehicle refueling infrastructure, either on or off government property, to provide alternative fuel for the purpose of refueling Federal alternative fuel vehicles. Funds required to pay the incremental cost of certain alternative fuels (ethanol and biodiesel) above the cost of petroleum based fuels should also be included in this category.

***Implementation of compliance strategy*** means costs agencies have incurred to comply with requirements of Executive Order 13149 in terms of developing, modifying, and implementing a strategy for achieving the goals of the Order. Do not include costs to acquire alternative fuel vehicles (covered in the first line of Table 1.2), or alternative fuel or alternative fuel infrastructure (covered in second line of Table 1.2).

***Direct spending on training*** means costs of educating drivers and fleet managers on: the requirements and goals of the Executive Order; the use and availability of alternative fuels; appropriate GSA acquisition procedures; and options for complying with Executive Order 13149.

***Procurement of environmentally preferable motor vehicle products*** means expenditures for retread tires, rerefined motor oil, biolubricants and other vehicle related products identified as recycled, energy efficient, biobased or environmentally preferable purchases by the Environment Protection Agency, the Department of Energy, or the Department of Agriculture.

**FY 2004 FUNDING REQUEST FOR  
ENERGY AND TRANSPORTATION EFFICIENCY MANAGEMENT**

Agency: \_\_\_\_\_  
Date: \_\_\_\_\_

Prepared by: \_\_\_\_\_  
Phone: \_\_\_\_\_

**1.1 IDENTIFICATION OF FUNDS FOR ENERGY EFFICIENCY MANAGEMENT AS REQUIRED BY E.O. 13123**

|  | 2002              |            | 2003              |            | 2004              |            | Page(s) in Budget Submission to OMB |
|--|-------------------|------------|-------------------|------------|-------------------|------------|-------------------------------------|
|  | Amount (thou. \$) | Account(s) | Amount (thou. \$) | Account(s) | Amount (thou. \$) | Account(s) |                                     |
| ESPC and/or UESC negotiation/administration                  |                   |            |                   |            |                   |            |                                     |
| Direct spending on energy efficiency                         |                   |            |                   |            |                   |            |                                     |
| Direct spending on training                                  |                   |            |                   |            |                   |            |                                     |
| Energy Star ® building design/construction incremental costs |                   |            |                   |            |                   |            |                                     |
| "Green Power" purchases                                      |                   |            |                   |            |                   |            |                                     |
| On-site generation and renewable power generation            |                   |            |                   |            |                   |            |                                     |
| Other (please specify) _____                                 |                   |            |                   |            |                   |            |                                     |
| <b>Total</b>   |                   |            |                   |            |                   |            |                                     |

**1.2 IDENTIFICATION OF FUNDS FOR TRANSPORTATION EFFICIENCY MANAGEMENT AS REQUIRED BY E.O. 13149**

|  | 2002              |            | 2003              |            | 2004              |            | Page(s) in Budget Submission to OMB |
|--|-------------------|------------|-------------------|------------|-------------------|------------|-------------------------------------|
|  | Amount (thou. \$) | Account(s) | Amount (thou. \$) | Account(s) | Amount (thou. \$) | Account(s) |                                     |
| Acquisition of alternative fuel vehicles                           |                   |            |                   |            |                   |            |                                     |
| Infrastructure development and use of alternative fuels            |                   |            |                   |            |                   |            |                                     |
| Implementation of compliance strategy, including any modifications |                   |            |                   |            |                   |            |                                     |
| Direct spending on training  |                   |            |                   |            |                   |            |                                     |
| Procurement of environmentally preferable motor vehicle products   |                   |            |                   |            |                   |            |                                     |
| Other (please specify) _____                                       |                   |            |                   |            |                   |            |                                     |
| <b>Total</b>   |                   |            |                   |            |                   |            |                                     |

## SECTION 56—DRUG CONTROL PROGRAMS

**Table of Contents**

- 56.1 Do I need to submit information on drug control programs?  
 56.2 What materials must I provide?

**Summary of Changes**

Requires agencies to submit a copy of the “Drug Control Budget Resource Summary” prepared for the Office of National Drug Control Policy.

**56.1 Do I need to submit information on drug control programs?**

You must submit information for all drug control programs identified by the Office of National Drug Control Policy (ONDCP) as part of the National Drug Control budget (see ONDCP Circular, “Budget Formulation,” dated May, 2002).

Drug control programs are programs, policies, and activities undertaken by National Drug Control Program agencies pursuant to the responsibilities of such agencies under the National Drug Control Strategy (see [21 USC 1701\(6\)](#)). These programs:

- Enforce drug control laws;
- Discourage the use of drugs; or
- Treat individuals for substance abuse.

**56.2 What materials must I provide?**

For each bureau in your agency that is included in the National Drug Control Budget, you must submit a copy of the “Drug Control Budget Resource Summary” prepared by your agency for ONDCP, as required by that Office’s Circular, “Budget Formulation.”

You must submit revised materials, reflecting final budget decisions, promptly after such decisions have been made (see section [100.1](#)).

Include the date of preparation and the name and telephone number of an individual responsible for answering questions on the information provided. OMB may also require additional information, such as the effects on your drug control budget of actions by the House and Senate Appropriations Committees and Subcommittees.



## SECTION 57—INFORMATION ON ERRONEOUS PAYMENTS

**Table of Contents**

|        |   |
|--------|---|
| 57.1   | What is an erroneous payment?                                     |
| 57.2   | Who must report erroneous payment information and when is it due? |
| 57.3   | What materials must I provide?                                    |
| 57.4   | How do I submit exhibit 57A?                                      |
| Ex-57A | Erroneous Payment Information                                     |
| Ex-57B | Programs for Which Erroneous Payment Information is Requested     |

**Summary of Changes**

Requires agencies to submit erroneous payment information using a standard electronic reporting format for each program (section 57.3).

Changes some data reporting fields and requires agencies to describe how estimates were derived (section 57.3).

Requires agencies to report on the status of passback and Executive Branch Management Scorecard items (section 57.3).

Adds a request for information on initiatives to reduce erroneous payments (section 57.3).

**57.1 What is an erroneous payment?**

"Erroneous payments" are payments made under the programs listed in Exhibit 57B that should not have been made or were made for an incorrect amount. In this context, "payments" include the provision of benefits that do not necessarily involve cash disbursements (e.g., loan guarantees). Examples of erroneous payments include payments to ineligible persons or the wrong organizations, payments in the wrong amount, payments for ineligible services, duplicate or other overpayments, and payments for services never received. Erroneous payments may be due to procedural or administrative errors made by the payor (e.g., providing incorrect account numbers in payment instructions) or errors or fraud by payees or claimants (e.g., under reporting of income by beneficiary). Covered payments include overpayments and underpayments made by the Federal Government, its direct contractors, and by States or other grant recipients administering Federal programs.

**57.2 Who must report erroneous payment information and when is it due?**

Exhibit 57B lists the programs for which agencies must report erroneous payment information. This information is due with the initial budget submission.

**57.3 What materials must I provide?**

A separate exhibit 57A is required for each program listed in exhibit 57B. Provide the following:

(a) *Section Ia. Program-wide Estimates.* Complete this section for programs where erroneous payment rates are currently being estimated.

## SECTION 57—INFORMATION ON ERRONEOUS PAYMENTS

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- For FYs 2000 and 2001, report:
  - ▶ The amount of total payments for the program; and
  - ▶ The amount of estimated erroneous payments and rate (amount of estimated erroneous payments/amount of total payments) broken out by overpayments and underpayments where available.
- For FY 2002, report projected erroneous payment rates.
  - ▶ For FYs 2003, 2004, and 2005, report target rates (goals).

The estimates reported in this section should reflect the total erroneous payments estimated for the program either based on a statistically valid sample projected to the universe of program payments or a 100% review of the payments. For statistical projections, please indicate in the "Notes" section the confidence level and confidence interval for the estimate. If the estimates are not based on a statistical projection to the universe, please provide a detailed description and assessment of the current methods for measuring the rate of erroneous payments and the quality of data resulting from these methods. Also indicate whether the period covered is the fiscal year or other period.

*(b) Section Ib. Status of Action Plans for Conducting Risk Assessments or Developing Estimate of Erroneous Payments.* Complete this section for programs where action plans to perform risk assessments or develop baseline estimates were established as part of the FY 2003 budget and/or Executive Branch Management Scorecard. Provide the status of implementation. Specifically, provide the following:

- Activities completed to date;
- Activities yet to be completed with milestone dates, including date when baseline estimate is expected. Show changes from original milestones where applicable;
- Impediments to estimating erroneous payments identified, if any. Your discussion should include any programmatic and legal obstacles to collecting additional data or establishing estimation procedures; and
- If risk assessment is complete and a conclusion is reached that estimating erroneous payments is not cost-beneficial, provide a detailed description for this conclusion.

*(c) Section II. Status of Action Plan for Preventing/Reducing Erroneous Payments.* For all programs listed in exhibit 57B, provide the following:

- Status of erroneous payment reduction activities agreed to as part of the FY 2003 Budget and/or included in the Executive Branch Management Scorecard, including new initiatives implemented to date; and
- Results of implemented initiatives, if known (i.e., impact on erroneous payment rate);
- Milestone dates for initiatives not yet fully implemented. Show changes from original milestone dates, where applicable;
- Impediments to erroneous payment prevention or reduction identified, if any; and

- Initiatives for reducing erroneous payments, including (1) a description of the initiative, (2) estimated resources to implement and source (e.g. reallocated within agency budgets or new), and (3) estimated results.

(d) *Agency Contact Point.* Include the name and telephone number of the preparer for each program.

**57.4 How do I submit exhibit 57A?**

Use the spreadsheet provided at [www.cfoc.gov](http://www.cfoc.gov). Email your completed spreadsheets to [exhibit57@omb.eop.gov](mailto:exhibit57@omb.eop.gov). Before sending the completed spreadsheets, verify that the subject line has the three-digit OMB agency code (see Appendix C) and the full agency name.

**ERRONEOUS PAYMENT INFORMATION**

| <b>Section Ia. - Program-wide Estimates</b>  |         |      |         |      |         |      |      |      |      |      |
|--|---------|------|---------|------|---------|------|------|------|------|------|
| Program:   |         |      |         |      |         |      |      |      |      |      |
|  | 1999    |      | 2000    |      | 2001    |      | 2002 | 2003 | 2004 | 2005 |
|  | Dollars | Rate | Dollars | Rate | Dollars | Rate | Rate | Rate | Rate | Rate |
| Total Payments   |         |      |         |      |         |      |      |      |      |      |
| Under Payments   |         |      |         |      |         |      |      |      |      |      |
| Overpayments   |         |      |         |      |         |      |      |      |      |      |
| Total Erroneous Payments   |         |      |         |      |         |      |      |      |      |      |
| <p>Notes: Please provide the following information in this notes section:</p> <ol style="list-style-type: none"> <li>1. Indication of whether the period covered is the fiscal year or other period (please specify).</li> <li>2. Confidence level and confidence intervals for the estimate.</li> <li>3. If estimates are not statistically-based projections to the universe of payments, a detailed description and assessment of the current methods for measuring the rate of erroneous payments and the quality of data resulting from these methods.</li> </ol> |         |      |         |      |         |      |      |      |      |      |

| <b>Section Ib. - Status of Action Plans for Conducting Risk Assessments or Developing Estimate of Erroneous Payments</b>   |
|--|
| <p>For programs where action plans to perform risk assessment or develop baseline estimate were requested in FY 2003 budget passback and/or Executive Branch Management Scorecard, please provide the status of implementation. Specifically, provide the following:</p> <ol style="list-style-type: none"> <li>1. Activities completed to date.</li> <li>2. Activities yet to complete with milestone dates, including date when baseline estimate is expected. Show changes from original milestones where applicable.</li> <li>3. Impediments to estimating erroneous payments identified, if any.</li> <li>4. If risk assessment is complete and a conclusion is reached that estimating erroneous payments is not cost-beneficial, detailed description of basis for conclusion.</li> </ol> |

| <b>Section II - Status of Action Plan for Preventing/Reducing Erroneous Payments</b>  |
|---|
| <p>For all programs please provide the following:</p> <ol style="list-style-type: none"> <li>1. Status of implementation of erroneous payment reduction activities agreed-to in FY2003 passback and/or included in the Executive Branch Management Scorecard, including new initiatives implemented to date.</li> <li>2. Results of implemented initiatives, if known (i.e., impact on erroneous payment rate).</li> <li>3. Initiatives yet to be fully implemented, with milestone dates. (Show changes from original milestone dates, where applicable).</li> <li>4. Impediments to erroneous payment prevention or reduction identified, if any.</li> <li>5. New proposed initiatives for reducing erroneous payments including (1) a description of the initiative, (2) estimated resources to implement, and (3) estimated results.</li> </ol> |

## PROGRAMS FOR WHICH ERRONEOUS PAYMENT INFORMATION IS REQUESTED

Erroneous payment information is requested for the following:

|  |  |
|--|--|
| <ul style="list-style-type: none"> <li>Department of Agriculture               <ul style="list-style-type: none"> <li>Food Stamps</li> <li>Commodity Loan Program</li> <li>National School Lunch and Breakfast</li> <li>Women, Infants, and Children</li> </ul> </li> <li>Department of Defense               <ul style="list-style-type: none"> <li>Military Retirement</li> <li>Military Health Benefits</li> </ul> </li> <li>Department of Education               <ul style="list-style-type: none"> <li>Student Financial Assistance</li> <li>Title I</li> <li>Special Education—Grants to States</li> <li>Vocational Rehabilitation Grants to States</li> </ul> </li> <li>Department of Health and Human Services               <ul style="list-style-type: none"> <li>Head Start</li> <li>Medicare</li> <li>Medicaid</li> <li>TANF</li> <li>Foster Care—Title IV-E</li> <li>State Children's Insurance Program</li> <li>Child Care and Development Fund</li> </ul> </li> <li>Department of Housing and Urban Development               <ul style="list-style-type: none"> <li>Low Income Public Housing</li> <li>Section 8 Tenant-Based</li> <li>Section 8 Project Based</li> <li>Community Development Block Grants (Entitlement Grants, States/Small Cities)</li> </ul> </li> <li>Department of Labor               <ul style="list-style-type: none"> <li>Unemployment Insurance</li> <li>Federal Employee Compensation Act</li> <li>Workforce Investment Act</li> </ul> </li> <li>Department of Treasury               <ul style="list-style-type: none"> <li>Earned Income Tax Credit</li> </ul> </li> <li>Department of Transportation               <ul style="list-style-type: none"> <li>Airport Improvement Program</li> <li>Highway Planning and Construction</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>Federal Transit—Capital Investment Grants</li> <li>Federal Transit—Formula Grants</li> <li>Department of Veterans Affairs               <ul style="list-style-type: none"> <li>Compensation</li> <li>Dependency and Indemnity Compensation</li> <li>Pension</li> <li>Insurance Programs</li> </ul> </li> <li>Environmental Protection Agency               <ul style="list-style-type: none"> <li>Clean Water State Revolving Funds</li> <li>Drinking Water State Revolving Funds</li> </ul> </li> <li>National Science Foundation               <ul style="list-style-type: none"> <li>Research and Education Grants and Cooperative Agreements</li> </ul> </li> <li>Office of Personnel Management               <ul style="list-style-type: none"> <li>Retirement Program (CSRS and FERS)</li> <li>Federal Employees Health Benefits Program (FEHBP)</li> <li>Federal Employees' Group Life Insurance (FEGLI)</li> </ul> </li> <li>Railroad Retirement Board               <ul style="list-style-type: none"> <li>Retirement and Survivors Benefits</li> <li>Railroad Unemployment Insurance Benefits</li> </ul> </li> <li>Small Business Administration               <ul style="list-style-type: none"> <li>(7a) Business Loan Program</li> <li>(504) Certified Development Companies</li> <li>Disaster Assistance</li> <li>Small Business Investment Companies</li> </ul> </li> <li>Social Security Administration               <ul style="list-style-type: none"> <li>Old Age and Survivors' Insurance</li> <li>Disability Insurance</li> <li>Supplemental Security Income Program</li> </ul> </li> </ul> |
|--|--|



## SECTION 58—INFORMATION ON OVERSEAS STAFFING

**Table of Contents**

- 58.1 Why collect this information?  
 58.2 Which agencies need to report?  
 58.3 What materials must I provide?  
 Ex-58 Information on Overseas Staffing

**Summary of Changes**

Requires agencies with personnel assigned to overseas embassies to report on staffing levels (i.e., positions filled) and support costs associated with new positions.

Drops the requirement for information on Inspectors General for designated Federal entities.

**58.1 Why collect this information?**

This information is required to analyze the number of overseas employees assigned to a Chief of Mission staff and the cost of new positions being assigned. *Overseas employee* means an American citizen employed outside the United States and its territories. *Chief of Mission* means the ranking officer in an embassy, permanent mission, legation, consulate general or consulate.

**58.2 Which agencies need to report?**

You must submit information on overseas staffing if your agency assigns employees to overseas positions under a Chief of Mission, as defined in section 58.1 above. Report only those overseas employees assigned to Chief of Mission staffs.

**58.3 What materials must I provide?**

(a) *Information on staffing levels.* Provide information on positions filled in an EXCEL spreadsheet(s), following the format of exhibit 58, part 1. Display by year, for 2002-2004, the information on all U.S. Government staff under a Chief of Mission. Agencies must separately identify the number of staff associated with each bureau, country, and post. Report on the following types of positions:

- Full-time permanent (FTP) U.S. direct-hire positions (USDH);
- U.S. military positions; and
- Part-time, intermittent, or temporary / personal services contractor (PIT/ PSC) USDH positions

(b) *Information on costs.* Provide information on employment cost data related to new positions in an EXCEL spreadsheet(s), following the format of exhibit 58, part 2. Provide the worldwide average cost per new overseas employee. Provide a separate cost estimate sheet for each bureau that must report. For example, Treasury should include separate cost spreadsheets for the Secret Service, the Bureau of Alcohol Tobacco and Firearms, etc. Include all costs associated with contractual services either for support of programs not part of International Cooperative Administrative Support Services (ICASS) (e.g., janitors, gardeners, etc.) that are paid by the agency per benefit/cost category. Be sure to include detail regarding how the agency makes its calculations, including the agency definition of family size (e.g., family of four). If new assumptions are made, please explain.

### Information on Overseas Staffing

Full-time permanent U.S. direct hire positions  
 U.S. military positions  
 U.S. part-time, intermittent, temporary / personal service contractor positions

**Part 1: Information on Staffing Levels**

(Positions Filled)

| AGENCY          | BUREAU | COUNTRY     | POST           | USDH | US MIL | PIT / PSC |
|-----------------|--------|-------------|----------------|------|--------|-----------|
| 2002 Actual     |        |             |                |      |        |           |
| HHS             | CDC    | Brazil      | Rio de Janeiro | 1    | 0      | 2         |
| HHS             | CDC    | Mali        | Bamako         | 2    | 0      | 0         |
| HHS             | CDC    | India       | Chennai        | 1    | 0      | 0         |
| Subtotal        |        |             |                | 4    | 0      | 2         |
| HHS             | OPHS   | Indonesia   | Jakarta        | 3    | 0      | 0         |
| HHS             | OPHS   | Fiji        | Suva           | 3    | 0      | 0         |
| Subtotal        |        |             |                | 6    | 0      | 0         |
| HHS TOTAL 2002  |        |             |                | 10   | 0      | 2         |
| 2003 Estimate   |        |             |                |      |        |           |
| HHS             | CDC    | Brazil      | Rio de Janeiro | 1    | 0      | 0         |
| HHS             | CDC    | Mali        | Bamako         | 4    | 0      | 0         |
| HHS             | CDC    | India       | Chennai        | 1    | 0      | 0         |
| Subtotal        |        |             |                | 6    | 0      | 0         |
| HHS             | OPHS   | Indonesia   | Jakarta        | 3    | 0      | 0         |
| HHS             | OPHS   | Fiji        | Suva           | 3    | 0      | 0         |
| Subtotal        |        |             |                | 6    | 0      | 0         |
| Delta 2003-2002 |        |             |                | 2    | 0      | -2        |
| HHS TOTAL 2003  |        |             |                | 12   | 0      | 0         |
| 2004 Estimate   |        |             |                |      |        |           |
| HHS             | CDC    | Brazil      | Rio de Janeiro | 3    | 0      | 5         |
| HHS             | CDC    | Mali        | Bamako         | 2    | 0      | 0         |
| HHS             | CDC    | India       | Chennai        | 3    | 0      | 0         |
| Subtotal        |        |             |                | 8    | 0      | 0         |
| HHS             | OPHS   | Indonesia   | Jakarta        | 6    | 0      | 0         |
| HHS             | OPHS   | Fiji        | Suva           | 6    | 0      | 0         |
| HHS             | OPHS   | Egypt       | Cairo          | 2    | 0      | 0         |
| HHS             | OPHS   | Switzerland | Geneva         | 2    | 0      | 0         |
| Subtotal        |        |             |                | 16   | 0      | 0         |
| Delta 2004-2003 |        |             |                | 12   | 0      | 5         |
| HHS TOTAL 2004  |        |             |                | 24   | 0      | 0         |

Indicate change from previous year

Indicate when new posts are planned

Indicate change from previous year

- Notes: 1. Figures are for illustrative purposes only.  
 2. When required, mark with appropriate security classification.

**Part 2: Information on Costs**

Average Annual Cost For New Employee And Their Family  
(Amounts in dollars)

**Agency: Health and Human Services**  
**Bureau: Center for Disease Control and Prevention**

|  |                |
|--|----------------|
| American salaries and benefits.....  | 88,100         |
| International Cooperative Administrative Support Services (ICASS).....         | 59,300         |
| Office furnishings/equipment and info resource mgmt (classified networks)..... | 16,000         |
| Housing (lease cost).....  | 22,300         |
| Residential furnishings/equipment.....   | 40,000         |
| Educational allowance (per child).....   | 19,500         |
| Danger pay (in selected posts).....  | 800            |
| Language incentive pay.....  | 3,100          |
| Post allowance (COLA).....   | 4,100          |
| Post differential.....   | 8,700          |
| Field travel.....  | 2,300          |
| Post assignment travel.....  | 20,400         |
| Rest and recuperation (R&R) travel.....  | 3,000          |
| Miscellaneous expenses (supplies, utilities maintenance).....                  | 24,600         |
| Representation (estimate).....   | 1,000          |
| Diplomatic security (e.g.. local guards and alarms).....                       | 25,900         |
| Other (please list what is included).....                                      | 0              |
| <b>TOTAL.....</b>  | <b>339,100</b> |

- Notes: 1. Figures are for illustrative purposes only.  
2. When required, mark with appropriate security classification.

Provide detail on how this information was calculated



## SECTION 71—REPORTING BY BUDGET ACCOUNT

## Table of Contents

- 71.1 At what level of detail do I report MAX data, proposed appropriations language, and narratives?
- 71.2 How do budget accounts relate to Treasury accounts?
- 71.3 How do I align budget accounts with programs?
- 71.4 What do I need to know about changing account and budget structure?
- 71.5 How do I account for reimbursements?
- 71.6 How do I account for allocations?
- 71.7 When should I merge accounts?
- 71.8 When should I consolidate accounts?
- 71.9 What do I need to know about accounting adjustments under 31 U.S.C. 1534?

## Summary of Changes

Incorporates information on reporting level of detail previously included in old section 70.2 (section 71.1).

### 71.1 At what level of detail do I report MAX data, proposed appropriations language, and narratives?

Budget accounts are the basic building block of the President's Budget. You report data at the budget account level in the MAX A-11 system. Budget information is presented at the budget account level in the *Budget Appendix* and is aggregated to provide the totals in many tables in all volumes of the President's budget. In addition, budget accounts are the basis for congressional action on the budget. Section [79](#) contains more information about account structure and types of accounts. Receipt accounts are also included in the budget database and used to derive budget totals. Receipt data are printed in the *Budget Appendix* and reflected in printed budget summary tables.

You must update all the data in the MAX budget system and provide print materials for each budget account. Section [79.5](#) lists and describes the various MAX budget schedules, and section [95.4](#) lists the materials that will be printed in the detailed budget estimates by agency portion of the *Budget Appendix*.

### 71.2 How do budget accounts relate to Treasury accounts?

When Congress provides budget authority for a particular purpose or under a particular title, it also provides a specific period for which the budget authority is available for obligation. This period of availability may be annual, multi-year, or no-year. Treasury establishes appropriations and fund accounts based on the availability of the resources in the account. Treasury establishes separate accounts for each annual, multi-year, or no-year amount appropriated.

For presentation of information 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 Treasury accounts may be merged or consolidated for budget presentation purposes into a single budget account (see sections [71.7](#) and [71.8](#)). Note that this differs from budget execution requirements, where you must report data for each separate appropriation or fund account established by Treasury (see sections [79.2](#) and [130](#)).

### 71.3 How do I align budget accounts with programs?

Budget accounts should provide the basis for effective control over agency programs and should facilitate the presentation of information for the congressional and the executive branch budget processes. You should include proposed programs that are closely related to existing appropriation accounts in those accounts. You should include major new programs that are significantly different from others in substance or in type in separate budget accounts.

Review your budget account structure and propose changes that would align budget accounts providing resources for a program with program results. In particular, keep in mind the link between resources and results when:

- Proposing budget account changes in response to legislative and conceptual changes;
- Considering changes to GPRA activity structure in annual performance plans (see section [220.8](#) in Part 6);
- Developing budget requests for acquiring capital assets (see section [300](#));
- Reviewing small accounts that provide partial financing for a program financed mostly by another account; to the extent possible, consolidate or merge such accounts with the primary account supporting the program; and
- Preparing basic justification materials (see section [51.4](#)).

When goods and services financed by one budget account are used to achieve performance results for a program in another budget account, consider charging the program for those goods and services through a reimbursable agreement or permitting the program to purchase them competitively.

### 71.4 What do I need to know about changing account and budget structure?

You must obtain approval from OMB if you want to propose changes in account or organizational structure. These changes include the following:

- Establishment of new accounts (see section [79.3](#));
- Changes in account titles;
- Account mergers (see section [71.7](#));
- Account consolidations (see section [71.8](#));
- Changes in the presentation sequence of existing accounts (see section [95.3](#));
- New methods of financing programs;
- Changes in the activity structure used for the program and financing schedule (see section [82.2](#));
- Changes in functional, subfunctional, and receipt classifications (see section [79.3](#)); and
- Reorganizations.

Until requests are approved, base budget materials on the existing structure. If changes are approved, you must revise budget schedules and other materials accordingly. After requests for account mergers or consolidations are approved, you must ensure that they are reflected correctly on the Budget Account Title (BAT) file (see section [79.1](#)).

You should request approval for changes in budget structure by October 1, unless OMB specifies an earlier due date. If a change is dependent on pending decisions or results from late congressional action

or other circumstances beyond your control, submit the request as soon as possible after October 1. If prospective internal reorganizations are likely to require budget structure changes, obtain OMB approval prior to implementing the reorganization.

### **71.5 How do I account for reimbursements?**

Include advances or reimbursements lawfully credited to expenditure accounts (including advances received under the authority of the Economy Act ([31 U.S.C. 1535](#) and 1536)) as spending authority from offsetting collections in the budget schedules of the receiving account. If the payments are from other government accounts, the paying account will include obligations in the amount of the payment in its schedules.

### **71.6 How do I account for allocations?**

Allocations are the 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 (see section [20.4\(1\)](#)). For the purposes of budget presentation, the budget schedules of the parent account will reflect these transactions as part of that account's regular activities. However, FTEs funded by allocations will be reported in the receiving account, not the parent account. Object class schedules and personnel summaries will identify allocations separately (see section [86.1](#) and exhibit [83A](#)).

### **71.7 When should I merge accounts?**

Sometimes, amounts from several accounts may be merged into a single account for budget presentation purposes:

- When two or more appropriation accounts are replaced by a single appropriation, amounts in the old accounts will be merged into the schedules for the single account.
- When it is desirable to merge several appropriations into a single account and to request budget year appropriations 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. However, this objective must be balanced against other needs, including the need for public disclosure and review and control by the President and Congress.
- Revolving fund feeder accounts, which are appropriation accounts whose budgetary resources are available only for transfer to specified revolving fund accounts, will be merged into the revolving funds to which they relate. Do not separately identify the amounts included in the feeder accounts.

### **71.8 When should I consolidate accounts?**

You should consider consolidating accounts and submitting a single set of schedules for two or more accounts of a bureau (or an agency, when appropriations are not made by bureaus) for:

- Federal fund accounts for which no budget authority is anticipated after the past year;
- Permanent general and special fund appropriations that are used 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.

You should also consolidate below threshold accounts (that is, accounts with amounts of \$500,000 or less) with larger accounts. For this purpose, below threshold trust fund accounts may be consolidated with general fund accounts.

**71.9 What do I need to know about accounting adjustments under 31 U.S.C. 1534?**

When an appropriation is available to an agency to pay a cost that benefits another appropriation that is also available to pay the cost, [31 U.S.C. 1534](#) permits the first appropriation to be charged initially, as long as the charge is moved to the appropriation benefitted before the end of the fiscal year. Do not report the initial charge and succeeding adjustment.

## SECTION 79—THE BUDGET DATA SYSTEM

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**79.1 What is the MAX system?**

The MAX budget system (MAX) is a computer system used to collect and process most of the information required for preparing the budget. MAX consists of a series of schedules that are sets of data within the MAX data base. Each schedule is complete in itself and describes a view or slice of the President's budget. (See [exhibit 79A](#) for a description of the hardware and software required to support the MAX system.)

The system controls data entry through expenditure and receipt account titles and classifications that are assigned at the account level (see [section 71](#)). The Budget Account Title (BAT) file controls accounts for which data may be entered into MAX. Among other things, the BAT contains information on:

- The account title, as it will be printed in the budget;
- The Treasury and OMB identification codes;
- Subfunction classification;
- Budget Enforcement Act (BEA) category;
- Congressional subcommittee assignment;
- Type of account (e.g., trust, special, revolving);
- Whether the account collects user charges;
- Whether the account will finance payments to individuals;
- Whether the account is sequestrable or exempt;
- Whether the account has obligation limitations;
- For receipt accounts, the receipt type; and for offsetting receipts, character classification; and
- Where the account will be placed in the budget (see [section 95.2](#)).

If you need to establish a new account or make changes to an existing account, coordinate with your agency's OMB budget representative. OMB will make all changes or additions centrally. Use the information in [section 79.3](#) to ensure the information in the BAT file is complete and accurate.

Enter your budget data into the MAX schedules by account. An overview of all the schedules and their respective line numbers, with references to additional sections, is provided at [section 79.5](#). With the exception of MAX schedule T, enter data in MAX in millions of dollars, rounded to the nearest million (see [section 95.6](#)). Do not identify amounts of \$500,000 or less.

MAX contains numerous crosschecks or error messages ("edit checks") to help ensure consistency of the data. [Appendix D](#) provides an explanation of the basic principles underlying MAX edit checks. In

addition, [Appendix E](#) describes a number of diagnostic reports produced by OMB to ensure the data reported in the data base are consistent both within and between schedules and comply with standard budget concepts.

The MAX A-11 User's Guide is a comprehensive reference document that provides information on how to use MAX. It is available, upon request, from the Budget Analysis and Systems Division, OMB (phone: 202-395-6934 or 395-7517) or electronically from the MAX web site (see [exhibit 79A](#)). MAX training is also available upon request.

You will find up-to-date information on the MAX home page at the following Internet address:

[www.whitehouse.gov/omb/max](http://www.whitehouse.gov/omb/max)

This page is accessible to MAX users and requires both a user name and password as follows:

username: ombmax  
password: omb2000

This web site will include instructions for revising reprinted galleys (see [section 95](#)). Another web site located at [www.whitehouse.gov/omb/reports](http://www.whitehouse.gov/omb/reports) includes a listing of accounts with past year data loaded from the FACTS II reporting system (see [section 82.17](#)).

## **79.2 What should I know about account identification codes?**

OMB, in consultation with the Department of Treasury, assigns account identification codes. These codes are used to store and access data in MAX, run computer reports, and identify accounts in OMB and Treasury documents and MAX computer reports. While you can access your accounts in MAX without knowing the account number, you are required to perform several steps that can be eliminated if you know the account number. Each account can be identified in several ways. For example, you can access your accounts in MAX by entering either the "OMB account number" or the "Treasury account number," but when you want to find your account in the [Treasury Combined Statement](#) Appendix, you must use the "Treasury account number" or the name of the account within the agency listing. Regardless of which number you use, familiarity with the following coding options is helpful.

- OMB agency code—Each department or independent agency has a unique three digit number assigned by OMB (see [Appendix C](#) for list).
- OMB bureau code—Each bureau within each department or major agency has an agency-unique two digit number assigned by OMB. Agencies that do not have distinct bureaus have a bureau code of "00" (see [Appendix C](#) for list). Most receipt accounts do not have a distinct bureau and have a bureau code of "00".
- Treasury agency code—Each agency also has a two digit number assigned by Treasury (see [Appendix C](#) for list).
- Account symbol—Each account has an agency-unique number assigned by Treasury or, in the case of merged or consolidated accounts, by OMB that corresponds to the fund type (e.g., general, special). For expenditure accounts this number is four digits, unless subaccount information is being reported (requires prior OMB approval); for receipt accounts this number is six digits. [Section 79.3\(b\)](#) lists the types of funds and coding.

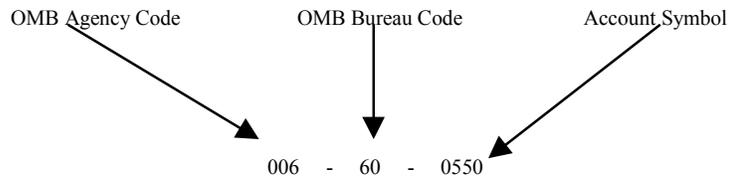
- Transmittal code—Each account in MAX has a one digit code that identifies the nature or timing of the associated schedules as described below.

| Transmittal Code | Title and description   | Footnotes used in “Federal Programs by Agency and Account” listing in the budget. |
|------------------|---|---|
| 0                | Regular budget schedules.   |   |
| 1                | Supplemental proposal. Use only for requesting supplemental CY amounts.   | A   |
| 2                | Legislative proposal, not subject to PAYGO. Use for legislative proposals requiring authorizing legislation that are not subject to PAYGO. Do not use for routine reauthorization of agency programs. | J   |
| 3                | Appropriations language to be transmitted later. Use only with prior approval of OMB when language for a significant policy proposal cannot be transmitted in the budget.                             | I   |
| 4                | Legislative proposal, subject to PAYGO. Use for legislative proposals requiring authorizing legislation that have a PAYGO effect. Do not use for routine reauthorization of ongoing programs.         | B   |
| 5                | Rescission proposal. Use only for requesting rescission of CY amounts.  | H   |
| 9                | Reserved for OMB use.   |   |

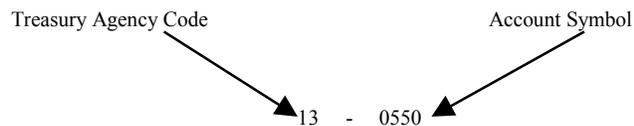
- Fund code—[Section 79.3\(b\)](#) explains fund codes.
- Subfunction code—OMB assigns each account a three digit code that corresponds to the account's subfunctional classification (e.g., national defense, income security, agriculture). (See [section 79.3\(d\)](#) and [exhibit 79B](#) for listing.)

The following example illustrates the various account code combinations for the Salaries and expenses account of the National Telecommunications and Information Administration of the Department of Commerce:

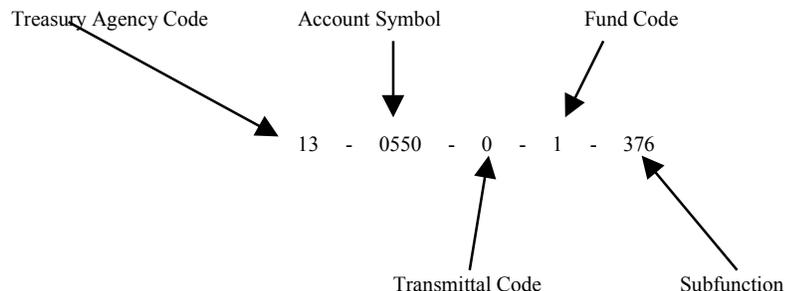
► **OMB account number**



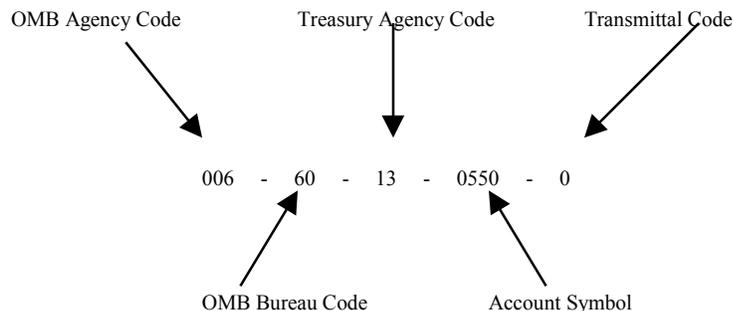
▶ **Treasury account number**



▶ **Account identification code as shown in Budget Appendix**



▶ **Account identification code as shown at top of MAX data entry screen**



**79.3 How do I establish new accounts?**

(a) *General.*

To request the establishment of a new account, provide your OMB representative with the information listed in [section 79.1](#). For new expenditure and receipt accounts proposed for the budget year, OMB will notify you of the account symbol to be used when the change is approved. For supplementals or rescission proposals for existing accounts, use the basic account symbol assigned to the existing account. For supplementals where there is no existing account, a new account must be established.

(b) *Fund type and code.*

OMB and the Department of account identification codes based on the type of fund involved and other characteristics of the proposed new account. The account symbol is assigned, based on the fund type. See [section 20.11](#) for period of availability.

## FUND TYPES AND CODES

| Account symbol          | Type of fund  | Fund Code |
|-------------------------|---|-----------|
| 0000–3899               | General fund  | 1         |
| 5000–5999               | Special fund  | 2         |
| 4000–4499               | Public enterprise revolving fund                          | 3         |
| 4500–4999               | Intragovernmental revolving fund                          | 4         |
| 3900–3999               | Management fund   | 4         |
| 8000–8399 and 8500–8999 | Trust non-revolving fund                                  | 7         |
| 8400–8499               | Trust revolving fund                                      | 8         |
| 6000–6999               | Deposit funds   | N/A       |
| F3800–F3899             | Clearing accounts   | N/A       |
| 90xx                    | <i>Assigned by OMB to designate allowances</i>            |           |
| 991x–998x               | <i>Assigned by OMB to designate consolidated accounts</i> |           |

In MAX data entry, the account symbol can be used to identify fund type. For allowances, "90" is used for the 1<sup>st</sup> and 2<sup>nd</sup> positions. In cases where two or more accounts with different account symbols are included in a consolidated schedule (see [section 71.8](#)), "99" is used for the 1<sup>st</sup> and 2<sup>nd</sup> positions, the 3<sup>rd</sup> position designates the fund type, and the 4<sup>th</sup> position uniquely identifies the consolidated schedules. OMB will assign the account symbols for allowances and consolidated accounts.

(c) *BEA category.*

For each expenditure or receipt account, OMB assigns a BEA category (e.g., discretionary, mandatory) that designates how the budgetary resources of the account will be classified for BEA purposes (see [section 81.3](#)). In cases where the account will contain resources classified in more than one BEA category, OMB will identify the account as a "split" account.

(d) *Functional and subfunctional classification.*

OMB normally assigns each new expenditure and offsetting receipt account a single subfunction code (see [exhibit 79B](#)). In rare cases, an appropriation account may be split between two or more subfunctions. If the subfunctions are in the same function, the code of the function is used (e.g., 500, 550, etc.). If two or more functions are involved, the code "999" is used. Annually, OMB consults with CBO and other relevant budget and appropriation committee staff members regarding functional and subfunctional classification. This process, which is required by statute, typically occurs during October through December (see [section 25.3](#)).

(e) *User charge classification.*

You must indicate whether any collections related to the account are user charges, as defined in [section 20.7](#). Receipts, offsetting receipts, and offsetting collections may be classified as user charges (see [section 81.3](#)). MAX edit checks ensure that accounts classified as having user charges identify those amounts as user charges. The user charge classification applies to all user charges, not only proposed new user charges or changes to levels of existing user charges.

(f) *Receipt type.*

Receipt accounts are classified either as governmental receipts or offsetting receipts (see [section 20.7](#)). The classification takes into account:

- The source of the receipt;
- The authority for the collection and the nature of the transaction; and
- Whether the receipt offsets agency or government-wide totals.

Each receipt account is assigned one of the receipt types listed below (see [section 20.7](#) for definitions of receipt's). If the receipts associated with a particular program have more than one classification, separate receipt accounts must be established for each classification.

### GOVERNMENTAL RECEIPTS

| If the collections are . . .   | The classification is . . .   |
|--|---|
| From the Government's exercise of its sovereign power to tax or otherwise compel payment; or gifts of money to the Government; | GOVERNMENTAL -- (G)<br><u>Examples are:</u> <ul style="list-style-type: none"> <li>• Individual income tax</li> <li>• Corporation income tax</li> <li>• Social insurance tax or contribution               <ul style="list-style-type: none"> <li>— Employment tax or contribution</li> <li>— Unemployment insurance</li> <li>— Other retirement contribution</li> </ul> </li> <li>• Excise tax</li> <li>• Estate or gift tax</li> <li>• Custom duty</li> <li>• Gift or contribution</li> <li>• Regulatory or judicial fee</li> <li>• Fine, penalty, or forfeiture</li> <li>• Restitution, reparation, or recovery under military occupation</li> </ul> |

If a collection does not meet the criteria indicated above, it is classified as one of the types of offsetting receipts addressed below.

### OFFSETTING RECEIPTS

In the portion of the table that follows the various offsetting receipts listed may have a number of attributes. For example, a category of collections such as proprietary receipts, may be distributed, that is are deducted by agency and function from gross budget authority and outlays to produce net BA and outlays. Undistributed receipts are deducted, by agency and function from gross outlays to produce net outlay figures, and are not offset against any specific agency or function and are deducted from Government-wide totals for budget authority and outlays.

| If the collections are . . .  | The classification is . . .  |
|---|--|
| <p>PROPRIETARY - From business-like or market-oriented activities with the public.</p>  | <p>PROPRIETARY, DISTRIBUTED -- (P) or<br/>UNDISTRIBUTED PROPRIETARY -- (UP)</p> <p><u>Examples are:</u></p> <ul style="list-style-type: none"> <li>• Proceeds from: <ul style="list-style-type: none"> <li>— sale of postage stamps</li> <li>— sale of Government owned land or property</li> </ul> </li> <li>• Fees charged for administration of recreational areas</li> <li>• Fees charged for non-inherently governmental activities: <ul style="list-style-type: none"> <li>— fees for nuclear waste disposal</li> <li>— employees health premiums</li> </ul> </li> <li>• Refunds and recoveries</li> <li>• Rents and bonuses, Outer Continental Shelf</li> </ul> |
| <b>INTRAGOVERNMENTAL</b>  |  |
| <p>INTRAFUND - Collections by one fund account from another fund account in the same fund type (i.e., federal to federal or trust or trust)</p>   | <p>FEDERAL INTRA-FUND, DISTRIBUTED – (IF),<br/>TRUST INTRA-FUND, DISTRIBUTED -- (IT), or<br/>FEDERAL INTRA-FUND, UNDISTRIBUTED -- (UF)</p> <p><u>Examples are:</u></p> <ul style="list-style-type: none"> <li>• General fund payments to federal fund accounts.</li> <li>• Interest on investments in Government securities</li> </ul>   |
| <p>INTERFUND - Collections by one fund account from another fund account in a different fund type (i.e., federal to trust or trust to federal)</p>  | <p>INTERFUND, DISTRIBUTED -- (ID), or<br/>INTERFUND, UNDISTRIBUTED – (UI)</p> <p><u>Examples are:</u></p> <ul style="list-style-type: none"> <li>• General fund payments to trust funds</li> <li>• Trust fund payments, or reimbursement to the general fund</li> <li>• Employer share, employee retirement</li> <li>• Interest on investments in Government securities made to trust fund accounts</li> </ul>   |
| <p>OFFSETTING GOVERNMENTAL - Collections that are Governmental in nature but are required by law to be treated as offsetting and are deducted, by agency and function from gross outlays to produce net outlay figures.</p> | <p>OFFSETTING GOVERNMENTAL, DISTRIBUTED--(OG) or<br/>OFFSETTING GOVERNMENTAL, UNDISTRIBUTED – (UG)</p> <p><u>Examples are:</u></p> <ul style="list-style-type: none"> <li>• Defense cooperation account</li> </ul>   |

| If the collections are . . . | The classification is . . .  |
|------------------------------|--|
|                              | <ul style="list-style-type: none"> <li>• Certain regulatory fees</li> <li>• Spectrum auction proceeds</li> </ul> |

(g) *Source category code.*

Each receipt type (see [section 79.3\(f\)](#)) has a number of unique associated source category codes that enable MAX to produce tables needed for the Budget. OMB assigns the codes when a new receipt account is established by determining the receipt type for the account and selecting an appropriate program category within that receipt type.

#### 79.4 How do I report data in MAX?

If you have computer access to MAX, you must use the system to submit your budget data. If data has already been entered for a particular account and transmittal code, you can retrieve and change the data using MAX. For a new account or transmittal code, you must create new MAX schedules before you can enter data. The User's Guide provides detailed instructions on how to create and edit MAX schedules. You can also use MAX to generate several diagnostic computer reports (see [Appendix E](#)).

If you do not have computer access to MAX, your agency's OMB representative will provide you copies of MAX reports containing the budget schedules. Write the revised data directly on these reports.

#### 79.5 What do I need to know about MAX schedules and line numbers?

(a) *MAX schedules and line numbers.*

The following table lists the range of MAX schedules and line numbers that appear in the MAX computer reports and on the MAX computer screen:

**MAX SCHEDULES AND LINE NUMBERS**

| MAX schedule and line number | Description  | A-11 section number |
|------------------------------|--|---------------------|
| SCHEDULE A                   | POLICY ESTIMATES OF BUDGET AUTHORITY AND OUTLAYS             | <a href="#">81</a>  |
| For PY-BY+9:                 |  |                     |
| 4300-5590                    | Discretionary budget authority                               |                     |
| 6250-6790                    | Mandatory budget authority                                   |                     |
| 6890                         | Discretionary spending authority from offsetting collections |                     |
| 6990                         | Mandatory spending authority from offsetting collections     |                     |
| 7xxx                         | Limitations (memorandum entry)                               |                     |
| 8800-8896                    | Offsets  |                     |

| MAX schedule and line number   | Description  | A-11 section number    |
|--|--|------------------------|
| 91xx   | Outlays (except outlays from offsetting collections and limitations) |                        |
| 93xx   | Outlays from offsetting collections                                  |                        |
| 97xx–98xx  | Outlays from limitations   |                        |
| <i>Notes:</i>  |  |                        |
| <ul style="list-style-type: none"> <li>• MAX generates budgetary resources for discretionary programs for BY+5 through BY+9; MAX generates outlays for discretionary programs for CY-BY+9 from data input by agencies.</li> <li>• Not required for credit financing accounts.</li> <li>• Provide memorandum entries for outlays from end of PY balances of discretionary budget authority (lines 9122, 9322, and 9822).</li> </ul> |  |                        |
| SCHEDULE C   | CHARACTER CLASSIFICATION   | <a href="#">84</a>     |
| For PY-BY:   |  |                        |
| 13xx–xx – 15xx–xx  | Investment activities  |                        |
| 20xx–xx  | Non-investment activities  |                        |
| <i>Notes:</i>  |  |                        |
| <ul style="list-style-type: none"> <li>• MAX generates outyear data for grants to State and local governments through BY+9.</li> <li>• MAX generates outyear data for direct Federal programs through BY+4.</li> <li>• Not required for credit financing accounts.</li> </ul>  |  |                        |
| SCHEDULE D   | BUDGET PLAN*   | <a href="#">86.3</a>   |
| For PY-BY:   |  |                        |
| 06xx–0893  | Direct and reimbursable budget plan obligations                      |                        |
| <i>Note: Only applies to DOD-Military.</i>   |  |                        |
| SCHEDULE E   | STATEMENT OF OPERATIONS  | <a href="#">86.2</a>   |
| For PY-1-BY:   |  |                        |
| 01x1   | Revenue  |                        |
| 01x2   | Expense  |                        |
| 01x5   | Net income or loss   |                        |
| 01x8   | Other comprehensive income   |                        |
| 01x9   | Total comprehensive income   |                        |
| <i>Note: Not required for credit financing accounts.</i>   |  |                        |
| SCHEDULE F   | BALANCE SHEET  | <a href="#">86.2</a>   |
| For PY-1-BY:   |  |                        |
| 1101–1999  | Assets   |                        |
| 2101–2999  | Liabilities  |                        |
| 3100–3999  | Net position   |                        |
| 4999   | Total liabilities and net position                                   |                        |
| SCHEDULE G   | STATUS OF DIRECT LOANS, PRESIDENTIAL POLICY                          | <a href="#">185.11</a> |
| For PY-BY+4:   |  |                        |

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| MAX schedule and line number   | Description  | A-11 section number    |
|--|--|------------------------|
| 11xx-12xx  | Direct loan data (liquidating and financing accounts)              |                        |
| 33xx   | Agency debt held by the FFB  |                        |
| For PY-BY+9:   |  |                        |
| 6300   | Net financing disbursements (financing accounts only)              |                        |
| SCHEDULE H   | STATUS OF GUARANTEED LOANS, PRESIDENTIAL POLICY                    | <a href="#">185.11</a> |
| For PY-BY+4:   |  |                        |
| 21xx-23xx  | Guaranteed loan data (liquidating and financing accounts)          |                        |
| For PY-BY+9:   |  |                        |
| 6300   | Net financing disbursements (financing accounts only)              |                        |
| SCHEDULE I   | STATUS OF CONTRACT AUTHORITY*                                      | <a href="#">86.7</a>   |
| For PY-BY:   |  |                        |
| 01xx   | Balance, start of year   |                        |
| 02xx   | New contract authority   |                        |
| 03xx   | Rescissions, transfers, and other adjustments                      |                        |
| 0400   | Appropriation to liquidate contract authority                      |                        |
| 0405   | Application of surplus liquidating cash provided in previous years |                        |
| 0500   | Offsetting collections applied to liquidate contract authority     |                        |
| 0600   | Balance of contract authority withdrawn                            |                        |
| 07xx   | Balance, end of year   |                        |
| 0899   | Surplus liquidating cash, end of year                              |                        |
| <i>Note: MAX generates this schedule automatically from data entered in MAX schedule P and schedule I line 0405.</i> |  |                        |
| SCHEDULE J   | STATUS OF FUNDS  | <a href="#">86.5</a>   |
| For PY-BY:   |  |                        |
| 01xx   | Unexpended balance, start of year                                  |                        |
| 12xx-3299  | Cash income during the year  |                        |
| 45xx-6599  | Cash outgo during the year   |                        |
| 76xx0-7699   | Adjustments  |                        |
| 87xx-8799  | Unexpended balance, end of year                                    |                        |
| 9801-9900  | Commitments against unexpended balance                             |                        |
| <i>Note: MAX generates schedule J from data entered in MAX schedules A, N, P, and R, and some lines of J.</i>        |  |                        |
| SCHEDULE K   | RECEIPTS, BASELINE ESTIMATES                                       | <a href="#">81</a>     |
| For CY-BY+9:   |  |                        |
| 0000-00  | Receipts   |                        |
| 13xx-03  | Offsetting receipts from sales of commodities, property, or assets |                        |

| MAX schedule and line number  | Description                                     | A-11 section number  |
|---|---|----------------------|
| 1512-03   | Offsetting receipts from education and training |                      |
| 2004-03   | All other offsetting receipts                   |                      |
| SCHEDULE N  | DATA ON UNAVAILABLE COLLECTIONS                 | <a href="#">86.6</a> |
| For PY-BY:  |   |                      |
| 0199  | Balance, start of year                          |                      |
| 0200-0279   | Receipts and offsetting receipts                |                      |
| 0280-0289   | Offsetting collections                          |                      |
| 0299  | Total receipts and collections                  |                      |
| 0400  | Total: Balances and collections                 |                      |
| 05xx  | Appropriations, net                             |                      |
| 0610  | Unobligated balance returned to receipts        |                      |
| 0799  | Balance, end of year                            |                      |
| <i>Note: MAX generates this schedule from data entered in MAX schedules P and R and information entered by OMB.</i> |   |                      |
| SCHEDULE O  | OBJECT CLASSIFICATION*                          | <a href="#">83</a>   |
| For PY-BY:  |   |                      |
| x111-x130   | Personal services and benefits                  |                      |
| x210-x260   | Contractual services and supplies               |                      |
| x310-x330   | Acquisition of assets                           |                      |
| x410-x440   | Grants and fixed charges                        |                      |
| x910-x940   | Other   |                      |
| 9995  | Below reporting threshold                       |                      |
| 9999  | Total new obligations                           |                      |
| <i>Note: Not required for credit financing accounts.</i>  |   |                      |
| SCHEDULE P  | PROGRAM AND FINANCING*                          | <a href="#">82</a>   |
| For PY-BY:  |   |                      |
| 00xx-1000   | Obligations by program activity                 |                      |
| 2140-2440   | Budgetary resources available for obligation    |                      |
| 4000-7000   | New budget authority (gross), detail            |                      |
| 7240-7440   | Change in obligated balances                    |                      |
| 8690-8700   | Outlays (gross) detail                          |                      |
| 8800-8896   | Offsets   |                      |
| 8900-9000   | Net budget authority and outlays                |                      |
| 9110-9202   | Memorandum entries                              |                      |

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| MAX schedule and line number  | Description  | A-11 section number    |
|---|--|------------------------|
| SCHEDULE Q  | PERSONNEL SUMMARY*   | <a href="#">86.1</a>   |
| For PY-BY:  |  |                        |
| xx01  | Full-time equivalent employment  |                        |
| xxx9  | Memorandum entries   |                        |
| SCHEDULE R  | RECEIPTS, PRESIDENTIAL POLICY  | <a href="#">81</a>     |
| For PY-BY+9:  |  |                        |
| 0000-00   | Receipts   |                        |
| 13xx-03   | Offsetting receipts from sales of commodities, property, or assets   |                        |
| 1512-03   | Offsetting receipts from education and training  |                        |
| 2004-03   | All other offsetting receipts  |                        |
| SCHEDULE S  | BASELINE ESTIMATES OF BUDGET AUTHORITY AND OUTLAYS   | <a href="#">81</a>     |
| For CY-BY+1:  |  |                        |
| 2140  | Unobligated balances (defense only)  |                        |
| 9994  | Outlays from sequestrable unobligated balances   |                        |
| For CY-BY+9:  |  |                        |
| 4300-5590   | Discretionary budget authority   |                        |
| 6250-6790   | Mandatory budget authority   |                        |
| 6890  | Discretionary spending authority from offsetting collections   |                        |
| 6990  | Mandatory spending authority from offsetting collections   |                        |
| 7xxx  | Limitations (memorandum entry)   |                        |
| 8800-8896   | Offsets  |                        |
| 9993  | Number of beneficiaries (memorandum entry) ( <u>Use only with OMB approval.</u> Applicable only to four accounts with social insurance administrative expenses.) |                        |
| 91xx  | Outlays (except outlays from offsetting collections and limitations)   |                        |
| 93xx  | Outlays from offsetting collections  |                        |
| 97xx-98xx   | Outlays from limitations   |                        |
| <i>Notes:</i>   |  |                        |
| <ul style="list-style-type: none"> <li>• MAX generates budgetary resources for discretionary programs automatically for BY through BY+9 and outlays for CY-BY+9 from data input by agencies.</li> <li>• Not required for credit financing accounts.</li> <li>• Provide memorandum entries on outlays from end of PY balances (lines 9122, 9322, and 9822).</li> </ul> |  |                        |
| SCHEDULE T  | BUDGET YEAR REQUESTS IN THOUSANDS OF DOLLARS   | <a href="#">86.4</a>   |
| For BY:   |  |                        |
| 1000  | Net amount of budget year budgetary resources  |                        |
| SCHEDULE U  | LOAN LEVELS AND SUBSIDY DATA, PRESIDENTIAL POLICY  | <a href="#">185.10</a> |
| For PY-BY:  |  |                        |

| MAX schedule and line number                     | Description  | A-11 section number    |
|--|--|------------------------|
| 11xx   | Direct loan levels                                   |                        |
| 13xx   | Direct loan subsidy data                             |                        |
| 21xx   | Guaranteed loan levels                               |                        |
| 23xx   | Guaranteed loan subsidy data                         |                        |
| 35xx   | Administrative expense data                          |                        |
| <i>Note: Required for program accounts only.</i> |  |                        |
| SCHEDULE W                                       | GENERAL FUND CREDIT RECEIPT ACCOUNTS                 |                        |
| 0101-01xx  | Receipts   | <a href="#">95.4</a>   |
| SCHEDULE Y                                       | FEDERAL CREDIT DATA, BASELINE ESTIMATES              | <a href="#">185.11</a> |
| For CY-BY+4:                                     |  |                        |
| 33xx   | Agency debt held by the FFB                          |                        |
| For PY-BY+9:                                     |  |                        |
| 6300   | Net financing disbursement (financing accounts only) |                        |

\* Defense agencies must also report on BY+1 in the years they are required to submit a biennial budget request.

(b) *Summary of MAX line code and other changes.*

The following table list changes that will affect the FY 2004 Budget:

**MAX LINE CODE CHANGES**

| MAX schedule, line code, and title                      | Change |
|---|--------|
| Policy Estimates of Budget Authority and Outlays (A)    |        |
| 6490 Proceeds of loan asset sales with recourse (total) | Delete |
| 8890 Total offsetting collections (cash)                | Delete |
| Character Classification (C)                            |        |
| 1462-xx Partnership for a new generation of vehicles    | Delete |
| Status of Contract Authority (I)                        |        |
| 0100, 0700 Unobligated balance                          | Modify |
| 0110, 0710 Obligated balance                            | New    |
| 0199, 0799 Total balance                                | New    |
| 0705 Surplus liquidating cash, end of year (memo entry) | Delete |
| 0899 Surplus liquidating cash, end of year (memo entry) | New    |

**SECTION 79—THE BUDGET DATA SYSTEM**

| <b>MAX schedule, line code, and title</b>              |  | <b>Change</b> |
|--|--|---------------|
| Data on Unavailable Collections (N)                    |  | Modify        |
| 05xx   | Appropriations, net  | Delete        |
| 0620   | Reduction pursuant to Public Law xxx-xxx                     |               |
| Object Classification (O)                              |  |               |
| x940   | Financial transfers  | New           |
| Program and Financing (P)                              |  |               |
| 4000   | Appropriation  | Modify        |
| 4015   | Appropriation (emergency)                                    | Delete        |
| 2140, 2440   | Unobligated balance, carried forward                         | Modify        |
| 2149, 2449   | Unobligated balance, contract authority                      | Delete        |
| 2199, 2499   | Total unobligated balance                                    | Delete        |
| 4071, 4072   | Reduction pursuant to P.L. xxx-xxx                           | New           |
| 6400   | Proceeds from loan asset sales with recourse                 | Delete        |
| 6447   | Portion applied to repay debt (-)                            | Delete        |
| 6490   | Proceeds of loan asset sales with recourse (total mandatory) | Delete        |
| 7501, 7502   | Obligated balance, contract authority                        | Delete        |
| Personnel Summary (Q)                                  |  |               |
| xxx9   | Memorandum entries   | New           |
| Baseline Estimates of Budget Authority and Outlays (S) |  |               |
| 2140   | Unobligated balances (defense only)                          | New           |
| 2199   | Unobligated balances (defense only)                          | Delete        |
| 6490   | Proceeds of loan asset sales with resource (total)           | Delete        |
| 8890   | Total offsetting collections (cash)                          | Delete        |

## MAX A-11 TECHNICAL REQUIREMENTS FOR FY 2004 BUDGET (Fall 2002)

*The following recommendations represent the minimum requirements for the upcoming Budget Season:*

| Windows 98   | Windows NT 4.0   | Windows 2000 Professional & Windows ME   |
|--|--|--|
| <ul style="list-style-type: none"> <li>• Year 2000 tested 486DX/66 MHz or higher Processor</li> <li>• 24 MB RAM; more memory improves performance</li> <li>• 12MB Free Hard Disk</li> <li>• 3.5" 1.44MB Floppy Disk or CD-ROM Drive</li> <li>• Your Agency's Internet capability (<i>Telnet</i> to the Internet <i>or</i> dial-up to a third-party Internet provider)</li> </ul> | <ul style="list-style-type: none"> <li>• Year 2000 tested Pentium Processor</li> <li>• 16MB Minimum—32MB is recommended</li> <li>• 12MB Free Hard Disk</li> <li>• 3.5" 1.44MB Floppy Disk or CD-ROM Drive</li> <li>• Your Agency's Internet capability (<i>Telnet</i> to the Internet <i>or</i> dial-up to a third-party Internet provider)</li> </ul> | <ul style="list-style-type: none"> <li>• 133Mhz or higher Pentium-compatible Processor</li> <li>• 64MB RAM Minimum (2000 Professional)</li> <li>• 32MB RAM Minimum (Windows ME)</li> <li>• 12MB Free Hard Disk</li> <li>• 3.5" 1.44MB Floppy Disk or CD-ROM Drive</li> <li>• Your Agency's Internet capability (<i>Telnet</i> to the Internet <i>or</i> dial-up to a third-party Internet provider)</li> </ul> |

### **Getting the Software:**

The MAX A-11 Software for FY 2004 will be available for download and installation from the MAX A-11 Web Site:

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

\*Note that the site address is case sensitive. Please enter it exactly as shown into your Web browser.

The web site also contains general information regarding the status of the MAX system, an on-line MAX A-11 User's Guide, the hours of operation, who to call for help, schedules of classes, and scheduled deadlines as well as other pertinent MAX information and documents. If you do not have access to the Internet, you will be able to request a copy of the software on CD or diskette. More information regarding how to get the software@ will be forthcoming. Watch for details!

### **About Your Password:**

For the FY 2004 President Budget, you will receive a temporary MAX password via E-mail from OMB. When you log on for FY 2004 Budget, you will use the temporary password to establish your permanent password. You may not repeat a previously used password. If you forget your permanent password, you can call the EOP Computer Support office at the previously noted number for assistance.

### **About Your SecurID Card:**

Please check the expiration date of your SecurID card. It is etched on the back of the card under the serial number. If that date is less than three months from now, and you have not received a letter asking for renewal information, please call the EOP Computer Support office at (202) 395-7370.

**About Who to Call:**

Please keep the EOP Computer Support number handy! Those individuals serve as our front line support team and will refer your problem or question to the appropriate person. If you have questions specifically regarding the Technical Requirements for the upcoming Budget Season, please call EOP Computer Support, report your question and give a valid phone number where you or your Technical Support Staff can be reached.

**(202) 395-7370**

## FUNCTIONAL CLASSIFICATION

**050 NATIONAL DEFENSE**

- 051 Department of Defense-Military
- 053 Atomic energy defense activities
- 054 Defense-related activities

**150 INTERNATIONAL AFFAIRS**

- 151 International development and humanitarian assistance
- 152 International security assistance
- 153 Conduct of foreign affairs
- 154 Foreign information and exchange activities
- 155 International financial programs

**250 GENERAL SCIENCE, SPACE AND TECHNOLOGY**

- 251 General science and basic research
- 252 Space flight, research and supporting activities

**270 ENERGY**

- 271 Energy supply
- 272 Energy conservation
- 274 Emergency energy preparedness
- 276 Energy information, policy and regulation

**300 NATURAL RESOURCES AND ENVIRONMENT**

- 301 Water resources
- 302 Conservation and land management
- 303 Recreational resources
- 304 Pollution control and abatement
- 306 Other natural resources

**350 AGRICULTURE**

- 351 Farm income stabilization
- 352 Agricultural research and services

**370 COMMERCE AND HOUSING CREDIT**

- 371 Mortgage credit
- 372 Postal Service
- 373 Deposit insurance
- 376 Other advancement of commerce

**400 TRANSPORTATION**

- 401 Ground transportation
- 402 Air transportation
- 403 Water transportation
- 407 Other transportation

**450 COMMUNITY AND REGIONAL DEVELOPMENT**

- 451 Community development
- 452 Area and regional development
- 453 Disaster relief and insurance

**500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES**

- 501 Elementary, secondary, and vocational education
- 502 Higher education
- 503 Research and general education aids
- 504 Training and employment
- 505 Other labor services
- 506 Social services

**550 HEALTH**

- 551 Health care services
- 552 Health research and training
- 554 Consumer and occupational health and safety

**570 MEDICARE**

- 571 Medicare

**600 INCOME SECURITY**

- 601 General retirement and disability insurance (excluding social security)
- 602 Federal employee retirement and disability
- 603 Unemployment compensation
- 604 Housing assistance
- 605 Food and nutrition assistance
- 609 Other income security

**650 SOCIAL SECURITY**

- 651 Social security

**700 VETERANS BENEFITS AND SERVICES**

- 701 Income security for veterans
- 702 Veterans education, training, and rehabilitation
- 703 Hospital and medical care for veterans
- 704 Veterans housing
- 705 Other veterans benefits and services

**750 ADMINISTRATION OF JUSTICE**

- 751 Federal law enforcement activities
- 752 Federal litigative and judicial activities
- 753 Federal correctional activities
- 754 Criminal justice assistance

**800 GENERAL GOVERNMENT**

- 801 Legislative functions
- 802 Executive direction and management
- 803 Central fiscal operations
- 804 General property and records management
- 805 Central personnel management
- 806 General purpose fiscal assistance
- 807 Social Security integrity and debt reduction
- 808 Other general government
- 809 Deductions for offsetting receipts

**900 NET INTEREST**

- 901 Interest on the public debt
- 902 Interest received by on-budget trust funds
- 903 Interest received by off-budget trust funds
- 908 Other interest
- 909 Other investment income

**920 ALLOWANCES**

- 921-929 Allowances [Assigned by OMB]

**950 UNDISTRIBUTED OFFSETTING RECEIPTS**

- 951 Employer share, employee retirement (on-budget)
- 952 Employer share, employee retirement (off-budget)
- 953 Rents and royalties on the Outer Continental Shelf
- 954 Sale of major assets
- 959 Other undistributed offsetting receipts

**999 MULTIFUNCTION ACCOUNT [used for accounts that involve two or more major functions]**



## SECTION 80—DEVELOPMENT OF BASELINE ESTIMATES

**Table of Contents**

- 80.1 What are the basic requirements?
- 80.2 What general rules do I need to know?
- 80.3 What rules apply to discretionary spending and collections?
- 80.4 What rules apply to direct spending programs?
- 80.5 What rules apply to mandatory collections?
- 80.6 What rules apply to mandatory supplemental requests?
- 80.7 What rules apply to discretionary limitations on obligations?

**Summary of Changes**

Clarifies the treatment of accounts with negative budget authority in the CY (section 80.3).

**80.1 What are the basic requirements?**

OMB must produce baseline estimates by following the rules in section 257 of the Budget Enforcement Act of 1990 (BEA). These estimates are used for sequestration reporting purposes. Each agency, including the legislative and judicial branches, must submit estimates of budgetary resources, outlays, and receipts that project the CY levels into BY through BY+9, except as noted below. Government-sponsored enterprises do not have to submit baseline estimates.

Sections 80.2 through 80.7 describe the guidelines for the development of baseline estimates. You must provide baseline estimates for all programs conducted under current law. Report baseline data in the following MAX schedules:

- Schedule S (CY through BY+9) for data on budgetary resources and outlays (see section [81](#)).
- Schedule Y (CY through BY+4) for credit liquidating and financing accounts (see section [185.11](#)).
- Schedule K (CY through BY+9) for receipts data (see section [81.4\(e\)](#)).

The law provides explicit instructions on how to develop the baseline estimates. Some apply to all baseline estimates. However, most rules are specific to two categories of collections and spending:

- Those that are controlled through annual appropriations acts (discretionary spending); and
- Those that are controlled through authorizing legislation (direct spending and receipts).

The classification of collections and spending follow the criteria specified in the BEA. Consult your OMB representative if you have questions concerning BEA classification.

**80.2 What general rules do I need to know?**

The baseline is a projection of the current year (CY) levels of budgetary resources, outlays, and receipts into the outyears based on laws already enacted. The following rules apply to all baseline estimates:

- *Legislative proposals.* Legislative proposals are considered to be changes from current law. Do not reflect their budgetary effects in the baseline estimates.

- *Supplementals.* Include only supplementals associated with mandatory programs in the baseline.
- *Regulations, management initiatives, and administrative actions.* Include the effect of these, including planned regulations that are not final, in the baseline estimates, as long as they can be implemented without further legislation.
- *Reductions pursuant to a sequester order.* Reflect CY reductions resulting from sequestration in the baseline estimates without separate identification.
- *Credit programs.* Base the estimates for credit programs on enacted appropriations of subsidy budget authority for direct loans and guaranteed loan commitments (see section [185](#)).

### 80.3 What rules apply to discretionary spending and collections?

The BEA requires the baseline estimates for discretionary spending and collections to be based on the levels provided in the most recent appropriations act or full-year continuing resolution (CR). If a part-year CR is in effect, base the estimates on the annualized level of the CR. Except for advance appropriations, the most recent appropriations act or full-year CR is normally for the current year. The BEA provides special rules for estimating the baseline for BY through BY+9, when no appropriations have been enacted.

#### (a) *Current year base.*

Estimates will equal the enacted current year amounts reported in MAX schedules A and R for accounts under transmittal code 0. Exclude proposed supplementals from the estimates. Consistent with the BEA scoring rules (see [Appendix A](#)), include the effects of enacted rescissions and transfers in the current year estimates. Score the rescission or transfer of unobligated balances to another account as a reduction in current year budget authority. Score transfers of unobligated balances into an account as increases in budget authority in the receiving account. You must separate budgetary resources into sequestrable and exempt (from sequester) components. You must then separate each of these components, except those related to spending authority from offsetting collections, into pay-related and non-pay portions. (See sections [81.3](#) and [83.8](#) for pay and non-pay definitions)

#### (b) *BY through BY+9 baseline estimates.*

In most cases, baseline estimates of budgetary resources equal the most recent full year appropriation (generally the CY level), adjusted for anticipated inflation using factors supplied by OMB.

You must make special adjustments for assumptions about expiring housing contracts and social insurance administrative expenses. For the four BEA-specified accounts with social insurance administrative expenses (the Federal hospital insurance trust fund, the supplementary medical insurance trust fund, the unemployment trust fund, and the rail industry pension fund), report estimates of the beneficiary population in MAX schedule S on line 9993. Affected agencies should contact their OMB representative for guidance in developing estimates for expiring housing contracts.

In developing your discretionary baseline estimates, use the additional instructions provided in the following subsections, as appropriate:

- For advance appropriations, see subsection (c);
- For credit accounts, see subsection (d);
- For offsetting collections and receipts, see subsection (e);

- For multi-account appropriations, see subsection (f); and
- For accounts with negative budget authority, see subsection (g).

Outlays from budgetary resources provided prior to the budget year should be the same in the baseline and in the Presidential policy estimates, unless policy proposals restrict or accelerate spending from such balances. New budgetary resources generally should outlay at a rate that is consistent with Presidential policy spendout rates.

MAX will automatically calculate the baseline estimates for discretionary budgetary resources and outlays (including outlays financed by offsetting collections) in MAX schedule S based on:

- The level of CY budgetary resources entered into MAX by agencies;
- Outlays from end of PY balances entered into MAX by agencies;
- CY and BY spendout rates entered into MAX by agencies; and
- Pay-related and non-pay deflators entered into MAX by OMB.

Section [81.2](#) and exhibits [81B](#) and [81C](#) explain how to enter information on outlays from end of PY balances and spendout rates into MAX.

*(c) Advance appropriations.*

If an account is completely funded through advance appropriations, the baseline estimate of new budgetary resources should equal the advance appropriation, not the CY inflated level. The last year of the advance appropriation becomes the base for calculating the baseline estimate for the remaining years, using the rules described in (b) above.

If an account is funded with both current and advance appropriations, inflate the current appropriation as described in (b) above; for the advance appropriation, follow the guidance in the paragraph above.

*(d) Discretionary credit accounts.*

The OMB subsidy model inflates CY subsidy budget authority using the annual adjustment factor for non-pay costs from the economic assumptions for the budget. The model derives subsidy outlays from the subsidy budget authority. The estimated subsidy rate for the BY should be a separate and distinct calculation from that done for the CY. The OMB subsidy model computes the subsidy rate using the economic assumptions for the budget. (See section [185.5](#) for instructions on calculating baseline subsidy estimates, including programs with negative subsidies.) We do not collect baseline direct loan obligations and guarantee commitments.

*(e) Discretionary offsetting collections and receipts.*

The baseline estimates should be consistent with the levels of budgetary resources assumed for the account conducting the activity that generates the collections. When the level of collections is independent of the appropriated level, reflect the level of activity anticipated under current law.

*(f) Multi-account appropriations.*

If an appropriation covers more than one account and does not specify the amount provided for each account, such as the limitation on administrative expenses for the Social Security Act, the distribution of the budget authority by account in the CY is the base for subsequent years. Inflate the CY amount by account to derive the budget authority for BY through BY+9.

(g) *Accounts with negative budget authority in the CY.*

- If the account has negative budget authority as a result of a rescission, reduction, or transfer of balances, estimate the budget authority for BY through BY+9 as zero.
- If the account has negative budget authority because the offsetting collections credited to the account exceed the spending authority from those offsetting collections (e.g., as a result of limitations on administrative expenses or repayments of debt), provide your best estimate of the *offsetting collections* under current law, and
  - ▶ If the *spending authority is controlled by appropriations*, project the authority using the guidance in section 80.3(b).
  - ▶ If the *spending authority from offsetting collections is indefinite*, reflect the level of activity anticipated under current law.

#### **80.4 What rules apply to direct spending programs?**

The BEA requires the estimates for budgetary resources provided in authorizing law and for appropriated entitlements to reflect the level of activity anticipated under current law, using the same economic and technical assumptions that are used for the Presidential policy estimates. Include the effect of changes to programs and activities directed by already enacted legislation (such as a change in a benefit formula that becomes effective in BY+2) in the year that the changes become effective. The following special rules apply:

- *Expiring authorizations.* Assume that programs that would expire under current law will expire, with one exception. If CY outlays are greater than \$50 million, assume the program will continue at current levels. However, assume an expiring provision of law (in contrast to the entire program) will expire if that assumption does not have the effect of terminating the basic program.
- *Veterans' compensation cost-of-living-adjustment (COLA).* Assume enactment of a COLA for veterans' compensation that is equal to the COLA required by law for veterans' pensions.

Affected agencies should contact their OMB representative for guidance.

The BEA requires that substantive changes to or restrictions on entitlement law or other mandatory spending law in appropriations laws (including changes in offsetting receipts or collections) be treated as changes in discretionary spending for the purposes of scoring those appropriations laws (see [Appendix A](#)). However, in the subsequent budget, OMB may decide to reclassify such changes, especially in accounts that are generally mandatory. If advised by OMB to reclassify the change, the mandatory spending entries for the account should reflect the change made in appropriations law. OMB will make a compensating adjustment to the discretionary caps.

#### **80.5 What rules apply to mandatory collections?**

Base estimates of mandatory receipts, offsetting receipts, and offsetting collections on current law. Also base collections affected by Federal pay rates on rates used for Presidential policy, not on the levels of compensation assumed in the baseline for the pay portion of discretionary accounts. The estimates should assume that expiring provisions of law will expire, except that provisions providing for excise taxes dedicated to a trust fund will be assumed to continue at current levels.

**80.6 What rules apply to mandatory supplemental requests?**

Baseline estimates for mandatory supplemental requests will reflect *current year* baseline estimates of budget authority and the related outlays. Budget authority estimates for BY through BY+9 will be zero. However, you should reflect the spendout of current year budget authority, as appropriate, over the period BY through BY+9.

**80.7 What rules apply to discretionary limitations on obligations?**

Where limitations are established, including those established to report the effect of reductions pursuant to the G-R-H law, as amended (see section [81.4](#)), provide baseline estimates of limitations for CY through BY+9. You do not have to provide baseline estimates for credit limitations because these limitations are not sequestrable.

**SECTION 81—POLICY AND BASELINE ESTIMATES OF BUDGET AUTHORITY,  
OUTLAYS, AND RECEIPTS (SCHEDULES A, S, R, AND K)**

**Table of Contents**

- 81.1 What are the basic requirements?
- 81.2 What information is automatically calculated?
- 81.3 What data classifications do I use to report the data?
- 81.4 What line codes do I use for schedules A, S, R, and K?
  - (a) Budgetary resources
  - (b) Limitations
  - (c) Offsets
  - (d) Outlays
  - (e) Receipts data

Ex-81A Relationships Between Schedules A, K, P, R, and S

Ex-81B Setting Up Outlay Calculations

Ex-81C Setting Up Outlay Calculations—Resource with Multiple Outlay Rates

Ex-81D Automatic Generation of Discretionary Outlays in Schedule A

**Summary of Changes**

Adds BEA data classification subcategories for homeland security and overseas combating terrorism (section 81.3).

Replaces the concept of user fees with the broader concept of user charges (section 81.3).

Drops line 8890 in schedules A and S (section 81.4).

Adds memorandum entries in schedule A (lines 9900 and 9901) for reporting the additional net budget authority and outlays required to cover the cost of fully accruing retirement costs (section 81.4).

**81.1 What are the basic requirements?**

MAX contains detailed information on budgetary resources, outlays, and receipts for *presidential policy* (schedules A and R) and *baseline* (schedules S and K).

- Presidential policy data covers the period PY through BY+9.
- Baseline data covers the period CY through BY+9.
- Schedules A and S are used to report on budget authority and outlays.
- Schedules R and K are used to report on receipts.

OMB uses this information to prepare the budget documents. The baseline estimates are also used for scoring PAYGO legislation under the Budget Enforcement Act (BEA).

You must submit policy data for all accounts except credit financing accounts and Government-sponsored enterprises. You must submit baseline data for the regular budget schedule (transmittal code "0") of all accounts except for credit financing accounts and Government-sponsored enterprises. You must also

submit baseline data for supplemental requests (transmittal code "1") that are classified as *mandatory* (such as payments under entitlement programs). Do not provide baseline estimates for other transmittals (codes "2", "3", "4", "5"), unless specifically requested by OMB.

Use the guidance in [sections 30.2](#) and [35](#) to develop the policy estimates. Use the guidance in [section 80](#) to develop the baseline estimates. [Sections 81.3](#) and [81.4](#) explain how you report data in schedules A, S, R and K.

## 81.2 What information is automatically calculated?

[Exhibit 81A](#) describes the relationships between schedules A, K, P, R, and S and indicates which data MAX automatically generates.

### (a) *Automatic calculations and data loaded from Treasury.*

(1) *Outlays.* MAX automatically calculates *discretionary outlays (policy and baseline)* in schedules A and S for CY through BY+9 based on:

- The levels of budgetary resources reported;
- Outlay rates; and
- Outlays from end of PY balances.

You input outlays from end of PY balances as memorandum entries in schedule S and report outlay rates in schedules A and S using the separate MAX drop-down menu that is accessible for each budgetary resource, as described in the MAX A–11 Users Guide (see [exhibits 81B](#) and [81C](#)). MAX uses this information to automatically generate the outlays from balances that are reported on line 9x21 of MAX schedules A and S. To support the automatic outlay generation feature in MAX, you must enter information developed using the method of calculation (i.e., the waterfall method) that is specified in this Circular and the MAX A–11 Users Guide (see [exhibit 81D](#)). As a general rule, you cannot override automatically generated discretionary outlay amounts. If you need to reflect separate outlay rates (e.g., for enacted rescissions and reductions of unobligated balances, pay/non-pay) within an account, report the budget authority and corresponding outlays from end of PY balances using a line sequence number in the range 01–39.

You can also use MAX's automatic outlay generation feature to calculate *mandatory outlays*. If you enter outlay rates in schedule S for mandatory resources, MAX will automatically generate the outlays in schedule S (baseline) and copy them to schedule A (policy). Remember to include information on outlays from end of PY balances if you use the automatic feature. You can override the automatically generated mandatory outlay amounts in schedule S.

If you want to generate separate discretionary outlays for certain programs within an account, report the budget authority and corresponding outlays from end of PY balances using a line sequence number in the range 40–79, as explained in the MAX A–11 Users Guide.

### (2) *Budget authority and offsetting collections.*

- As a general rule, MAX automatically calculates *discretionary policy budget authority and offsetting collections entries* in schedule A through BY+9 for the years that are subject to across-the-board rules.

- MAX also automatically calculates *discretionary baseline budget authority and offsetting collections entries* in schedule S for BY through BY+9 based on the CY budgetary resources entered by the agency and inflation factors entered by OMB.
- For discretionary offsetting collections entries (lines 6890, 8800–8845), you may overwrite these amounts, if necessary, in schedules A and S.

(3) *Receipts.*

- Past year data will be loaded into schedule R from Treasury data. These amounts cannot be overridden.
- MAX automatically calculates *discretionary policy receipts* in schedule R through BY+9 for the years that are subject to across-the-board rules. You may overwrite these amounts, if necessary.
- MAX also automatically calculates *discretionary baseline receipts* in schedule K for BY through BY+9 based on the CY budgetary resources entered by the agency and inflation factors entered by OMB. You may overwrite these amounts, if necessary.

(b) *Data copied by MAX from one schedule to another.*

(1) *From schedule S to schedule A.* MAX automatically copies the following data from schedule S (baseline) to schedule A (policy):

- Mandatory budgetary resources (budget authority and limitations) for CY through BY+9.
- Mandatory outlays for CY through BY+9.
- Memorandum information on outlays from end of PY balances (lines 9x22).

To change the policy estimates for these entries, you must revise the baseline estimates. Because of the automatic copy feature, you may wish to enter or revise data in MAX by updating schedule S before updating schedule A.

(2) *From schedule K to schedule R.* MAX automatically copies the mandatory baseline receipts data (offsetting and governmental) you enter in schedule K to schedule R. To change the policy estimates, you must revise the baseline estimates. Because of the automatic copy feature, you should update schedule K before schedule R.

(3) *From schedule A to schedule P.* MAX aggregates gross outlay data from schedule A and copies it to lines 86xx in the program and financing schedule (see [section 82.5](#) and [exhibit 82](#)). To change amounts on lines 86xx in schedule P, you must change the outlay data in schedule A. Because of the automatic copy feature, schedule A must be updated before you can complete schedule P.

### 81.3 What data classifications do I use to report the data?

In schedules A, S, R, and K, you report data through BY+9 using the data classifications specified below. Multiple entries are required when more than one classification applies to a budgetary resource, limitation, offset, or outlay. When inserting or revising data, you choose the appropriate line number, BEA category, and other classifications from a list provided on the MAX screen. In schedules A and S, you may make non-print notations on stub entries to document information reported (e.g., to clarify the nature of data entered when multiple lines of the same type are used). See the MAX A–11 User's Guide for details.

**SECTION 81— POLICY AND BASELINE ESTIMATES OF BUDGET AUTHORITY,  
OUTLAYS, AND RECEIPTS (SCHEDULES A, S, R, AND K)**

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MAX schedules A and S will be used to track spending on homeland security and overseas combating terrorism activities. For selected budget enforcement subcategories, MAX will prompt you to indicate whether the amounts should be further classified as:

- Homeland security;
- Overseas combating terrorism; or
- Regular.

**Homeland security** activities are focused on combating and protecting against terrorism. These activities may occur within the United States and its territories, or outside of the United States and its territories in support of domestically based systems or activities (e.g. visa processing). Such activities include efforts to detect, deter, protect against, and, if needed, respond to terrorist attacks. A complete definition can be found in the National Strategy for Homeland Security that is expected to be released this summer. Note that all activities that would transfer to the Department of Homeland Security may not fall within this category, because some activities may not meet the definition of homeland security in the National Strategy.

**Overseas combating terrorism** activities are focused on combating and protecting against terrorism and occur outside the United States and its territories. Such activities include efforts to detect, deter, protect against, and if needed respond to terrorist attacks. This information has previously been collected as part of the Unconventional Threats Crosscut Budget Data Request from OMB.

**Regular** means those programs, projects, and other activities that are not classified as either homeland security or overseas combating terrorism. Note some activities that would transfer to the Department of Homeland Security may fall within this category, because they do not meet the definition of homeland security in the National Strategy for Homeland Security.

**DATA CLASSIFICATIONS FOR SCHEDULES A, S, R, AND K**

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| <b>Classification</b> | <b>Description</b>   |
|-----------------------|--|
| SCHEDULE              | Alpha character designation of the type of schedule in the MAX budget system that appears at the beginning of each schedule.   |
| LINE NUMBER           | For schedules A and S, a 4-digit code that indicates the data being reported (see <a href="#">section 81.4</a> ). For schedules K and R, a 6-digit code (xxxx-xx) that indicates the character classification (see <a href="#">sections 81.4</a> and <a href="#">84.4</a> ). A line number appears on each line for which data are provided. |
| SUBFUNCTION           | For accounts with a single subfunctional classification (see <a href="#">section 79.3</a> ), you can enter data without specifying the subfunction; MAX automatically provides the subfunction designation. For multifunction accounts, you must enter data under each of the appropriate subfunctions.                                      |

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**SECTION 81— POLICY AND BASELINE ESTIMATES OF BUDGET AUTHORITY,  
OUTLAYS, AND RECEIPTS (SCHEDULES A, S, R, AND K)**

| <b>Classification</b>   | <b>Description</b>  |                        |             |  |   |   |   |  |  |   |   |                                 |  |   |   |   |  |  |   |   |   |  |   |   |   |
|---|---|------------------------|-------------|--|---|---|---|--|--|---|---|---------------------------------|--|---|---|---|--|--|---|---|---|--|---|---|---|
| <p>SEQUESTRABLE/<br/>EXEMPT</p> <p><i>Only applies to<br/>schedule K and S.</i></p> | <p>Used to compute BEA sequesters. Indicates whether amounts are sequestrable or exempt. Use for:</p> <ul style="list-style-type: none"> <li>• Budget authority;</li> <li>• Unobligated balances (for defense only);</li> <li>• Limitations; and</li> <li>• Outlays.</li> </ul> <p><b>Sequestrable</b> means amounts not exempted by any provision of the BEA and, therefore, subject to a uniform percentage reduction, elimination of an automatic spending increase, or reduction under special rules. Applies to spending authority from offsetting governmental collections (from non-Federal sources) (see <a href="#">section 20.7</a>).</p> <p><b>Exempt</b> means amounts not subject to any reduction because the program, account, or resource type is specifically exempted by the BEA or other laws. The exempt category includes:</p> <ul style="list-style-type: none"> <li>• Spending authority from offsetting collections from Federal sources; and</li> <li>• Spending authority from voluntary offsetting collections and offsetting receipts from non-Federal sources for goods and services (for example, national park entrance fees); and outlays from prior balances or from prior limitations for non-defense accounts.</li> </ul> <p>In addition, the accounts listed below have special sequestration rules under the BEA that specify the maximum sequester that can be applied to these accounts and the method for calculating the maximum sequester. For these accounts only, use the special coding provided below. For example, the maximum sequester for the mandatory portion of Medicare is 4%; the budget authority and outlays that are subject to this special rule should be divided between the sequestrable 4% amount (entered on a line coded M) and the 96% that is exempt (entered on a line coded B) because of the special rule. If any portion of these accounts is not subject to the special rule, the line code for that portion should be entered on a line coded S or E, as appropriate.</p> <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left;"><b>Program amounts</b></th> <th style="text-align: right;"><b>Code</b></th> </tr> </thead> <tbody> <tr> <td>Subject to across-the-board sequester.....</td> <td style="text-align: right;">S</td> </tr> <tr> <td>Exempt from across-the-board sequester.....</td> <td style="text-align: right;">E</td> </tr> <tr> <td colspan="2"><i>Automatic Spending Increase (ASI) Accounts:</i></td> </tr> <tr> <td>    Amount subject to special rule sequester.....</td> <td style="text-align: right;">A</td> </tr> <tr> <td colspan="2"><i>Department of Education:</i></td> </tr> <tr> <td>    Student Loans special rule sequester.....</td> <td style="text-align: right;">L</td> </tr> <tr> <td colspan="2"><i>Department of Health and Human Services:</i></td> </tr> <tr> <td>    Foster care and adoption assistance (75–1545).....</td> <td style="text-align: right;">F</td> </tr> <tr> <td>    Medicare, amount subject to 4% sequester limit.....</td> <td style="text-align: right;">M</td> </tr> <tr> <td>    Other health programs, amount subject to 2% sequester limit.....</td> <td style="text-align: right;">H</td> </tr> <tr> <td>    Exempt portion of medical accounts due to special rule.....</td> <td style="text-align: right;">B</td> </tr> </tbody> </table> | <b>Program amounts</b> | <b>Code</b> | Subject to across-the-board sequester..... | S | Exempt from across-the-board sequester..... | E | <i>Automatic Spending Increase (ASI) Accounts:</i> |  | Amount subject to special rule sequester..... | A | <i>Department of Education:</i> |  | Student Loans special rule sequester..... | L | <i>Department of Health and Human Services:</i> |  | Foster care and adoption assistance (75–1545)..... | F | Medicare, amount subject to 4% sequester limit..... | M | Other health programs, amount subject to 2% sequester limit..... | H | Exempt portion of medical accounts due to special rule..... | B |
| <b>Program amounts</b>  | <b>Code</b>   |                        |             |  |   |   |   |  |  |   |   |                                 |  |   |   |   |  |  |   |   |   |  |   |   |   |
| Subject to across-the-board sequester.....  | S   |                        |             |  |   |   |   |  |  |   |   |                                 |  |   |   |   |  |  |   |   |   |  |   |   |   |
| Exempt from across-the-board sequester.....   | E   |                        |             |  |   |   |   |  |  |   |   |                                 |  |   |   |   |  |  |   |   |   |  |   |   |   |
| <i>Automatic Spending Increase (ASI) Accounts:</i>                                  |   |                        |             |  |   |   |   |  |  |   |   |                                 |  |   |   |   |  |  |   |   |   |  |   |   |   |
| Amount subject to special rule sequester.....                                       | A   |                        |             |  |   |   |   |  |  |   |   |                                 |  |   |   |   |  |  |   |   |   |  |   |   |   |
| <i>Department of Education:</i>   |   |                        |             |  |   |   |   |  |  |   |   |                                 |  |   |   |   |  |  |   |   |   |  |   |   |   |
| Student Loans special rule sequester.....   | L   |                        |             |  |   |   |   |  |  |   |   |                                 |  |   |   |   |  |  |   |   |   |  |   |   |   |
| <i>Department of Health and Human Services:</i>                                     |   |                        |             |  |   |   |   |  |  |   |   |                                 |  |   |   |   |  |  |   |   |   |  |   |   |   |
| Foster care and adoption assistance (75–1545).....                                  | F   |                        |             |  |   |   |   |  |  |   |   |                                 |  |   |   |   |  |  |   |   |   |  |   |   |   |
| Medicare, amount subject to 4% sequester limit.....                                 | M   |                        |             |  |   |   |   |  |  |   |   |                                 |  |   |   |   |  |  |   |   |   |  |   |   |   |
| Other health programs, amount subject to 2% sequester limit.....                    | H   |                        |             |  |   |   |   |  |  |   |   |                                 |  |   |   |   |  |  |   |   |   |  |   |   |   |
| Exempt portion of medical accounts due to special rule.....                         | B   |                        |             |  |   |   |   |  |  |   |   |                                 |  |   |   |   |  |  |   |   |   |  |   |   |   |

**SECTION 81— POLICY AND BASELINE ESTIMATES OF BUDGET AUTHORITY, OUTLAYS, AND RECEIPTS (SCHEDULES A, S, R, AND K)**

| Classification   | Description  |
|--|--|
|  | <p><i>Department of Veterans Affairs:</i></p> <p>Medical care (36–0160), amount subject to 2% sequester..... H</p> <p>Exempt portion of medical accounts due to special rule..... B</p>  |
| <p>CIVILIAN PAY/<br/>MILITARY PAY/<br/>NON-PAY</p> <p><i>Only applies to<br/>schedule S.</i></p>             | <p>Indicates whether amounts are used to fund personnel compensation and benefits or other activities.</p> <p>Applies to baseline budget authority (other than spending authority from offsetting collections) and limitations.</p> <p><b>Civilian pay</b> means the amount of new budgetary resources used to fund personnel compensation and benefits for civilian personnel, consistent with the definitions for object classes 11.1 through 11.5 and 12.1.</p> <p><b>Military pay</b> means the amount of new budgetary resources used to fund personnel compensation and benefits for military personnel, consistent with object classes 11.7 and 12.2.</p> <p>Amounts designated as <b>pay</b> should reflect personnel compensation financed from discretionary budget authority or limitations only.</p> <p><b>Non-pay</b> means the amount of new budgetary resources not used to fund personnel compensation. Applies to mandatory budget authority even if it funds personnel compensation.</p>   |
| <p>BUDGET<br/>ENFORCEMENT<br/>CATEGORY/<br/>SUBCATEGORY/<br/>JURISDICTION/<br/>USER CHARGE<br/>INDICATOR</p> | <p>Indicates:</p> <ul style="list-style-type: none"> <li>• BEA category (i.e., discretionary, mandatory, net interest, governmental receipt);</li> <li>• Subcategory (i.e., emergency, user charges, asset sales, third scorecard, modification to a mandatory account, conservation spending, highway, mass transit);</li> <li>• Jurisdiction (appropriations or authorizing committee); and</li> <li>• Whether the amount is a user charge.</li> <li>• Whether the amount is for homeland security or overseas combating terrorism.</li> </ul> <p>Report data by the categories listed in the next table, "Summary of BEA Data Classifications." Use multiple entries if more than one classification applies to the budgetary resources and outlays in an account.</p> <p>Applies to all line entries <i>except</i> the number of beneficiaries (line 9993).</p> <p>In most cases, if an account is classified as discretionary under the BEA, you classify any spending authority from offsetting collections (line 6890), the offsetting collections from which they are derived (lines 8800–8896), and the outlays from the offsetting collections (line 93xx) as <i>discretionary</i>. Likewise, you classify these amounts as <i>mandatory</i> in accounts designated as mandatory under the BEA, except for administrative expenses, which are classified as discretionary. Obtain prior OMB approval if you want to split the data reported on these lines between discretionary and mandatory classifications.</p> <p>All discretionary resources are under the jurisdiction of appropriations committees. The classification for mandatory resources differentiates between appropriations and authorizing committee jurisdiction.</p> |

SECTION 81— POLICY AND BASELINE ESTIMATES OF BUDGET AUTHORITY,  
OUTLAYS, AND RECEIPTS (SCHEDULES A, S, R, AND K)

SUMMARY OF BEA DATA CLASSIFICATIONS

| If the resource is classified by the BEA as ... | And is controlled by the ... | And the following conditions apply ...  | Then the data classification is ...   |
|---|------------------------------|---|---|
| Discretionary                                   | Appropriations committee     | None of the conditions described below applies.   | <p><b>DISCRETIONARY</b></p> <p><i>This category includes spending authority that requires appropriations committee action and the associated outlays, as well as receipts made available through action by appropriations committees in discretionary accounts.</i></p> <p><i>Do not use this category if amounts can be classified in any of the other discretionary categories described below.</i></p> |
|   |                              | The amounts include <i>user charges</i> .   | <p><b>DISCRETIONARY, USER CHARGES</b></p> <p><i>Only applies to offsetting collections credited to expenditure accounts (lines 8800-8845 in schedules A and S) and to offsetting receipts (in schedules R and K).</i></p>   |
|   |                              | The amounts include <i>proposed emergency funding</i> (i.e., funding that is proposed to be designated as emergency by the President and Congress in statute) <i>other than emergency funding for response and recovery activities related to the September 11, 2001 terrorist attacks.</i> | <p><b>DISCRETIONARY, EMERGENCY</b></p> <p><i>Only applies to new emergency funding proposed in the budget. Use only with OMB approval.</i></p>  |
|   |                              | The amounts include <i>proposed emergency funding</i> (i.e., funding that is proposed to be designated as emergency by the President and Congress in statute) <i>for response and recovery activities related to the September 11, 2001 terrorist attacks.</i>                              | <p><b>DISCRETIONARY, EMERGENCY, TERRORIST RESPONSE</b></p> <p><i>Only applies to new emergency funding in response to the September 11, 2001 terrorist attacks proposed in the budget. Use only with OMB approval.</i></p>  |
|   |                              | Use for amounts from the Emergency Response Fund established pursuant to P.L. 107-38 and other emergency funding provided in FY 2002 supplemental appropriations acts for response and recovery activities related to the   | <p><b>DISCRETIONARY, TERRORIST RESPONSE</b></p> <p><i>Use only with OMB approval.</i></p>   |

SECTION 81— POLICY AND BASELINE ESTIMATES OF BUDGET AUTHORITY,  
OUTLAYS, AND RECEIPTS (SCHEDULES A, S, R, AND K)

| If the resource is classified by the BEA as ... | And is controlled by the ... | And the following conditions apply ...  | Then the data classification is ...   |
|---|------------------------------|---|---|
|   |                              | September 11, 2001 terrorist attacks.   |   |
|   |                              | The amounts include <i>asset sales</i> enacted in an appropriations act that cannot be counted for BEA scoring (i.e., those where the net financial cost to the Government is a loss (see <a href="#">Appendix A, rule 15</a> )). | DISCRETIONARY, ASSET SALES<br><i>Use only with OMB approval.</i>  |
|   |                              | The amounts are under the <i>discretionary highway category</i> of the BEA, as amended by the Transportation Equity Act for the 21 <sup>st</sup> Century (P.L. 105–178).  | DISCRETIONARY, HIGHWAY<br><i>Classify amounts in excess of the highway category spending cap as "discretionary" not as "discretionary, highway."</i>                |
|   |                              | The amounts are under the <i>discretionary mass transit category</i> of the BEA, as amended by the Transportation Equity Act for the 21 <sup>st</sup> Century (P.L. 105–178).   | DISCRETIONARY, MASS TRANSIT<br><i>Classify amounts in excess of the mass transit category spending cap as "discretionary" not as "discretionary, mass transit."</i> |
|   |                              | The amounts are under the <i>Federal and State land and water conservation fund sub-category</i> of the BEA, as amended by the Department of the Interior and Related Agencies Appropriations Act, 2001 (P.L. 106–291).           | DISCRETIONARY, CONSERVATION SPENDING, FEDERAL AND STATE LAND AND WATER CONSERVATION FUND  |
|   |                              | The amounts are under the <i>State and other conservation sub-category</i> of the BEA, as amended by the Department of the Interior and Related Agencies Appropriations Act, 2001 (P.L. 106–291).                                 | DISCRETIONARY, CONSERVATION SPENDING, STATE AND OTHER CONSERVATION  |
|   |                              | The amounts are under the <i>urban and historic preservation sub-category</i> of the BEA, as amended by the Department of the Interior and Related Agencies Appropriations Act, 2001 (P.L. 106–291).                              | DISCRETIONARY, CONSERVATION SPENDING, URBAN AND HISTORIC PRESERVATION   |

SECTION 81— POLICY AND BASELINE ESTIMATES OF BUDGET AUTHORITY,  
OUTLAYS, AND RECEIPTS (SCHEDULES A, S, R, AND K)

| If the resource is classified by the BEA as ... | And is controlled by the ... | And the following conditions apply ...  | Then the data classification is ...   |
|---|------------------------------|---|---|
|   |                              | The amounts are under the <i>payments in lieu of taxes sub-category</i> of the BEA, as amended by the Department of the Interior and Related Agencies Appropriations Act, 2001 (P.L. 106–291).    | DISCRETIONARY, CONSERVATION SPENDING, PAYMENTS IN LIEU OF TAXES   |
|   |                              | The amounts are under the <i>Federal deferred maintenance sub-category</i> of the BEA, as amended by the Department of the Interior and Related Agencies Appropriations Act, 2001 (P.L. 106–291). | DISCRETIONARY, CONSERVATION SPENDING, FEDERAL DEFERRED MAINTENANCE  |
|   |                              | The amounts are under the <i>coastal assistance sub-category</i> of the BEA, as amended by the Department of the Interior and Related Agencies Appropriations Act, 2001 (P.L. 106–291).           | DISCRETIONARY, CONSERVATION SPENDING, COASTAL ASSISTANCE  |
|   |                              | Appropriations action modifies the spending authority or receipts in an otherwise mandatory account.  | DISCRETIONARY, MODIFICATION OF A MANDATORY ACCOUNT<br><i>Does not apply to baseline estimates. Use only with OMB approval.</i>  |
| Mandatory                                       | Appropriations committee     | None of the conditions described below applies.   | MANDATORY, APPROPRIATIONS COMMITTEE<br><br><i>Do not use this category if amounts can be classified in any of the other mandatory categories described below.</i>   |
|   |                              | The amounts include <i>user charges</i> .   | MANDATORY, USER CHARGES, APPROPRIATIONS COMMITTEE<br><br><i>Only applies to offsetting collections credited to an expenditure account (lines 8800-8845 in schedules A and S) and to offsetting receipts (in schedules R and K).</i> |
|   |                              | The amounts include <i>emergency funding</i> (i.e., funding that is proposed to be designated as emergency by the President and Congress in statute).   | MANDATORY, EMERGENCY, APPROPRIATIONS COMMITTEE<br><br><i>Use only with OMB approval.</i>  |
|   |                              | The amounts result from proposed legislative changes to mandatory budget authority,   | MANDATORY, THIRD SCORECARD, APPROPRIATIONS  |

SECTION 81— POLICY AND BASELINE ESTIMATES OF BUDGET AUTHORITY,  
OUTLAYS, AND RECEIPTS (SCHEDULES A, S, R, AND K)

| If the resource is classified by the BEA as ... | And is controlled by the ... | And the following conditions apply ...   | Then the data classification is ...   |
|---|------------------------------|--|---|
|   |                              | outlays or receipts that are not scored as PAYGO or subject to discretionary limits under the BEA. Includes changes that are "level of effort" changes, or when the level of receipts is dependent upon the amount of annual appropriations. | COMMITTEE<br><br><i>Does not apply to schedules K or S.</i>   |
|   | Authorizing committee        | None of the conditions described below applies.  | MANDATORY, AUTHORIZING COMMITTEE<br><br><i>Do not use this category if amounts can be classified in any of the other mandatory categories described below.</i>  |
|   |                              | The amounts include <i>user charges</i> .  | MANDATORY, USER CHARGES AUTHORIZING COMMITTEE<br><br><i>Only applies to offsetting collections credited to an expenditure account (lines 8800-8845 in schedules A and S) and to offsetting receipts (in schedules R and K).</i> |
|   |                              | The amounts include <i>emergency funding</i> (i.e., funding that is proposed to be designated as emergency by the President and Congress in statute.)  | MANDATORY, EMERGENCY, AUTHORIZING COMMITTEE<br><br><i>Use only with OMB approval.</i>   |
|   |                              | The amounts include <i>asset sales</i> that are enacted in an authorization act that cannot be counted for BEA scoring (i.e., those where the net financial cost to the Government is a loss (see Appendix A, rule 15)).                     | MANDATORY, ASSET SALES, AUTHORIZING COMMITTEE<br><br><i>Use only with OMB approval.</i>   |
|   |                              | The amounts result from proposed legislative changes to mandatory budget authority, outlays, or receipts that are not scored as PAYGO or subject to discretionary limits under the BEA.  | MANDATORY, THIRD SCORECARD, AUTHORIZING COMMITTEE<br><br><i>Does not apply to schedules K or S.</i>   |
| Net interest                                    |                              | None of the conditions described below applies.  | NET INTEREST<br><br><i>Applies to budget authority, outlays, and offsetting receipts included in the net interest functions (function 900).</i>   |

**SECTION 81— POLICY AND BASELINE ESTIMATES OF BUDGET AUTHORITY,  
OUTLAYS, AND RECEIPTS (SCHEDULES A, S, R, AND K)**

| If the resource is classified by the BEA as ... | And is controlled by the ... | And the following conditions apply ...  | Then the data classification is ...   |
|---|------------------------------|---|---|
|   |                              | The amounts result from proposed legislative changes to interest budget authority, outlays, or receipts under authorizing committee jurisdiction that are not scored as PAYGO or subject to discretionary limits under the BEA. | NET INTEREST, THIRD SCORECARD<br><br><i>Does not apply to schedules K or S.</i>   |
| Governmental receipts                           | Authorizing committee        | None of conditions described below applies.   | GOVERNMENTAL RECEIPTS<br><br><i>Applies to governmental receipts in schedules K and R.</i>  |
|   |                              | The amounts are <b>user charges</b> included in governmental receipts accounts.   | GOVERNMENTAL RECEIPTS, USER CHARGES<br><br><i>Applies to governmental receipts in schedules R and K.</i>  |
|   |                              | The amounts result from proposed legislative changes to Governmental receipts under authorizing committee jurisdiction that are not scored as PAYGO or subject to discretionary limits under the BEA.                           | GOVERNMENTAL RECEIPTS, THIRD SCORECARD<br><br><i>Applies to governmental receipts in schedule R; does not apply to schedule K.</i>  |
|   | Appropriations committee     | The amounts are not user charges and result from appropriations action modifying Governmental receipts.   | DISCRETIONARY MODIFICATION OF GOVERNMENTAL RECEIPTS<br><br><i>Applies to governmental receipts in schedule R; does not apply to schedule K. Use only with OMB approval.</i>               |
|   |                              | The amounts are <b>user charges</b> and result from appropriations action modifying Governmental receipts.  | DISCRETIONARY MODIFICATION OF GOVERNMENTAL RECEIPTS, USER CHARGES<br><br><i>Applies to governmental receipts in schedule R; does not apply to schedule K. Use only with OMB approval.</i> |

**81.4 What line codes do I use for A, S, R, and K?**

- (a) *Budgetary resources.*

**SECTION 81— POLICY AND BASELINE ESTIMATES OF BUDGET AUTHORITY, OUTLAYS, AND RECEIPTS (SCHEDULES A, S, R, AND K)**

The line numbers indicate the type of budgetary resource and whether it is discretionary or mandatory. The following table indicates the line numbers used to report budgetary resources. The lines apply to schedules A and S unless otherwise specified.

**BUDGETARY RESOURCES**

| Entry  | Description*   |
|--|--|
| 2140<br><i>Only applies to schedule S</i>                            | <b>Sequestrable unobligated balances (defense only).</b> Report for CY and BY+1 the sequestrable unobligated balances of budgetary resources that became available in previous years. Use only for accounts in function 050, national defense. Amounts reported on line 2140 should be consistent the entry on line 2140 of the program and financing schedule.  |
| 4300–5590  | <b>Discretionary budget authority.</b> Use total lines (lines 4300, 4790, 4990, 5300, 5590) to report the appropriate amounts from the program and financing schedule for each applicable type of authority (see <a href="#">section 82.3</a> ). Use separate lines to report rescissions and reductions of unobligated balances if a different outlay rate is needed.   |
| 6250–6790  | <b>Mandatory budget authority.</b> Use total lines (lines 6250, 6390, 6590, 6690, or 6790) to report the appropriate amounts from the program and financing schedule for each applicable type of authority (see <a href="#">section 82.3</a> ).  |
| 6890   | <b>Discretionary spending authority from offsetting collections.</b> Use line 6890 to report the appropriate amounts from the program and financing schedule (see <a href="#">section 82.3</a> ).  |
| 6990   | <b>Mandatory spending authority from offsetting collections.</b> Use line 6990 to report the appropriate amounts from the program and financing schedule (see <a href="#">section 82.3</a> ).  |
| 7xxx<br><i>Memorandum entry</i>                                      | <p><b>Limitations.</b> Includes enacted or proposed limitations on administrative expenses and de facto limitations established as a result of sequestration under the BEA. Also includes limitations on obligations enacted in authorizing legislation for certain transportation programs in the absence of limitations enacted in appropriations acts. See <a href="#">section 81.4(b)</a> for the coding scheme for limitations.</p> <p>Mandatory budget authority that is subject to a discretionary limitation on obligations set in an appropriations act is scored as discretionary budget authority rather than as a limitation for all affected accounts except trust fund accounts in the Department of Transportation.</p> <p>Baseline data are not required for loan limitations.</p> |
| 9900<br><i>Memorandum entry</i><br><i>Only applies to schedule A</i> | <b>Additional net budget authority to cover cost of fully accruing retirement.</b> Enter the additional <i>net</i> budget authority required to pay the full share of accruing employee pensions and annuitant health benefits for PY through BY (see <a href="#">section 32.5</a> ). Use multiple entries if more than one subfunction or budget classification category applies. MAX will calculate the BY+1 through BY+9 amounts based on inflation factors provided by OMB.  |
| 9993<br><i>Memorandum entry</i><br><i>Only applies to schedule S</i> | <b>Number of beneficiaries (in thousands).</b> Report the annual average number of beneficiaries that are served by Federal hospital insurance, supplementary medical insurance, unemployment insurance, and rail industry pension fund programs. MAX uses these data to generate discretionary baseline budget authority for administrative expenses for these programs.  |

\*Do not report baseline data (schedule S) for the PY.

(b) *Limitations.*

MAX includes data on limitations:

- For selected accounts where limitations on administrative expenses are enacted or proposed; and
- Where de facto limitations are established as a result of sequestration under the BEA.

Limitations can be mandatory or discretionary. Mandatory budget authority that is subject to a discretionary limitation on obligations is normally treated as discretionary budget authority rather than as a limitation for all affected accounts, except for trust fund accounts in the Department of Transportation.

The line numbers distinguish between types of limitations (e.g., limitation on program level, direct loan) and indicate the amount of the limitation and the associated outlays. The limitation(s) applicable to an account must be specified on the BAT file (see [section 79.1](#)) before you can report limitation data in MAX.

Budget year limitation amounts should correspond to the limitation language proposed in the budget. Current year limitation amounts should correspond to the enacted limitation language. For accounts with limitations on direct loan obligations and loan guarantee commitments, the limitation amounts should tie to the amounts reported in MAX schedules G and H through BY+4 (see [section 185.11](#)).

When more than one limitation is applicable, report each one separately. Present any supplemental requests involving limitations in a schedule under a separate transmittal code, even if a separate program and financing schedule is not required.

Show limitation amounts on a pre-sequester basis, and report the effects of any reductions pursuant to the BEA separately. Show defacto limitations as if they were in place before the sequester. De facto limitations resulting from sequestration of the BEA law will be reported only for PY and CY, as applicable.

Credit limitations should be reported in the program account. You do not need to report baseline data for credit limitations because these limitations are not sequestrable.

The following table indicates the line numbers used to report limitations. The lines apply to schedules A and S unless otherwise specified.

**LIMITATIONS**

| Entry | Description*  |
|-------|---|
| Xxxx  | For the first digit, use: <ul style="list-style-type: none"> <li>• 7—to report the amount of the limitation; or</li> <li>• 9—to report the outlays associated with the limitation.</li> </ul> <i>Do not report outlays for limitations on loan guarantee commitments.</i> |
| XXxx  | For the second digit, use:  |

**SECTION 81— POLICY AND BASELINE ESTIMATES OF BUDGET AUTHORITY,  
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| Entry | Description*  |
|-------|---|
|       | <ul style="list-style-type: none"> <li>• 0—to report the amount of the limitation;</li> <li>• 9—to report BEA reductions in limitations;</li> <li>• 7—to report outlays from new limitations (i.e., from a limitation in the year the limitation is enacted or proposed); or</li> <li>• 8—to report outlays from prior limitations (i.e., from limitation that were enacted in prior years).</li> </ul> <p><i>Show outlays from limitations on a post-sequester basis.</i></p>  |
| XxXx  | <p>For the third digit, use:</p> <ul style="list-style-type: none"> <li>• 0—to indicate the limitation was not established as a result of the BEA; or</li> <li>• 1—to indicate de facto limitations established as a result of the BEA.</li> </ul> <p><i>For outlays, use "0" in all cases.</i></p>   |
| XxxX  | <p>The fourth digit identifies the specific limitation pertaining to the account and will be assigned by OMB as follows:</p> <ul style="list-style-type: none"> <li>• 1 through 5—for limitations on administrative and other expenses;</li> <li>• 6—for limitations on program level (obligations);</li> <li>• 7—for limitations on direct loan activity;</li> <li>• 8—for limitations on loan guarantee commitments; or</li> <li>• 9—for other purposes, as determined by OMB.</li> </ul> <p><i>xxx7 and xxx8 only apply to schedule A.</i></p> |

\*Do not report baseline data (schedule S) for the PY.

(c) *Offsets.*

Provide data on offsetting collections (i.e., cash credited to the account) and changes in receivables and unpaid, unfilled orders from Federal sources for all accounts with spending authority from offsetting collections (lines 6890 or 6990). The following table indicates the line numbers used to report offsets. The lines apply to schedules A and S.

**OFFSETS**

| Entry | Description*  |
|-------|---|
|       | Offsetting collections (cash) from: (see <a href="#">section 82.6</a> for line definitions) |
| 8800  | Federal sources   |
| 8820  | Interest on Federal securities  |
| 8825  | Interest on uninvested funds  |
| 8840  | Non-Federal sources   |
| 8845  | Offsetting governmental collections (from non-Federal sources)                              |

**SECTION 81— POLICY AND BASELINE ESTIMATES OF BUDGET AUTHORITY,  
OUTLAYS, AND RECEIPTS (SCHEDULES A, S, R, AND K)**

| Entry | Description*   |
|-------|--|
| 8895  | Change in uncollected customer payments from Federal sources (unexpired) |
| 8896  | Portion of cash collections credited to expired accounts (–)             |

\* Do not report baseline data (schedule S) for the PY. MAX will automatically calculate line 8890 (the sum of lines 8800–8845).

(d) *Outlays.*

For discretionary programs, you must report outlays from end of PY balances as memorandum (non-add) entries in schedule S through BY+9. MAX will automatically copy this information to schedule A and use it (along with the outlay rates you provide) to calculate discretionary policy and baseline outlay estimates. Specifically, MAX will use the data entered for these memorandum entries (lines 9122, 9322, or 9822) to calculate the corresponding outlays from balances (lines 9121, 9321, and 98xx). If you enter these data for mandatory programs, along with outlay rates, MAX will calculate the corresponding outlays. However, you may override and change the automatically calculated mandatory outlays.

The total gross outlays reported for PY through BY in schedule A (i.e., the sum of lines 91xx through 98xx, excluding memorandum entries) must be consistent with those reported in MAX schedule P on line 7320. The distribution of PY outlays between those from new budget authority and those from balances of prior authority should be available from accounting records. Estimate the distribution of outlays for CY through BY+9 between those from new budget authority and those from balances based on experience in the timing of outlays for the respective obligations.

The following table indicates the line numbers used to report outlays. The lines apply to schedules A and S unless otherwise specified.

**OUTLAYS**

| Entry | Description   |
|-------|---|
| 9111  | <p><b><i>Outlays from new authority.</i></b> The outlays from new budget authority for that year. These outlays may not exceed the sum of budget authority entries in the program and financing schedule (lines 40xx through 67xx) for that year.</p> <p>Exclude outlays from new limitations reported on line 97xx and outlays from new spending authority from offsetting collections reported on line 93xx.</p>  |
| 9121  | <p><b><i>Outlays from balances.</i></b> The outlays from balances (both obligated and unobligated) of budget authority brought forward from the previous year. The sum of outlays on lines 9121 and 9221 may not exceed balances at the start of the year (lines 2140 and 7240 of schedule P), plus or minus adjustments in those balances during the year (lines 2221, 2222, 7331, 7332, and 7340 of schedule P).</p> <p>Exclude outlays from prior limitations reported on line 98xx and outlays from balances of spending authority from offsetting collections reported on line 9321.</p> <p>In schedule S, all outlays from prior year balances of non-defense accounts are classified as exempt from sequester. For defense accounts, report outlays from sequestrable unobligated balances on line 9994 in schedule S, as appropriate.</p> |

**SECTION 81— POLICY AND BASELINE ESTIMATES OF BUDGET AUTHORITY, OUTLAYS, AND RECEIPTS (SCHEDULES A, S, R, AND K)**

| Entry                                      | Description  |
|--|--|
| <p>9122</p> <p><i>Memorandum entry</i></p> | <p><b><i>Outlays from end of PY balances.</i></b> The outlays that will occur each year (CY-BY+9) from balances of budget authority made available prior to the current year. Do not report outlays from new budget authority provided in CY-BY+9.</p> <p>Include outlay impact (+ or –) of balance transfers (lines 2221, 2222, 7331, 7332 in schedule P) and adjustments in expired accounts (line 7340 in schedule P).</p> <p>Exclude outlays from end of PY balances of prior limitations reported on line 9822 and outlays from end of PY balances of prior spending authority from offsetting collections reported on line 9322.</p> <p>MAX will copy the data entered in schedule S to schedule A and use it to calculate discretionary outlays from balances on line 9121.</p>   |
| <p>9311</p>                                | <p><b><i>Outlays from new spending authority from offsetting collections.</i></b> The outlays from new spending authority from offsetting collections becoming available in that year. These outlays cannot exceed the total amount reported on lines 68xx and 69xx of the program and financing schedule for that year.</p>   |
| <p>9321</p>                                | <p><b><i>Outlays from balances of spending authority from offsetting collections.</i></b> The outlays from balances (both obligated and unobligated) of spending authority brought forward from a previous year.</p>   |
| <p>9322</p> <p><i>Memorandum entry</i></p> | <p><b><i>Outlays from end of PY balances of spending authority from offsetting collections.</i></b> The outlays that will occur each year (CY-BY+9) from balances of spending authority from offsetting collections made available prior to the current year. Do not report outlays from new spending authority provided in CY through BY+9.</p> <p>Include outlay impact (+ or –) of balance transfers (lines 2221, 2222, 7331, 7332 in schedule P) and adjustments in expired accounts (line 7340 in schedule P).</p> <p>Exclude outlays from end of PY balances of budget authority reported on line 9122 and outlays from end of PY balances of prior limitations reported on line 9822.</p> <p>MAX will copy the data entered in schedule S to schedule A and use it to calculate discretionary outlays from balances on line 9321.</p> |
| <p>970X</p>                                | <p><b><i>Outlays from new limitations.</i></b> The outlays from new limitations (i.e., outlays from limitations in the year the limitations were enacted or proposed), where "X" indicates the specific limitation involved. Include outlays from spending authority from offsetting collections that are controlled through new limitations.</p>  |
| <p>980X</p>                                | <p><b><i>Outlays from prior limitations.</i></b> The outlays from prior limitations (i.e., outlays from limitations that were enacted in prior years), where "X" indicates the specific limitation involved. Include outlays from spending authority that are controlled through prior limitations. In schedule S, classify outlays from prior limitations as exempt from sequester.</p>   |
| <p>9822</p> <p><i>Memorandum entry</i></p> | <p><b><i>Outlays from end of PY balances of prior limitations.</i></b> The outlays that will occur each year (CY-BY+9) from balances of limitations that were enacted prior to the current year. Do not report outlays from limitations enacted or proposed for CY through BY+9.</p> <p>Exclude outlays from end of PY balances of budget authority reported on line 9122 and outlays from end of PY balances of spending authority from offsetting collections reported on line 9322.</p> <p>MAX will copy the data entered in schedule S to schedule A and use it to calculate discretionary outlays from prior limitations balances on line 98xx.</p>   |

**SECTION 81— POLICY AND BASELINE ESTIMATES OF BUDGET AUTHORITY,  
OUTLAYS, AND RECEIPTS (SCHEDULES A, S, R, AND K)**

| Entry  | Description   |
|--|---|
| 9901<br><i>Memorandum entry</i><br><i>Only applies to schedule A</i> | <b>Additional net outlays to cover cost of fully accruing retirement.</b> The additional <i>net</i> outlays required to pay the full share of accruing employee pensions and annuitant health benefits for PY through BY+9. MAX will calculate these amounts from the data entered on line 9900 using a 100% spendout rate. |
| 9994<br><i>Memorandum entry</i>                                      | <b>Outlays from sequestrable unobligated balances.</b> Report only for accounts in function 050, national defense.<br><i>Only applies to schedule S (for CY through BY+1).</i>  |

\*Do not report baseline data (schedule S) for the PY.

(e) Receipts data

You must report data on all collections deposited in receipt accounts (i.e., receipts and offsetting receipts) in schedules R and K. The line numbers for offsetting receipts are also used to designate receipt character classification (see [section 84.4](#)). Only one character classification (line number) is valid for each receipt account. The following table indicates the line numbers used to report receipts in schedules K and R:

**RECEIPTS**

| Entry   | Title                                     | Description*  |
|---------|---|---|
| 0000-00 | <i>Receipts</i>                           | Report all collections classified as governmental receipts (see <a href="#">section 20.7</a> ).   |
|         | <i>Offsetting receipts:</i>               | Report all offsetting receipts based on the character classification of the receipts (see <a href="#">section 84.4</a> ). <i>Most offsetting receipts will be reported on line 2004-03.</i> |
| 1330-03 | Proceeds from sale of commodities         |   |
| 1340-03 | Receipts from sales of property or assets |   |
| 1352-03 | Receipts from other physical assets       |   |
| 1512-03 | Receipts for education and training       |   |
| 2004-03 | All other offsetting receipts             |   |

\*Baseline data (schedule K) are not reported for the PY.

## Relationships Between Schedules A, K, P, R, and S

This exhibit provides some basic tips for updating MAX. Although there are many ways to revise the database, the following approach takes advantage of the automatic copy features in MAX.

In updating the database, agencies usually complete the PY column before entering data for CY and beyond. As a general rule, users should update PY data in schedule P and, since MAX copies some schedule A data to schedule P, revise the PY column of schedule A before updating other data. For CY through BY+9, users should revise schedule S before updating schedule A, since MAX copies some schedule A data from schedule S. Likewise, since MAX copies some schedule K data to schedule R, update schedule K before schedule R.

### SCHEDULE P (PROGRAM AND FINANCING SCHEDULE)

#### For PY:

- PY obligations, balances, and outlays are automatically loaded into the obligations line (1000), balance lines (2140, 2440, 7240, and 7440), and net outlays line (9000) from the *FACTS II*.<sup>1</sup>
- Other PY data (e.g., appropriations, rescissions, etc.) should be consistent with the corresponding data reported to Treasury via *FACTS II*.
- PY end of year balances are copied to the CY column and provide a good starting point for beginning to revise the detail in this column. Note that gross outlay data for schedule P (lines 86xx) are imported from schedule A; they cannot be entered directly in schedule P.

Before updating CY and BY, agencies may wish to revise schedules S and A, as follows.

### SCHEDULE S (BASELINE BUDGET AUTHORITY AND OUTLAYS)

#### For CY-BY+9:

- Mandatory baseline budget authority, limitations, and outlays reported under transmittal code 0 must be entered in schedule S and are copied to schedule A.
- You may use MAX to calculate mandatory baseline outlays through BY+9. Enter the mandatory budgetary resources for CY through BY+9, CY and BY outlay rates, and outlays from end of PY balances of mandatory resources (9x22) to generate mandatory baseline outlays.
- MAX calculates discretionary baseline budget authority, offsetting collections, and outlays through BY+9. Enter CY discretionary budgetary resources, CY and BY outlay rates, and outlays from end of PY balances of discretionary budgetary resources to generate discretionary baseline estimates. Users may overwrite the amounts for offsetting collections (lines 6890 and 8800-8845).
- Outlays from end of PY balances of budgetary resources (lines 9x22) are copied to schedule A. MAX uses these data to calculate discretionary outlays from balances (lines 9x21) in schedules A and S.

### SCHEDULE A (POLICY BUDGET AUTHORITY AND OUTLAYS)

#### For PY:

- Enter data for mandatory and discretionary policy estimates directly into schedule A.

#### For CY-BY+9:

- Mandatory policy estimates in schedule A are copied from schedule S; to revise amounts in schedule A, change the amounts in schedule S.
- MAX calculates discretionary policy budget authority as well as offsetting collections entries for BY+1 through BY+9. Users may overwrite the amounts for offsetting collections (lines 6890 and 8800-8845).
- MAX calculates discretionary policy outlays through BY+9. Enter discretionary budgetary resources for CY-BY+4 and CY and BY outlay rates. Outlays from end of PY balances of discretionary resources (lines 9x22) must be entered in schedule S, are copied to schedule A, and are used to calculate discretionary policy outlays from balances (lines 9x21).

#### For PY-BY:

- Outlay data in schedule A will be copied to lines 86xx in schedule P.

### SCHEDULE K (BASELINE RECEIPTS)

#### For CY-BY+9:

- Mandatory current law baseline receipts must be entered in schedule K under transmittal code 0 and are copied to schedule R.
- Other baseline receipts entered in schedule K are not copied to schedule R.

### SCHEDULE R (POLICY RECEIPTS)

#### For PY:

- PY receipt data are automatically loaded in receipt accounts from Treasury data.<sup>1</sup>

#### For CY-BY+9:

- Mandatory current law policy receipts in schedule R are copied from schedule K; to revise amounts in schedule R, change the amounts in schedule K.<sup>2</sup>
- MAX calculates discretionary policy offsetting receipts for BY+1 through BY+9 (based on policy growth rates). Users may overwrite these amounts.
- Other policy receipts can be entered directly to schedule R.

<sup>1</sup>PY data on these lines cannot be revised by agencies. If an agency does not agree with the obligations, balances, net outlay or receipt amounts loaded into MAX, an explanation of the differences should be submitted to the agency's OMB representative (see sections [82.19](#) and [82.20](#)).

<sup>2</sup>Applies to transmittal code 0 only. Data for other transmittal codes are entered directly in schedule A or R, as appropriate.

### Setting Up Outlay Calculations

|  |        |        |        |         |         |                    |
|--|--------|--------|--------|---------|---------|--------------------|
| S-4300 01 Appropriation (total)<br>Discretionary |        |        |        |         |         |                    |
|  | Year 1 | Year 2 | Year 3 | Year 4  | Year 5  | Year 6             |
| CY Rates <sup>1</sup>                            | 5.155  | 44.43  | 20.16  | 13.87   | 10.88   | 2.85               |
| BY Rates <sup>2</sup>                            | 10.12  | 54.13  | 20.10  | 10.83   | 1.50    | 1.32               |
|  | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Total <sup>3</sup> |
| CY Rates <sup>1</sup>                            | 1.15   | .75    | .50    | .25     | .005    | 100.0              |
| BY Rates <sup>2</sup>                            | 1.05   | .90    | .05    | ---     | ---     | 100.0              |

|   |        |        |        |         |         |                    |
|---|--------|--------|--------|---------|---------|--------------------|
| S-6890 01 Spending authority from offsetting collections (total)<br>Discretionary |        |        |        |         |         |                    |
|   | Year 1 | Year 2 | Year 3 | Year 4  | Year 5  | Year 6             |
| CY Rates <sup>1</sup>   | 100.0  | ---    | ---    | ---     | ---     | ---                |
| BY Rates <sup>2</sup>   | 95.0   | 5.00   | ---    | ---     | ---     | ---                |
|   | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Total <sup>3</sup> |
| CY Rates <sup>1</sup>   | ---    | ---    | ---    | ---     | ---     | 100.0              |
| BY Rates <sup>2</sup>   | ---    | ---    | ---    | ---     | ---     | 100.0              |

<sup>1</sup> Enter the outlay rates for the budgetary resources provided in the current year. For this purpose, Year 1 represents CY, Year 2 represents BY, etc. Outlay rates must be provided for each type of budgetary resource. *Amounts will be reported as percentages, with the option to include up to six decimal places.*

<sup>2</sup> Enter the outlay rates for the budgetary resources provided in the budget year. For this purpose, Year 1 represents BY, Year 2 represents BY+1, etc. Outlay rates must be provided for each type of resource. *Amounts will be reported as percentages, with the option to include up to six decimal places.*

<sup>3</sup> Outlay rates should total 100 percent unless the budget authority does not spend out within eleven years; the total should never exceed 100 percent.

*Note: Agencies have the option of using MAX to automatically calculate mandatory outlays.*

Setting Up Outlay Calculations -- Resource with Multiple Outlay Rates

Use multiple line sequence numbers when you have multiple outlay rates (e.g., reductions or rescissions of unobligated balances) or want to generate separate outlay data (see Exhibit 81D).

|  | PY | CY    | BY    | BY+1  | BY+2  | BY+3  | BY+4  | BY+5  |
|--|----|-------|-------|-------|-------|-------|-------|-------|
| BA, Limitations, and Outlays--Baseline (S) |    |       |       |       |       |       |       |       |
| 4300 01 Appropriations (total)             |    |       |       |       |       |       |       |       |
| Discretionary **OL Rates**                 |    |       |       |       |       |       |       |       |
| Sequestrable                               |    |       |       |       |       |       |       |       |
| Non-Pay                                    |    | 8,098 | 8,341 | 8,600 | 8,866 | 9,141 | 9,424 | 9,820 |

Estimates for BY+6 through BY+9 can be viewed by scrolling across the MAX screen.

Outlay rates (entered for line 4300 01) for non-pay. Outlay rates are entered from the EDIT SETUP OUTLAY CALCULATION menu.

|           | Year 1 | Year 2 | Year 3 | Year 4  | Year 5  | Year 6 |
|-----------|--------|--------|--------|---------|---------|--------|
| CY Rates: | 10.00  | 10.00  | 10.00  | 10.00   | 10.00   | 10.00  |
| BY Rates: | 10.00  | 10.00  | 10.00  | 10.00   | 10.00   | 10.00  |
|           | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Total  |
| CY Rates: | 10.00  | 10.00  | 10.00  | 10.00   | ---     | 100.00 |
| BY Rates: | 10.00  | 10.00  | 10.00  | 10.00   | ---     | 100.00 |

|                                | PY | CY     | BY     | BY+1   | BY+2   | BY+3   | BY+4   | BY+5   |
|--------------------------------|----|--------|--------|--------|--------|--------|--------|--------|
| 4300 02 Appropriations (total) |    |        |        |        |        |        |        |        |
| Discretionary **OL Rates**     |    |        |        |        |        |        |        |        |
| Sequestrable                   |    |        |        |        |        |        |        |        |
| Civilian-Pay                   |    | 23,296 | 24,438 | 25,464 | 26,533 | 27,648 | 28,809 | 30,019 |

Estimates for BY+6 through BY+9 can be viewed by scrolling across the MAX screen.

Outlay rates (entered for line 4300 02) for civilian pay. Outlay rates are entered from the EDIT SETUP OUTLAY CALCULATION menu.

|           | Year 1 | Year 2 | Year 3 | Year 4  | Year 5  | Year 6 |
|-----------|--------|--------|--------|---------|---------|--------|
| CY Rates: | 85.00  | 15.00  | ---    | ---     | ---     | ---    |
| BY Rates: | 85.00  | 15.00  | ---    | ---     | ---     | ---    |
|           | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Total  |
| CY Rates: | ---    | ---    | ---    | ---     | ---     | 100.00 |
| BY Rates: | ---    | ---    | ---    | ---     | ---     | 100.00 |

### Automatic Generation of Discretionary Outlays in Schedule A

To generate outlays automatically, enter discretionary budgetary resources and outlay rates in schedule A and enter outlays from end of PY balances in schedule S, which MAX then copies to schedule A

Budget authority reported under line sequence numbers 01-39 are rolled up into a single outlay entry with a line sequence number of 01 for each BEA category. To generate separate discretionary outlay data for programs within an account, report the corresponding budget authority using a line sequence number in the range 40-79.

On line 9111, MAX calculates outlays using the first year outlay rate for new discretionary budget authority (line 4300) reported for the year.

| BA, Limitation and Outlays---Policy A                   | PY  | CY   | BY   | BY+1 | BY+2 | BY+3 | BY+4 | BY+5 | BY+6 | BY+7 | BY+8 | BY+9 |
|---|-----|------|------|------|------|------|------|------|------|------|------|------|
| 4300 01 751 Appropriation Discretionary<br>**OL Rates** | 40  | 45   | 50   | 50   | 50   | 50   | 50   | 50   | 50   | 50   | 50   | 50   |
| 9111 751 Outlays from new authority discretionary       | 8   | 9    | 10   | 10   | 10   | 10   | 10   | 10   | 10   | 10   | 10   | 10   |
| 9121 751 Outlays from balances discretionary            | 14  | 14   | 22   | 34   | 39   | 33   | 40   | 40   | 40   | 40   | 40   | 40   |
| Line 9121 is comprised of:                              |     |      |      |      |      |      |      |      |      |      |      |      |
| Outlays from end of PY balances                         | n/a | 14.0 | 6.0  | 12.0 |      |      |      |      |      |      |      |      |
| Spendout of CY balances                                 |     |      | 15.8 | 6.8  | 13.5 |      |      |      |      |      |      |      |
| Spendout of BY balances                                 |     |      |      | 15.0 | 10.0 |      |      |      |      |      |      |      |
| Spendout of BY+1 balances                               |     |      |      |      | 15.0 | 10.0 | 7.5  |      |      |      |      |      |
| Spendout of BY+2 balances                               |     |      |      |      |      | 15.0 | 10.0 | 7.5  | 7.5  |      |      |      |
| Spendout of BY+3 balances                               |     |      |      |      |      |      | 15.0 | 10.0 | 7.5  | 7.5  |      |      |
| Spendout of BY+4 balances                               |     |      |      |      |      |      |      | 15.0 | 10.0 | 7.5  | 7.5  |      |
| Spendout of BY+5 balances                               |     |      |      |      |      |      |      |      | 15.0 | 10.0 | 7.5  | 7.5  |
| Spendout of BY+6 balances                               |     |      |      |      |      |      |      |      |      | 15.0 | 10.0 | 7.5  |
| Spendout of BY+7 balances                               |     |      |      |      |      |      |      |      |      |      | 15.0 | 10.0 |
| Spendout of BY+8 balances                               |     |      |      |      |      |      |      |      |      |      |      | 15.0 |
| 9122 751 Outlays from end of PY balances discretionary  |     | 14   | 6    | 12   |      |      |      |      |      |      |      |      |

Agencies enter line 9x22 information in schedule S. MAX copies the data from schedule S into schedule A. These data are necessary to generate correct amounts on lines 9x21.

| Assumption:       | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|-------------------|--------|--------|--------|--------|--------|-------|
| CY outlay rates.. | 20.00  | 35.00  | 15.00  | 30.00  |        | 100   |
| BY outlay rates.. | 20.00  | 30.00  | 20.00  | 15.00  | 15     | 100   |

Note.--MAX applies the BY outlay rates to budget authority for BY and beyond.

To enter CY and BY outlay rates, select "Edit," "Setup Outlay Calculations" from the pull down menu (see exhibits 81B and 81C).

Outlays from balances equal outlays from end of PY balances in BY+1 plus third year spendout of CY balances plus second year spendout from BY balances. Outlays from balances in other years are calculated by MAX in a similar manner.

The shaded portion of this exhibit displays calculations needed to generate outlays from balances. While not visible on this MAX screen, the calculations can be reviewed by selecting "View," "Outlay Calculations" from the pull down menu. (Although displayed in a different format in MAX, the method of calculation is the same.)

## SECTION 82—PROGRAM AND FINANCING (SCHEDULE P)

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*Detailed Guidance on the Program and Financing Schedules*

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 82.3 How do I report the budgetary resources available for obligation?  
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 82.6 How do I show net budget authority and outlays?  
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*Special Requirements*

- 82.8 How do I present enacted rescissions and reductions of budget authority?  
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Ex-82 Automatic Generation of MAX Schedule P Data

**Summary of Changes**

Requires at least one detail line in the obligations by program activity section (section 82.2).

Eliminates separate lines for unobligated and obligated balances of contract authority in the P&F; requires unobligated and obligated balances of contract authority to be reported separately in schedule I (sections 82.3 and 82.4).

Clarifies the treatment of cash refunds in special and trust funds (section 82.3).

Drops the line entries for emergency appropriations and proceeds of loan asset sales with recourse (section 82.3).

Automatically generates total outlays (gross) for lines 7320 and 8700 from the sum of lines 8690 through 8698 (sections 82.4 and 82.5).

Requires total obligations and unobligated and obligated balances in schedule P tie to amounts reported in FACTS II (section 82.20).

### 82.1 What is the purpose of the program and financing schedule and how is it organized?

This Appendix schedule presents information on agency programs, the allocation of budgetary resources by activity, the status of those resources, and spending patterns. It is used to:

- Analyze and evaluate the estimates;
- Compare enacted funding levels to the President's request;
- Relate budget formulation to budget execution (estimates to actuals); and
- Identify programmatic and historical trends.

The schedule covers PY through BY, except Defense agencies must also report on BY+1 in the years they are required to submit a biennial budget request. MAX generates schedule P from data that you enter:

- Directly into schedule P;
- Into schedule A; and
- Into Treasury systems for preparation of the Treasury Combined Statement.

The MAX system automatically generates totals and subtotals, start of year balances, and selected other entries, including net outlays for the past year (see [exhibit 82](#)). In some cases, you can override the generated amounts; in others, the amounts are protected. [Section 79](#) describes the MAX budget system, and the MAX A-11 User's Guide provides detailed information on the system.

The P&F consists of the following parts:

- Obligations by program activity ([section 82.2](#)).
- Budgetary resources available for obligation ([section 82.3](#)).
- New budget authority (gross), detail ([section 82.3](#)).
- Change in obligated balances ([section 82.4](#)).
- Outlays (gross), detail ([section 82.5](#)).
- Offsets to gross budget authority and outlays ([section 82.6](#)).
- Net budget authority and outlays ([section 82.6](#)).
- Memorandum (non-add) entries ([section 82.7](#)).
- 

Sections 82.2 through 82.7 provide detailed instructions for completing these parts of the P&F.

### 82.2 How do I report obligations?

The P&F shows the activities or projects financed by the account and the amount of budgetary resources required to finance these activities and projects. It presents the new obligations incurred (see [section 20.5](#) for instructions on when to record obligations) or estimated to be incurred for each activity.

(a) *Selecting program activities.*

Use activities that provide a constructive basis for analyzing and evaluating the estimates. Keep the number of activities to a reasonable minimum without sacrificing clarity. Do not use subactivities (such as projects or recipient institutions), unless the amounts are significant and the breakdown necessary to provide full understanding. The activities should:

- Clearly indicate the services to be performed or the programs to be conducted;
- Distinguish investment, developmental, grant and subsidy, and operating programs;
- Distinguish direct obligations from reimbursable programs;
- Have adequate accounting support; and
- Relate to administrative control and operation of the agency.

Obtain approval for any changes in activity structure with OMB prior to your initial submission.

(b) *Allocating expenses to activities.*

Charge personnel compensation to activities on the basis of organizational units or on the basis of specific assignments. When feasible, distribute other administrative and overhead expenses among activities. However, you must be able to readily separate these overhead expenses from other charges. If you need to distribute amounts between two or more activities, base the distribution on readily supportable factors. Be consistent from year to year, and do not rely on overly detailed procedures.

Do not report adjustments to obligations in expired accounts in this part of the P&F. Report them under changes in obligated balances, on line 7340 of (see [section 82.4](#)). For the regular budget schedules (transmittal code 0), you must report all obligations as positive amounts.

(c) *Reimbursable programs.*

If your account includes reimbursable obligations (see [section 20.5](#)), show the obligations financed by reimbursements separately from direct obligations. Use the side headings "Direct program" and "Reimbursable program" (illustrated in [exhibit 130M](#)) to distinguish between the different types of obligations. List activities under each side heading if the amounts are significant or add to the understanding of the program. If the same activities are conducted on both a direct and reimbursable basis, you may list the same entries in both sections.

Report all the obligations in non-credit revolving fund accounts as reimbursable; report all the obligations in credit program and liquidating accounts as direct. You must report direct and reimbursable obligations in the P&F and in the object classification schedule on a consistent basis, and the amounts must tie (see [section 83](#)).

(d) *Program activity codes.*

Program activity codes are unique to each account and have no relationship to the codes shown in other schedules, except for credit programs (as described below). Use the four-digit line numbering scheme described in the following table to code the activities and subactivities listed in the P&F. Code descriptive side headings only if no activities are listed under the side heading and amounts are reported opposite the side heading.

## OBLIGATIONS BY PROGRAM ACTIVITY

| Entry  | Description   |
|--|---|
| <i>All accounts:</i>   |   |
| 0xxx   | The first digit will always be zero (0).  |
| <i>Noncredit programs:</i>   |   |
| The line codes are unique to each account and have no relationship to information shown in other schedules.  |   |
| <b>Direct programs:</b>  |   |
| 0Xxx   | For the second digit, use the values 0 through 8 to identify the activity or subactivity group.   |
| 0xXX   | For the third and fourth digits, use the values 01 through 89 to identify activity or subactivity detail items. Any number sequence in this range is valid.<br><br>For subtotals, use the values 91 through 98 as follows: <ul style="list-style-type: none"> <li>• Xx91—Single activity or subactivity group subtotal</li> <li>• Xx92—Subtotal of two activity or subactivity groups</li> <li>• Xx93—Subtotal of three activity or subactivity groups</li> </ul> Use the value 00 for running subtotals (i.e., previous subtotal plus additional activity or subactivity group). |
| <b>Reimbursable programs:</b>  |   |
| If coding requirements for reimbursable programs create difficulties in developing the account display, consult with OMB.<br><br>The second digit will always be 9.  |   |
| 09xx   | For the third digit, use the values 0 through 8; for the fourth digit, use the values 1 through 8 to identify activity or subactivity detail items.   |
| 09XX   | For subtotals, use the value 9 for the fourth digit as follows: <ul style="list-style-type: none"> <li>• 0909—Subtotal of activities on lines 0901 through 0908</li> <li>• 0919—Subtotal of activities on lines 0910 through 0918</li> <li>• 0929—Subtotal of activities on lines 0920 through 0928</li> <li>• 0939—Subtotal of activities on lines 0930 through 0938</li> </ul> Use the value 0999 for reporting total reimbursable obligations when both direct and multiple reimbursable activities are reported.  |
| <i>Credit programs:</i>  |   |
| Use the following standard line coding scheme for credit programs. See <a href="#">sections 185.10</a> and <a href="#">185.11</a> for more information on requirements related to credit financing and liquidating accounts. |   |
| <b>Credit program accounts:</b>  |   |
| 0001   | Direct loan subsidy   |
| 0002   | Loan guarantee subsidy  |
| 0003   | Subsidy for modifications of direct loan terms  |
| 0004   | Subsidy for modifications of loan guarantees  |

| Entry                             | Description   |
|-----------------------------------|---|
| 0005                              | Reestimates of direct loan subsidy  |
| 0006                              | Interest on reestimates of direct loan subsidy  |
| 0007                              | Reestimates of loan guarantees  |
| 0008                              | Interest on reestimates of loan guarantee subsidy   |
| 0009                              | Administrative expenses   |
| <b>Credit financing accounts:</b> |   |
| 0001–0009                         | Obligations for post-1991 direct loan disbursements, default claims, interest supplements to lenders, interest on debt owed to Treasury   |
| 0801                              | Negative subsidies paid to receipt accounts   |
| 0802                              | Downward reestimates paid to receipt accounts   |
| 0803                              | Adjusting payments to liquidating accounts  |
| <b>All accounts:</b>              |   |
| 1000                              | Total new obligations. This is the final entry in this part of the P&F. MAX requires this line whenever new obligations are reported and will generate this line from the detail you enter. Equals line 2395, with the opposite sign. |

### 82.3 How do I report the budgetary resources available for obligation?

One part of the P&F provides information on the budgetary resources available to finance obligations. It includes information on all the budgetary resources available for obligation in the account. Another part provides detailed information on the new budget authority in the account.

(a) *Budgetary resources available for obligation.*

The P&F tracks the status of budgetary resources available for obligation from the start of the fiscal year to the end of the fiscal year. The resources include unobligated balances carried over from prior years, new budget authority, and adjustments to those amounts (such as transfers of balances to and from other budget accounts and recoveries resulting from downward adjustments of prior year obligations). You deduct new obligations and expiring or withdrawn amounts to arrive at the end-of-year unobligated balances. Do not include expired amounts or amounts unavailable for obligation.

Use the entries in the following table to prepare this section of the P&F. Consult with OMB if you want to modify the standard line titles. MAX will automatically generate the line entries indicated in **boldface**.

#### BUDGETARY RESOURCES AVAILABLE FOR OBLIGATION

| Entry  | Description  |
|--|--|
| <b>2140 Unobligated balance carried forward, start of year</b> | Unobligated balance of appropriations or other budgetary resources carried forward from the preceding year and available for obligation without new action by Congress. MAX copies CY and BY from the end of year amounts reported on line 2440 for the previous year. Includes uninvested balances and balances invested in Federal securities (par value), adjusted for unrealized discounts |

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| Entry   | Description   |
|---|---|
|   | (a negative amount). Includes all unobligated balances (appropriations, authority to borrow, contract authority, fund balances) at the start of the year. Does not include any deficiencies reported in the prior year's budget on line 2397 that have been liquidated by an appropriation or spending authority from offsetting collections; expired unobligated balances; or special and trust fund amounts and offsetting collections that are not available for obligation because provisions of law, such as benefit formulas or limitations on obligations (see <a href="#">section 20.4</a> ).   |
| <b>2200 New budget authority (gross)</b>  | The total amount of gross budget authority. Equals the sum of the detailed budget authority entries on lines 4000 through 6990. It also equals line 7000.   |
| 2210 Resources available from recoveries of prior year obligations  | Amount made available for obligation in no-year and <i>unexpired</i> multiple-year accounts through recoveries (i.e., deobligation or downward adjustments) of obligations incurred in prior years. Equals line 7345, but with opposite sign.<br><br><i>Note: Net recoveries of current year obligations against new obligations for the same year without further identification. Report recoveries of prior year obligations in expired annual and multiple-year accounts on line 7340.</i>   |
| <i>Use line 2210 only for PYBor CY if recoveries have already occurred prior to transmittal of the budget—unless specifically approved in advance by OMB.</i> |   |
| 2221 Unobligated balance transferred to other accounts (-) [xx-xxxx]  | Amount of unobligated balance transferred to other accounts that represents an adjustment to the accounts involved and does not involve an obligation or an outlay (see <a href="#">section 20.4</a> ).<br><br>Use only for transfers of balances of prior year resources when the purpose of the funding has not changed (e.g., transfers of activities under reorganization plans) or transfers of balances resulting from general transfer authority. Show transfers of balances of prior year resources that result from legislation that changes the purpose for which the amounts are available as adjustments to budget authority on line 4100. Generally, transfers to other accounts cannot exceed the unobligated balance at the start of the year.   |
| 2222 Unobligated balance transferred from other accounts (+) [xx-xxxx]  | Amount of available unobligated balances transferred from other accounts that represents an adjustment to the accounts involved and do not involve an obligation or an outlay ( <a href="#">section 20.4</a> ). Use only for transfers of balances of prior year resources when the purpose of the funding has not changed (e.g., transfers of activities under reorganization plans) or transfers of balances resulting from general transfer authority. Show transfers of balances of prior year resources that result from legislation that changes the purpose for which the amounts are available as adjustments to budget authority on line 4200.<br><br><i>Note: You must identify each account involved in each transfer (gaining and losing) in MAX using the 6-digit Treasury basic account symbol (see <a href="#">section 79.2</a> and <a href="#">Appendix C</a>).</i> |
| 2240 Capital transfer to general fund (-)   | Amount of balances deposited to Treasury capital transfer receipt accounts, such as "Earnings of Government-owned enterprises," or "Repayments of capital investment, Government-owned enterprises." Don't include interest payments or capital transfers of offsetting collections received during the year (see lines 6827 and  |

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| <b>Entry</b>   | <b>Description</b>  |
|--|---|
|  | 6927). For capital transfers of appropriations, contact OMB.  |
| 2260 Portion applied to repay debt (–)   | Amount of balances used for repayments of borrowing outstanding. Do not include appropriations or new offsetting collections used to retire outstanding debt (see lines 4047, 6047, 6847, and 6947).  |
| 2270 Balance of authority to borrow withdrawn (–)                                  | Use these entries to report withdrawn unobligated balances of indefinite borrowing or contract authority realized in no-year or multiple year accounts through deobligation or downward adjustments of prior year obligations reported on lines 2210 and 7345.  |
| 2275 Balance of contract authority withdrawn (–)                                   |   |
|  | <i>Note: When new appropriations or spending authority from offsetting collections are used to liquidate obligations initially incurred against authority to borrow, report the amounts on lines 6053, 6853, or 6953, as appropriate.</i>   |
| 2380 Reduction pursuant to P.L. 99–177 in unobligated balances (discretionary) (–) | Amount of cancellation of unobligated balances of budgetary resources pursuant to G-R-H. <i>Use only for PY and CY and only in accounts in the national defense function (050).</i>   |
| 2385 Reduction pursuant to P.L. 99–177 in unobligated balances (mandatory) (–)     |   |
| <b>2390 Total budgetary resources available for obligation</b>                     | Sum of lines 2140 through 2385, when there are multiple entries on lines 2140 through 2385.   |
| <b>2395 Total new obligations (–)</b>  | Equals line 1000, with opposite sign. Use only if line 1000 is used.  |
| 2397 Deficiency  | Amount of obligations (as of the end of the year) that exceed the budgetary resources available for obligation that requires an appropriation or future offsetting collections to liquidate unpaid obligations. This amount is reportable as a violation of the Antideficiency Act. Use this entry in the year in which the deficiency is incurred. Also report the deficiency on line 9190 until liquidated.   |
|  | <i>Note: See OMB Circular No. A–34 for additional reporting requirements on deficiencies.</i>   |
| 2398 Unobligated balance expiring or withdrawn (–)                                 | Amount available for obligation during the year that ceased to be available for obligation during or at the end of the fiscal year (other than amounts rescinded by law). Include unobligated balances expiring for obligation (even if they have been reappropriated) and unobligated balances returned to unappropriated receipts. Include unobligated balances of unexpired amounts written off or withdrawn by administrative action. Also, include cash refunds of previously appropriated receipts that are available for a subsequent appropriation and are returned to unappropriated receipts. Do not include cancellation of unobligated balances that expired in prior years. Also, do not use for the withdrawal of indefinite contract authority or borrowing authority when obligated balances are liquidated by offsetting collections (see lines 6849, 6949, 6853, and 6953). |
| <b>2440 Unobligated balance carried</b>  | Unobligated balance carried forward and available for obligation  |

| Entry                       | Description  |
|-----------------------------|--|
| <b>forward, end of year</b> | in the following year. Include uninvested balances and balances invested in Federal securities (par value), adjusted for unrealized discounts (a negative amount). Include all unobligated balances available for obligation (appropriations, authority to borrow, contract authority, fund balances) at the end of the year. Do not include expired unobligated balances. Do not include special and trust fund amounts and offsetting collections that are not available for obligation because provisions of law, such as benefit formulas or limitations on obligations (see <a href="#">section 20.4</a> ). Equals the sum of detail lines 2140 through 2398. |

(b) *New budget authority (gross) detail.*

The P&F contains very specific information on the new budget authority reported in the account. The entries indicate the basic type of authority (such as appropriations, contract authority, spending authority from offsetting collections) and whether the authority:

- Is discretionary or mandatory; and
- Pertains to a special or trust fund account.

You must use separate entries to identify adjustments resulting from transfers, rescissions, G-R-H reductions, capital transfers, repayments of outstanding borrowing, etc.

Use the entries in the following table to prepare this section of the P&F. Consult with OMB if you want to modify the standard line titles. Since most types of discretionary budget authority have a mandatory counterpart (and vice versa), the table is arranged by type of authority and shows the applicable discretionary and mandatory entries for each.

**Discretionary budget authority** means budget authority under the jurisdiction of appropriations committees and controlled by annual appropriations acts. It includes spending authority provided in appropriations acts except where such authority funds direct-spending programs, such as appropriated entitlements. Use the appropriate discretionary entries to report budget authority that is classified as *discretionary* under the BEA (see [sections 20.4](#) and [81.3](#)).

**Mandatory budget authority** means budget authority resulting from permanent laws and includes programs the BEA defines as "appropriated entitlements and mandatories." Use the appropriate mandatory entries to report all budget authority that is classified as *mandatory* under the BEA, as well as budget authority that is classified as *net interest*. Also use the appropriate mandatory entries to report budget authority associated with credit financing accounts.

**Definite and indefinite budget authority** normally will not be separately identified. This is a change from past practice. If there is a compelling reason to separately identify definite and indefinite amounts, you may use separate line serial numbers with your OMB representative's approval.

Use the entries in the following table to prepare this section of the P&F. Consult with OMB if you want to modify the standard line titles. MAX will automatically generate the line entries indicated in **boldface**.

## NEW BUDGET AUTHORITY (GROSS), DETAIL

| Entry  | Discretionary | Mandatory | Description   |
|--|---------------|-----------|---|
| <i>APPROPRIATIONS</i>                        |               |           |   |
| Appropriation                                | 4000          | 6000      | Amount appropriated, estimated or requested to be appropriated from general funds. Include amounts for liquidation of contract authority, debt reduction, and liquidation of deficiencies, when applicable. Do not include emergency appropriations. For indefinite amounts, the past year amount will equal the amount certified by appropriation warrants for the year after being reduced by any excess resources returned to the Treasury.<br><br>For discretionary appropriations, include the amount of emergency appropriations enacted or requested. Include amounts that are contingent on the President submitting a budget request to Congress designating the amount as an emergency requirement. |
| Appropriation (special fund)                 | 4020          | 6020      | Amount appropriated or requested to be appropriated from special fund receipts.   |
| Appropriation (trust fund)                   | 4026          | 6026      | Amount appropriated or requested to be appropriated from trust fund receipts.   |
| Appropriation (unavailable balances)         | n/a           | 6028      | For special and trust funds with mandatory appropriations that are precluded from obligation by provisions of law (see the description of line 6045), the amount of budget authority that becomes available for obligation from balances of receipts previously unavailable and included in the amounts reported in schedule N (see <a href="#">section 86.6</a> ). Use only with OMB approval.   |
| <i>Advance funding:</i>                      |               |           | Advance funding is generally used to finance higher than anticipated costs in benefit programs. Use only in PY and CY and only with OMB approval.   |
| Appropriation available from subsequent year | 4028          | n/a       | Portion of the succeeding year's appropriation made available for obligation as advance funding.  |
| Appropriation available in prior year (–)    | 4029          | n/a       | Portion of the appropriation made available for obligation as advance funding in the preceding year.  |
| <i>Rescissions:</i>                          |               |           |   |
| Appropriation rescinded (–)                  | 4035          | 6035      | Amount of rescission of appropriations. Use only in PY or CY. (See <a href="#">section 82.9</a> for rescission proposals.)<br><br>In cases where there is an across-the-board rescission of budget authority (percentage or other) mandated in appropriations law, allocated to affected accounts and required to be separately identified for reporting purposes, OMB may instruct you to use one of the reduction lines (4074 through 4079) in lieu of line 4035.   |
| Unobligated balance rescinded (–)            | 4036          | 6036      | Amount of rescission of unobligated balances of prior year budgetary resources. Use line 4036 for all discretionary rescissions of balances except for rescissions of balances of contract authority, which should be reported on line 4936.  |

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| Entry  | Discre-<br>tionary | Man-<br>datory | Description   |
|--|--------------------|----------------|---|
|  |                    |                | Use line 6036 for all mandatory rescissions of balances.  |
|  |                    |                | When legislation defers existing budget authority (or unobligated balances) from a year in which it was available for obligation to a year in which it was not available for obligation, report the deferred amount as a rescission and show reappropriations in the first year of the extended availability.   |
| Portion precluded from obligation (–)                                  | n/a                | 6045           | For special and trust funds with mandatory appropriations, amount precluded from obligation in a fiscal year by a provision of law (such as a limitation on obligations or a benefit formula). This amount is treated as a balance of budgetary resources (see the description of line 6028). MAX will automatically report this amount in schedule N (see <a href="#">section 86.6</a> ). <i>Use only with OMB approval.</i> |
| <i>Adjustments:</i>  |                    |                | <i>Use the following lines only if the appropriations language specifies that the appropriations are for these purposes:</i>  |
| Portion applied to repay debt (–)                                      | 4047               | 6047           | Amount of appropriations used to repay debt.  |
| Portion applied to liquidate deficiencies (–)                          | 4048               | 6048           | Amount of appropriations used to eliminate a deficiency incurred in a previous year.  |
| Portion applied to liquidate contract authority (–)                    | 4049               | 6049           | Amount of appropriations used to liquidate contract authority.  |
| Portion of appropriation to liquidate contract authority withdrawn (–) | 4050               | n/a            | Amount withdrawn from appropriations to liquidate contract authority. <i>Use only in PY or CY and only with OMB approval.</i>   |
| Portion substituted for borrowing authority (–)                        | n/a                | 6053           | Amount of appropriations used to liquidate obligations initially incurred against authority to borrow when the borrowing is not exercised.  |
| <i>Reductions pursuant to appropriations acts or G-R-H reductions:</i> |                    |                |   |
| Reduction pursuant to P.L. xxx–xxx (–)                                 | 4071               | n/a            | Amount of reductions in budget authority (percentage or other) mandated in appropriations law and allocated to affected accounts. OMB will tell you which code to use to identify the appropriate appropriation acts. <i>Use only in PY and CY.</i>   |
|  | 4072               | n/a            |   |
|  | 4073               | n/a            |   |
|  | 4074               | 6074           |   |
|  | 4075               | 6075           |   |
|  | 4076               | 6076           |   |
|  | 4077               | 6077           |   |
|  | 4078               | 6078           |   |
|  | 4079               | 6079           |   |
| Reduction pursuant to P.L.   | 4085               | 6085           | Amount of cancellation of appropriations pursuant to the  |

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| <b>Entry</b>                                  | <b>Discretionary</b> | <b>Mandatory</b> | <b>Description</b>   |
|---|----------------------|------------------|--|
| 99–177 (–)                                    |                      |                  | G-R-H law. <i>Use only in PY and CY.</i>   |
| <i>Transfers:</i>                             |                      |                  |  |
| Transferred to other accounts (–) [xx–xxxx]   | 4100                 | 6100             | <p>Amount transferred to another account in the same year the authority becomes available for obligation when the transfer does not involve an obligation or an outlay. Use this line to show adjustments in budget authority resulting from:</p> <ul style="list-style-type: none"> <li>• Transfers under reorganization plans;</li> <li>• Transfers authorized by Congress in lieu of appropriations; and</li> <li>• Transfers where the purpose of the funding has changed.</li> </ul> <p>Also use for transfers of unobligated balances that result from legislation that changes the purpose for which the balances are available. (Show transfers of balances for which the purpose has not changed or resulting from general transfer authority on line 2221.)</p> <p>Show amounts transferred from mandatory accounts to discretionary accounts, pursuant to appropriations law, on line 6100 in the losing account and line 4200 in the receiving account.</p>  |
| Transferred from other accounts (+) [xx–xxxx] | 4200                 | 6200             | <p>Amount transferred from other accounts in the same year the authority becomes available for obligation when the transfer does not involve an obligation or an outlay. Use this line to show adjustments in budget authority resulting from:</p> <ul style="list-style-type: none"> <li>• Transfers under reorganization plans;</li> <li>• Transfers authorized by Congress in lieu of appropriations; and</li> <li>• Transfers where the purpose of the funding has changed.</li> </ul> <p>Also use for transfers of unobligated balances that result from legislation that changes the purpose for which the balances are available. (Show transfers of balances for which the purpose has not changed or transfers of balances resulting from general transfer authority on line 2222.)</p> <p>Show amounts transferred to discretionary accounts from mandatory accounts, pursuant to appropriations law, on line 4200 in the receiving account and on line 6100 in the losing account.</p> <p><i>Identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see <a href="#">section 79.2</a> and <a href="#">Appendix C</a>).</i></p> |
| <b>Appropriation (total)</b>                  | <b>4300</b>          | <b>6250</b>      | <p>Sum of lines 4000 through 4200 is the discretionary total.</p> <p>Sum of lines 6000 through 6200 is the mandatory total. Use</p>  |

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| Entry   | Discretionary | Mandatory   | Description  |
|---|---------------|-------------|--|
| only if there are multiple entries on these lines.                |               |             |  |
| <i>AUTHORITY TO BORROW</i>  |               |             |  |
| Authority to borrow   | 4700          | 6710        | Amount of new authority authorized or requested to be authorized to be expended from moneys derived from borrowing from the Treasury or from investors other than Treasury. To the extent that indefinite borrowing authority is used to cover obligations, report authority to borrow for all such obligations even though subsequent appropriations or offsetting collections will ultimately be used to liquidate the obligations.<br><br>For indefinite authority to borrow, record the amount that you obligated in the past year or estimate you will obligate in CY and BY. |
| Authority to borrow (12 U.S.C. 2281–96)                           | n/a           | 6716        | Amount of authority to borrow for direct loan obligations from the Federal Financing Bank. <i>Use only for liquidating accounts.</i>   |
| Authority to borrow rescinded (–)                                 | 4735          | 6735        | Amount of rescissions of authority to borrow. Report rescissions of unobligated balances of authority to borrow on line 4036 (discretionary) or line 6036 (mandatory). <i>Use only in PY or CY.</i>  |
| Reduction pursuant to P.L. 99–177 (–)                             | 4785          | 6785        | Amount of cancellation of authority to borrow pursuant to the G-R-H law. <i>Use only in PY and CY.</i>   |
| <b>Authority to borrow (total)</b>                                | <b>4790</b>   | <b>6790</b> | Sum of lines 4700 through 4785 is the discretionary total.<br><br>Sum of lines 6710 through 6785 is the mandatory total. Use only if there are multiple entries on these lines.  |
| <i>CONTRACT AUTHORITY</i>   |               |             |  |
| Contract authority  | 4900          | 6610        | Amount of new authority to incur obligations in advance of collections or an appropriation for liquidation.<br><br>For indefinite contract authority, record the amount that you obligated in the past year or estimate you will obligate in CY and BY.  |
| Contract authority rescinded (–)                                  | 4935          | 6635        | Amount of rescissions of contract authority. <i>Use only in PY or CY.</i>  |
| Unobligated balance rescinded (–)                                 | 4936          | n/a         | In cases where there is an across-the-board rescission of budget authority (percentage or other) mandated in appropriations law, allocated to affected accounts and required to be separately identified for reporting purposes, OMB may instruct you to use one of the reduction lines (4974 through 4979) in lieu of line 4935.  |
| Portion precluded from obligation (limitation on obligations) (–) | 4945          | n/a         | Amount of contract authority precluded from obligation in a fiscal year by a limitation on obligations. <i>Use only with OMB approval.</i>   |
| Reduction pursuant to P.L. xxx–xxx (–)                            | 4974          | n/a         | Amount of reductions in budget authority (percentage or other) mandated in appropriations law and allocated to affected accounts. OMB will tell you which code to use to   |
|   | 4975          | n/a         |  |

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| Entry   | Discretionary | Mandatory   | Description   |
|---|---------------|-------------|---|
|   | 4976          | n/a         | identify the appropriate appropriation acts. <i>Use only in PY and CY.</i>  |
|   | 4977          | n/a         |   |
|   | 4978          | n/a         | In cases where it is important to cite the public law for a rescission to fulfill reporting requirements, OMB may tell you to use one of these reduction lines in lieu of line 4935.  |
|   | 4979          | n/a         | In these cases, rescissions are reported as reductions. An example is the treatment of rescissions pursuant to the Miscellaneous Appropriations Act of 2001 (e.g., P.L. 106-554 (0.22 percent)). In this case, all rescissions and reductions were reported as reductions on lines xx77 in the 2003 Budget.             |
| Reduction pursuant to P.L. 99–177 (–)         | 4985          | 6685        | Amount of cancellation of contract authority pursuant to the G-R-H law. <i>Use only in PY and CY.</i>   |
| Transferred to other accounts (–) [xx–xxxx]   | n/a           | 6661        | Amount of contract authority transferred to other accounts.   |
| Transferred from other accounts (+) [xx–xxxx] | n/a           | 6662        | Amount of contract authority transferred from other accounts.   |
|   |               |             | <i>Note: You must identify each account involved in each transfer (gaining and losing) in MAX using the 6–digit Treasury basic account symbol (see <a href="#">section 79.2</a> and <a href="#">Appendix C</a>).</i>  |
| <b>Contract authority (total)</b>             | <b>4990</b>   | <b>6690</b> | Sum of lines 4900 through 4985 is the discretionary total. Sum of lines 6610 through 6685 is the mandatory total. Use only if there are multiple entries on these lines.  |
| <b>REAPPROPRIATIONS</b>                       |               |             |   |
| Reappropriation                               | 5000          | 6300        | Amount of new budget authority resulting from legislation that extends the period of availability of general funds that have expired or would otherwise expire. Such extensions of availability are counted as new budget authority in the first year of the extended availability (see <a href="#">section 20.4</a> ). |
| Reappropriation rescinded (–)                 | 5035          | 6335        | Amount of rescissions of reappropriations. Report rescissions of unobligated balances on line 4036 (discretionary) or line 6036 (mandatory). <i>Use only in PY and CY.</i>  |
| Reduction pursuant to P.L. 99–177 (–)         | 5085          | 6385        | Amount of cancellation of reappropriations pursuant to the G-R-H law. <i>Use only in PY and CY.</i>   |
| <b>Reappropriation (total)</b>                | <b>5300</b>   | <b>6390</b> | Sum of lines 5000 through 5085 is the discretionary total. Sum of lines 6300 through 6385 is the discretionary total. Use only if there are multiple entries on these lines.  |
| <b>ADVANCE APPROPRIATIONS</b>                 |               |             |   |
| Advance appropriation                         | 5500          | 6500        | Appropriation that becomes available for obligation one fiscal year or more beyond the fiscal year for which the legislation is enacted. Report amount in the year in which it first becomes available for obligation.  |
| Advance appropriation (special fund)          | 5520          | n/a         |   |
| Advance appropriation                         | 5526          | 6526        |   |

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| Entry  | Discretionary | Mandatory   | Description   |
|--|---------------|-------------|---|
| (trust fund)   |               |             |   |
| Advance appropriation rescinded (–)                                      | 5535          | 6535        | Amount of rescissions of advance appropriations. Report rescissions of unobligated balances on line 4036 (discretionary) or line 6036 (mandatory). <i>Use only in PY and CY.</i><br><br>In cases where there is an across-the-board rescission of budget authority (percentage or other) mandated in appropriations law, allocated to affected accounts and required to be separately identified for reporting purposes, OMB may instruct you to use one of the reduction lines (5574 through 5579) in lieu of line 5535.   |
| Reduction pursuant to P.L. xxx–xxx (–)                                   | 5574          | n/a         | Amount of reductions in budget authority (percentage or other) mandated in appropriations law and allocated to affected accounts. OMB will tell you which code to use to identify the appropriate appropriation acts. <i>Use only in PY and CY.</i><br><br>In cases where it is important to cite the public law for a rescission to fulfill reporting requirements, OMB may tell you to use one of these reduction lines in lieu of line 5535. In these cases, rescissions are reported as reductions. An example is the treatment of rescissions pursuant to the Miscellaneous Appropriations Act of 2001 (e.g., P.L. 106-554 (0.22 percent)). In this case, all rescissions and reductions were reported as reductions on lines xx77 in the 2003 Budget. |
|  | 5575          | n/a         |   |
|  | 5576          | n/a         |   |
|  | 5577          | n/a         |   |
|  | 5578          | n/a         |   |
|  | 5579          | n/a         |   |
| Reduction pursuant to P.L. 99–177 (–)                                    | 5585          | 6585        | Amount of cancellation of advance appropriations pursuant to the G-R-H law. <i>Use only in PY and CY.</i>   |
| <b>Advance appropriation (total)</b>                                     | <b>5590</b>   | <b>6590</b> | Sum of lines 5500 through 5585 is the discretionary total. Sum of lines 6500 through 6585 is the mandatory total. Use only if there are multiple entries on these lines.  |
| <i>SPENDING AUTHORITY FROM OFFSETTING COLLECTIONS</i>                    |               |             | As a general rule, you classify spending authority from offsetting collections as discretionary for accounts classified as discretionary by the BEA and as mandatory for accounts classified as mandatory under the BEA.  |
| Offsetting collections (cash)  | 6800          | 6900        | <i>For unexpired accounts only:</i><br><br>Amount of offsetting collections (cash) credited to the account and refunds that pertain to obligations recorded in prior fiscal years.  |
| Change in uncollected customer payments from Federal sources (unexpired) | 6810          | 6910        | <i>For unexpired accounts only:</i><br><br>Amount of increase (+) or decrease (–) in accounts receivable from Federal sources and unpaid, unfilled orders from Federal sources from the start of year to the end of year. The total amounts reported on these lines will equal the amount reported on line 7400, but with the opposite sign.  |
| From offsetting collections  | 6826          | 6926        | For accounts with limitations on the use of offsetting  |

| Entry   | Discretionary | Mandatory | Description  |
|---|---------------|-----------|--|
| (unavailable balances)  |               |           | collections, the amount of budget authority that becomes available for obligation from unavailable balances of offsetting collections reflected in the schedule on unavailable collections (see <a href="#">section 86.6</a> ).  |
| <i>Adjustments:</i>   |               |           |  |
| Capital transfer to general fund (-)                              | 6827          | 6927      | Amount of offsetting collections deposited to Treasury receipt accounts for "Earnings of Government-owned enterprises," or "Repayments of capital investment, Government-owned enterprises." Do not include interest payments. <i>Primarily used by revolving funds; however, may be used by other accounts with OMB approval.</i>   |
| Portion applied to liquidate deficiencies (-)                     | 6833          | 6933      | Amount of offsetting collections used to eliminate a deficiency incurred in a previous year.   |
| Portion precluded from obligation (limitation on obligations) (-) | 6845          | 6945      | Amount of offsetting collections credited to the account that are not available for obligation because of limitations on program level in appropriations acts.   |
| Portion applied to repay debt (-)                                 | 6847          | 6947      | Amount of offsetting collections used for repayments of outstanding borrowing.   |
| Portion applied to liquidate contract authority (-)               | 6849          | 6949      | Amount of offsetting collections used to liquidate contract authority.   |
| Portion substituted for borrowing authority (-)                   | 6853          | 6953      | Amount of offsetting collections used to liquidate obligations initially incurred against authority to borrow when the borrowing is not exercised.   |
| <i>Transfers:</i>   |               |           |  |
| Transferred to other accounts (-) [xx-xxxx]                       | 6861          | 6961      | Amount transferred to another account in the same year the authority becomes available for obligation when the transfer is treated as an adjustment in budget authority to the accounts and does not involve an obligation or outlay (see the description of line 4100 for more information). Transfers of balances should be reported on lines 2221 or 7331, as appropriate. Although the spending authority is transferred to another account, the offsetting collection will be credited to the account that initially received the collection on line 88xx.    |
| Transferred from other accounts (+) [xx-xxxx]                     | 6862          | 6962      | Amount transferred from other accounts in the same year the authority becomes available for obligation when the transfer is treated as an adjustment in budget authority to the accounts and does not involve an obligation or outlay (see the description of line 4200 for more information). Transfers of balances should be reported on lines 2222 or 7332, as appropriate. Although the spending authority is transferred from another account, the offsetting collection will be credited to the account that initially received the collection on line 88xx. |

*Note: You must identify each account involved in each*

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| Entry  | Discretionary | Mandatory   | Description   |
|--|---------------|-------------|---|
|  |               |             | <i>transfer (gaining and losing) in MAX using the 6-digit Treasury basic account symbol (see <a href="#">section 79.2</a> and <a href="#">Appendix C</a>).</i>  |
| <i>Reductions pursuant to appropriations acts or G-R-H reductions:</i> |               |             |   |
| Reduction pursuant to P.L. xxx-xxx (-)                                 | 6874          | 6974        | Use these lines for reductions mandated in appropriations law (percentage or other) allocated to affected accounts. OMB will tell you which code to use to identify the appropriation act mandating the reduction.<br><br>In cases where it is important to cite the public law for a rescission to fulfill reporting requirements, OMB may tell you to use one of these reduction lines. In these cases, rescissions are reported as reductions. An example is the treatment of rescissions pursuant to the Miscellaneous Appropriations Act of 2001 (e.g., P.L. 106-554 (0.22 percent)). In this case, all rescissions and reductions were reported as reductions on lines xx77 in the 2003 Budget. |
|  | 6875          | 6975        |   |
|  | 6876          | 6976        |   |
|  | 6877          | 6977        |   |
|  | 6878          | 6978        |   |
|  | 6879          | 6979        |   |
| Reduction pursuant to P.L. 99-177 (-)                                  | 6885          | 6985        | Amount of cancellation of spending authority from offsetting collections pursuant to the G-R-H law. <i>Use only in PY and CY.</i>   |
| <b>Spending authority from offsetting collections (total)</b>          | <b>6890</b>   | <b>6990</b> | Sum of lines 6800 through 6885 is the discretionary total.<br><br>Sum of lines 6900 through 6985 is the mandatory total.<br>Use if there are multiple entries on these lines.   |
| <b>Total new budget authority (gross)</b>                              | <b>7000</b>   | <b>7000</b> | Sum of combined total of mandatory and discretionary budget authority (lines 4000 through 6990) when more than one type is used. It also equals line 2200.  |

(c) *Financing obligations and adjustments.*

As a general rule, if unobligated balances from prior years and new budget authority are commingled in an account, charge new obligations against unobligated balances brought forward before budget authority. Similarly, charge capital transfers, redemption of debt, and liquidating of contract authority against unobligated balances before adjusting new budget authority.

**82.4 How do I report obligated balances?**

The P&F includes a section that bridges between start and end of year obligated balances. Report the start of year obligated balance. New obligations are added to the start of year balance, and gross outlays are deducted. Adjustments, such as transfers of obligated balances and the change in uncollected customer payments from Federal sources (both unexpired and expired), are added or subtracted, as appropriate, to determine the obligated balance at the end of the year. In addition to reporting transactions in unexpired accounts, you reflect outlays from and adjustments in expired (but not canceled) accounts.

*Unpaid obligations and uncollected customer payments from Federal sources* are included in the obligated balance and are not separately identified. This is a change from past practice.

Use the entries in the following table to prepare this section of the P&F. Consult with OMB if you want to modify the standard line titles. MAX will automatically generate the line entries indicated in **boldface**.

## CHANGE IN OBLIGATED BALANCES

| Entry   | Description  |
|---|--|
| <b>7240</b> <b>Obligated balance, start of year</b>   | Sum of amounts: <ul style="list-style-type: none"> <li>• Accounts payable plus undelivered orders (These are also known as unpaid obligations.)</li> <li>• Accounts receivable from Federal sources and unpaid, unfilled orders from Federal sources (These are also known as uncollected customer payments.)</li> </ul> Include: <ul style="list-style-type: none"> <li>• Uninvested balances;</li> <li>• Balances invested in Federal securities (par value), adjusted for unrealized discounts (a negative amount); and</li> <li>• Amounts obligated against contract authority.</li> </ul> |
| <b>7310</b> <b>Total new obligations</b>  | Equals line 1000.  |
| <b>7320</b> <b>Total outlays (gross) (-)</b>  | Total disbursements made by the account. Equals the sum of the amounts on lines 8690 through 8698, with opposite sign.   |
| 7331    Obligated balance transferred to other accounts (-) [xx-xxxx]                       | Amount of unpaid obligations transferred to other accounts.  |
| 7332    Obligated balance transferred from other accounts (+) [xx-xxxx]                     | Amount of unpaid obligations transferred from other accounts.<br><i>Note: You must identify each account involved in each transfer (gaining and losing) in MAX using the 6-digit Treasury basic account symbol (see <a href="#">section 79.2</a> and <a href="#">Appendix C</a>).</i>  |
| 7340    Adjustments in expired accounts (net)   | Net amount of upward (+) or downward adjustments (-) in obligations in accounts that <i>expired</i> prior to the beginning of the fiscal year.<br><br><i>Use only for PY, unless specifically approved by OMB.</i>   |
| <b>7345</b> <b>Recoveries of prior year obligations (-)</b>                                 | Amount made available for obligation in no-year and <i>unexpired</i> multiple-year accounts through recoveries (i.e., deobligation or downward adjustments) of obligations incurred in prior years. Equals line 2210, but with the opposite sign.  |
| <b>7400</b> <b>Change in uncollected customer payments from Federal sources (unexpired)</b> | <i>For unexpired accounts only:</i><br>Amount of increase (-) or decrease (+) in accounts receivable from Federal sources and unpaid, unfilled orders from Federal sources from the start of year to the end of year. Equals the sum of the amounts on lines 6810 and 6910, but with the opposite sign.  |
| 7410    Change in uncollected customer payments from Federal sources (expired)              | <i>For expired accounts only:</i><br>Amount of increase (-) or decrease (+) in accounts receivable from Federal sources and unpaid, unfilled orders from Federal   |

| Entry | Description  |
|-------|--|
|       | sources from the start of year to the end of year.   |
| 7440  | Obligated balance, end of year   |
|       | Sum of amounts:  |
|       | <ul style="list-style-type: none"> <li>• Accounts payable plus undelivered orders (These are also known as unpaid obligations.)</li> <li>• Accounts receivable from Federal sources and unpaid, unfilled orders from Federal sources (These are also known as uncollected customer payments.)</li> </ul> |
|       | Include:   |
|       | <ul style="list-style-type: none"> <li>• Uninvested balances;</li> <li>• Balances invested in Federal securities (par value), adjusted for unrealized discounts (a negative amount); and</li> <li>• Amounts obligated against contract authority.</li> </ul>   |
|       | Equals the sum of lines 7240 through 7410.   |

### 82.5 How do I report outlays?

The P&F shows the account's gross outlays distributed on the basis of the type of budget authority that financed the outlay. This part presents separately, outlays from discretionary and mandatory budget authority and outlays from new authority and carryover balances.

MAX automatically generates all of the line entries that appear in this part from data reported in schedule A.

#### OUTLAYS (GROSS), DETAIL

| Entry       | Description  |
|-------------|--|
| <b>8690</b> | <b>Outlays from new discretionary authority</b>  |
| <b>8693</b> | <b>Outlays from discretionary balances</b>   |
| <b>8697</b> | <b>Outlays from new mandatory authority</b>  |
| <b>8698</b> | <b>Outlays from mandatory balances</b>   |
| <b>8700</b> | <b>Total outlays (gross)</b>   |
|             | MAX calculates these entries based on the outlays reported in schedule A on lines 9111 through 9322. |
|             | You should not use these lines for credit financing accounts. (see <a href="#">section 82.16</a> )   |
|             | Equals the sum of the amounts on lines 8690 through 8698, if multiple lines 8690-8698 are reported.  |

### 82.6 How do I show net budget authority and outlays?

The P&F shows the offsets used to arrive at net budget authority and outlays for the account. Gross outlays are offset by cash collections (both unexpired and expired). Gross budget authority is offset by cash collections (unexpired only) *and* orders from Federal sources that are not accompanied by cash.

The *offsets* part of the P&F indicates the source of the offsetting collections (e.g., Federal sources, interest on Federal securities, non-Federal sources).

The change in uncollected customer payments from Federal sources from the start to the end of the year is deducted from gross budget authority only. Increases in uncollected customer payments from the start to the end of the year increase the amount of the offset because the increase constitutes an increase in gross budget authority; decreases reduce the amount of the offset because a decrease means that a portion of the offsetting collections (cash) received has been applied to liquidate obligations for which an offset was already counted. Only unexpired offsetting collections (cash) are offset from gross budget authority because gross budget authority includes only unexpired amounts.

Use the entries in the following table to prepare this section of the P&F. MAX will automatically generate the line entries indicated in **boldface**. Consult with OMB if you want to modify the standard line titles. See special line title requirements below for lines 8840 and 8845.

## OFFSETS

| Entry   | Description   |
|---|---|
| Against gross budget authority and outlays:                         |   |
| Offsetting collections (cash) from:                                 | Amount of cash credited to the account. (Includes refunds that pertain to obligations recorded in prior fiscal years, as long as the account has not been canceled.) Identify the source of the payment (see the descriptions below). Use subentries when there are significant amounts of different types of income, such as insurance premiums, loan repayments, interest, fees, etc.   |
|   | Note: Amounts for lines 8800 through 8890 under transmittal code 0 should be reported as positive amounts in MAX, but will appear in the Budget Appendix with the opposite sign.  |
| 8800 Federal sources  | Amount from other Federal Government accounts except interest received from investments in Federal securities and interest on uninvested funds. Do not include orders and contracts that are valid obligations of ordering accounts that are not accompanied by advances. Include collections from general, special, trust, revolving, and management fund accounts. Also include collections from off-budget Federal entities.   |
| 8820 Interest on Federal securities                                 | Amount of interest on investments in marketable and nonmarketable Treasury securities. Use for general and revolving fund accounts only.  |
| 8825 Interest on uninvested funds                                   | Amount of interest from Treasury on balances not invested in marketable and nonmarketable Treasury securities.  |
| 8840 Non-Federal sources  | Amount received from non-Federal sources as a result of business-type transactions (e.g., repayments of loan principal, interest on outstanding loans, user charges) and amount of orders received from non-Federal sources that are accompanied by advances. Exclude collections that arise from the Government's sovereign or governmental powers. Report such amounts on line 8845.<br><br><i>Use line titles to identify separately the primary sources of collections. Multiple small amounts may be aggregated. See <a href="#">exhibits 185C</a>, <a href="#">185F</a> and <a href="#">185I</a>.</i> |
| 8845 Offsetting governmental collections (from non-Federal sources) | Amount received from non-Federal sources that are governmental in nature (e.g., tax receipts, regulatory fees,  |

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| Entry  | Description   |
|--|---|
|  | compulsory user charges, custom duties, license fees) but required by law to be credited to the account (see <a href="#">section 20.7</a> ).<br><br><i>Use line titles to identify separately the primary sources of collections.</i>   |
| <b>8890 Total offsetting collections (cash)</b>                                      | Sum of lines 8800 through 8845. Use only if there are multiple entries on lines 8800 through 8845.  |
| <i>Against gross budget authority only:</i>  |   |
| <b>8895 Change in uncollected customer payments from Federal sources (unexpired)</b> | Amount of increase (+) or decrease (–) in accounts receivable from Federal sources and unpaid, unfilled orders from Federal sources from the start of year to the end of year. Equals the sum of amounts on lines 6810 and 6910. Amount will appear in the Budget Appendix with the opposite sign compared to what you enter in MAX.                            |
| <b>8896 Portion of offsetting collections (cash) credited to expired accounts</b>    | Amount of offsetting collections (cash) and refunds that pertain to an account that has expired but is not yet canceled. (see <a href="#">section 20.10</a> ) Equals the sum of amounts on lines 6800 and 6900 minus the amount on lines 8800 through 8845. Amount will appear in the Budget Appendix with the opposite sign compared to what you enter in MAX. |

**NET BUDGET AUTHORITY AND OUTLAYS**

| Entry                              | Description   |
|------------------------------------|---|
| <b>8900 Budget authority (net)</b> | Equals total new budget authority (gross) on line 2200 minus the amounts on lines 8800 through 8845 and on lines 8895 and 8896. Always include this line, even if the amount is zero. |
| <b>9000 Outlays (net)</b>          | Equals total outlays (gross) on line 8700 minus the amounts on lines 8800 through 8845. Always include this line, even if the amount is zero.   |

**82.7 What additional information must I report on schedule P?**

The P&F displays supplementary information related to G-R-H sequesters; obligations in excess of available budgetary resources; and investments in Federal securities. The amounts are not added or deducted from the budget authority or outlay amounts reported above. Use the entries in the following table to prepare this section of the P&F. MAX will automatically generate the line entries indicated in **boldface**. Consult with OMB if you want to modify the standard line titles.

**MEMORANDUM (NON-ADD) ENTRIES**

| Entry                                    | Description   |
|--|---|
| 9110 Outlays prior to reduction pursuant | Amount of outlays that would have occurred <i>in the current year</i> |

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| Entry  | Description   |
|--|---|
| to P.L. 99–177   | <i>only</i> if resources had not been sequestered under G-R-H. Use only if line 9180 or 9185 is used.   |
| 9180 Sequestration pursuant to P.L. 99–177 (discretionary) (–)                                     | Amount of reduction in outlays <i>in the current year only</i> associated with a G-R-H sequester of budgetary resources for discretionary programs.   |
| 9185 Sequestration pursuant to P.L. 99–177 (mandatory) (–)   | Amount of reduction in outlays <i>in the current year only</i> associated with a G-R-H sequester of budgetary resources for mandatory programs.   |
| 9190 Unpaid obligations, end of year:<br>Deficiency  | Amount of obligations included in unpaid obligations, end of year that exceeded the resources available when the obligations were incurred and will require an appropriation or offsetting collections to liquidate the deficiency. For any year, the amount will equal the amount reported on this line in the previous year, plus any amount on line 2397, minus amounts on lines 4048, 6048, 6833, and 6933 plus or minus any revisions to the amount reported in the previous year. (These revisions are not reflected on the P&F schedule.)<br><br><i>Note: See OMB Circular No. A–34 for additional reporting requirements on deficiencies.</i> |
| <i>Investments in Federal securities:</i>  | Report the par value of Federal securities; do not reflect unrealized discounts. Include all the balances invested at the start of the year, including those that are not available for obligation, i.e., those reported in the unavailable collections schedule (MAX schedule N). If a special or trust fund has multiple expenditure accounts, report the invested portion of the unavailable collections in the P&F of the account that receives the largest appropriation from the fund.  |
| <b>9201 Total investments, start of year:<br/>Federal securities: Par value</b>                    | Amount of start of year balances that have been invested in Federal securities, brought forward from the end of the preceding year. For CY and BY, equals the corresponding entry at the end of the preceding year.   |
| 9202 Total investments, end of year:<br>Federal securities: Par value                              | Amount of end of year balances that have been invested in Federal securities.   |
| <i>Additional net budget authority and outlays<br/>to cover cost of fully accruing retirement:</i> | MAX calculates these entries based on data reported in schedule A on lines 9900 and 9901  |
| <b>9900 Budget authority</b>   |   |
| <b>9901 Outlays</b>  |   |

**82.8 How do I present enacted rescissions and reductions of budget authority?**

Include enacted rescissions, reductions mandated in appropriations acts, and GR-H reductions in the regular (transmittal code 0) budget schedules. If enacted legislation defers existing budget authority from a year in which it was available for obligation to a year in which it was not available for obligation, then reflect this deferred amount as a rescission in the regular budget schedules. Show a reappropriation in the first year of the extended availability (see [section 20.4](#)). Show rescissions and reductions separate from the budget authority initially appropriated for all years covered by the P&F schedule.

Rescission and reductions can impact all types of budget authority (e.g., appropriations, borrowing authority, contract authority, advance appropriations, offsetting collections). However, rescissions of unobligated balances of budgetary resources other than contract authority will be reported on either line 4036 (discretionary) or line 6036 (mandatory), regardless of the type of budget authority involved. Reductions of balances of contract authority will be reported on line 4936. The two-digit suffixes listed below are used to denote rescissions and reductions of budget authority. (See the corresponding entries under appropriations (lines 40xx and 60xx) in [section 82.3](#) for more information on how the suffixes are used.)

| Entry   | Description  |
|---|--|
| xx35 [type of authority] rescinded (-)  | Amount rescinded.<br><br><i>Note: Rescission proposals will be shown in a separate program and financing schedule with transmittal code "5," and the stub title will be modified to read "Rescission proposal."</i>  |
| xx71 Reduction pursuant to P.L. 107-116 (-)<br>xx72 Reduction pursuant to P.L. 107-117 (-)<br>xx73 Reduction pursuant to P.L. xxx-xxx (-)<br>xx74 Reduction pursuant to P.L. 107-87 (-)<br>xx75 Reduction pursuant to P.L. xxx-xxx (-)<br>xx76 Reduction pursuant to P.L. xxx-xxx (-)<br>xx77 Reduction pursuant to P.L. xxx-xxx (-)<br>xx78 Reduction pursuant to P.L. xxx-xxx (-)<br>xx79 Reduction pursuant to P.L. 107-74 (-) | Reductions in appropriations law mandating reductions (percentage or other) allocated to affected accounts. OMB will tell you which code to use to identify the appropriation act.<br><br>In cases where it is important to cite the public law for a rescission to fulfill reporting requirements, OMB may tell you to use one of these reduction lines. In these cases, rescissions are reported as reductions. An example is the treatment of rescissions pursuant to the Miscellaneous Appropriations Act of 2001 (e.g., P.L. 106-554 (0.22 percent)). In this case, all rescissions and reductions were reported as reductions on lines xx77 in the 2003 Budget.<br><br><i>Note: For special and trust fund accounts, these amounts generally are available for subsequent appropriation. They will be automatically reported in MAX schedule N as an adjustment on line 0620; agencies should advise OMB if these amounts are permanently canceled and should be excluded from schedule N.</i> |
| xx85 Reduction pursuant to P.L. 99-17 (-)   | Amount of G-R-H reduction.   |

**82.9 How do I present rescission proposals?**

Reflect the effect of rescission proposals that already have been transmitted or will be transmitted to Congress concurrently with the Budget in a separate schedule under transmittal code 5 (see [section 79.2](#)), not in the regular P&F schedule for the affected account. The combination of the regular and rescission schedules should display the condition of the account if Congress accepts the rescission proposal. Please

note that the Impoundment Control Act of 1974 requires the President to transmit a special message whenever a rescission is proposed (see [section 112](#)).

Show enacted rescissions on lines 4035 (appropriation rescinded) and 4036 (unobligated balance rescinded) in schedule P under transmittal code 0 (see [section 82.3](#)).

The rescission schedule under transmittal code 5 should reflect the changes to amounts in the regular schedule that would result from the rescission proposal. For example, if the budget authority would otherwise be obligated in the event that the rescission is not accepted, display negative amounts for obligations and outlays (outlay savings) in the rescission schedule. In cases where the amounts proposed for rescission could not otherwise be obligated and are shown as expiring in the regular schedule, show a positive entry on line 2398 "Unobligated balance expiring or withdrawn," on the rescission proposal schedule. Enter this same amount as a rescission proposal on the appropriate budget authority line.

### **82.10 How do I present supplemental appropriations requests and items proposed for later transmittal?**

The account identification code includes a transmittal code that identifies the nature of the request (e.g., supplementals and items proposed for later transmittal (see [section 79.2](#))). Most requests that are transmitted to the Congress in the President's Budget are for appropriations for the upcoming fiscal year. These requests are normally reported under transmittal code 0. Separate schedules using non-zero transmittal codes are required to identify proposed supplementals, supplementals requested in the budget, and items proposed for later transmittal under either existing or proposed authorizing legislation and their effect on the information presented in the regular schedule for the account. The combination of the regular schedule and the non-zero transmittal code schedule should display the condition of the account as it would exist if Congress enacts the proposals.

One of the following titles will be shown, as appropriate, at the top of the P&F schedule to identify proposed supplementals and items proposed for later transmittal:

- Supplemental now requested (transmittal code 1)
- Legislative proposal, not subject to PAYGO (transmittal code 2)
- Legislative proposal, subject to PAYGO (transmittal code 4)

When a supplemental proposal or legislative proposal involves a transfer between accounts, omit the transaction from the regular schedules and display it in separate schedules for each of the affected accounts.

### **82.11 How do I present transfers of resources?**

Transfers between agencies resulting from Presidential reorganization plans or enacted reorganization legislation may involve unique problems. Agency staff must consult with OMB representatives in each instance. As a general rule, exclude the transferred activities from the schedules of the losing agency and show them in the gaining agency on a three year comparable basis. Use footnotes to identify the amounts involved. (See [section 82.13](#) for an example of how the footnote should be worded and [section 97.7](#) for guidance on submitting the footnotes for printing.) When the gaining agency assumes *all* of the activities previously financed under a single account in another agency, the losing agency should omit budget schedules and appropriation language for the affected account and the gaining agency should show the transferred activities and appropriation language with its schedules.

### 82.12 How do I present transfers in the estimates?

When a transfer in the estimates (see [section 20.3](#)) for the budget year results in a significant increase to or decrease from the amount of budget authority for the past or current year, include footnotes explaining the transfer after the program and financing schedule. (See [section 97.7](#) for guidance on submitting the footnotes for printing.)

For the account assuming the responsibility, use the following footnote:

Note—Includes \$—million in budget authority in BY for activities previously financed from:

PY CY

[List the full title of each losing account, including agency and bureau, and the budget authority amount applicable to each. Where it is appropriate to show the amount on some other basis, such as obligations, you may modify the footnote accordingly.]

If the entire BY estimate is for the transferred activity, the footnote may be worded, "BY estimate is for activities previously financed from [List agency, bureau, and account title]."

For the account losing the activity, use the following footnote:

Note.—Excludes \$Bmillion in budget authority in BY for activities transferred to:

[List the title of each gaining account, including agency and bureau, and the budget authority amount applicable to each. Where it is more appropriate to show the amount on some other basis, such as obligations, modify the footnote accordingly.]

Comparable amounts for PY (\$Bmillion) and CY (\$Bmillion) are included above.

You only need to provide a transfer in the estimates footnote in the year the transfer proposal is made. If you use more than one footnote, include them under a centered heading, "NOTES." Modify the wording of footnotes as necessary to explain current year transfers.

### 82.13 How do I present merged accounts and consolidated schedules?

(a) *Merged accounts.*

Where two or more appropriations have been or are proposed to be replaced by a single appropriation (see [section 71.7](#)), submit a single set of schedules for the new appropriation covering PY through BY. Show a distribution of budget authority and outlays by account at the end of each merged program and financing schedule. Also use the following footnote:

Note.—The activities previously financed under [agency title, bureau title, account title in PY and CY are presented in these schedules and are proposed to be financed in this account in BY. Budget authority and outlays are distributed by account above.

(See [section 97.7](#) for guidance on submitting the footnotes for printing.)

(b) *Consolidated schedules.*

When two or more accounts are consolidated in a single set of schedules (see [section 71.8](#)), list the title of each unexpired account as an activity. You may use subentries to identify activities carried under the individual accounts when the amounts are significant. Show a distribution of budget authority and outlays by account at the end of the program and financing schedule.

(c) *Distribution of budget authority and outlays.*

When you consolidate or merge accounts, append a distribution of budget authority and outlays by account to the bottom of the program and financing schedule. List each merged or consolidated budget account by name and provide data for PY through BY. (See [section 97.7](#) for guidance on submitting the distribution of budget authority and outlays for printing.)

### **82.14 How do I present annual limitations on trust or revolving funds?**

Prepare a schedule that mirrors the format of the P&F to present annual limitations on administrative expenses and other annual limitations on the use of certain trust or revolving funds. These schedules are not included in the MAX database but the line entries should generally conform to the applicable line entries described in sections 82.2 through 82.6.

State the program totals in terms of obligations or other measures, depending on the basis on which the limitation operates. Use an entry reading "Balance lapsing" to identify amounts no longer available for obligation. References to budget authority should be changed to "Limitation" and references to outlays should be changed to "Outlays from limitation." Adjust the wording of total lines accordingly.

Include the impact of legislative proposals and supplemental increases in the same P&F schedule used for the regular annual limitation. However, you must separately reflect the effect of supplementals and legislative proposals on the account as a whole in schedule P, under the appropriate transmittal codes.

Limitations on direct loans and loan guarantees are treated separately (see [sections 185.10](#) and [185.11](#)).

Entries on the related object class schedule will be coded and entered into MAX (see [section 83](#)).

### **82.15 How should I treat allocation accounts?**

Combine P&F information for allocation accounts with the parent account without separate identification (see [section 71.6](#)). However, you must identify the obligations incurred by allocation accounts in a separate section of the object class schedule of the parent account (see [section 83.17](#)).

Receiving agencies should include the following note at the end of each bureau that receives funding through allocations:

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows: [list agency, bureau, and account title for each parent appropriation].

(See [section 97.7](#) for guidance on submitting the note for printing.)

### **82.16 How do I present credit accounts?**

See [sections 185.10](#) and [185.11](#) for requirements associated with credit accounts.

### **82.17 Do the actuals I report in the P&F need to tie to the actuals I reported to Treasury?**

Yes. Pursuant to 31 U.S.C. 1512, actuals reported in the budget must be consistent with amounts reported to Treasury and must be based on actual accounting data.

Typically, one group within your agency (for example, the accounting office) reports amounts to Treasury (see [section 130.2](#)) while another group (for example, the budget office) prepares budget schedules. Before your accounting office submits its actuals to Treasury in FACTS II (described below), you must ensure that the amounts are conceptually and numerically consistent with the amounts that you are going to report in MAX A-11. FACTS II facilitates, and to a large extent eliminates the need for, this reconciliation. If you find an error, then please see [sections 82.19](#), [82.20](#), and [82.21](#).

See [exhibit 130J](#), [exhibit 130K](#) and [exhibit 130M](#) for relationships among actuals reported in the following reports: SF 133/Statement of Budgetary Resources, P&F schedule, and Treasury Combined Statement.

Invested balances reported in MAX should equal invested balances reported to the Treasury Department, as follows:

| Reported to Treasury Department  | MAX data  |
|----------------------------------|---|
| Invested balances, start of year | <p><i>For all accounts:</i></p> <p><b>Schedule P (program and financing schedule):</b><br/>9201C Total investments, start of year: Federal securities: Par value</p> <p><i>For accounts with schedule J:</i></p> <p><b>Schedule J (status of funds schedule):</b><br/>0101C Unexpended balance, start of year, Federal Securities Par value</p>   |
| Invested balances, end of year   | <p><i>For all accounts:</i></p> <p><b>Schedule P (program and financing schedule):</b><br/>9202C Total investments, end of year: Federal securities: Par value</p> <p><i>For accounts with schedule J:</i></p> <p><b>Schedule J (status of funds schedule):</b><br/>0701C Unexpended balance, end of year, Federal Securities Par value</p> <p><i>Note: Amounts reported in these MAX schedules represent total invested balances, including those that are not available for obligation.</i></p> |

**82.18 What actuals in the P&F are imported from the actuals I reported to Treasury?**

In order to reduce duplicate reporting while improving the consistency of year-end data, your agency accounting office reports U.S. Standard General Ledger (USSGL) accounting information at the Treasury account-level into a Treasury-operated system named Federal Agencies Centralized Trial-Balance System II (FACTS II), which was developed by agencies, Treasury and OMB. The FACTS II information is then translated/crosswalked and copied into the following reports:

- SF 133 Report on Budget Execution and Budgetary Resources (used to monitor SF 132 Apportionments and used as the basis of the audited Statement of Budgetary Resources),
- FMS 2108 Year-end Closing Statement (used as a primary source of the Treasury Combined Statement), and

- much of the PY column of the P&F schedule.

For more information about FACTS II and the USSGL and crosswalks from the USSGL to the P&F schedule, see Treasury Transmittal Letter No. S2-01-02, a supplement to the Treasury Financial Manual (TFM) and [www.fms.treas.gov/ussgl/FACTSII](http://www.fms.treas.gov/ussgl/FACTSII).

Note that when year-end FACTS II information is submitted, the information must not only pass a number of FACTS II edit-checks, but a person separate from the “preparer” (i.e. data entry person) named a “certifier” must certify that the information is correct. In addition, GAO requires your auditors to determine whether controls exist to ensure that the amounts in your systems and the amounts submitted via FACTS II agree. See GAO-02-126G “Guide for Auditing the Statement of Budgetary Resources”.

Each month, Treasury provides your agency with the SF 6653 "Undisbursed Appropriation Account Ledger" on the fifteenth workday of each month. The SF 6653 reflects all activity reported to Treasury. You are required to reconcile the SF 6653 with your accounting system each month. At year-end, this reconciliation should be accomplished before submitting your FACTS II data.

In the future, MAX A-11 will ensure that all amounts in the PY column of the P&F schedule will tie to amounts reported via FACTS II. As a first step, for the preparation of the 2004 Budget, outlays will continue to be locked and five new lines will be controlled by edit-checks. (See [section 82.20](#)).

### **82.19 What do I do if I do not agree with the PY amount on line P 9000 "Outlays (net)?"**

If you do not agree with the amount on line P 9000 "Outlays (net)", after the FACTS II database is locked (mid-November), and the outlay is reported in FACTS II and imported into MAX A-11, then you must submit a written explanation of the difference to your OMB representative. The explanation must be signed by your budget officer and accounting officer and explain why the error happened. Include affected accounts and amounts. Include a revised SF 224 and a statement that the amounts will be revised in FACTS II when FACTS II opens for revisions to fourth quarter actuals if appropriate. If the explanation is accepted, then line P 9000 will be changed centrally. Ensure that the actuals are revised in FACTS II as described in the previous section. You should get PY-related matters like this taken care of as soon as the budget database opens so that you can concentrate on the BY column later.

Similarly, submit a written explanation if your agency does not agree with the receipt actuals that have been imported into MAX schedule R from Treasury SF 224 data. (See [section 81.1](#)). Receipt account information is not collected via FACTS II.

### **82.20 What do I do if I do not agree with the PY amount on lines P 1000, P 2140, P 2440, P 7240 and P 7440?**

Beginning with the 2004 Budget, the following lines have MAX A-11 edit-checks that will require you to tie to FACTS II:

|      |  |
|------|--|
| 1000 | Total new obligations                              |
| 2140 | Unobligated balance carried forward, start of year |
| 2440 | Unobligated balance carried forward, end of year   |
| 7240 | Obligated balance, start of year                   |
| 7440 | Obligated balance, end of year                     |

If you feel that you need to revise what your agency reported and certified as correct in FACTS II for these five lines, then the following table provides an overview of actions you should take:

| If an error is found...                | And if...                        | Then...  |
|--|----------------------------------|--|
| <u>Before</u> MAX A-11 agency lock-out | Financial audit was NOT complete | <ul style="list-style-type: none"> <li>• Consult with your accounting office.</li> <li>• Submit request to suppress MAX A-11 edit-check.</li> <li>• Correct the amount in MAX A -11.</li> <li>• Ensure that your accounting office revises the amount in FACTS II.</li> <li>• Add a footnote to financial statements.</li> </ul> |
| <u>Before</u> MAX A-11 agency lock-out | Financial audit was complete     | <ul style="list-style-type: none"> <li>• Consult with your accounting office.</li> <li>• Submit request to suppress MAX A-11 edit-check.</li> <li>• Correct the amount in MAX A -11.</li> <li>• Ensure that your accounting office revises the amount in FACTS II.</li> </ul>  |
| <u>After</u> MAX A-11 agency lock-out  | Financial audit was NOT complete | <ul style="list-style-type: none"> <li>• Consult with your accounting office.</li> <li>• Ensure that your accounting office revises the amount in FACTS II.</li> <li>• Add a footnote to financial statements.</li> </ul>  |
| <u>After</u> MAX A-11 agency lock-out  | Financial audit was complete     | <ul style="list-style-type: none"> <li>• Consult with your accounting office.</li> <li>• Ensure that your accounting office revises the amount in FACTS II.</li> </ul>   |

The request to suppress the MAX A-11 edit-check that you submit to your OMB representative must contain the following information:

- Affected accounts and amounts;
- An explanation of what happened and why;
- A statement that the amounts will be revised in FACTS II; and
- Contact information for the responsible FACTS II “certifier” and budget office staff (e.g. e-mail and phone number).

After the request is received and approved, the edit check will be suppressed centrally in MAX A-11 and you will be notified. You should get PY-related matters like this taken care of as soon as the budget database opens so that you can concentrate on the BY column later.

**82.21 What do I do if I do not agree with other PY amounts imported from Treasury?**

You may over-write amounts imported from FACTS II except for lines P 1000, P 2140, P 2440, P 7240, P 7440, and P 9000. However, before over-writing an amount in the PY column of the P&F schedule in MAX A-11, you should talk with the person who entered the data into FACTS II to see why they entered

that amount. If you both find that an amount reported via FACTS II was incorrect, then over-write the amount and let the person who entered the information in FACTS II know, so that they can revise it.

**82.22 Why do I need to revise FACTS II if I do not agree with PY amounts imported from Treasury?**

After the MAX A-11 agency lock-out, the FACTS II database opens for revisions. You must revise the incorrect information in FACTS II, because the revised FACTS II database is used as a basis for revised SF 133s, audited Statements of Budgetary Resources, and central analysis. Information is copied from FACTS II to MAX A-11 once per year before MAX A-11 opens to agency budget offices. However, information is not ever copied from MAX A-11 to FACTS II.

Revisions are intended to help you correct errors (not to give you extra time to verify your data) and should be used sparingly. For FACTS II reporting periods, see [www.fms.treas.gov/ussgl/FACTSII](http://www.fms.treas.gov/ussgl/FACTSII).

**82.23 Where is guidance related to adding a footnote to financial statements?**

Conceptually, the actuals in the Budget, Statement of Budgetary Resources, and SF 133 should tie. However, if they do not, just explain the differences in a footnote in your financial statements. Your accounting office will find the guidance related to this footnote in [OMB Bulletin 01-09 “Form and Content of Agency Financial Statements” section 9.33](#).

**82.24 What can I do to prepare?**

Consult with your accounting office for any differences that you are aware of and review your obligations and balances reported on your quarterly SF 133 throughout the year. Also, review any differences from last year at [www.whitehouse.gov/omb/reports](http://www.whitehouse.gov/omb/reports) to prevent these differences from reoccurring.

Automatic Generation of MAX Schedule P Data

The program and financing schedule shown below indicates the lines automatically generated by MAX. Some lines are copied from other entries in MAX; others are automatically calculated from detail entries.

| Program and Financing (in millions of dollars)                |   | PY actual  | CY est. | BY est. |
|---|---|--|---------|---------|
| Identification code 16-1186-0-1-755                           |   |  |         |         |
| <b>Obligations by program activity:</b>                       |   |  |         |         |
| Direct program:   |   |  |         |         |
| 00.01   | Policy and program development.....   |  |         |         |
| 00.02   | Departmental management and administration.....                               |  |         |         |
| 00.03   | Facilities operations, maintenance, and repair.....                           |  |         |         |
| 00.91   | Subtotal, direct program.....   | Calculated from direct program detail.   |         |         |
| 09.01   | Reimbursable program.....   | Calculated from direct and reimbursable program detail.  |         |         |
| 10.00   | Total new obligations.....  | For PY, imported from FACTS II. For CY and BY, copied from corresponding end-of-year lines.                                |         |         |
| <b>Budgetary resources available for obligation:</b>          |   |  |         |         |
| 21.40   | Unobligated balance carried forward, start of year.....                       |  |         |         |
| 22.00   | New budget authority (gross).....   |  |         |         |
| 22.10   | Resources available from recoveries of prior year obligations.....            | Calculated from budget authority entries on lines 4000-6985.   |         |         |
| 23.90   | Total budgetary resources available for obligation.....                       | Calculated if multiple lines 2140-2385 are reported.   |         |         |
| 23.95   | Total new obligations.....  | Copied from line 1000, with opposite sign.   |         |         |
| 23.98   | Unobligated balance expiring or withdrawn.....                                |  |         |         |
| 24.40   | Unobligated balance carried forward, end of year.....                         | For PY, imported from FACTS II. For CY and BY, calculated as the sum of detail lines 2140 through 2398.                    |         |         |
| <b>New budget authority (gross), detail:</b>                  |   |  |         |         |
| Discretionary:  |   |  |         |         |
| 40.00   | Appropriation.....  |  |         |         |
| Discretionary spending authority from offsetting collections: |   |  |         |         |
| 68.00   | Offsetting collections (cash).....  |  |         |         |
| 68.10   | Change in uncollected customer payments from Federal sources (unexpired)..... |  |         |         |
| 68.90   | Spending authority from offsetting collections (total discretionary).....     | Total budget authority lines by type (e.g., 6890) are calculated, if multiple detail lines (e.g., 6800-6885) are reported. |         |         |
| 70.00   | Total new budget authority (gross).....                                       | Calculated from budget authority entries on lines 4000-6985.   |         |         |
| <b>Change in obligated balances:</b>                          |   |  |         |         |
| 72.40   | Obligated balance, start of year.....   |  |         |         |
| 73.10   | Total new obligations.....  | Copied from line 1000.   |         |         |
| 73.20   | Total outlays (gross).....  | Calculated as the sum of lines 8690-8698, with opposite sign.  |         |         |
| 73.40   | Adjustments in expired accounts (net).....                                    |  |         |         |
| 73.45   | Recoveries of prior year obligations.....                                     | Copied from line 2210.   |         |         |
| 74.00   | Change in uncollected customer payments from Federal sources (unexpired)..... | Calculated as sum of lines 6810 and 6910, with opposite sign.  |         |         |
| 74.40   | Obligated balance, end of year.....   | For PY, imported from FACTS II.  |         |         |
| <b>Outlays (gross), detail:</b>                               |   |  |         |         |
| 86.90   | Outlays from new discretionary authority.....                                 |  |         |         |
| 86.93   | Outlays from discretionary balances.....                                      |  |         |         |
| 86.97   | Outlays from new mandatory authority.....                                     |  |         |         |
| 86.98   | Outlays from mandatory balances.....  |  |         |         |
| 87.00   | Total outlays (gross).....  | Calculated as the sum of lines 8690-8698, if multiple lines 8690-8698 are reported.  |         |         |
| <b>Offsets:</b>   |   |  |         |         |
| Against gross authority and outlays:                          |   |  |         |         |
| Offsetting collections (cash) from:                           |   |  |         |         |
| 88.00   | Federal sources.....  |  |         |         |
| 88.40   | Non-Federal sources.....  |  |         |         |
| 88.90   | Total offsetting collections (cash).....                                      | Calculated if multiple lines 8800-8845 are reported.   |         |         |
| Against gross budget authority only:                          |   |  |         |         |
| 88.95   | Change in uncollected customer payments from Federal sources (unexpired)..... | Calculated as sum of lines 6810 and 6910.  |         |         |
| 88.96   | Portion of offsetting collections (cash) credited to expired accounts.....    | Calculated as sum of lines 6800 and 6900 minus lines 8800 through 8845.  |         |         |
| <b>Net budget authority and outlays:</b>                      |   |  |         |         |
| 89.00   | Budget authority (net).....   | Calculated (line 2200 minus (lines 8800-8845) and lines 8895 and 8896).  |         |         |
| 90.00   | Outlays (net).....  | Calculated for CY and BY (line 8700 minus (lines 8800-8845)).  |         |         |

## SECTION 83—OBJECT CLASSIFICATION (MAX SCHEDULE O)

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### Summary of Changes

Adds a new object class 94, Financial transfers, for expenditure transfers between trust funds and Federal funds that do not benefit the transferring account (section 83.7).

Specifies that the obligations for personnel compensation and benefits of the commissioned corps, including reimbursable obligations, should be designated as military rather than civilian (section 83.7).

Clarifies that payments to the loan holder (e.g., the bank) to repay an employee's student loan as a recruitment incentive is classified in object class 12.1, Civilian personnel benefits (sections 83.7 and 83.11).

### 83.1 What are object classes?

Object classes are categories in a classification system that presents *obligations by the items or services purchased* by the Federal Government. These are the major object classes:

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- 10 Personnel compensation and benefits.
- 20 Contractual services and supplies.
- 30 Acquisition of assets.
- 40 Grants and fixed charges.
- 90 Other.

We divide these major classes into smaller classes and present them in the Budget Appendix in object class schedules.

The object classes present obligations according to their initial purpose, *not the end product or service*. For example, if you pay a Federal employee who constructs a building, classify the obligations for the employee's wages under *Personnel compensation and benefits*, rather than *Acquisition of assets*. If you purchase a building, classify the contractual obligations under *Acquisition of assets*.

You record *obligations* when the Federal Government places an order for an item or a service, awards a contract, receives a service, or enters into similar transactions that will require payments in the same or a future period (see section [20.5](#)). You also record obligations when you make an *expenditure* transfer between Federal Government accounts (see section [20.4\(j\)](#)).

### 83.2 Why must I report object class information?

You must report object class information because a law (31 U.S.C. 1104(b)) requires the President's budget to present obligations by object class for each account.

### 83.3 How do object classes compare to functional and character classes and program activity?

The following table shows how the object classification system differs from the other classification systems used in the President's budget.

| Classification System                                    | What is classified?                                | What does it tell me?   |
|--|--|---|
| Object class   | Obligations  | Goods or services or items purchased, for example, supplies, rent, or equipment   |
| Program activity (see section <a href="#">82.2</a> )     | Obligations  | Activity, project, or other programmatic distinction  |
| Functional class (see section <a href="#">79.3 (d)</a> ) | Budget authority, outlays, and offsetting receipts | Major purpose served, for example, national defense, health, income security  |
| Character class (see section <a href="#">84.4</a> )      | Budget authority, outlays, and offsetting receipts | Whether the amount pays for an <i>investment</i> or an operating cost;<br><br>If investment, then, what type: physical asset, conduct of R&D, or education and training; or<br><br>Whether the amount is a <i>grant</i> to a State and local government or a <i>direct</i> Federal program. |

### 83.4 How does the object class schedule relate to the program and financing schedule?

You report object class information whenever you report obligations on a program and financing (P&F) schedule (except you don't report object class information for credit financing accounts). This means you

report obligations by object class separately for the regular budget requests, supplemental budget requests, rescission proposals, and legislative proposals.

In addition, object class schedules separately identify the following types of obligations:

- Direct and reimbursable obligations (see section [83.5](#)).
- Obligations covered by statutory limitations (see section [83.6](#)).
- Obligations for allocations between agencies (see section [83.17](#)).

**83.5 How can I determine whether an obligation should be classified as direct or reimbursable?**

In general, reimbursable obligations are those financed by offsetting collections received in return for goods and services provided, while all other obligations are direct. However, there are exceptions. Classify *obligations within the account* as "direct" or "reimbursable" in accordance with the following criteria:

| If the obligations are . . .  | And if . . .   | The classification is . . . |
|---|--|-----------------------------|
| NOT financed from offsetting collections  | The account is NOT a REVOLVING FUND  | Direct                      |
| Financed from any type of budgetary resources, including offsetting collections   | The account is a CREDIT program or liquidating account   | Direct                      |
| Financed from offsetting collections from: <ul style="list-style-type: none"> <li>• Asset sales;</li> <li>• Interest on Federal securities;</li> <li>• Interest on uninvested funds;</li> <li>• Compulsory collections from the public, such as taxes, compulsory user charges, customs duties, license fees; or</li> <li>• Intragovernmental expenditure transfers with no benefit (e.g., goods and services) to the paying account</li> </ul> |  | Direct                      |
| Financed from offsetting collections received in return for goods or services provided, including: <ul style="list-style-type: none"> <li>• Reimbursements under the IPA (see section <a href="#">83.16</a>); and</li> <li>• Voluntary insurance premiums</li> <li>• Note: Compulsory collections (as opposed to</li> </ul>   | The offsetting collections are NOT from any of the sources identified in the previous case, that is, asset sales, interest, etc. | Reimbursable                |

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| <b>If the obligations are . . .</b>   | <b>And if . . .</b>   | <b>The classification is . . .</b> |
|---|---|------------------------------------|
| voluntary collections) are coded 8845 in schedule P (see section <a href="#">82.7</a> ) |   |                                    |
| Financed from any type of budgetary resources, including offsetting collections         | The account is a REVOLVING FUND but is NOT a credit liquidating account | Reimbursable                       |
| Financed from offsetting collections from other Federal government account(s)           | The collections are for a jointly funded grant or project               | Reimbursable                       |

The amounts you classify as reimbursable obligations in both MAX schedule O and MAX schedule P for a budget account should be identical. There are three exceptions:

- Line 9995, *Below reporting threshold*, in MAX schedule O may contain a mixture of direct and reimbursable obligations. These amounts are not material because they are normally \$4 million or less;
- Credit financing accounts do not have any MAX schedule Os; and
- All the obligations may be rolled up on line 1000 in MAX schedule P and there may be a mixture of direct and reimbursable obligations on that line.

*MAX schedule O.* Use the 4–digit object class line numbers in exhibit 83A when you enter obligations by object class in MAX schedule O. Be sure to use the right prefix to distinguish reimbursable from direct obligations. For reimbursable obligations, if the obligations are for the parent account use 2xxx and if the obligations are in a limitation schedule use 7xxx.

*MAX schedule P.* Use the 4–digit program activity codes in section [82.2](#) when you enter obligations in MAX schedule P. For reimbursable obligations, use x9xx.

**83.6 How should I report obligations that are covered by statutory limitations?**

When a law limits administrative or other expenses for a revolving or trust fund, you must separately identify the object classes that are covered by the limitation from those that are not covered. See exhibit 83A for the prefix and codes used to identify obligations under limitations and section [83.17](#) for the relationship between MAX schedule O and the *Budget Appendix*.

**83.7 What object class codes and definitions should I use?**

Earlier, we said that we divided the major object classes into smaller ones. The following table provides the codes, standard titles, and definitions used to identify detailed object class data. Exhibit 83A provides a summary of the codes and standard titles used in MAX schedule O.

| <b>Entry</b>                                 | <b>Description</b>   |
|--|--|
| 10 PERSONNEL<br>COMPENSATION AND<br>BENEFITS | This major object class consists of object classes 11, 12, and 13. |

| Entry                               | Description   |
|-------------------------------------|---|
| 11 Personnel Compensation           | Compensation directly related to duties performed for the Government by Federal civilian employees, military personnel, and non-Federal personnel. Object class 11 covers object classes 11.1 through 11.8.   |
| 11.1 Full-time permanent            | <p>For full-time civilian employees with permanent appointments, report:</p> <ul style="list-style-type: none"> <li>• Regular salaries and wages paid to the employees (some of which may be withheld from the employee's check to pay taxes, to pay a bill in a credit union, or to pay the employee's share of life and health insurance).</li> <li>• Other payments that become part of their basic pay (for example, geographic differentials, and critical position pay).</li> <li>• Regular salaries and wages paid while the employees are on paid leave, such as annual, sick, or compensatory leave.</li> <li>• Lump sum payments for annual leave upon separation (also known as terminal leave payments).</li> </ul> <p>Exclude <i>compensation above the basic rate</i>, for example, overtime or other premium pay, which will be classified in object class 11.5, <i>Other personnel compensation</i>.</p> <p>Full-time permanent employees are those who are full-time civilian employees with <i>permanent appointments as defined by the Office of Personnel Management (OPM)</i>. The nature of the employee's appointment is controlling, not the nature of the position. Include <i>full-time permanent employees</i> in the:</p> <ul style="list-style-type: none"> <li>• <i>Competitive Service</i> with career and career-conditional appointments.</li> <li>• <i>Excepted Service</i> whose appointments carry no restriction or condition. Include those serving trial periods or whose tenure is equivalent to career-conditional tenure in the Competitive Service. Exclude those serving on indefinite appointments and appointments limited to a specific time.</li> <li>• <i>Senior Executive Service (SES)</i> with career appointments as defined in 5 U.S.C. 3132(a)(4) and non career appointments as defined in 5 U.S.C. 3132(a)(7).</li> </ul> <p>Note: Refer to your agency's human resources office for assistance on the types of appointments for staff in your agency.</p> <p>Exclude full-time <i>temporary</i> employees who are full-time civilian employees with <i>temporary appointments as defined by OPM</i> who will be classified in object class 11.3, <i>Other than full-time permanent</i>.</p> |
| 11.3 Other than full-time permanent | <p>Regular salaries and wages paid to civilian employees for part-time, temporary, or intermittent employment.</p> <p>Other than full-time permanent employees include:</p> <ul style="list-style-type: none"> <li>• <i>Part-time permanent employees</i>, that is, employees with appointments that require work on a prearranged schedule of fewer hours or days of work than prescribed for full-time employees in the same group or class.</li> </ul>   |

| Entry                             | Description  |
|-----------------------------------|--|
|                                   | <ul style="list-style-type: none"> <li>• <i>Temporary employees</i>, that is, employees with appointments for a limited period of time that is generally less than a year. For example: <ul style="list-style-type: none"> <li>(a) full-time temporary employees,</li> <li>(b) seasonal employees without permanent appointments,</li> <li>(c) employees with term appointments, and</li> <li>(d) employees with indefinite appointments.</li> </ul> </li> <li>• <i>Intermittent employees</i>, that is, employees with appointments that require work on an irregular or occasional basis and who are paid only for the time actually employed or services actually rendered.</li> </ul> <p><i>Note:</i> For personal services contracts with individuals who are classified by OPM as Federal employees, classify the basic pay in this object class and classify compensation above the basic pay in object class 11.5, <i>Other personnel compensation</i>. On the other hand, classify the payments to a contractor principally for the personal services of a group of the contractor's employees according to the type of contract involved (for example, classify personal services contracts for operation and maintenance of facilities under object class 25.4).</p>  |
| 11.5 Other personnel compensation | <p>Compensation <i>above the basic rates</i> paid directly to civilian employees. Include:</p> <ul style="list-style-type: none"> <li>• <i>Overtime</i>, which is pay for services in excess of the established work period as defined in 5 U.S.C. 5542, standby duty and administratively uncontrollable overtime as defined in 5 U.S.C. 5545, and unscheduled availability duty hours for criminal investigations as defined in 5 U.S.C.5545a.</li> <li>• <i>Holiday pay</i> as defined in 5 U.S.C. 5546(b).</li> <li>• <i>Night work differential</i>, which is pay above the basic rate for regularly scheduled night work.</li> <li>• <i>Post differentials</i>, which are authorized under 5 U.S.C. 5925 above the basic rate for service at hardship posts abroad that are based upon conditions of environment substantially different from those in the continental United States and warrant additional pay as a recruitment and retention incentive.</li> <li>• <i>Hazardous duty pay</i>, which is pay above the basic rate because of assignments involving performance of duties that subject the employee to hazards or physical hardships.</li> </ul> <p><i>Note:</i> Post differentials and hazardous duty pay result from the job or services performed. For example, a job performed at a hardship post abroad or under hazardous duty is different from what might appear to be the same job performed elsewhere and under non-hazardous conditions. Hence, both are classified with other pay in object class 11 and not as benefits in object class 12. By contrast, compensation in the form of cost of living allowances are classified as benefits in object class 12 because they do not result from the job or services performed. The cost for a job in one locale is different from the same job in another locale simply because the cost of living is higher in one locale.</p> |

| Entry                                   | Description  |
|---|--|
| 11.7 Military personnel                 | <ul style="list-style-type: none"> <li>• <i>Supervisory differential</i>, which is pay above the basic rate to adjust the compensation of a supervisor to a level greater than the highest paid subordinate. The differential applies to a General Schedule employee who supervises one or more employees not covered by the General Schedule.</li> <li>• <i>Cash incentive awards</i>, which are payments for cash awards that do not become part of the Federal civilian employee's basic rate of pay, such as those authorized under 5 U.S.C. 4503, 4504, 4505a, 4507, and 5384.</li> <li>• <i>Other payments above basic rates</i>, which are payments for other premium pay, such as stand-by pay and premium pay in lieu of overtime and special pay that is paid periodically during the year in the same manner and at the same time as regular salaries and wages are paid. Exclude other payments which are classified in object class 12.1, <i>Civilian personnel benefits</i>.</li> <li>• <i>Royalties</i> to Federal scientists and inventors which may last up to 17 years and may be paid after the employee has left Federal service or to the employee's beneficiary.</li> </ul> <p>The regular salaries and wages paid to personnel of the uniformed service, including the commissioned corps of the Public Health Service and the National Oceanic and Atmospheric Administration (some of which may be withheld from the employee's check to pay taxes, to pay a bill in a credit union, or to pay the employee's share of life and health insurance) as well as amounts above the basic pay rates. For "amounts above the basic pay rates," apply the same definitions as for civilian employees in object class 11.5 plus:</p> <ul style="list-style-type: none"> <li>• Flight pay.</li> <li>• Basic allowance for subsistence (BAS) and for quarters (BAQ).</li> <li>• Extra pay based upon conditions of environment (except cost of living allowances for locations outside the contiguous 48 States and the District of Columbia which will be classified in object class 12.2, <i>Military personnel benefits</i>).</li> </ul> |
| 11.8 Special personal services payments | <p>Payments for personal services that don't represent salaries or wages paid directly to Federal employees and military personnel. Include payments for:</p> <ul style="list-style-type: none"> <li>• <i>Reimbursable details</i>, that is, payments to other accounts for services of civilian employees and military personnel on reimbursable detail (both compensation and personnel benefits).</li> <li>• <i>Reemployed annuitants</i>, that is, payments by an agency employing an annuitant to reimburse the Civil service retirement and disability fund for the annuity paid to that employee under 5 U.S.C. 8339 through 8344.</li> <li>• <i>Non-Federal civilians, such as witnesses</i>; casual workers, patient and inmate help, and allowances for trainees and volunteers.</li> <li>• <i>Salary equalization</i> (authorized under 5 U.S.C. 3372 and 3584) to individuals on leave of absence while employed by international organizations or State and local governments, when the</li> </ul>  |

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| Entry                             | Description   |
|-----------------------------------|---|
| 11.9 Total personnel compensation | <p>equalization payment is 50 percent or less of the person’s salary.</p> <ul style="list-style-type: none"> <li>• <i>Staff of former Presidents</i> paid by GSA under 3 U.S.C. 102(b).</li> </ul> <p>Use this line when there is more than one entry on object classes 11.1 through 11.8.</p>  |
| 12 & 13 Personnel Benefits        | <p>Benefits for <i>currently employed</i> Federal civilian, military, and certain non-Federal personnel. Exclude benefits to certain <i>former</i> civilian and military personnel that are classified in object classes 13.0 and 42.0. Covers object classes 12.1 and 12.2.</p>  |
| 12.1 Civilian personnel benefits  | <p>Cash payments (from the agency, not funds withheld from employee compensation) to other funds for the benefit of Federal civilian employees or direct payments to these employees.</p> <p>Also, payments to or for certain non-Federal employees as required by law. Non-Federal civilian employees are employees who are not reportable to the Office of Personnel Management as Federal employees, such as witnesses, casual workers, trainees, volunteers. For example, Peace Corps and VISTA volunteers, Job Corps enrollees, and U.S. Department of Agriculture Extension Service agents.</p> <p>Civilian personnel benefits include:</p> <ul style="list-style-type: none"> <li>• <i>Insurance and annuities</i>, which are the employer’s share of payments for life insurance, health insurance, employee retirement (including payments to finance fiduciary insurance costs of the Federal Retirement Thrift Investment Board), work injury disabilities or death and professional liability insurance (which are ayments to reimburse qualified Federal employees for up to one half the cost of professional liability insurance premiums, as authorized by P.L. 104–208 and amended by P.L. 106–58).</li> <li>• Recruitment, retention, and other incentives, such as: <ul style="list-style-type: none"> <li>— Payments above the basic rate for recruitment bonuses, relocation bonuses, and retention allowances authorized by 5 U.S.C. 5753 and 5754.</li> <li>— Payment to the loan holder (e.g., the bank) to repay an employee’s student loan as a recruitment incentive.</li> <li>— Relocation and other expenses related to permanent change of station (PCS), except expenses for travel and transportation and the storage and care of vehicles and household goods (see subsection 83.9).</li> <li>— Cash allowances for separate maintenance, education for dependents, transfers for employees stationed abroad, and personal allowances based upon assignment or position, and overseas differentials.</li> <li>— Cost-of-living allowances (COLAs) as authorized under 5 U.S.C. 5924 and 5941 and other laws.</li> </ul> </li> </ul> <p><i>Note:</i> COLAs are classified as benefits in object class 12 (and not as compensation in object class 11) because they are not related to the job or service performed.</p> |

| Entry                              | Description   |
|------------------------------------|---|
| 12.2 Military personnel benefits   | <p data-bbox="688 289 1317 317">— Student loan repayments authorized by 5 U.S.C. 5379.</p> <p data-bbox="631 338 1414 516"><i>Other allowances and payments</i> such as allowances for uniforms and quarters, special pay that is paid in a lump sum (such as compensatory damages or employee settlements), reimbursements for notary public expenses, and subsidies for commuting costs, that is, payments to subsidize the costs of Federal civilian employees in commuting by public transportation.</p> <p data-bbox="631 535 1354 594">Cash allowances and payments of employer share to other funds for military personnel. Include:</p> <ul data-bbox="651 615 1295 873" style="list-style-type: none"> <li data-bbox="651 615 956 642">• Cash allowances such as: <ul data-bbox="688 663 959 690" style="list-style-type: none"> <li data-bbox="688 663 959 690">— Uniform allowances.</li> </ul> </li> <li data-bbox="651 711 927 739">• Reenlistment bonuses. <ul data-bbox="688 760 1227 873" style="list-style-type: none"> <li data-bbox="688 760 1016 787">— Cost-of-living allowances.</li> <li data-bbox="688 808 1227 835">— Dislocation and family separation allowances.</li> <li data-bbox="688 856 1295 884">— Personal allowances based upon assignment or rank.</li> </ul> </li> </ul>  |
| 13.0 Benefits for former personnel | <p data-bbox="631 894 1414 1045">Exclude hazardous duty pay, flight pay, extra pay based upon conditions of work environment, and other such pay, which are classified as military personnel compensation in object class 11.7, and benefit payments to veterans resulting from their past service, which are classified as benefits to former personnel in object class 13.0.</p> <p data-bbox="631 1066 1414 1152"><i>Payments to other funds</i>, such as the employer's share of military retirement, Federal Insurance Contribution Act taxes, Servicemen's Group Life Insurance premiums, and education benefits.</p> <p data-bbox="631 1173 1414 1232"><i>Subsidies for commuting costs</i>, which are payments to subsidize the costs of military personnel in commuting by public transportation.</p> <p data-bbox="631 1253 1365 1339">Benefits for former officers and employees or their survivors that are based (at least in part) on the length of service to the Federal Government. Include:</p> <ul data-bbox="651 1360 1403 1902" style="list-style-type: none"> <li data-bbox="651 1360 1403 1509">• <i>Retirement benefits</i> in the form of pensions, annuities, or other retirement benefits paid to former military and certain civilian Government personnel or to their survivors, exclusive of payments from retirement trust funds, which are classified as insurance claims and indemnities under object class 42.0.</li> <li data-bbox="651 1530 1403 1677">• <i>Separation pay</i>, which are severance payments to former employees who were involuntarily separated through no fault of their own and voluntary separation incentive (VSI) payments, also known as "buy-outs" to employees who voluntarily separate from Federal service.</li> <li data-bbox="651 1698 1403 1902">• <i>Payments to other funds</i> for ex-Federal employees and ex-service personnel (e.g., agency payments to the unemployment trust fund for ex-employees and one-time agency payments of final basic pay to the civil service retirement fund for employees who took the early-out under buy-out authority) and other benefits paid directly to the beneficiary. Also, Government payment to the Employees health benefits and life insurance funds for annuitants.</li> </ul> |

SECTION 83—OBJECT CLASSIFICATION (MAX SCHEDULE O)

| Entry                                     | Description   |
|---|---|
| 20 CONTRACTUAL SERVICES AND SUPPLIES      | <p>Exclude benefits provided <i>in-kind</i>, such as hospital and medical care, which are classified under the object class representing the nature of the items purchase.</p> <p>This major object class covers purchases of contractual services and supplies in object classes 21.0 through 26.0.</p>  |
| 21.0 Travel and transportation of persons | <p>Travel and transportation costs of Government employees and other persons, while in an authorized travel status, that are to be paid by the Government either directly or by reimbursing the traveler. Consists of both travel away from official stations, subject to regulations governing civilian and military travel, and local travel and transportation of persons in and around the official station of an employee. Include:</p> <ul style="list-style-type: none"> <li>• <i>Contracts to transport people from place to place</i>, by land, air, or water, such as commercial transportation charges; rental or lease of passenger cars; charter of trains, buses, vessels, or airplanes; ambulance service or hearse service; and expenses incident to the operation of rented or chartered conveyances. (Rental or lease of all passenger-carrying vehicles is to be charged to this object class, even though such vehicles may be used incidentally for transportation of things.)</li> <li>• Incidental travel expenses which are other expenses directly related to official travel, such as baggage transfer, and telephone and telegraph expenses, as authorized by travel regulations.</li> </ul> |
| 22.0 Transportation of things             | <p>Transportation of things (including animals), the care of such things while in process of being transported, and other services incident to the transportation of things. (Exclude transportation paid by a vendor, regardless of whether the cost is itemized on the bill for the commodities purchased by the Government.) Include:</p> <p><i>Freight and express</i> charges by common carrier and contract carrier, including freight and express, switching, crating, refrigerating, and other incidental expenses.</p> <p><i>Trucking and other local transportation</i> charges for hauling, handling, and other services incident to local transportation, including contractual transfers of supplies and equipment.</p> <p><i>Mail transportation</i> charges for express package services (i.e., charges for transporting freight) and postage used in parcel post. (Exclude other postage and charges that are classified under object class 23.3.)</p> <p>Transportation of household goods related to permanent change of station (PCS).</p>   |
| 23 Rent, Communications, and Utilities    | <p>Payments for the use of land, structures, or equipment owned by others and charges for communication and utility services. Object class 23 covers object classes 23.1 through 23.3. Exclude payments for rental of transportation equipment, which are classified under object class 21.0, <i>Travel and transportation of person</i>, or object class 22.0, <i>Transportation of things</i>.</p>  |
| 23.1 Rental payments to GSA               | <p>Payments to the General Services Administration (GSA) for rental of space and rent related services.</p>   |

| Entry | Description  |
|-------|--|
| 23.2  | Rental payments to others  |
| 23.3  | Communications, utilities, and miscellaneous charges   |
|       | <p>Exclude payments:</p> <ul style="list-style-type: none"> <li>To a non-Federal source, which will be reported in object class 23.2, <i>Rental payments to others</i>.</li> <li>To agencies other than GSA for space, land, and structures that are subleased or occupied by permits, which will be classified in object class 25.3, <i>Purchases of goods and services from Government accounts</i>, regardless of whether the space is owned or leased by the agency other than GSA.</li> <li>For related services provided by GSA in addition to services provided under rental payments, e.g., extra protection or extra cleaning, which will be classified in object class 25.3, <i>Purchases of goods and services from Government accounts</i>.</li> </ul> <p>Payments to a non-Federal source for rental of space, land, and structures.</p> <p>Include:</p> <ul style="list-style-type: none"> <li><i>Rental or lease of information technology equipment</i>, include any hardware or software, or equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information, such as mainframe, mid-tier, and workstation computers.</li> </ul> <p>Exclude contractual services involving the use of equipment in the possession of others, such as computer time-sharing or data center outsourcing, which will be classified in object class 25.7, <i>Operation and maintenance of equipment</i>.</p> <ul style="list-style-type: none"> <li><i>Information technology services</i>, include data, voice, and wireless communication services, such as long-distance telephone services from other Federal agencies or accounts.</li> </ul> <p>Exclude charges for maintenance of information technology and related training and technical assistance, when significant and readily identifiable in the contract or billing, which will be classified in object class 25.7, <i>Operation and maintenance of equipment</i>.</p> <ul style="list-style-type: none"> <li><i>Postal services and rentals</i>, include postage (exclude parcel post and express mail service for freight); contractual mail (include express mail service for letters) or messenger service; and rental of post office boxes, postage meter machines, mailing machines, and teletype equipment.</li> <li><i>Utility services</i>, include heat, light, power, water, gas, electricity, and other utility services.</li> <li><i>Miscellaneous charges</i>, for example, periodic charges under purchase rental agreements for equipment. (Payments subsequent to the acquisition of title to the equipment should be classified under object class 31.0, <i>Equipment</i>.)</li> </ul> <p>Exclude payments under lease-purchase contracts for construction of buildings, which will be classified in object class 32.0, <i>Land and structures</i>, or object class 43.0, <i>Interest and dividends</i>, and for lease-purchase contracts for information technology and</p> |

**SECTION 83—OBJECT CLASSIFICATION (MAX SCHEDULE O)**

| <b>Entry</b>                          | <b>Description</b>  |
|---------------------------------------|---|
|                                       | telecommunications equipment which will be classified in object class 31.0, <i>Equipment</i> .  |
| 24.0 Printing and reproduction        | <p>Printing and reproduction obtained from the private sector or from other Federal entities:</p> <ul style="list-style-type: none"> <li>• Typesetting and lithography.</li> <li>• Duplicating.</li> <li>• Standard forms when specially printed or assembled to order and printed envelopes and letterheads.</li> <li>• Publication of notices, advertising, radio and television time.</li> <li>• Photo composition, photography, blueprinting, photostating, and microfilming.</li> <li>• The related composition and binding operations performed by the Government Printing Office, other agencies, or other units of the same agency on a reimbursable basis, and commercial printers or photographers.</li> </ul> <p><i>Note:</i> In determining subclasses for administrative use, agencies may appropriately maintain a distinction between traditional printing technologies and photostatic reproduction.</p>  |
| 25 Other Contractual Services         | Object class 25 covers object classes 25.1 through 25.8   |
| 25.1 Advisory and assistance services | <p>Services acquired by contract from non-Federal sources (that is, the private sector, foreign governments, State and local governments, tribes), as well as, from other units within the Federal Government. This object class consists of three types of services:</p> <ul style="list-style-type: none"> <li>• Management and professional support services.</li> <li>• Studies, analyses, and evaluations.</li> <li>• Engineering and technical services.</li> </ul> <p>Each is described in further detail below.</p> <p>Exclude:</p> <ul style="list-style-type: none"> <li>• Information technology consulting services, which have large scale systems acquisition and integration or large scale software development as their primary focus. Classify these in object class 31.0, <i>Equipment</i>.</li> <li>• Personnel appointments and advisory committees. Classify these in object class 11.3, <i>Other than full-time permanent</i>.</li> <li>• Contracts with the private sector for operation and maintenance of information technology and telecommunication services. Classify these in object class 25.7, <i>Operation and maintenance of equipment</i>.</li> <li>• Architectural and engineering services as defined in the Federal Acquisition Regulations (FAR) 36.102 (40 U.S.C. 541).</li> <li>• Research on theoretical mathematics and basic medical, biological, physical, social, psychological, or other phenomena</li> </ul> |

| Entry | Description   |
|-------|---|
|       | <p>which will be classified in object class 25.5, <i>Research and development contracts</i>.</p> <ul style="list-style-type: none"> <li>• Other contractual services classified in object classes 25.2, <i>Other services</i>, through 25.8, <i>Subsistence and support of persons</i>, and 26.0, <i>Supplies and materials</i>.</li> </ul> <p>Management and professional support services, that:</p> <ul style="list-style-type: none"> <li>• Assist, advise, or train staff to achieve efficient and effective management and operation of organizations, activities, or systems (including management and professional support services for information technology and R&amp;D activities).</li> <li>• Are normally closely related to the basic responsibilities and mission of the agency contracting for the services.</li> <li>• Support or contribute to improved organization of program management, logistics, management, project monitoring and reporting, data collection, budgeting, accounting, performance auditing, and administrative/technical support for conferences and training programs.</li> </ul> <p>Exclude auditing of financial statements, which will be classified in object class 25.2, <i>Other services</i>.</p> <p><i>Studies, analyses, and evaluations</i> provide organized analytic assessments or evaluations in support of policy development, decision-making, management, or administration. Include:</p> <ul style="list-style-type: none"> <li>• Studies in support of information technology and R&amp;D activities.</li> <li>• Models, methodologies, and related software supporting studies, analyses, or evaluations.</li> </ul> <p><i>Engineering and technical services</i> (excluding routine engineering services and operation and maintenance of information technology and data communications services) that:</p> <ul style="list-style-type: none"> <li>• Support the program office during the acquisition cycle by providing such services as information technology architecture development, systems engineering, and technical direction (FAR 9.505–1(b)).</li> <li>• Ensure the effective acquisition, operation, and maintenance of a major acquisition, weapon system or major system, as defined in OMB Circular No. A–109 and in this Circular's supplement, Capital Programming Guide.</li> <li>• Provide direct support of a major acquisition or weapons system that is essential to planning, R&amp;D, production, or maintenance of the acquisition or system.</li> <li>• Include information technology consulting services, such as information technology architecture design and capital programming, and investment control support services.</li> <li>• Include software services such as implementing a web-based, commercial off-the-shelf software product that is an integral part of a consulting services contract.</li> </ul> |

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| Entry  | Description  |
|--|--|
| <p>25.2 Other services</p>   | <p>Report contractual services with non Federal sources that are <i>not otherwise classified</i> under this object class. For example:</p> <ul style="list-style-type: none"> <li>• Auditing of financial statements when done by contract with the private sector.</li> </ul> <p>Exclude performance auditing by contract with the private sector, which will be classified in object class 25.1, <i>Advisory and assistance services</i> and auditing of financial statements when done by contract with another Federal Government entity, which will be classified in object class 25.3, <i>Purchases of goods and services from Government accounts</i>.</p> <ul style="list-style-type: none"> <li>• Typing and stenographic service contracts with the private sector.</li> <li>• Tuition for the general education of employees (e.g., for courses for credit leading to college or post graduate degrees). Exclude tuition for training closely-related to the basic responsibilities and mission of the agency, which are classified under object class 25.1, <i>Advisory and assistance services</i>.</li> <li>• Fees and other charges for abstracting land titles, premiums on insurance (other than payments to the Office of Personnel Management), and surety bonds.</li> </ul> <p>Exclude:</p> <ul style="list-style-type: none"> <li>• Advisory and assistance services contracts, which are classified under object class 25.1, <i>Advisory and assistance services</i>.</li> <li>• Contractual services reported in other object classes 21.0, 22.0, 23.1–23.3, 24.0, 25.1, 25.3–25.8, and 26.0.</li> <li>• Services in connection with the initial installation of equipment, when performed by the vendor, which will be classified in object class 31.0, <i>Equipment</i>.</li> <li>• Expenditure transfers between Federal accounts, which are classified in object classes 25.3, <i>Purchases of goods and services from Government accounts</i>, and 92.0, <i>Undistributed</i>, as described below.</li> <li>• Repair, maintenance, and storage of vehicles and storage of household goods, which are reported in object class 25.7, <i>Operation and maintenance of equipment</i>.</li> <li>• Repairs and alterations to buildings, which are classified in object classes 25.4, <i>Operation and maintenance of facilities</i>, or 32.0, <i>Land and structures</i>, as appropriate.</li> <li>• Subsistence and support of persons, which is classified as object class 25.8, <i>Subsistence and support of persons</i>.</li> <li>• Research and development contracts which will be classified in object classes, <i>Advisory and assistance services</i>, 25.4, <i>Operation and maintenance of facilities</i>, and 25.5, <i>Research and development contracts</i>, as appropriate.</li> </ul> |
| <p>25.3 Other purchases of goods and services from Government accounts</p> | <p>Purchases from other Federal Government agencies or accounts <i>that are not otherwise classified</i>. Include:</p> <ul style="list-style-type: none"> <li>• Rental payments to Federal Government accounts other than the</li> </ul>   |

| Entry | Description  |
|-------|--|
| 25.4  | <p>GSA Federal Buildings Fund.</p> <ul style="list-style-type: none"> <li>• Interagency agreements for contractual services (including the Economy Act) for the purchase of goods and services, except as described below.</li> <li>• Expenditure transfers between Federal Government accounts for jointly-funded grants or projects.</li> </ul> <p>Exclude:</p> <ul style="list-style-type: none"> <li>• Purchases from State and local governments, the private sector, and Government sponsored enterprises that are not otherwise classified. Classify these in object class 25.2, <i>Other services</i>.</li> <li>• Data communication services (voice, data, and wireless) from other agencies or accounts. Classify these in object class 23.3, <i>Communications, utilities, and miscellaneous charges</i>.</li> <li>• Agreements with other agencies to make repairs and alterations to buildings. Classify these in object classes 25.4, <i>Operation and maintenance of facilities</i>, or 32.0, <i>Land and structures</i>, as appropriate.</li> <li>• Storage and maintenance of vehicles and household goods. Classify these in object class 25.7, <i>Operation and maintenance of equipment</i>.</li> <li>• Subsistence and support of persons. Classify these in object class 25.8, <i>Subsistence and support of persons</i>.</li> <li>• Development of software, or for software or hardware maintenance. Classify these in object classes 31.0, <i>Equipment</i>, and 25.7, <i>Operation and maintenance of equipment</i>, respectively.</li> <li>• Advisory and assistance services. Classify these in object class 25.1, <i>Advisory and assistance services</i>.</li> <li>• Payments made to other agencies for services of civilian employees or military personnel on reimbursable detail. Classify these in object class 11.8, <i>Special personal services payments</i>.</li> <li>• Contractual services classified under object classes 21.0, 22.0, 23.1–23.3, 24.0, 25.2, 25.4–25.8, and 26.0.</li> </ul> |
|       | <p>Operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. Include:</p> <ul style="list-style-type: none"> <li>• Government-owned contractor-operated facilities (GOCOs).</li> <li>• Service contracts and routine repair of facilities and upkeep of land.</li> <li>• Operation of facilities engaged in research and development activities.</li> </ul>   |
| 25.5  | <p>Exclude alterations, modifications, or improvements to facilities and land, which will be reported in object class 32.0, <i>Land and structures</i>.</p> <p>Contracts for the conduct of basic and applied research and development.</p> <p>Exclude:</p>  |
| 25.5  | <p>Research and development contracts</p>  |

SECTION 83—OBJECT CLASSIFICATION (MAX SCHEDULE O)

| Entry                                       | Description  |
|---|--|
| 25.6 Medical care                           | <ul style="list-style-type: none"> <li>• Advisory and assistance services for research and development (object class, <i>Advisory and assistance services</i>).</li> <li>• Operation and maintenance of R&amp;D facilities (object class 25.4, <i>Operation and maintenance of facilities</i>).</li> </ul> <p>Payments to contractors for medical care. Include payments to:</p> <ul style="list-style-type: none"> <li>• Medicare contractors.</li> <li>• Private hospitals.</li> <li>• Nursing homes.</li> <li>• Group health organizations for medical care services provided to veterans.</li> <li>• Carriers by the <i>Employees and retired employees health benefits fund</i> and CHAMPUS.</li> </ul>   |
| 25.7 Operation and maintenance of equipment | <p>Exclude:</p> <ul style="list-style-type: none"> <li>• Contracts with individuals who are reportable under Office of Personnel Management regulations as Federal employees (object class 11.3, <i>Other than full-time permanent</i>, or 11.5, <i>Other personnel compensation</i>, as appropriate).</li> <li>• Payments to compensate casual workers and patient help (object class 11.8, <i>Special personal services payments</i>).</li> </ul> <p>Operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account.</p> <p>Include:</p> <ul style="list-style-type: none"> <li>• Storage and care of vehicles and storage of household goods, including those associated with a permanent change of station PCS).</li> <li>• Operation and maintenance of information technology systems, including maintenance that is part of a rental contract, when significant and readily identifiable in the contract or billing.</li> </ul> <p>Exclude:</p> <ul style="list-style-type: none"> <li>• Rental of information technology systems, services and other rentals, which are classified in object class 23.3, <i>Communications, utilities, and miscellaneous charges</i>.</li> <li>• Contracts where the principal purpose is to develop or modernize software, which are classified in object class 31.0, <i>Equipment</i>.</li> </ul> |
| 25.8 Subsistence and support of persons     | <p>Contractual services with the public or another Federal Government account for the board, lodging, and care of persons, including prisoners (except travel items, which are classified under object class 21.0, <i>Travel and transportation of persons</i>, and hospital care, which is classified under object class 25.6, <i>Medical care</i>).</p>  |
| 26.0 Supplies and materials                 | <p>Commodities that are:</p> <ul style="list-style-type: none"> <li>• Ordinarily consumed or expended within one year after they are put into use.</li> </ul>  |

| Entry | Description  |
|-------|--|
|       | <ul style="list-style-type: none"> <li>• Converted in the process of construction or manufacture.</li> <li>• Used to form a minor part of equipment or fixed property.</li> <li>• Other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.</li> </ul> <p>Include:</p> <ul style="list-style-type: none"> <li>• <i>Office supplies</i>, such as pencils, paper, calendar pads, notebooks, standard forms (except when specially printed or assembled to order), unprinted envelopes, other office supplies, and property of little monetary value, such as desk trays, pen sets, and calendar stands.</li> <li>• Publications, such as pamphlets, documents, books, newspapers, periodicals, records, cassettes, or other publications whether printed, microfilmed, photocopied, or otherwise recorded for auditory or visual use that are off-the-shelf rather than specially ordered by or at the request of the agency.</li> </ul> <p>Exclude publications acquired for permanent collections, which are classified under object class 31.0, <i>Equipment</i>.</p> <ul style="list-style-type: none"> <li>• <i>Information technology supplies and materials</i>, such as manuals, data storage media (CD-ROM, diskettes, digital tape), and toner cartridges for laser printers or fax machines.</li> </ul> <p>Exclude purchases of software, which should be classified in either object class 25.1, <i>Advisory and assistance services</i>, or object class 31.0, <i>Equipment</i>.</p> <ul style="list-style-type: none"> <li>• Chemicals, surgical and medical supplies.</li> <li>• <i>Fuel</i> used in cooking, heating, generating power, making artificial gas, and operating motor vehicles, trains, aircraft, and vessels.</li> <li>• <i>Clothing and clothing supplies</i>, such as materials and sewing supplies used in manufacture of wearing apparel.</li> <li>• <i>Provisions</i> such as food and beverages.</li> <li>• Cleaning and toilet supplies.</li> <li>• Ammunition and explosives.</li> <li>• <i>Materials and parts</i> used in the construction, repair, or production of supplies, equipment, machinery, buildings, and other structures.</li> </ul> <p>Exclude charges for off-the-shelf software purchases which should be classified in object class 25.1, <i>Advisory and assistance services</i>, if the purchase is an integral part of a consulting services contract, or object class 31.0, <i>Equipment</i>, if the purchase is considered equipment.</p> |
| 30    | ACQUISITION OF ASSETS  |
| 31.0  | <p>Equipment</p> <p>This major object class covers object classes 31.0 through 33.0. Include capitalized (that is, depreciated) assets and non-capitalized assets.</p> <p>Purchases of:</p> <ul style="list-style-type: none"> <li>• Personal property of a durable nature, that is, property that normally may be expected to have a period of service of a year or more after being put into use without material impairment of its</li> </ul>   |

SECTION 83—OBJECT CLASSIFICATION (MAX SCHEDULE O)

| Entry                      | Description  |
|----------------------------|--|
|                            | <p>physical condition or functional capacity.</p> <ul style="list-style-type: none"> <li>The initial installation of equipment when performed under contract.</li> </ul> <p>Include:</p> <ul style="list-style-type: none"> <li>Transportation equipment.</li> <li>Furniture and fixtures.</li> <li>Publications for permanent collections.</li> <li>Tools and implements.</li> <li>Machinery including construction machinery.</li> <li>Instruments and apparatus</li> <li>Information technology hardware or software, custom and commercial off-the-shelf software, regardless of cost, such as central processing units (CPUs), modems, signaling equipment, telephone and telegraph equipment, and large scale system integration services.</li> </ul> <p>Exclude software that is an integral part of consulting services contracts, as defined in object class 25.1, <i>Advisory and assistance services</i>. Also exclude rental of information technology systems and services, which are classified under object class 23.3, <i>Communications, utilities, and miscellaneous charges</i>.</p> <ul style="list-style-type: none"> <li><i>Armaments</i> including special and miscellaneous military equipment.</li> </ul> <p>Exclude supplies and materials classified under object class 26.0, <i>Supplies and materials</i>; purchase of fixed equipment, which is classified under object class 32.0, <i>Land and structures</i>; and operation, maintenance and repair of equipment classified in object class 25.7, <i>Operation and maintenance of equipment</i>.</p> |
| 32.0 Land and structures   | <p>Purchase and improvement (additions, alterations, and modifications) of:</p> <ul style="list-style-type: none"> <li><i>Land</i> and interest in lands, including easements and rights of way.</li> <li><i>Buildings and other structures</i>, including principal payments under lease-purchase contracts for construction of buildings.</li> <li><i>Nonstructural improvements</i> of land, such as landscaping, fences, sewers, wells, and reservoirs.</li> <li><i>Fixed equipment</i> when acquired under contract (whether an addition or a replacement). These are fixtures and equipment that become <i>permanently</i> attached to or a part of buildings or structures. Examples include elevators, plumbing, power-plant boilers, fire-alarm systems, lighting or heating systems, and air-conditioning or refrigerating systems. Include the cost of the initial installation when performed under contract.</li> </ul> <p>Exclude routine maintenance and repair, which will be classified in object class 25.4, <i>Operation and maintenance of facilities</i>.</p>   |
| 33.0 Investments and loans | <p>Purchase of:</p>  |

| Entry                                     | Description  |
|---|--|
|   | <ul style="list-style-type: none"> <li>• Stocks, bonds, debentures, and other securities that are <u>neither</u> U.S. Government securities <u>nor</u> securities of wholly-owned Federal Government enterprises.</li> <li>• Temporary or permanent investments.</li> <li>• Interest accrued at the time of purchase and premiums paid on all investments.</li> </ul> <p>For credit programs, see section 85 for object classification related to defaults.</p>  |
| <b>40 GRANTS AND FIXED CHARGES</b>        | This major object class covers object classes 41.0 through 44.0.   |
| 41.0 Grants, subsidies, and contributions | <p>Cash payments to States, other political subdivisions, corporations, associations, and individuals for:</p> <ul style="list-style-type: none"> <li>• Grants (including revenue sharing).</li> <li>• Subsidies (including credit program costs).</li> <li>• Gratuities and other aid (including readjustment and other benefits for veterans, other than indemnities for death or disability).</li> </ul> <p>Contributions to foreign countries, international societies, commissions, proceedings, or projects that are:</p> <ul style="list-style-type: none"> <li>• Lump sum or quota of expenses.</li> <li>• Fixed by treaty.</li> <li>• Discretionary grants.</li> </ul> <p>Taxes imposed by State and local taxing authorities where the Federal Government has consented to taxation (excluding the employer's share of Federal Insurance Contribution Act taxes) and payments in lieu of taxes.</p> <p><i>Note:</i> Obligations under grant programs that involve the furnishing of services, supplies, materials, and the like by the Federal Government, rather than cash, are not charged to this object class, but to the object class representing the nature of the services, articles, or other items that are purchased.</p> |
| 42.0 Insurance claims and indemnities     | <p>Benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. Include:</p> <p><i>Social insurance and retirement</i> payments for individuals from trust funds for:</p> <ul style="list-style-type: none"> <li>• Social security.</li> <li>• Medicare.</li> <li>• unemployment insurance.</li> <li>• Railroad retirement.</li> <li>• Federal civilian retirement.</li> <li>• Military retirement.</li> <li>• Other social insurance and retirement programs.</li> </ul>   |

SECTION 83—OBJECT CLASSIFICATION (MAX SCHEDULE O)

| Entry                       | Description   |
|-----------------------------|---|
|                             | <p>Insurance payments from Federal insurance revolving funds, such as the Bank insurance fund, for:</p> <ul style="list-style-type: none"> <li>• Liquidation and insurance.</li> <li>• Litigation settlements due receivers and trustees.</li> <li>• Working capital outlays.</li> <li>• Net case resolution losses.</li> <li>• Other unpaid resolution obligations, not otherwise classified.</li> </ul> <p>(Note: Classify other payments by Federal insurance revolving funds to the object classes to which they apply, for example classify premiums on investments in object class 33.0, <i>Investments and loans</i>, and interest expenses in object class 43.0, <i>Interest and dividends</i>).</p> <ul style="list-style-type: none"> <li>• Other claim or indemnity payments: <ul style="list-style-type: none"> <li>• To veterans and former civilian employees or their survivors for death or disability, whether service-connected or not.</li> <li>• Of claims and judgments arising from court decisions or abrogation of contracts; indemnities for the destruction of livestock, crops, and the like; damage to or loss of property; and personal injury or death.</li> <li>• To or for persons displaced as a result of Federal and federally assisted programs, as authorized under 42 U.S.C. 4622–4624.</li> <li>• For losses made good on Government shipments.</li> <li>• From liquidating accounts on guarantees where no asset is received and where forgiveness is not provided by law.</li> </ul> </li> </ul> |
| 43.0 Interest and dividends | <p>Include:</p> <ul style="list-style-type: none"> <li>• Payments to creditors for the use of moneys loaned, deposited, overpaid, or otherwise made available.</li> <li>• Distribution of earnings to owners of trust or other funds.</li> <li>• Interest payments under lease-purchase contracts for construction of buildings.</li> </ul> <p>Exclude the interest portion of the payment of claims when a contract has been delayed by the Government. Classify these costs under the same object class used for the original contract.</p>   |
| 44.0 Refunds                | <p>Payments of amounts previously collected by the Government. Include:</p> <ul style="list-style-type: none"> <li>• Payments to correct errors in computations, erroneous billing, and other factors (see section <a href="#">20.10</a>).</li> <li>• Payments to former employees or their beneficiaries for employee contributions to retirement and disability funds (e.g., payments made when employees die before retirement or before their annuities equal the amount withheld).</li> </ul> <p><i>Note:</i> In the account receiving the refund, previously recorded obligations will be reduced in the appropriate object class(es) by the amount of the refund, if the refund is received in the same year as the</p>  |

| Entry                             | Description  |
|-----------------------------------|--|
|                                   | obligations are reported (see section <a href="#">20.10</a> ).   |
| <b>90 OTHER</b>                   | This major object class covers object classes 91.0 through 99.5.   |
| 91.0 Unvouchered                  | Charges that may be incurred lawfully for confidential purposes and are not subject to detailed vouchering or reporting.   |
| 92.0 Undistributed                | Charges that cannot be distributed to the object classes listed above.   |
|                                   | Use this object class only with the prior approval of OMB.   |
| 93.0 Limitation on expenses       | This object class is used when there is an annual limitation on administrative or other expenses for revolving and trust funds. (See section <a href="#">83.6</a> ).   |
| 94.0 Financial transfers          | This object class is used for obligations that represent financial interchanges between Federal government accounts that are not in exchange for goods and services.   |
| <b>99.0 Subtotal, obligations</b> | This entry is automatically generated by MAX: <ul style="list-style-type: none"> <li>For <i>direct or allocation</i> account obligations, the subtotal stub entry should appear when more than one object class category is reported in a single account.</li> </ul> <p>For <i>reimbursable</i> obligations, the subtotal stub entry, "Reimbursable obligations," should appear, even if all reimbursable obligations are classified in a single object class category.</p>  |
| 99.5 Below reporting threshold    | Use this object class adjustment line when: <ul style="list-style-type: none"> <li>The sum for an object class entry is \$500 thousand or less, that is, it is below the reporting threshold, <i>and</i></li> <li>The sum of <i>all</i> the below threshold amounts rounds to \$1 million or more.</li> </ul> <p>There will be <i>only one</i> adjustment line per object class schedule. It will:</p> <ul style="list-style-type: none"> <li>Follow the last subtotal (object class 99.0) for the schedule.</li> <li>Be coded 9995 in MAX.</li> </ul> <p>Do not report amounts of more than \$4 million in this object class, unless approved by OMB.</p> |
| 99.9 Total new obligations        | This entry is automatically generated by MAX.  |

### 83.8 What object classes are associated with civilian and military pay in the baseline?

*Civilian pay* means the budgetary resources used to fund civilian compensation and benefits consistent with object classes 11.1 through 11.5 and 12.1.

*Military pay* means the budgetary resources used to fund military personnel compensation and benefits consistent with object classes 11.7 and 12.2.

### 83.9 How do I classify relocation expenses related to a permanent change of station (PCS)?

**SECTION 83—OBJECT CLASSIFICATION (MAX SCHEDULE O)**

When an employee accepts a Federal position at a different location, such as a different State, this is called a permanent change of station. An agency, at its discretion, may reimburse the employee for a variety of expenses related to the relocation. Follow the instructions in the table to classify these expenses among the object classes.

| <b>If the obligations are for ...</b>  | <b>Then classify in object class ...</b>           |
|--|--|
| Transportation, per diem while in travel status, or reimbursement of actual travel expenses for the employee or the employee's immediate family  | 21.0 <i>Travel and transportation of persons</i>   |
| Transportation of household goods, house trailers, and effects   | 22.0 <i>Transportation of things</i>               |
| Storage and care of vehicles and household goods   | 25.7 <i>Operation and maintenance of equipment</i> |
| All other relocation expenses for <i>civilian</i> employees, such as: <ul style="list-style-type: none"> <li>• Allowances for expenses incurred in connection with a sale of a residence or settlement of an unexpired lease.</li> <li>• Subsistence when occupying temporary quarters (in contrast to per diem while in travel status, above).</li> <li>• Reimbursements of amounts equal to income taxes incurred by transferred employees for moving or storage expenses under 5 U.S.C. 5724b.</li> <li>• Contractual charges for relocation services under 5 U.S.C. 5724c.</li> <li>• Miscellaneous moving expenses under 5 U.S.C. 5724a.</li> </ul> | 12.1 <i>Civilian personnel benefits</i>            |
| All other relocation expenses for <i>military</i> personnel  | 12.2 <i>Military personnel benefits</i>            |

**83.10 How do I classify purchases related to information technology (IT)?**

For some reason, we have had many questions on how to classify IT obligations among the various object classes. The general rule is to focus on the nature of the services, articles or other items for which obligations are first incurred. The following table shows the application of this rule.

| <b>If the obligations are for ...</b>   | <b>Then classify in object class ...</b>                             |
|---|--|
| IT services or the rental of IT equipment                                     | 23.3 <i>Communications, utilities, and miscellaneous charges</i>     |
| Operation and maintenance of IT systems by the private sector                 | 25.7 <i>Operation and maintenance of equipment</i>                   |
| Operation and maintenance of IT systems by another Federal Government account | 25.3 <i>Purchases of goods and services from Government accounts</i> |

| If the obligations are for ...   | Then classify in object class ...            |
|--|--|
| IT hardware and software   | 31.0 <i>Equipment</i>                        |
| IT supplies and materials, such as manuals, diskettes, toner cartridge   | 26.0 <i>Supplies and materials</i>           |
| IT consulting services in the form of: <ul style="list-style-type: none"> <li>• Management and professional support services.</li> <li>• Studies, analyses, and evaluations.</li> <li>• Engineering and technical services.</li> </ul> | 25.1 <i>Advisory and assistance services</i> |

### 83.11 How do I classify obligations for education and training?

We have also had many questions on how to classify education and training obligations among the various object classes. The general rule is to focus on the nature of the services, articles or other items for which obligations are first incurred. The following table shows the application of this rule.

| If the obligations are for ...   | Then classify in object class ...                                    |
|--|--|
| Payments of tuition to universities or colleges leading to a degree, or for attendance at conferences                            | 25.2 <i>Other services</i>   |
| All other payments to a private sector company for training courses  | 25.1 <i>Advisory and assistance services</i>                         |
| Payments to other Federal government agencies for training courses   | 25.3 <i>Purchases of goods and services from Government accounts</i> |
| Cash allowances for the education of dependents that are provided as recruitment and retention incentives for civilian employees | 12.1 <i>Civilian personnel benefits</i>                              |
| Payment to the loan holder (e.g., the bank) to repay an employee's student loan as a recruitment incentive.                      | 12.1 <i>Civilian personnel benefits</i>                              |
| Cash allowances for the education of dependents that are provided as recruitment and retention incentives for military personnel | 12.2 <i>Military personnel benefits</i>                              |

### 83.12 How do I classify obligations for real property (space, land, and structures)?

Classify obligations for the *purchase, including lease purchase, or improvement* (that is, alteration or modification) of real property in object class 32, *Land and structures*.

Classify the *rental or lease* of real property, as follows:

| If the obligation are for ...                 | And if ...   | Then classify in object class ...  |
|---|--|------------------------------------|
| Payment to another Federal government account | The other account is GSA's Federal Buildings Fund* | 23.1 <i>Rental payments to GSA</i> |

SECTION 83—OBJECT CLASSIFICATION (MAX SCHEDULE O)

| If the obligation are for ...                 | And if ...  | Then classify in object class ...   |
|---|---|---|
| Payment to another Federal government account | The other account is NOT GSA's Federal Buildings Fund | 25.3 <i>Purchases of goods and services from Government accounts</i><br><br>Note: The paying account must use this <u>object class code</u> but may change the title to "Rental payments to GSA." |
| Payment to the private sector                 |   | 23.2 <i>Rental payments to others</i>   |

\* Classify amounts for the *standard* services, such as cleaning and security, covered by the *basic rental charge* assessed by GSA in object class 23.1, *Rental payments to GSA*. However, if the payment is for rent "related" services provided by GSA in addition to services provided under rental payments, for example, extra protection or extra cleaning, report the amounts under object class 25.3, *Purchases of goods and services from Government accounts*.

**GSA operating delegations.** When GSA *delegates* the operation of a facility back to an agency ("operating delegations"), the agency is in charge of operating the facility.

GSA bills for basic rental charges differ depending on whether the building is owned or leased by GSA.

For GSA-leased buildings, the GSA bills the total (gross) amount of the basic rental charge which includes a charge for operating the building. In these cases, the following transactions occur:

- GSA bills the agency for the *gross* amount of the basic rental charge.
- Agency records obligations in object class 23.1, *Rental payments to GSA*, and pays GSA's Federal Buildings Fund the *gross* amount.
- GSA *rebates* the amount for operating the facility back to the agency.
- Agency records the amount rebated as offsetting collections.
- If the agency, in turn, contracts with the private sector to clean the facilities, the obligations are classified in object class 25.4, *Operation and maintenance of facilities*.
- If the agency, in turn, contracts with another agency (for example, to guard the building), the obligations are classified in object class 25.3, *Purchases of goods and services from Government accounts*.

The above treatment will continue for rental of *GSA-leased buildings*.

**Beginning in FY 1999, for GSA-owned buildings only**, GSA began billing agencies with operating delegations for the *net* amount. Amounts for *standard* services that have been delegated back to the agencies are no longer included in object class 23.1.

**83.13 How do I classify obligations for Federal civilian retirement under CSRS?**

Use the following:

| If the obligations are for ...   | Then classify in object class ...              |
|--|--|
| <p>The accrual for the future retirement cost of current civilian personnel covered by CSRS that is charged to the accounts that pay direct compensation to those personnel</p> <p>Note: The corresponding receipts credited to the civil service retirement and disability trust fund are treated as undistributed offsetting receipts (Employer share, employee retirement on the inter fund transaction line)</p> | 12.1 <i>Civilian personnel benefits</i>        |
| <p>The Government's share of retirement costs that amortize increases in the static unfunded liability created since October 20, 1969 by any statute which authorizes new or liberalized benefits, an extension of retirement coverage, or pay increases</p> <p>Note: This applies to OPM's "Payment to the Civil Service Retirement and Disability Fund" account only.</p>  | 12.1 <i>Civilian personnel benefits</i>        |
| <p>Interest on the static unfunded liability and annuity disbursements attributable to military service and the payment to provide annuities to former spouses of annuitants who died between September 1978 and May 1986 and who did not elect survivor coverage</p> <p>Note: This applies to OPM's "Payment to the Civil Service Retirement and Disability Fund" account only.</p>                                 | 13.0 <i>Benefits for former personnel</i>      |
| <p>Payments to CSRS retirees</p> <p>Note: This applies to OPM's " Civil Service Retirement and Disability Fund" account only.</p>  | 42.0 <i>Insurance, claims, and indemnities</i> |

### 83.14 How do I classify obligations for military retirement?

Since 1985, when the financing of military retirement changed to an accrual basis, the payments should be classified as follows:

| If the obligations are ...  | Then classify in object class ...         |
|---|---|
| <p>The accrual for the future retirement cost of current military personnel that is charged to the accounts that pay direct compensation to those personnel</p> <p>Note: The corresponding receipts credited to the military retirement trust fund are treated as undistributed offsetting receipts (Employer share, employee retirement on the inter fund transaction line).</p> | 12.2 <i>Military personnel benefits</i>   |
| <p>From general revenues to the military retirement fund to finance retirement costs for service prior to 1985</p> <p>Note: This applies to the " Payment to Military Retirement Fund" account only.</p>  | 13.0 <i>Benefits for former personnel</i> |

| If the obligations are ...   | Then classify in object class ...              |
|--|--|
| Made to military retirees  | 42.0 <i>Insurance, claims, and indemnities</i> |
| Note: This applies to the "Military Retirement Fund" account only. |  |

### 83.15 How do I classify intragovernmental transactions?

For payments between two Federal government accounts for:

- Relocation expenses, see section [83.9](#);
- Information technology, see section [83.10](#);
- Education and training, see section [83.11](#);
- Real property, see section [83.12](#);
- Federal civilian retirement under CSRS, see section [83.13](#); and
- Military retirement, see section [83.14](#).

For other payments between two Federal government accounts, classify the obligations as follows:

| If the obligations are ...   | Then classify in object class ...   |
|--|---|
| Transfers by the paying account to reimburse the receiving account for an asset or a service <i>with a specific object class</i> | The paying account should classify the <i>direct</i> obligations in the object class that best describes the purchase, such as: <ul style="list-style-type: none"> <li>21.0 <i>Travel and transportation of persons</i></li> <li>22.0 <i>Transportation of things</i></li> <li>23.1 <i>Rental payments to GSA</i></li> <li>23.2 <i>Rental payments to others</i></li> <li>23.3 <i>Communications, utilities, and miscellaneous charges</i></li> <li>24.0 <i>Printing and reproduction</i></li> <li>25.1 <i>Advisory and assistance services</i></li> <li>25.4 <i>Operation and maintenance of facilities</i></li> <li>25.5 <i>Research and development contracts</i></li> <li>25.6 <i>Medical care</i></li> <li>25.7 <i>Operation and maintenance of equipment</i></li> <li>25.8 <i>Subsistence and support of persons</i></li> <li>26.0 <i>Supplies and materials</i></li> <li>31.0 <i>Equipment</i></li> <li>32.0 <i>Land and structures</i></li> <li>33.0 <i>Investment and loans</i></li> <li>43.0 <i>Interest and dividends</i></li> </ul> |

| If the obligations are ...   | Then classify in object class ... |   |
|--|-----------------------------------|---|
|  | 44.0                              | <i>Refunds</i>  |
| Transfers by the paying account to reimburse the receiving account for an asset or a service <i>without a specific object class</i>  | 25.3                              | <i>Purchases of goods and services from Government accounts.</i> Do not use this object class if a more specific object class applies.  |
| Transfers where the transfer merely moves resources between Federal and trust fund accounts. Normally these transfers result from appropriations action or general transfer authority where the obligations are simply accounting transfers. | 94.0                              | <i>Financial transfers</i><br><br>Note: The paying account should report direct obligations in object class 94.0 and the receiving account should distribute the obligations as direct obligations in the appropriate object classes. |

### 83.16 How do I classify obligations under the Intergovernmental Personnel Act (IPA)?

Under the IPA, a Federal employee, with his or her consent, may be assigned temporarily to a non-Federal organization.

- *Detailed Federal employees.* A detailed Federal employee continues to receive pay, allowances, and benefits from the Federal agency. In some cases, these costs are reimbursed by the non-Federal organization.
- *Federal employees on LWOP.* A Federal employee on LWOP is paid by the non-Federal organization to which he or she is assigned. The salary paid by the non-Federal organization may be more or less than the employee's current Federal salary. If the rate of pay of the non-Federal organization is less, then the Federal agency may pay a supplemental salary to the employee.

Also under the IPA, an employee of a non-Federal organization may be assigned temporarily to a Federal agency either (1) with a temporary Federal appointment or (2) on detail.

- *Non-Federal employees with temporary Federal appointments.* A non-Federal employee with a temporary Federal appointment is paid by the Federal agency to which he or she is assigned. However, he or she is eligible to enroll in the Federal Employees Health Benefits program only if the Federal appointment results in the loss of coverage under the non-Federal health benefits system. He or she is not covered by any retirement system for Federal employees or by the Federal Employees Group Life Insurance Program.
- *Non-Federal employees detailed to a Federal Position.* A non-Federal employee who is detailed to a Federal agency continues to receive pay, allowances, and benefits from the non-Federal organization to which he or she is employed. In some cases these costs may be reimbursed by the Federal agency. In addition, if the non-Federal salary of the employee on detail is less than the minimum rate of pay for the Federal position, the Federal agency may supplement the salary to make up the difference.

Cost-sharing arrangements for IPA assignments are negotiated between the participating organizations. The Federal agency may agree to pay all, some, or none of the costs associated with an assignment. These include basic pay, supplemental pay, fringe benefits, and travel and relocation expenses. A Federal agency may not reimburse a non-Federal organization for indirect or administrative costs associated with the assignment.

**SECTION 83—OBJECT CLASSIFICATION (MAX SCHEDULE O)**

Because of these cost sharing arrangements you should use the following table to classify these obligations.

| <b>If the obligations are ...</b> | <b>And if the employees is ...</b>  | <b>Then classify in object class ...</b> |   |
|-----------------------------------|---|--|---|
| Regular salaries and wages        | Federal full-time and on detail to a non-Federal organization   | 11.1                                     | <i>Full-time permanent</i>                |
|                                   | Federal but not full-time and on detail to a non-Federal organization<br>non-Federal <i>with a temporary Federal appointment.</i>   | 11.3                                     | <i>Other than full-time permanent</i>     |
|                                   | non-Federal <i>on detail to a Federal agency to provide consulting services</i>   | 25.1                                     | <i>Advisory and assistance services</i>   |
|                                   | non-Federal <i>on detail to a Federal agency to provide services other than consulting</i>  | 11.8                                     | <i>Special personal services payments</i> |
| Supplemental pay                  | Federal on LWOP<br>non-Federal on detail  | 11.8                                     | <i>Special personal services payments</i> |
| Cash incentive awards             | Federal<br>non-Federal <i>with a temporary Federal appointment</i><br><br>(Note: you cannot give this type of award to a non-Federal employee who is detailed to a Federal position.) | 11.5                                     | <i>Other personnel compensation</i>       |
| Travel or relocation expenses     |   | See sections 83.5 and 83.9               |   |
| Other expenses                    |   | See section 83.5                         |   |

**83.17 How is object class information presented in MAX schedule O and the Appendix?**

You must enter all object class information in MAX schedule O. Then the *Appendix* will present object class information in tables that are called object class schedules. These tables will present the object class codes, the object class titles, and the amounts of obligations in the past, current, and budget year.

*MAX schedule O.* Object class data are displayed in MAX on the basis of a 4-digit line number. This line number is made up of a *prefix* and a *3-digit object class code*. See the box on [exhibit 83A](#) for the type of obligations indicated by each prefix. Also, see exhibit 83A for a list of the 3-digit object class codes.

Note: The 3-digit object class code in MAX schedule O is the same 3-digit object class code in the *Appendix*, except that in the *Appendix* there is a decimal before the last digit. See section [83.7](#) for the definitions of the object classes.

*Appendix schedules.* The object class schedules in the *Appendix* present the 3-digit object class codes and the object class titles.

Normally, the *Appendix* will include a separate object class schedule for each P&F schedule that reports obligations (see exhibits [83B](#) and [83C](#)). However, when all obligations in a P&F schedule are classified in a *single object class*, there will be no object class schedule in the *Appendix*. Instead, the code for the appropriate object class will be identified in the P&F schedule in parentheses () at the end of the line for total new obligations. For example, if all obligations in a P&F are for grants, then "(object class 41.0)" will be at the end of the stub entry on line 10.00 of the P&F. Although there will be no object class schedule in the *Appendix*, you must enter the data in MAX schedule O.

Normally, the *Appendix* includes only one object class line for each object class code and uses the standard titles listed in section [83.7](#). However, you may insert additional object class lines in MAX and edit the standard titles. For example, to present employee travel separately from grantee travel in object class 21.0, *Travel and transportation of persons*, you may insert another line in MAX schedule O, edit the standard titles, and distribute the obligations between the two lines.

When there is a *statutory limitation* on obligations for administrative or other expenses for a revolving or trust fund, you must separately identify the obligations that are covered by the limitation from those that are not. Enter the appropriate prefix (see the box on exhibit 83A) in MAX schedule O. The *Appendix* will present two object class schedules:

- The regular object class schedule will present the *total* obligations for the account. The portion of the obligations that are covered by the statutory limitation are not distributed among the object classes. Instead, the obligations covered by the statutory limitation are presented as a lump-sum on object class line 93, *Limitation on expenses*.
- A separate object class schedule will distribute the obligations covered by the statutory limitation among the various object classes. Since the regular schedule presents total obligations, on line 99.9, to prevent double counting obligations, this schedule presents the sum of the obligations on object class line 93 as a negative (–) amount and the total obligations, on line 99.9, as zero.

*Allocations between agencies.* In some cases, funds appropriated to the President or to an agency are allocated to one or more agencies that help to carry out the program. Obligations incurred under such allocations are included in the data for the account to which the appropriation was made in the allocating agency, that is, the parent account. You must enter the data in MAX schedule O. Use the appropriated prefix in the box on exhibit 83A as the first digit in the 4–digit line number. See [exhibit 83C](#) for an illustration of an *Appendix* galley of an object class schedule for a parent account with allocations.

### **83.18 When I report data in MAX schedule O will it generate subtotals or totals?**

Yes. MAX will generate subtotals for different types of obligations from the amounts that you entered, as follows:

- For "reimbursable" obligations (lines 2XXX and 7XXX), MAX will automatically generate subtotal lines (2990 and 7990) when you enter "at least one" amount on lines 2XXX or 7XXX.
- For all other obligations (lines 1XXX, 3XXX, 6XXX, and 8XXX), MAX will automatically generate subtotal lines (1990, 3990, 6990, and 8990) when you enter "more than one" amount on lines 1XXX, 3XXX, 6XXX, or 8XXX.

MAX will generate "Total new obligations" on line 9999, when you enter more than one amount above this line.

**SECTION 83—OBJECT CLASSIFICATION (MAX SCHEDULE O)**

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Amounts that are generated for you by MAX will appear as the color "blue" on the screen of most personal computers. You may override these amounts by entering a different amount in MAX. Amounts that you override will appear as the color "green." However, you will receive error messages when the amounts are not within rounding tolerances (see [Appendix D](#)).

(Summary of Object Class Codes and Standard Titles (MAX Schedule O))

| 3-digit object class code | Standard Titles  | 4-digit object class line number in MAX schedule O. |
|---------------------------|--|---|
|                           | <b>Personnel compensation and benefits</b>                     |   |
|                           | Personnel compensation   |   |
| X111                      | Full-time permanent  |   |
| X113                      | Other than full-time permanent                                 |   |
| X115                      | Other personnel compensation                                   |   |
| X117                      | Military personnel   |   |
| X118                      | Special personal services payments                             |   |
| <b>X119</b>               | <b>Total personnel compensation*</b>                           |   |
| X121                      | Civilian personnel benefits                                    |   |
| X122                      | Military personnel benefits                                    |   |
| X130                      | Benefits for former personnel                                  |   |
|                           | <b>Contractual services and supplies</b>                       |   |
| X210                      | Travel and transportation of persons                           |   |
| X220                      | Transportation of things                                       |   |
|                           | Rent, communications, and utilities                            |   |
| X231                      | Rental payments to GSA   |   |
| X232                      | Rental payments to others                                      |   |
| X233                      | Communications, utilities, and miscellaneous charges           |   |
| X240                      | Printing and reproduction                                      |   |
|                           | Other contractual services                                     |   |
| X251                      | Advisory and assistance services                               |   |
| X252                      | Other services   |   |
| X253                      | Other purchases of goods and services from Government accounts |   |
| X254                      | Operation and maintenance of facilities                        |   |
| X255                      | Research and development contracts                             |   |
| X256                      | Medical care   |   |
| X257                      | Operation and maintenance of equipment                         |   |
| X258                      | Subsistence and support of persons                             |   |
| X260                      | Supplies and materials   |   |
|                           | <b>Acquisition of assets</b>                                   |   |
| X310                      | Equipment  |   |
| X320                      | Land and structures  |   |
| X330                      | Investments and loans  |   |
|                           | <b>Grants and fixed charges</b>                                |   |
| X410                      | Grants, subsidies, and contributions                           |   |
| X420                      | Insurance claims and indemnities                               |   |
| X430                      | Interest and dividends   |   |
| X440                      | Refunds  |   |
|                           | <b>Other</b>   |   |
| X910                      | Unvouchered  |   |
| X920                      | Undistributed  |   |
| X930                      | Limitation on expenses   |   |
| X940                      | Financial transfers  |   |
| <b>X990</b>               | <b>Subtotal, obligations *</b>                                 |   |
| 9995                      | Below reporting threshold                                      |   |
| <b>9999</b>               | <b>Total new obligations *</b>                                 |   |
|                           | * Automatically calculated by MAX                              |   |

| Prefix | Type of obligation                  |
|--------|-------------------------------------|
| 1xxx   | Parent account -- direct            |
| 2xxx   | Parent account -- reimbursable      |
| 3xxx   | Allocation account                  |
| 6xxx   | Limitation schedule -- direct       |
| 7xxx   | Limitation schedule -- reimbursable |
| 8xxx   | Limitation schedule -- allocation   |
| 9xxx   | Total new obligation                |

**Object Classification -- Without Allocation Accounts**

**DEPARTMENT OF GOVERNMENT  
OFFICE OF THE SECRETARY  
Salaries and Expenses**

VGOV08161166  
S3643

**Object Classification (in millions of dollars)**

| Identification code 09-2650-0-1-301 |  | PY act. | CY est. | BY est. |
|-------------------------------------|--|---------|---------|---------|
| Direct obligations:                 |  |         |         |         |
| Personnel compensation:             |  |         |         |         |
| 11.1                                | Full-time permanent.....                     | 113     | 112     | 115     |
| 11.3                                | Other than full-time permanent.....          | 3       | 3       | 3       |
| 11.5                                | Other personnel compensation.....            | 3       | 3       | 3       |
| 11.8                                | Special personal services payments.....      | 1       | 1       | 1       |
| 11.9                                | Total personnel compensation.....            | 120     | 119     | 122     |
| 12.1                                | Civilian personnel benefits.....             | 24      | 24      | 25      |
| 23.1                                | Rental payments to GSA.....                  | 23      | 23      | 24      |
| 25.4                                | Operation and maintenance of facilities..... | 5       | 5       | 5       |
| 25.7                                | Operation and maintenance of equipment.....  | 1       | 1       | 1       |
| -----                               |  |         |         |         |
| 99.2                                | Undistributed.....                           |         | 4       | 4       |
| 99.0                                | Direct obligations.....                      | 211     | 208     | 209     |
| 99.0                                | Reimbursable obligations.....                | 26      | 27      | 28      |
| 99.5                                | Below reporting threshold.....               | 1       | 2       | 2       |
| 99.9                                | Total new obligations.....                   | 238     | 237     | 239     |

Report data rounded to the nearest million. If the total of amounts that fall below the threshold rounds to \$1 million or more, report the total in object class 99.5. To determine the amount on line 99.5, add the below threshold amounts in thousands, and round the total to the nearest million.

Use to show payments that do not represent salaries or wages paid directly to Federal employees (section 83.5).

Use this entry to report transfers between Federal and trust funds resulting from appropriation action or general transfer authority.

The reimbursable subtotal line will always appear whenever more than one category (e.g., direct, reimbursable, allocation, etc.) is reported and whenever any reimbursable obligations are reported in nonrevolving fund accounts.

Total new obligations and subtotals for direct and reimbursable obligations will agree with the corresponding amounts on the program and financing schedule.

**Object Classification -- With Allocation Accounts**

**DEPARTMENT OF GOVERNMENT  
BUREAU OF PUBLIC WORKS  
Construction**

VGOV08161166  
S3643

**Object Classification** (in millions of dollars)

| Identification code 16-3044-0-1-452     |  | PY act.   | CY est.   | BY est.   |
|---|--|-----------|-----------|-----------|
| <b>BUREAU OF PUBLIC WORKS</b>           |  |           |           |           |
| Personnel compensation:                 |  |           |           |           |
| 11.1                                    | Full-time permanent.....                           | 47        | 54        | 56        |
| 11.3                                    | Other than full-time permanent.....                | 2         | 3         | 3         |
| 11.5                                    | Other personnel compensation.....                  | <u>1</u>  | <u>1</u>  | <u>1</u>  |
| 11.9                                    | Total personnel compensation.....                  | 50        | 57        | 60        |
| 12.1                                    | Civilian personnel benefits.....                   | 9         | 12        | 12        |
| 21.1                                    | Travel and transportation of persons.....          | 4         | 2         | 2         |
| 99.0                                    | Subtotal, obligations, Bureau of Public Works..... | 971       | 711       | 561       |
| <b>ALLOCATION ACCOUNTS</b>              |  |           |           |           |
| Personnel compensation:                 |  |           |           |           |
| 11.1                                    | Full-time permanent.....                           | 23        | 27        | 28        |
| 11.3                                    | Other than full-time permanent.....                | 1         | 2         | 2         |
| 11.5                                    | Other personnel compensation.....                  | <u>1</u>  | <u>1</u>  | <u>1</u>  |
| 11.9                                    | Total personnel compensation.....                  | 25        | 30        | 31        |
| 12.1                                    | Civilian personnel benefits.....                   | 5         | 6         | 6         |
| 99.0                                    | Subtotal, obligations, allocation accounts.....    | <u>60</u> | <u>55</u> | <u>50</u> |
| 99.9                                    | Total new obligations.....                         | 1,031     | 766       | 611       |
| Obligations are distributed as follows: |  |           |           |           |
|   | → Bureau of Public Works.....                      | 971       | 711       | 561       |
|   | Bureau of Inspection.....                          | 30        | 35        | 30        |
|   | Department of the Interior.....                    | 10        | 5         | 5         |
|   | General Services Administration.....               | 20        | 20        | 25        |

Where there is only one allocation, the center heading and the subtotal line will contain the name of the organizational unit involved and the distribution below will be omitted.

This entry will agree with the total new obligations on the program and financing schedule.

In the distribution of total obligations, the parent organizational unit will be listed first, followed, as applicable, by (a) other bureaus within the same agency, and (b) other agencies in budget order.



## SECTION 84—CHARACTER CLASSIFICATION (SCHEDULE C)

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| 84.4   | How do I report character classification in MAX?  |
| Ex-84A | Summary of Character Classification Codes (Schedule C)  |
| Ex-84B | Research and Development Character Classification Codes   |

**Summary of Changes**

Requires agencies to report total budget authority and outlays net of offsetting collections (section 84.3).

Drops the R&D crosscut on partnership for a new generation of vehicles, formerly character classification code 1462 (section 84.4).

**84.1 What is the purpose of the character classification system?**

We use character classification to distinguish between investment and non-investment activities. Investments finance activities that yield benefits largely in the future. We also use character classification to report data on grants to State and local governments separately from direct Federal programs. Character class line numbers include the following:

- Investment activities:
  - ▶ Lines 13xx, physical assets.
  - ▶ Lines 14xx, research and development (R&D).
  - ▶ Lines 15xx, education and training.
- Non-investment activities:
  - ▶ Lines 2xxx.

The classification system also includes additional information on R&D (e.g., R&D performed by colleges and universities, the allocation of R&D funds, and R&D crosscuts) that is used by OMB and others in the review of agency budget requests, Government-wide resource allocation, and R&D budget presentations.

See exhibit [84A](#) for a summary of character classification line numbers. See section [84.4](#) for detailed descriptions of all of the line numbers that you must use to report character classification.

**84.2 What terms do I need to know?**

(a) *State or local governments.*

For preparing character classification data, State or local governments include the following:

## SECTION 84—CHARACTER CLASSIFICATION (SCHEDULE C)

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- The 50 States and the District of Columbia.
- Cities, counties, townships, school districts, special districts, and other local governmental units, as defined by the Bureau of the Census.
- Puerto Rico, the Virgin Islands, and other U.S. territories.
- The Federated States of Micronesia, Marshall Islands, and Palau, if the payments are a relatively small part of the accounts that have grants to State or local governments.
- Indian Tribal governments when:
  - ▶ The legislation authorizing the payment includes such entities within the definition of eligible State or local units.
  - ▶ The Tribal government acts as a nonprofit agency operating under State or local auspices.
- Quasi-public nonprofit entities, such as community action agencies, when the boards of such entities must either be elected in State or local elections, or must include significant representation of State or locally-elected officials.

(b) *Grants to State and local governments.*

Report budget authority and outlays as grants to State and local governments if the Federal government's resources support State or local programs of government operations or provision of services to the public. For reporting character classification data, grants include the following:

- Direct cash grants to State or local governmental units, to other public bodies established under State or local law, or to their designee.
- Payments for grants-in-kind, such as purchases of commodities distributed to State or local governmental institutions, for example, school lunch programs.
- Payments to nongovernmental entities when such payments result in cash or in-kind services or products that are passed on to State or local governments, for example, payments to the Corporation for Public Broadcasting, or to the American Printing House for the Blind.
- Payments to regional commissions and organizations that are redistributed at the State or local level to provide public services.
- Payments to State and local governments for research and development that is an integral part of the State and local governments' provision of services to the general public (e.g., research on crime control financed from law enforcement assistance grants, or on mental health associated with the provision of mental rehabilitation services; see discussion below for exclusions related to research and development and payments for services rendered).
- Direct loan or loan guarantee subsidies to State or local governments.
- Shared revenues. These payments to State or local governments are computed as a percentage of the proceeds from the sale of certain Federal property, products, or services (e.g., payments from receipts of Oregon and California grant lands). Also included are tax or other collections by the

Federal Government that are passed on to State or local governments (e.g., internal revenue collections for Puerto Rico).

Exclude the following:

- Federal administrative expenses associated with grant programs.
- Grants directly to profit-making institutions, individuals, and non-profit institutions not covered above, for example, payments to Job Corps centers and trainees.
- Payments for research and development not directly related to the provision of services to the general public, for example, basic research awarded via competitive grants.
- Payments for services rendered, for example, utility services, training programs and expenses for Federal employees, research and development for Federal purposes conducted under contracts, grants, or agreements by such agencies as the National Institutes of Health (NIH), the National Science Foundation (NSF), the Department of Energy (DOE), the National Aeronautics and Space Administration (NASA), and the Department of Defense (DOD).
- Federal grants to cover administrative expenses for regional bodies and other funds not redistributed to the States or their subordinate jurisdictions, for example, the administrative expenses of the Appalachian Regional Commission.

(c) *Direct Federal programs.*

Federal programs that are not classified as grants to State and local governments will be classified as direct Federal programs.

### **84.3 What do I need to know about reporting the data and relationships with other data requirements?**

(a) *Expenditure accounts.*

Report total budget authority and outlays net of offsetting collections. This means that the sum of budget authority and outlay entries in schedule C (excluding memorandum entries) will equal budget authority and outlays net of offsetting collections in schedule A.

You must report offsetting collections from the sale of physical assets (e.g. land, structures, equipment, or commodities) in the corresponding physical asset character classes.

You must report credit reform program accounts related to investments (i.e., for physical assets, the conduct of research and development, or the conduct of education and training) net of offsetting collections.

You must report budget authority and outlays by subfunction.

Do not report character class for credit financing accounts.

OMB does not control the character classification of expenditure accounts. If the nature of an account changes and requires the use of different classes, you may enter budget authority and outlays in MAX under the appropriate character class without advance approval from OMB.

## SECTION 84—CHARACTER CLASSIFICATION (SCHEDULE C)

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As a general rule, if a transaction fits into more than one classification, report it in the classification category with the lowest numerical character classification code. For example, record amounts for construction of research and development facilities in the appropriate 13xx grouping, not in the 14xx grouping. (For treatment of memorandum entries, see section [84.3\(c\)](#) and exhibit [84A](#).)

If grants to State or local governments or investments are financed by payments from one Federal account to a second Federal account, you must ensure that the amounts are recorded as grants or investments only once (i.e., ensure that they are not double-counted). As a general rule, the amounts should be recorded as follows:

- For all grants to State or local governments, record the grants in the second account, i.e., the account that actually makes the payment to the State or local government.
- For direct Federal investment (which includes all investments except grants to State or local governments), record the investment in the account that is primarily responsible for funding the investment. (Note that grants to research institutions are classified as direct Federal investment, not as grants to State or local governments (see section [84.2](#) above)). This is usually the initial account. For example, if the Environmental Protection Agency provides funds to the National Science Foundation for research, record the R&D in the EPA account that funds the research, not in NSF. However, in certain cases, primary responsibility might occur in the second account. For example, regarding rental payments to the GSA Federal Buildings Fund, some of the rental receipts may ultimately be used for construction by GSA. In these situations, the investment should be recorded in the second account because primary responsibility for the investment would be in that account.

Where accounts are split between two or more character classifications, omit a classification involving less than \$1 million in each of the three fiscal years, and include the amounts in some larger classification for that particular account.

**Grants:** You must report grants by BEA subcategory (e.g. discretionary or mandatory). (See section [81.3](#) and exhibit [84A](#).) In some cases, grants to State and local governments allow the recipient jurisdiction the option of using funds for current or investment-type purposes, such as in community development block programs. In such instances, record all of the budget authority and outlays for grants in the category where the majority of the funds is anticipated to be used.

**R&D:** Schedule C contains memorandum entries on lines 1441–01 through 1465–xx that supplement, and are a subset of, R&D information reported on lines 1311–xx through 1432–xx. Use these entries to report the following information:

- Direct and indirect costs associated with R&D performed by colleges and universities.
- Allocation of research funds (congressional direction, inherently unique, merit reviewed with limited competitive selection, merit reviewed with competitive selection and internal (program) evaluation, and merit-reviewed with competitive selection and external (peer) evaluation).
- Crosscutting R&D data for specific areas identified by the National Science and Technology Council (NSTC).

(b) *Receipt accounts.*

You must also report offsetting receipts for PY through BY by character class in schedules K and R (see section [81.4](#)). OMB controls the character classification of offsetting receipts centrally, and you must ask

your OMB representative to change the classification (see section [79.1](#)) before you can enter data under a different code.

Report character class information for collections deposited in offsetting receipt accounts in schedules K (baseline) and R (policy) using the instructions in section 81.4 (e). You must use line 2004–xx for offsetting receipt accounts, with the following two exceptions:

- You must report the proceeds from the sale of physical assets (e.g., land, structures, equipment, or commodities) in the corresponding physical asset character classes; and
- You must report credit reform offsetting receipt accounts for downward reestimates and negative subsidies for investment-related programs (i.e., for physical assets or for the conduct of education and training) on the appropriate investment line number (i.e., 13xx or 1512).

(c) *Relationships with other data requirements.*

For each account, the totals for character class entries in schedule C (excluding the memorandum (non-add) entries) must equal total budget authority and outlays net of offsetting collections reported in schedule A in each year.

You should be able to reconcile information reported in this schedule related to the conduct of research and development with information reported in the National Science Foundation Annual Survey of Federal Funds for Research and Development (see description of line 14xx).

Actual outlays for past year grants and shared revenue must be consistent with the respective amounts reported to the Department of Commerce, Bureau of the Census, pursuant to the instructions regarding its "Federal Aid to States" publication.

(d) *Outyear projections.*

MAX will automatically generate outyear projections of character class data (except memorandum entries) based on in-year data. For grants to State and local governments, outyear projections will be generated through BY+9; and, for direct Federal programs, outyear projections will be generated through BY+4.

Using an algorithm, MAX will assume that the percentage of net budget authority and outlays estimated for a character class for outyears is the same as that reported in the BY. For example, if 18 percent of net budget authority in the account is on line 1511–01 (grants for education and training) in BY, then 18 percent of net budget authority will be estimated on line 1511–01 for each outyear. Agencies may view these outyear projections on-screen. If projections do not accurately reflect outyear policy, you may override the projections by entering the correct amounts (not percentages) directly into MAX.

#### **84.4 How do I report character classification in MAX?**

Character class data in schedules C, K, and R are identified by a line number that consists of a four-digit number and a two-digit suffix (xxxx–xx). The line number identifies data as investment or noninvestment, and as grants or direct Federal programs.

Classify all investment activities in the 1xxx series and all noninvestment activities in the 2xxx series. For credit program accounts, classify subsidies for direct loans and loan guarantees and their administrative expenses according to the purpose of the program. For example, credit subsidies for construction should be in the character class for construction and rehabilitation, and credit subsidies for the conduct of education should be in the character class for the conduct of education and training.

**SECTION 84—CHARACTER CLASSIFICATION (SCHEDULE C)**

The two-digit suffix differentiates among budget authority, outlays, and offsetting receipts, as follows:

- 01—Budget authority.
- 02—Outlays.
- 03—Offsetting receipts.

Ensure that data are reported in the correct categories. For example, report data on R&D activities using the appropriate R&D character class entries (see exhibit [84B](#) and the listing of R&D memorandum entries below). Report data on activities other than R&D in non-R&D character classes. Only some of the following codes apply to offsetting receipts; they are specifically noted below with an asterisk (\*). All of the line numbers apply to budget authority and outlays except lines 1441 and 1442, which apply only to budget authority.

The following table indicates the line numbers you use to report character classification. See exhibit [84A](#) for a summary of the coding structure, and exhibit [84B](#) for a summary of the R&D categories.

| Entry   | Description   |
|---|---|
| <b>1xxx INVESTMENT ACTIVITIES</b>             | Budget authority, outlays, or offsetting receipts for programs that yield benefits largely in the future.   |
| <b>13xx Physical assets:</b>                  | Amounts for the purchase, construction, manufacture, rehabilitation, or major improvement of physical assets regardless of whether the assets are owned or operated by the Federal Government, States, municipalities, or private individuals. Physical assets are land, structures, equipment, and intellectual property (e.g., software) that have an estimated useful life of two years or more; and commodity inventories. The cost of the asset includes both its purchase price and all other costs incurred to bring it to a form and location suitable for its use. |
| 131xx Construction and rehabilitation:        | Amounts for construction and rehabilitation, including both grants and direct Federal programs. Construction and rehabilitation means the design and production of fixed works and structures or substantial alterations to such structures or land. Includes new works and major additions, alterations, improvements to and replacements of existing works. Excludes preliminary surveys, maintenance, repair, administration of such facilities and other Federal operating expenses.  |
| Research and development facilities:          | Amounts for the construction and rehabilitation of research and development facilities (see category 14xx for the definition of research and development).  |
| 1311–xx Grants to State and local governments | Includes the acquisition, design, and construction of, or major repairs or alterations to, all physical facilities for use in R&D activities. Facilities include land, buildings, and fixed capital equipment, regardless of whether the facilities are to be used by the Government or by a private organization, and regardless of where title to the property may rest. Includes the international space station and such fixed facilities as reactors, wind tunnels, and particle accelerators.   |
| 1312–xx Direct Federal programs               |   |

**SECTION 84—CHARACTER CLASSIFICATION (SCHEDULE C)**

| <b>Entry</b>  | <b>Description</b>  |
|---|---|
|   | <p>Include:</p> <ul style="list-style-type: none"> <li>• Construction of R&amp;D facilities only.</li> </ul> <p>Exclude:</p> <ul style="list-style-type: none"> <li>• Other facility funding (show on line 1313–xx or 1314–xx).</li> <li>• Movable R&amp;D equipment (show on line 132x–xx).</li> </ul>   |
| <p>Other construction and rehabilitation:</p> <p>1313–xx Grants to State and local governments</p> <p>1314–xx Direct Federal programs</p>                   | <p>Amounts for all other construction and rehabilitation.</p>   |
| <p>132x Major equipment:</p>  | <p>Amounts for identifiable items of major equipment, including information technology (see section 53), vehicles, ships, machine tools, aircraft, tanks, satellites and other physical assets in space, and nuclear weapons. Excludes routine purchases of ordinary office equipment or furniture and fixtures. However, where there are major programs for acquisition of equipment, includes all equipment purchases.</p>  |
| <p>Research and development equipment:</p> <p>1321–xx Grants to State and local governments</p> <p>1322–xx Direct Federal programs</p>                      | <p>Amounts for major equipment for research and development. (See category 14xx for the definition of research and development.) Includes acquisition or design and production of movable equipment, such as spectrometers, research satellites, detectors, and other instruments. At a minimum, this should include programs devoted to the purchase or construction of R&amp;D equipment.</p>   |
| <p>Other major equipment:</p> <p>1323–xx Grants to State and local governments</p> <p>1324–xx Direct Federal programs</p>                                   | <p>Amounts for all other major equipment.</p>   |
| <p>Commodity inventories:</p> <p>1330–xx* Direct Federal programs</p> <p>Proceeds from the sale of commodities</p>  | <p>Amounts for federally-owned commodities held for resale or in stockpiles.</p> <p>Offsetting receipts collected from the sale of federally-owned commodities that were previously purchased by the government or from reduction in stockpiles.</p>  |
| <p>Purchases and sales of land and structures for Federal use:</p> <p>1340–xx* Direct Federal programs</p> <p>Receipts from sales of property or assets</p> | <p>Amounts for purchase, including lease-purchases, of land and structures for use by the Federal Government and sales of such land and structures. Includes office buildings and park and forest lands. Does not include land or structures acquired as temporary inventory, such as collateral on defaulted loans.</p> <p>Offsetting receipts collected from sales of federally-owned property or assets used by the Federal Government. Includes office buildings and park and forest lands.</p> |

SECTION 84—CHARACTER CLASSIFICATION (SCHEDULE C)

| Entry  | Description  |
|--|--|
| <p>Other physical assets:</p> <p>1351–xx Grants to State and local governments</p> <p>1352–xx* Direct Federal programs</p> | <p>Amounts for all other physical assets, such as conservation, reforestation and range improvements; grants to State or local governments for the purchase of land or structures; and amounts for certain privately-held assets, including improvements to private farms, land and structures acquired as collateral on defaulted loans, and sales of such land and structures. Does not include operation and maintenance of land and structures.</p> <p>Offsetting receipts collected from the sale of physical assets not used by the Federal Government. Includes sales of assets obtained by the Federal Government as collateral on defaulted loans.</p>  |
| <p>Receipts from sales of other physical assets</p>  |  |
| <p><b>14xx Conduct of research and development (R&amp;D):</b></p>  | <p>Research and development (R&amp;D) activities comprise creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications.</p> <p>Include:</p> <ul style="list-style-type: none"> <li>• Administrative expenses for R&amp;D.</li> </ul> <p>Exclude:</p> <ul style="list-style-type: none"> <li>• Physical assets for R&amp;D such as R&amp;D equipment and facilities (show on line 13xx).</li> <li>• Exclude routine product testing, quality control, mapping, collection of general-purpose statistics, experimental production, routine monitoring and evaluation of an operational program, and the training of scientific and technical personnel.</li> </ul> <p>Definitions of basic and applied research and development are provided below. You should be able to reconcile information reported in this schedule with information subsequently reported in the National Science Foundation Annual Survey of Federal Funds for Research and Development.</p> |
| <p>Basic research:</p> <p>1411–xx Grants to State and local governments</p> <p>1412–xx Direct Federal programs</p>         | <p>Basic research is defined as systematic study directed toward fuller knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications towards processes or products in mind.</p>  |
| <p>Applied research:</p> <p>1421–xx Grants to State and local governments</p> <p>1422–xx Direct Federal programs</p>       |  |
| <p>Development:</p> <p>1431–xx Grants to State and local governments</p> <p>1432–xx Direct Federal programs</p>            | <p>Development is defined as systematic application of knowledge or understanding, directed toward the production of useful materials, devices, and systems or methods, including design, development, and</p>   |

SECTION 84—CHARACTER CLASSIFICATION (SCHEDULE C)

| Entry  | Description  |
|--|--|
|  | improvement of prototypes and new processes to meet specific requirements.   |
| <b>Memorandum R&amp;D entries</b>                        |  |
| <i>R&amp;D performed by colleges and universities:</i>   |  |
| 1441-01      Direct costs to colleges and universities   | <p>Budget authority for R&amp;D performed by institutions engaged primarily in providing instruction for at least a 2-year program above the secondary school level. Includes colleges of liberal arts; schools of arts and sciences; professional schools (such as engineering and medicine); affiliated hospitals and associated institutes; and agricultural experimental stations. Does not include federally-funded R&amp;D centers administered by universities. R&amp;D performed by colleges and universities should equal the sum of the two lines—direct and indirect costs—below. Do not report outlays for lines 1441 or 1442.</p> <p>Direct costs are those costs that can be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity or that can be directly assigned to such activities relatively easily with a high degree of accuracy.</p> |
| 1442-01      Indirect costs to colleges and universities | <p>Indirect costs are classified as "administration" or "facilities" costs that are incurred for common or joint objectives, and therefore, cannot be identified with a particular sponsored project. Facilities costs are defined as depreciation and use allowances, interest on debt associated with a certain building, equipment and capital improvements, and operations and maintenance. Administration costs are defined as general administration. See <a href="#">OMB Circular No. A-21</a> "Cost Principles for Educational Institutions" for further definition and guidance on indirect costs. Indirect costs to colleges and universities should be reported based on agency tracking and not using formula-based estimates.</p>   |
| <i>Allocation of research funds:</i>                     |  |
|  | <p>The total allocation of research funds reported on lines 1451-01 through 1455-01 must equal the total amount reported for the conduct of basic and applied research on lines 1411-xx through 1422-xx. Exclude amounts spent on development.</p> <p>Use these definitions for allocating research funds to the categories listed below:</p> <ul style="list-style-type: none"> <li>• <i>Peer evaluation</i> means merit-reviewed by appropriately qualified scientists, engineers, or other technically qualified individuals who are apart from the people or groups making the award decisions.</li> <li>• <i>Competitive selection</i> means applicants not prohibited from applying by highly restrictive criteria (e.g., by geography, by title, by affiliation with particular institutions, by past associations, by capabilities in unrelated or</li> </ul>  |

SECTION 84—CHARACTER CLASSIFICATION (SCHEDULE C)

| Entry  | Description   |
|--|---|
| 1451-xx Research performed at congressional direction  | <p style="text-align: center;">programmatically non-essential aspects other than long-standing statute or regulation).</p> <p>Intramural and extramural research programs where funded activities are awarded to a single performer or collection of performers with limited or no competitive selection or with competitive selection but outside of the agency's primary mission, based on direction from the Congress in law, in report language, or by other direction. Funded activities may be merit-reviewed prior to award.</p>   |
| 1452-xx Inherently unique research   | <p>Intramural and extramural research programs where funded activities are awarded to a single performer or team of performers without competitive selection. The award may be based on the provision of unique capabilities, concern for timeliness, or prior record of performance (e.g., facility operations support for a unique facility, such as an electron-positron linear collider; research grants for rapid response studies such as <i>Pfisteria</i>, an environmental hazard that arose suddenly).</p>   |
| 1453-xx Merit-reviewed research with limited competitive selection                           | <p>Intramural and extramural research programs where funded activities are competitively awarded from a pool of qualified applicants that are limited to organizations that were created to largely serve Federal missions and continue to receive most of their annual research revenue from Federal sources. The limited competition may be for reasons of stewardship, agency mission constraints, or retention of unique technical capabilities (e.g., funding set aside for researchers at laboratories or centers of DOD, NASA, Environmental Protection Agency, and National Oceanic and Atmospheric Administration; intramural programs at NIH; Federally-Funded Research and Development Centers; formula funds for the U.S. Department of Agriculture).</p> |
| 1454-xx Merit-reviewed research with competitive selection and internal (program) evaluation | <p>Intramural and extramural research programs where funded activities are competitively awarded following review for scientific or technical merit. The review is conducted by the program manager or other qualified individuals from within the agency program, without additional independent evaluation (e.g., DOD's merit-reviewed research; NSF's small grants for exploratory research).</p>  |
| 1455-xx Merit-reviewed research with competitive selection and external (peer) evaluation    | <p>Intramural and extramural research programs where funded activities are competitively awarded following review by a set of external scientific or technical reviewers (often called peers) for merit. The review is conducted by appropriately qualified scientists, engineers, or other technically-qualified individuals who are apart from the people or groups making the award decisions, and serves to inform the program manager or other qualified individual who makes the</p>  |

| Entry  | Description  |
|--|--|
| <i>Conduct of National Science and Technology Council (NSTC) crosscuts</i> | award (e.g., NSF's single-investigator research; NASA's research and analysis funds).  |
| 1463-xx U.S. global change research program                                | <p><i>Research focused on:</i></p> <ul style="list-style-type: none"> <li>• Observing and documenting global environmental changes and identifying their causes.</li> <li>• Predicting the responses of the Earth system.</li> <li>• Determining the ecological, human health, and socioeconomic consequences of these changes.</li> <li>• Identifying strategies for adaption and mitigation that will most benefit society and the environment.</li> </ul> <p>P.L. 101-606 requires this program crosscut.</p>   |
| 1464-xx Networking and information technology R&D                          | <p><i>Large scale networking:</i></p> <ul style="list-style-type: none"> <li>• Research and technology development in high performance network components.</li> <li>• Technologies focused on wireless, optical, mobile, and wireline communications.</li> <li>• Large-scale network services, engineering, and management.</li> <li>• Deeply networked systems.</li> <li>• Simulation and modeling.</li> <li>• Systems software and program development environments for network-centric computing.</li> <li>• Next Generation Internet initiative activities.</li> </ul> <p><i>High-end computing:</i></p> <ul style="list-style-type: none"> <li>• Research and technology development to improve the usability and effectiveness of teraflops-scale systems.</li> <li>• Leading-edge research for future generations of computing, petascale computers and exabyte storage systems including system software to improve scalability, throughput, speed, portability, and programmability.</li> <li>• Current and advanced device technologies and subsystem components and innovative advanced architectures.</li> <li>• Prototype demonstration systems.</li> </ul> <p><i>High-end computation and infrastructure:</i></p> <ul style="list-style-type: none"> <li>• Research and development of applications</li> </ul> |

| Entry | Description  |
|-------|--|
|       | <p>requiring large scale computation-intensive and/or information-intensive operations.</p> <ul style="list-style-type: none"> <li>• Development of mathematical algorithms and programming environments, and tools for collaboration, visualization, and data management.</li> <li>• Research facilities built on large scale test systems and on large scale, high performance computational grids and networks.</li> </ul> <p><i>High confidence software and systems:</i></p> <ul style="list-style-type: none"> <li>• Research and technology development to achieve security, survivability, availability, reliability, and safety of systems that rely on information technology.</li> <li>• Assurance of software- and information-centric systems through research in theoretical foundations, development of tools and techniques (with linkages to domain-specific languages), engineering and experimentation, and demonstrations and pilots.</li> </ul> <p><i>Human computer interface and information management:</i></p> <ul style="list-style-type: none"> <li>• Research and technology development in human sensory-motor systems, perception, attention, pattern recognition, and decision-making to improve the interaction of people and machines.</li> <li>• Management, exploitation, and visualization of information and knowledge, including large knowledge repositories.</li> <li>• Multilingual document translation and understanding.</li> <li>• Collaboratories.</li> <li>• Digital libraries.</li> </ul> <p><i>Software design and productivity:</i></p> <ul style="list-style-type: none"> <li>• Research and technology development in software design and implementation.</li> <li>• End-user programming, including intelligent templates and domain-specific languages.</li> <li>• Component-based software.</li> <li>• Software for embedded systems.</li> <li>• Autonomous software.</li> </ul> <p><i>Social, economic, and workforce implications of IT and IT workforce development:</i></p> |

SECTION 84—CHARACTER CLASSIFICATION (SCHEDULE C)

| Entry   | Description   |
|---|---|
|   | <ul style="list-style-type: none"> <li>• Research in social, economic, and workforce effects of information technology.</li> <li>• Development of model curricula and course materials to promote IT literacy.</li> <li>• Graduate and postdoctoral programs to increase the number of IT professionals.</li> </ul>   |
| 1465–xx    National nanotechnology initiative     | <p>Research and technology development at the atomic, molecular, or macromolecular levels, in the length scale of approximately 1–100 nanometer range, to provide a fundamental understanding of phenomena and materials properties at the nanoscale and to model, create, characterize, manipulate, and use structures, devices, and systems that have novel properties and functions because of their small or intermediate size. The novel and differentiating properties and functions are developed at a critical length scale of matter typically under 100 nanometers. Nanotechnology research and development includes integration of nanoscale structures into larger material components, systems, and architectures. Within these larger scale assemblies, the control and construction of their structures and components devices remains at the nanometer scale.</p> |
| <b>15xx    Conduct of education and training:</b> |   |
| 1511–xx    Grants to State and local governments  | <p>Amounts for programs whose primary purpose is education, training, and vocational rehabilitation. Includes veterans' education and training; operating assistance for elementary, secondary, vocational, adult, and higher education; and agricultural extension services; income support activities directly contingent upon participating in such programs. Excludes training of military personnel or other persons in government service. Also excludes amounts for physical assets, which are classified in 13xx, and amounts for the conduct of research and development, which are classified in 14xx.</p>  |
| 1512–xx*    Direct Federal programs               |   |
| Receipts from education and training              |   |
|   | <p>Offsetting receipts for negative subsidies, and downward reestimates of loan subsidies that are associated with the conduct of education and training.</p>   |
| <b>2xxx    NON-INVESTMENT ACTIVITIES</b>          | Amounts that are not classified as investment activities.   |
| Grants to State and local governments:            | Grant amounts that are not classified as investment activities.   |
| 2001–xx    Other than shared revenues             |   |
| 2003–xx    Shared revenues                        |   |
| 2004–xx*    Direct Federal programs               | <p>Amounts for all other non-investment activities. Includes transactions related to credit liquidating accounts.</p>   |
| All other offsetting receipts                     | <p>Offsetting receipts collected and deposited in receipt accounts that are not otherwise classified.</p>   |

Summary of Character Classification Codes (Schedule C)

| 4 digit prefix  | Standard titles   | Schedule C's 6 digit line numbers are comprised of a 4 digit prefix and a 2 digit suffix.  |
|---|---|--|
| <b>INVESTMENT ACTIVITIES</b>  |   |  |
|   | <p><b>Physical assets:</b></p> <p>Construction and rehabilitation:<br/>                     Research and development facilities: Grants<br/>                     Research and development facilities: Direct Federal programs<br/>                     Other construction and rehabilitation: Grants<br/>                     Other construction and rehabilitation: Direct Federal program</p> <p>Major equipment:<br/>                     Research and development equipment: Grants<br/>                     Research and development equipment: Direct Federal programs<br/>                     Other major equipment: Grants<br/>                     Other major equipment: Direct Federal programs<br/>                     Commodity inventories: Direct Federal programs<br/>                     Purchases and sales of land and structures for Federal use: Direct Federal programs<br/>                     Other physical assets: Grants<br/>                     Other physical assets: Direct Federal programs</p> <p><b>Conduct of research and development:</b><br/>                     Basic research: Grants<br/>                     Basic research: Direct Federal programs<br/>                     Applied research: Grants<br/>                     Applied research: Direct Federal programs<br/>                     Development: Grants<br/>                     Development: Direct Federal programs</p> | <p>2 digit suffix<br/>                     xxxx-01 Budget authority<br/>                     xxxx-02 Outlays<br/>                     xxxx-03 Offsetting receipts</p> <p>Totals for budget authority and outlays reported in schedule C must equal those reported in schedule A net of offsetting collections.</p> |
| 1311-xx <sup>1</sup><br>1312-xx<br>1313-xx <sup>1</sup><br>1314-xx  |   |  |
| 1321-xx <sup>1</sup><br>1322-xx<br>1323-xx <sup>1</sup><br>1324-xx<br>1330-xx<br>1340-xx<br>1351-xx <sup>1</sup><br>1352-xx |   |  |
| 1411-xx <sup>1</sup><br>1412-xx<br>1421-xx <sup>1</sup><br>1422-xx<br>1431-xx <sup>1</sup><br>1432-xx                       |   | Memorandum (non-add) entries for R&D are a subset of data reported on lines 1311-xx through 1432-xx.   |
| 1441-01<br>1442-01  | <p><i>Memorandum (non-add) R&amp;D entries</i></p> <p>R&amp;D performed by college and universities:<br/>                     Direct costs to colleges and universities<br/>                     Indirect costs to colleges and universities</p>  | Lines 1441-01 and 1442-01 only pertain to budget authority and sum to total R&D funding to colleges and universities.  |
| 1451-xx<br>1452-xx<br>1453-xx<br>1454-xx<br>1455-xx   | <p>Allocation of research funds:<br/>                     Research performed at congressional direction<br/>                     Inherently unique research<br/>                     Merit-reviewed research with limited competitive selection<br/>                     Merit-reviewed research with competitive selection and internal (program) evaluation<br/>                     Merit-reviewed research with competitive selection and external (peer) evaluation</p>  | Lines 1451-xx through 1455-xx must equal the sum of line 1411-xx through 1422-xx.  |
| 1463-xx<br>1464-xx<br>1465-xx   | <p>Crosscuts:<br/>                     U.S. global change research program<br/>                     Networking and information technology R&amp;D<br/>                     National nanotechnology initiative</p>   |  |
| 1511-xx <sup>1</sup><br>1512-xx   | <p><b>Conduct of education and training:</b><br/>                     Grants<br/>                     Direct Federal programs</p>   |  |
| <b>NON-INVESTMENT ACTIVITIES</b>  |   |  |
| 2001-xx <sup>1</sup><br>2003-xx <sup>1</sup><br>2004-xx   | <p>Grants-other than shared revenues<br/>                     Grants-shared revenues<br/>                     Direct Federal programs</p>   | <sup>1</sup> You must report budget authority and outlays for grants by BEA subcategory (e.g. discretionary or mandatory).   |

### Research and Development Character Classification Codes

The character classification includes the following ten categories that are used to report research and development activities. In addition, memorandum (non-add) entries are used to report on R&D performed by universities, the allocation of R&D funds, and R&D crosscuts. (See exhibit 84A for a listing of these entries.)

| Code    | Description  |
|---------|--|
|         | <b>Physical assets:</b>                                      |
|         | Construction and rehabilitation:                             |
| 1311-xx | Research and development facilities: Grants                  |
| 1312-xx | Research and development facilities: Direct Federal programs |
|         | Major equipment:   |
| 1321-xx | Research and development equipment: Grants                   |
| 1322-xx | Research and development equipment: Direct Federal programs  |
|         | <b>Conduct of research and development:</b>                  |
| 1411-xx | Basic research: Grants                                       |
| 1412-xx | Basic research: Direct Federal programs                      |
| 1421-xx | Applied research: Grants                                     |
| 1422-xx | Applied research: Direct Federal programs                    |
| 1431-xx | Development: Grants  |
| 1432-xx | Development: Direct Federal programs                         |

Character class categories for activities other than R&D are listed in Exhibit 84A.



## SECTION 86—OTHER MAX DATA

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- 86.4 What do I need to know about reporting budget year appropriations requests in thousands of dollars (schedule T)?

*Special schedules with optional user input*

- 86.5 What do I need to know about the schedule on the status of funds (schedule J)?

*Special schedules automatically generated by MAX*

- 86.6 What do I need to know about the schedule on unavailable collections (schedule N)?
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- 86.8 What do I need to know about the summary of budget authority and outlays?
- Ex-86A Financial Statements—Statement of Operations (MAX Schedule E)
- Ex-86B Financial Statements—Balance Sheet (MAX Schedule F)
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**Summary of Changes**

Identifies the commercial versus inherently governmental distinction in the personnel summary (section 86.1).

Clarifies that schedule T should not include appropriations language amounts related to spending authority from offsetting collections (section 86.4).

Lists two new funds required to submit status of funds data (section 86.5).

Clarifies the instructions on how MAX calculates the appropriations lines in schedule N (section 86.6).

Adds four new lines to schedule I that require user input and change certain line codes (section 86.7).

**86.1 What do I need to know about the personnel summary (schedule Q)?**

This Appendix schedule shows the total full-time equivalent (FTE) employment of straight-time compensable workyears (i.e., not overtime) financed by an account for PY through BY. FTE employment includes straight-time hours for ceiling exempt employees and excludes estimates for terminal leave, overtime and holiday hours. The method for calculating FTE employment is described in [section 32.3](#). You must provide a personnel summary when an account contains an entry for personnel compensation in the object class schedule (i.e., object class entry 11.1 or 11.3 (see [section 83.7](#))). For allocation accounts, the receiving agency must provide a personnel summary, reporting the FTEs, but the parent agency will report the obligation.

When an agency hires another agency to perform work, the hiring agency reports no FTEs and shows the obligations in a non-employment object class. The performing agency hired to do the work reports both the FTEs and funding on a reimbursable basis.

The definition of object class 11.1 (see [section 83.7](#)) stipulates that compensation must be included for all workdays in the fiscal year. You must ensure that FTE levels in the personnel summary and funding for FTEs in the object class schedule are reported consistently. See [Appendix D](#) for a description of the edit checks that compare these schedules. See also [Appendix E, exhibit E3](#), for a diagnostic report that compares FTE levels and funding for FTEs.

You must also ensure that agency-wide FTE totals agree with the "approved" levels in the current and budget years. Prior year FTEs in the personnel summary must equal the year-end FTE usage that your agency reported on the SF 113-G to the Office of Personnel Management (OPM). See [Appendix E, exhibit E2](#) for a diagnostic report that compares agency-wide "approved" FTE levels with FTE levels in the personnel summary. See [section 32.3](#) for policies related to FTE levels.

In addition, you must report on the commercial and inherently governmental characteristics of the FTEs in MAX. This information will not be published in the Budget. Here is some background:

- The Federal Activities Inventory Reform (FAIR) Act of 1998 requires each agency to provide a list of FTEs that perform commercial activities to OMB, Congress and the public. OMB also requires agencies to report upon their FTEs who perform inherently governmental functions. The commercial and inherently governmental FTEs make up 100 percent of each agency’s civilian workforce.
- OMB Circular A-76 and related OMB guidance require that the total FTEs in each agency’s commercial and inherently governmental FTE inventories match the total FTE levels that the agencies report in the President’s Budget. The agency inventories are submitted 4-5 months after the Budget is published.

Use the four-digit line numbering scheme described in the following table to code entries in MAX schedule Q.

**PERSONNEL SUMMARY**

| Entry | Description   |
|-------|---|
| Xxxx  | <p>The first digit of the line number distinguishes between direct, reimbursable, and other categories, consistent with the reporting of data in the object classification schedule (see <a href="#">section 83.4</a>). Use the following codes:</p> <ul style="list-style-type: none"> <li>1—direct</li> <li>2—reimbursable</li> <li>3—allocation account</li> <li>6—limitation account-direct</li> <li>7—limitation account-reimbursable</li> </ul> |

| Entry                      | Description  |
|----------------------------|--|
| xXxx                       | The second digit of the line number distinguishes between civilian and military personnel. Use the following codes:<br>0—civilian personnel<br>1—military personnel  |
| xx0x                       | The third digit is 0.  |
| xxx1                       | The fourth digit is 1.   |
| <i>Memorandum entries:</i> | To report the commercial versus inherently governmental distinction, use the descriptions for the first and second digits of the line number only. The sum of the FTEs reported in the memorandum entries (xxx9) must equal the sum of the FTEs reported for agency-wide total (xxx1). |
| xxXx                       | The third digit of the line number distinguishes between inherently governmental and commercial. Use the following codes:<br>0—inherently governmental<br>1—commercial   |
| xxx9                       | The fourth digit is 9.   |

## 86.2 What do I need to know about financial statements (schedules E and F)?

### (a) *General instructions.*

Financial statements consist of the following information:

- Statement of operations (MAX schedule E), which covers PY-1 through BY.
- Balance sheet (MAX schedule F), which covers PY-1 through BY.

You must submit financial statements for:

- All Government-sponsored enterprise funds;
- Credit liquidating and financing accounts, except statements of operation which are not required for credit financing accounts; and
- When specifically required by OMB, revolving funds (including trust revolving funds) that conduct business-like activities with the public and intragovernmental revolving funds.

For budget presentation purposes, data in program and financing schedules (MAX schedule P) fulfill the legal requirement in 31 U.S.C. 9103 for "business-type budget" information on wholly-owned Government corporations in the President's budget.

Amounts in schedules E and F for PY-1 should be consistent with your agency's audited financial statements.

You must submit separate schedules for supplemental requests and proposed legislation items that show the effect of the supplemental request or proposed legislation on the information presented in the regular schedules for the account.

(b) *Statement of operations (schedule E).*

This Appendix schedule provides information on the net income (or loss) of programs and on the total revenue, expense, and income or loss for the account as a whole. Do not provide statements of operations for credit financing accounts. Report amounts based on accrual accounting standards.

Statements of operation are also used to report comprehensive income. Generally this applies only to Government-sponsored enterprises (GSE's). *Comprehensive income* is the change in equity (assets less liabilities) during a period except that amount which results from investments by owners and distributions to owners. It is the sum of net income and other comprehensive income. *Other comprehensive income* consists of revenues, expenses, gains and losses that under generally accepted accounting principles are included in comprehensive income but excluded from net income. It should be divided among major components, if material.

Prepare statements of operations in the format of exhibit 86A, with audited actual amounts for PY-1, actual amounts for PY, and estimates for CY and BY. When an enterprise is engaged in two or more significant programs, report the revenue, expense, and net income or loss for each program separately. Use a two-digit group code to group data by program, as described in the MAX User's Guide.

Use the four-digit line numbering scheme described in the following table to code the entries in MAX schedule E. MAX will automatically generate the total and subtotal entries.

**STATEMENT OF OPERATIONS**

| Entry | Description  |
|-------|--|
| 01xx  | The first digit will always be "0" and the second digit will always be "1".  |
| 01Xx  | Use the third digit with values of 0 through 8 to identify different programs. When you are presenting two or more programs, a subtotal is required and will take on the value of 9.   |
| 01xX  | Use the fourth digit to indicate whether the data represent revenue, expense, or net income or loss: <ul style="list-style-type: none"> <li>1—Revenue</li> <li>2—Expense (Note: Enter expense as a negative (-) amount)</li> <li>5—Net income or loss</li> </ul> <p style="text-align: center;"><i>Use the following only if you have comprehensive income to report:</i></p> <ul style="list-style-type: none"> <li>8—Other comprehensive income</li> <li>9—Total comprehensive income</li> </ul> |

(c) *Balance sheet (schedule F).*

This Appendix schedule provides information on program assets, liabilities, and net position and is used to assess the resources available for Federal programs.

Prepare balance sheets in the format of exhibit 86B, with audited actual amounts as of the close of PY-1, actual amounts as of the close of PY, and estimates as of the close of CY and BY.

Use the entries listed below to prepare the balance sheets. These entries correspond to entries used in OMB Bulletin No. 97-01 entitled, Form and Content of Agency Financial Statements, as amended, which instructs agencies to prepare financial statements at the entity level. Use the terms, definitions, and instructions provided in that bulletin to prepare the balance sheets at the account level. The following table bridges from Standard General Ledger (SGL) accounts to the MAX line entry. MAX will automatically generate the line entries indicated in **boldface**.

If your agency is a Government-sponsored enterprise (GSE), you will need to modify line entries to reflect the non-Federal status of GSE's. Consult your OMB representative for additional guidance.

### BALANCE SHEET

| Entry   | Description  |
|---|--|
| <b>ASSETS</b>   |  |
| <i>Federal assets:</i>  |  |
| These assets arise from transactions among Federal agencies. Federal agency assets are claims of a Federal agency against other Federal agencies which, when collected, can be used in the agency's operations. |  |
| 1101 Fund balances with Treasury  | The unobligated and obligated balances with Treasury for which you are authorized to make expenditures and pay liabilities, including clearing account balances and the dollar equivalent of foreign currency account balances. Your agency's fund balance with Treasury also includes the unobligated balances in guaranteed loan financing accounts, the obligated balances in direct loan financing accounts, and the unobligated and obligated balances in liquidating accounts. |
| <i>Investments in Federal securities:</i>   | Total investments in Federal securities. These consist of securities issued by Federal agencies including non-marketable par value Treasury securities, market-based Treasury securities, marketable Treasury securities, and securities issued by other Federal agencies.   |
| 1102 Treasury securities, net   | Net value of Treasury securities acquired (i.e., the par (face or nominal) value of a security minus the amount of any unamortized discounts or plus the amount of any unamortized premiums).  |
| 1104 Agency securities, net   | Net value of agency securities acquired (i.e., the par (face or nominal) value of a security minus the amount of any unamortized discounts or plus the amount of any unamortized premiums).  |
| 1106 Receivables, net   | Accounts receivable and interest receivable, net of uncollectible amounts. Interest receivable is the amount of interest income earned but not received for an accounting period. Report receivables from Federal agencies separately from receivables from non-Federal entities (on line 1206). Report interest receivable related to direct loans and acquired defaulted guaranteed loans separately below as a component of credit program receivables.                           |

**SECTION 86—OTHER MAX DATA**

| <b>Entry</b>   | <b>Description</b>   |
|--|--|
| 1107 Advances and prepayments  | Advances are cash outlays made by a Federal agency to cover a part or all of the recipients' anticipated expenses or advance payments for the costs of goods and services the agency is to receive. Prepayments are payments made by a Federal agency to cover certain period expenses before those expenses are incurred. Advances and prepayments made to Federal agencies are intragovernmental and are accounted for and reported separately from those made to non-Federal entities.                  |
| <i>Non-Federal assets:</i>   |  |
| These assets arise from transactions of the Federal Government with non-Federal entities. These entities include domestic and foreign persons and organizations outside the U.S. Government. |  |
| 1201 Investments in non-Federal securities, net  | Securities issued by State and local governments, private corporations, and government-sponsored enterprises, net of premiums, discounts and allowances for losses. Securities are normally reported at acquisition cost or amortized acquisition cost. However, you should use market value when there is: <ul style="list-style-type: none"> <li>• An intent to sell the securities prior to maturity; and</li> <li>• A reduction in the value of the securities that is more than temporary.</li> </ul> |
| 1206 Receivables, net  | Accounts and interest receivable due from non-Federal entities, net of an allowance for estimated uncollectible amounts. Do not recognize interest as revenue on accounts receivable or investments that are determined to be uncollectible unless the interest is actually collected. Report interest receivable related to direct loans and acquired defaulted guaranteed loans as a component of credit program receivables.  |
| 1207 Advances and prepayments  | Advances are cash outlays made by a Federal agency to its employees, contractors, grantees or others to cover a part or all of the recipients' anticipated expenses or advance payments for the costs of goods and services the agency receives. Prepayments are payments made by a Federal agency to cover certain periodic expenses before those expenses are incurred.  |
| <i>Credit program receivables and related foreclosed property:</i>   |  |
| These items represent the net value of assets related to pre-1992 and post-1991 direct loans receivable and acquired defaulted guaranteed loans receivable.                                  |  |
| Net value of assets related to post-1991 direct loans receivable:  |  |
| 1401 Direct loans receivable, gross  | The face value of all direct loans outstanding excluding amounts repaid or written off.  |
| 1402 Interest receivable   | Amount of interest receivable.   |
| 1403 Accounts receivable from foreclosed property  | Amount of accounts receivable related to foreclosed property.  |
| 1404 Foreclosed property   | Value of foreclosed property associated with post-1991 direct and acquired defaulted guaranteed loans at the net present value of the projected cash flows associated with the property. To practicably accomplish this requirement, you may record  |

| Entry  | Description  |
|--|--|
|  | foreclosed property at the estimated net realizable value at the time of foreclosure. A portion of the related allowance for subsidy account will apply to the foreclosed property, but that amount need not be separately determined. Rather, subtract the allowance account from the sum of the credit program assets to determine the net present value of the assets.  |
| 1405 Allowance for subsidy cost (-)  | The unamortized amount of subsidy expenses for the direct loan disbursements that the direct loan financing account has made in that year and all previous years, for all direct loans outstanding. (The allowance for subsidy costs of a direct loan is the present value of estimated cash outflows over the life of the loan minus the present value of estimated cash inflows. It is due to defaults, delinquencies, lending at interest rates below the Treasury borrowing rate, etc., with an offset for fees, penalties, and recoveries.) |
| <b>1499 Net present value of assets related to direct loans</b>  | The sum of lines 1401 through 1405.  |
| <i>Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:</i>                            |  |
| 1501 Defaulted guaranteed loans receivable, gross  | Amount of defaulted guaranteed loans that resulted in the acquisition of a loan receivable that is still outstanding.  |
| 1502 Interest receivable on defaulted guaranteed loans   | Amount of interest receivable related to defaulted guaranteed loans.   |
| 1504 Foreclosed property related to defaulted guaranteed loans   | The estimated net realizable value of related foreclosed property.   |
| 1505 Allowance for subsidy cost on defaulted guaranteed loans (-)  | The unamortized amount of subsidy for those defaulted guaranteed loans that the guaranteed loan financing account has acquired in that year and all previous years, for all such loans outstanding that are still held by the financing account. (The subsidy of a defaulted guaranteed loan is the present value of estimated cash outflows over the life of the loan minus the present value of estimated cash inflows. It is due to defaults, delinquencies, interest subsidies, etc., with an offset for fees, penalties, and recoveries.)   |
| <b>1599 Net present value of assets related to defaulted guaranteed loans</b>  | The sum of lines 1501 through 1505.  |
| <i>Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:</i> |  |
| 1601 Direct loans, gross   | For each pre-1992 direct loan program, report loans gross.   |
| 1602 Interest receivable   | Amount of interest receivable.   |
| 1603 Allowance for estimated uncollectible loans and interest (-)  | Estimated amount of loans and interest that will not be collected.   |

## SECTION 86—OTHER MAX DATA

| Entry                 |  | Description  |
|-----------------------|--|--|
| <b>1604</b>           | <b>Direct loans and interest receivable, net</b>               | The sum of lines 1601 through 1603.  |
| 1605                  | Accounts receivable from foreclosed property                   | Amount of accounts receivable related to foreclosed property.  |
| 1606                  | Foreclosed property  | The estimated net realizable value of related foreclosed property.   |
| <b>1699</b>           | <b>Value of assets related to direct loans</b>                 | The sum of lines 1604 through 1606.  |
| 1701                  | Defaulted guaranteed loans, gross                              | For each pre-1992 loan guarantee program, report receivables as defaulted guaranteed loans acquired by the Government.   |
| 1702                  | Interest receivable  | Amount of interest receivable related to defaulted guaranteed loans.   |
| 1703                  | Allowance for estimated uncollectible loans and interest (-)   | Estimated amount of defaults on loans, interest, and accounts receivable.  |
| <b>1704</b>           | <b>Defaulted guaranteed loans and interest receivable, net</b> | The gross amount of defaulted guaranteed loans that resulted in the acquisition of a loan receivable, and interest receivable, net of an allowance for uncollectible amounts. The sum of lines 1701 through 1703.  |
| 1705                  | Accounts receivable from foreclosed property                   | Amount of accounts receivable related to foreclosed property.  |
| 1706                  | Foreclosed property  | The estimated net realizable value of related foreclosed property.   |
| <b>1799</b>           | <b>Value of assets related to loan guarantees</b>              | The sum of lines 1704 through 1706.  |
| Other Federal assets: |  |  |
| 1801                  | Cash and other monetary assets                                 | <p>The total of all cash resources and all other monetary assets. Cash consists of:</p> <ul style="list-style-type: none"> <li>• Coins, paper currency, and readily negotiable instruments, such as money orders, checks, and bank drafts on hand or in transit for deposit;</li> <li>• Amounts on demand deposit with banks or other financial institutions;</li> <li>• Cash held in imprest funds; and</li> <li>• Foreign currencies, which, for accounting purposes, should be translated into U.S. dollars at the exchange rate on the financial statement date.</li> </ul> <p>Other monetary assets include gold, special drawing rights, and U.S. Reserves in the International Monetary Fund. This category is principally for use by the Treasury.</p> |
| 1802                  | Inventories and related properties                             | <p>Inventory is tangible personal property that is:</p> <ul style="list-style-type: none"> <li>• Held for sale;</li> </ul>   |

| Entry       | Description  |
|-------------|--|
|             | <ul style="list-style-type: none"> <li>• In the process of production for sale; or</li> <li>• To be consumed in the production of goods for sale or in the provision of services for a fee. It includes inventory (i.e., items held for sale), operating materials and supplies, stockpile materials, seized and forfeited property, and goods held under price support and stabilization programs.</li> </ul>   |
| 1803        | Property, plant and equipment, net<br>The amount of real and personal property (i.e., land, structures and facilities, construction in progress, purchased and self-developed software, equipment and related improvements) that has been capitalized, net of accumulated depreciation if any. Also includes assets acquired by capital leases and leasehold improvements; and property owned by the agency in the hands of the agency or contractors. |
| 1901        | Other assets<br>Other assets not included on the lines above.  |
| <b>1999</b> | <b>Total assets</b><br>The sum of lines 1101 through 1207, 1499, 1599, 1699, 1799, 1801 through 1901.  |

#### LIABILITIES

Recognize liabilities when they are incurred regardless of whether they are covered by available budgetary resources. This includes liabilities related to canceled appropriations.

##### *Federal liabilities:*

These liabilities arise from transactions among Federal agencies. Federal liabilities are claims against the agency by other Federal agencies.

|      |                               |   |
|------|-------------------------------|---|
| 2101 | Accounts payable              | The amounts owed by a Federal agency for goods and services received from, progress in contract performance made by, and rents due to other Federal agencies.   |
| 2102 | Interest payable              | The amount of interest expense incurred but unpaid on debts to other Federal agencies.  |
| 2103 | Debt                          | The cumulative amounts of borrowing (less repayments) from the Treasury, the Federal Financing Bank, or other Federal agencies.   |
| 2104 | Resources payable to Treasury | Amounts of collections or receivables that must be transferred to Treasury.   |
| 2105 | Other                         | Use this item for other liabilities that are not recognized in specific categories or lines above. Include advances and prepayments received from other Federal agencies for goods to be delivered or services to be performed and deposit fund amounts held in escrow. |

##### *Non-Federal liabilities:*

These liabilities arise from transactions of an agency of the Federal Government with non-Federal entities. Non-Federal liabilities are claims against the agency by non-Federal entities.

|      |                  |   |
|------|------------------|---|
| 2201 | Accounts payable | The amounts owed by a Federal agency for goods and services received from, progress in contract performance made by, and rents due to non-Federal entities. |
| 2202 | Interest payable | The amount of interest expense incurred but unpaid on debt owed to non-Federal entities.  |

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| Entry  | Description   |
|--|---|
| 2203 Debt                                    | Debt issued to non-Federal entities under general or special financing authority (e.g., Treasury bills, notes, bonds and FHA debentures).   |
| 2204 Liabilities for loan guarantees         | For guaranteed loan financing accounts, report the net present value of the estimated cash flows to be paid as a result of loan guarantees. For liquidating accounts, report the amount of known and estimated losses. (The net present value of estimated cash flows is the present value of estimated cash outflows over the life of the loan guarantee minus the present value of estimated cash inflows. It is due to defaults, interest subsidies, etc., with an offset for fees, penalties, and recoveries.)  |
| 2205 Lease liabilities, net                  | <p>The present value of the liability for capital leases. A capital lease is one that transfers substantially all the benefits and risks inherent in the ownership of property. This transfer occurs if, at the inception of the lease, one or more of the following criteria exist:</p> <ul style="list-style-type: none"> <li>• Ownership of the property is transferred to the lessee by the end of the lease term;</li> <li>• The lease contains a bargain purchase option;</li> <li>• The lease term is substantially (i.e., 75% or more) equal to the estimated useful life of the leased property; or</li> <li>• At the beginning of the lease term, the present value of the minimum lease payments, with certain adjustments, is 90% or more of the fair value of the property.</li> </ul> <p>The lessee accounts for such a lease as the acquisition of an asset and the incurrence of a liability.</p> |
| 2206 Pension and other actuarial liabilities | For agency-administered pension, health insurance and similar plans requiring actuarial determinations. Report the actuarial accrued liability for pension, health insurance, and similar plans requiring actuarial determination using the aggregate entry age normal method.  |
| Other  | <p>Other liabilities that are not recognized in specific categories. Include in this line the total amount due non-Federal entities for other liabilities that are not included on other lines above. This includes:</p> <ul style="list-style-type: none"> <li>• Entitlement benefits due and payable at the end of the year;</li> <li>• Advances and prepayments received from other non-Federal agencies or the public for goods to be delivered or services to be performed;</li> <li>• Deposit fund amounts held in escrow, estimated losses for commitments, and contingencies if: <ul style="list-style-type: none"> <li>▶ Information available before the statements are issued indicates an asset probably has been impaired or a liability incurred as of the date of the statements; and</li> </ul> </li> </ul>   |

| Entry   | Description  |
|---|--|
|   | <p>▶ The amount can be reasonably estimated as a specific amount or range of amounts (e.g., the amount of employee accrued annual leave (i.e., earned but not used) that would be funded and paid from future years' appropriations).</p> <p>Examples of commitments and contingencies for which you should report the estimated losses on this line are:</p> <ul style="list-style-type: none"> <li>• Insurance—Insurance payments due for losses resulting from bank failures, crop failures, floods, expropriations, loss of life, and similar unplanned events.</li> <li>• Indemnity agreements—reimbursements due to licensees or contractors for losses incurred in support of Government activities.</li> <li>• Adjudicated claims—claims against the Government that are in the process of judicial proceedings.</li> <li>• Commitments to international institutions—payments due to international financial institutions.</li> </ul> |
| <b>2999 Total liabilities</b>                             | The sum of lines 2101 through 2207.  |
| <b>NET POSITION</b>                                       |  |
| The components of net position are classified as follows: |  |
| 3100 Unexpended appropriations                            | The portion of the agency's appropriations represented by undelivered orders and unobligated balances.   |
| 3300 Cumulative results of operations                     | The net results of operations since inception plus the cumulative amount of prior period adjustments, including the cumulative amount of donations and transfers of assets in and out without reimbursement.   |
| <b>3999 Total net position</b>                            | The sum of lines 3100 through 3300.  |
| <b>4999 Total liabilities and net position</b>            | The sum of lines 2999 and 3999.  |

### 86.3 What do I need to know about budget plans (schedule D)?

Only DoD-Military submits a special schedule on obligations for PY through BY.

Use the entries in the following table to prepare MAX schedule D. MAX will automatically generate the line entries indicated in **boldface**.

#### BUDGET PLAN

| Entry  | Description   |
|--|---|
| Direct program:<br>06xx, 07xx<br>[List individual activities for which data are reported.] | Amount of obligations incurred or estimated to be incurred from an appropriation, regardless of the timing of the obligations, for direct program activities. (In other words, for a multi-year appropriation, report total obligations to be incurred during the entire period of availability in the year in which the appropriation is enacted.) |

| Entry                         | Description   |
|-------------------------------|---|
|                               | For the third and fourth digits, use the values of 01 through 89 to identify direct program activities in the budget plan.  |
| <b>xx91 Subtotal, direct</b>  | Use the value 91 for subtotals of direct program activities, as follows:<br>0691—subtotal for activities coded 0601 through 0689.<br>0791—subtotal for activities coded 0701 through 0789.<br><br>Subtotals are required only if there are multiple entries within the subgroupings listed above. |
| 0801 Reimbursable program     | Amount of obligations incurred or estimated to be incurred from an appropriation, as defined above, for reimbursable activities. Report data on reimbursable programs as a single entry.  |
| <b>0893 Total budget plan</b> | Total obligations reported in the budget plan.  |

#### **86.4 What do I need to know about reporting budget year appropriations requests in thousands of dollars (schedule T)?**

Use MAX schedule T to report, in thousands of dollars, the net amount of budget year budgetary resources contained in the appropriations language request for your account (see [exhibit 86C](#)). Exclude spending authority from offsetting collections. If your account has appropriations language requesting new spending authority for the budget year (e.g., accounts that report discretionary appropriations, discretionary limitations on expenses, and appropriated entitlements), you must complete schedule T only for amounts reported in the regular budget schedule under transmittal code 0 (see [section 79.2](#)). Do not report limitations on direct loans and loan guarantees; they are not budgetary resources.

For the majority of budget accounts, only a single entry is required. For consolidated and merged accounts, use separate line entries to report the budget year appropriation request for each component account. Identify all line entries with the account involved using the six-digit basic account symbol assigned by the Treasury Department (see [exhibit 86C](#)). This code is required in order to enter data on the budget year request.

Exclude amounts that will be applied to repay debt, liquidate contract authority, or liquidate deficiencies from the amounts reported. For transfers specified in appropriations language, report amounts on a pre-transfer basis. Do not include advance appropriations that will become available in the budget year and advance appropriations requested in the budget year for a future fiscal year in the amounts reported. For indefinite appropriations, enter your best estimate. Ensure that all amounts reported in MAX schedule T are consistent with the amounts reported in the program and financing schedule (MAX schedule P).

#### **86.5 What do I need to know about the schedule on the status of funds (schedule J)?**

This Appendix schedule presents cash flow data for certain special, trust, and other funds. The MAX database generates the data for the status of funds schedule from other data and stores it in the database as schedule J.

The accounts listed in the following table require a schedule J.

---

**FUNDS REQUIRED TO SUBMIT STATUS OF FUNDS DATA**

| Agency           | Account   |
|------------------|---|
| Energy           | Nuclear waste disposal fund                                 |
|                  | Uranium enrichment decontamination and decommissioning fund |
| HHS              | Federal hospital insurance trust fund                       |
|                  | Federal supplementary medical insurance trust fund          |
| Interior         | Abandoned mine reclamation fund                             |
| Labor            | Unemployment trust fund                                     |
|                  | Black lung disability trust fund                            |
| State            | Foreign service retirement and disability fund              |
| Transportation   | Highway trust fund  |
|                  | Airport and airways trust fund                              |
|                  | Oil spill liability trust fund                              |
| Veterans Affairs | National service life insurance fund                        |
|                  | United States Government life insurance fund                |
| DOD-Civil        | Military retirement fund                                    |
|                  | Education benefits fund                                     |
|                  | Uniformed services retiree health care fund                 |
| EPA              | Hazardous substance superfund                               |
|                  | Leaking underground storage tank trust fund                 |
| IAP              | Overseas Private Investment Corporation (noncredit)         |
| OPM              | Civil service retirement and disability fund                |
|                  | Employees health benefits fund                              |
| SSA              | Federal old-age and survivors insurance trust fund          |
|                  | Federal disability insurance trust fund                     |
| RRB              | Rail industry pension fund                                  |
|                  | Supplemental annuity pension fund                           |
|                  | Railroad social security equivalent benefit fund            |

MAX generates schedule J from:

- Data you enter in other MAX schedules for the receipt and expenditure accounts that make up the fund;
- Data you entered in reports to the Treasury that Treasury used to publish the Treasury Combined Statement;

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- Data on uninvested balances and unrealized discounts that you enter directly into schedule J;
- For selected accounts, data on outstanding debt to Treasury and commitments against unexpended balances that you enter directly into schedule J; and
- With OMB approval, subaccount detail for cash income and cash outgo that you enter directly into schedule J.

The budget includes only *one* schedule J for each of the specified funds. The schedule covers all the collections in the receipt accounts and all the appropriations of those receipts to the various expenditure accounts that make up the fund. It aggregates all the data reported under different transmittal codes to a single schedule presented under transmittal code 0. The CY and BY columns of schedule J include any effects of supplemental requests (transmittal code 1), rescission proposals (transmittal code 5) and proposed legislation (transmittal codes 2, 3, 4, and 9).

When you make changes to other MAX schedules that affect the fund (for example, you change receipt estimates in schedule R), you will see the effect on MAX schedule J *the following day*, after the MAX system incorporates the changes as part of the overnight production process.

The following table identifies the source for each line in MAX schedule J. Even though much of the data is automatically generated and you cannot change amounts, you can change the line titles of the detail lines (1200–5589 and 7625–7650) through MAX A–11 data entry.

**SCHEDULE ON THE STATUS OF FUNDS**

| Entry                                     | Description and Source  |
|---|---|
| <i>Unexpended balance, start of year:</i> | Start of year balances of budgetary resources and investments in Federal securities, net of amounts borrowed from the Treasury.   |
| 0100 Treasury balance                     | MAX derives the PY amount from the <i>Undisbursed Funds</i> at the start of the year reported in the Treasury Combined Statement (formerly known as the Treasury Annual Report), and, in exceptional cases, the uninvested unappropriated receipts recorded at Treasury. MAX copies CY and BY amounts from the end of year amounts reported on line 8700 for the previous year. |
| 0101 Federal securities: Par value        | MAX derives the PY amount from the balance of <i>Investments in Public Debt Securities</i> and <i>Investments in Agency Securities</i> at the start of the year reported in the Treasury Combined Statement, and copies CY and BY amounts from line 9201 in MAX schedule P.   |
| 0102 Unrealized discounts (–)             | MAX derives the PY amount from the balance of <i>unrealized discount on investments</i> (–) and the <i>unamortized premium and discount</i> (+/–) at the start of the year reported in the Treasury Combined Statement, and copies CY and BY amounts from the end of year amounts reported on line 8702 for the previous year.  |
| 0105 Outstanding debt to Treasury (–)     | MAX derives the PY amount from the end of year amount reported on line 8705 in the previous year’s <i>Budget Appendix</i> , and copies CY and BY amounts from the end of year amounts reported on line 8705 for the previous year.  |
| 0199 Total balance, start of year         | Except for the Highway and Airport and Airway Trust Funds, MAX calculates this amount as the sum of:  |

| Entry   | Description and Source   |
|---|--|
|   | <ul style="list-style-type: none"> <li>• Unobligated balances in schedule P (lines 2140);</li> <li>• Obligated balances in schedule P (lines 7240); and</li> <li>• Unavailable collections in schedule N (line 0199).</li> </ul> <p>The amount on this line should equal the sum of lines 0100 through 0105. If it does not, you will receive an error message.</p>                  |
| <i>Cash income during the year:</i>                   | Collections deposited in special and trust fund receipt accounts and offsetting collections (cash) credited to expenditure accounts. MAX presents current law amounts (transmittal codes 0 and 3) separately from proposed legislation amounts (transmittal codes 1, 2, 4,5, and 9). You can change the titles of the detail lines to better describe the nature of the collections. |
| <i>Current law:</i>                                   |  |
| Receipts:<br>1200–1219                                | Unless you have made other arrangements with OMB, MAX copies the detail lines from amounts reported in schedule R under transmittal codes 0 and 3. MAX lists each receipt account separately by title.   |
| Offsetting receipts (proprietary):<br>1220–1239       | MAX will use a line serial number of 01 for lines that are automatically generated. Subaccount lines that are manually entered will have separate line serial numbers for each subaccount, as described in the MAX A–11 User’s Guide.  |
| Offsetting receipts (intragovernmental):<br>1240–1259 |  |
| Offsetting governmental receipts:<br>1260–1279        |  |
| Offsetting collections:<br>1280–1289                  | MAX copies these amounts from amounts reported in schedule P under transmittal codes 0 and 3 on lines 8800–8845.   |
| 1299 Income under present law                         | Subtotal for income under present law. MAX calculates this amount as the sum of the receipts and collections reported in schedules R and P for transmittal codes 0 and 3.  |
| <i>Proposed legislation:</i>                          | MAX uses line serial numbers in the range 01–05 to identify different transmittal codes, as described in the MAX User’s Guide.   |
| Receipts:<br>2200–2219                                | MAX copies the detail lines from amounts reported in schedule R under transmittal codes 1, 2, 4, and 5. Each receipt account will be listed separately by title.   |
| Offsetting receipts (proprietary)<br>2220–2239        |  |
| Offsetting receipts (intragovernmental):<br>2240–2259 |  |
| Offsetting governmental receipts:<br>2260–2279        |  |
| Offsetting collections:<br>2280–2289                  | MAX copies these amounts from amounts reported in schedule P under transmittal codes 1, 2, 4, and 5 on lines 8800–8845.  |
| 2299 Income under proposed legislation                | Subtotal for income under proposed legislation. MAX calculates this amount as the sum of the receipts and collections reported in  |

SECTION 86—OTHER MAX DATA

| Entry                                     | Description and Source  |
|---|---|
|   | schedules R and P for transmittal codes 1, 2, 4, and 5.   |
| 3299 Total cash income                    | MAX calculates this amount as the sum of the receipts and collections reported in schedules R and P for all transmittal codes.  |
| <b>Cash outgo during the year (-):</b>    |   |
|   | These entries present the gross outlays from the fund, identified by the nature of the transaction, the activity for which the money was outlaid or, as appropriate, the recipient. MAX presents current law amounts (transmittal codes 0 and 3) separately from proposed legislation amounts (transmittal codes 1, 2, 4, and 5). You can change the titles of the detail lines to better describe the nature of the outlays. |
| <b>Current law (-):</b>                   |   |
| 4500–4589                                 | Unless you have made other arrangements with OMB, MAX automatically generates the detail lines from amounts reported in schedule P on line 7320 for transmittal codes 0 and 3.<br><br>MAX will use a line serial number of 01 for lines that are automatically generated. Subaccount lines that are manually entered will have separate line serial numbers for each subaccount, as described in the MAX A–11 User’s Guide.   |
| 4599 Outgo under current law (-)          | Subtotal for gross outlays under present law. MAX calculates this amount as the sum of the gross outlays reported in schedule P on lines 7320 for transmittal codes 0 and 3.  |
| <b>Proposed legislation:</b>              |   |
| 5500–5589                                 | MAX automatically generates the detail lines from amounts reported in schedule P on line 7320 for transmittal codes 1, 2, 4, and 5.<br><br>MAX uses line serial numbers in the range 01–05 to identify different transmittal codes, as described in the MAX User’s Guide.   |
| 5599 Outgo under proposed legislation (-) | Subtotal for gross outlays under proposed legislation. MAX calculates this amount as the sum of the gross outlays reported in schedule P on lines 7320 for transmittal codes 1, 2, 4, and 5.  |
| 6599 Total cash outgo (-)                 | MAX calculates this amount as the sum of the gross outlays reported in schedule P for all transmittal codes.<br><br>The amount on this line should equal the sum of lines 4500–4589 and 5550–5589. If it does not, you will receive an error message.   |
| <b>Adjustments:</b>                       |   |
| 7625 Permanently canceled balances (-)    | Amount that is transferred from the expenditure account to the general fund of the Treasury as a result of a specific provision of law. Notify your OMB representative if amounts should be reported on this line; OMB will enter these data centrally.   |
| 7645 Transfers, net                       | Net amount of transfers of budget authority and balances (obligated and unobligated). MAX generates this amount from the transfers reported in schedule P on lines 2221, 2222, 4100, 4200, 6100, 6200, 6861, 6862, 6961, 6962, 7331, 7332.  |
| 7650 Other adjustments, net               | Other adjustments that affect the fund balances, such as capital transfers to the general fund of the Treasury and repayment of debt. MAX generates this amount from the amounts reported in schedule P on lines 2240, 2260, 4047, 4050, 6047, 6827, 6847, 6927, and 6947.  |

| Entry  | Description and Source  |
|--|---|
| 7699 Total adjustments   | MAX calculates this amount as the sum of amounts on lines 7625–7650.  |
| <b><i>Unexpended balance, end of year:</i></b>                     | End of year balances of budgetary resources and investments in Federal securities.  |
| 8700 Uninvested balance  | MAX derives the PY amount from the <i>Undisbursed Funds</i> at the end of the year reported in the Treasury Combined Statement and the uninvested unappropriated receipts recorded at Treasury. You must input the CY and BY amounts.   |
| 8701 Federal securities: Par value                                 | MAX derives the PY amount from the <i>Investments in Public Debt Securities</i> and <i>Investments in Agency Securities</i> at the end of the year reported in the Treasury Combined Statement; CY and BY amounts are copied from line 9202 in MAX schedule P.  |
| 8702 Unrealized discounts (–)                                      | MAX derives the PY amount from the <i>unrealized discount on investments</i> (–) and the <i>unamortized premium and discount</i> (+/–) at the end of the year reported in the Treasury Combined Statement; you must input CY and BY amounts.  |
| 8705 Outstanding debt to Treasury                                  | You must input these amounts. This entry only applies to selected accounts.   |
| 8799 Total balance, end of year                                    | Except for the Highway and Airport and Airway Trust Funds, MAX calculates this amount as the sum of: <ul style="list-style-type: none"> <li>• Unobligated balances in schedule P (lines 2440);</li> <li>• Obligated balances in schedule P (lines 7440); and</li> <li>• Unavailable collections in schedule N (line 0799).</li> </ul> The amount on this line should equal the sum of lines 8700 through 8705. If it does not, you will receive an error message. |
| <b><i>Commitments against unexpended balance, end of year:</i></b> | Use these lines only at the direction of OMB.   |
| 9801 Obligated balance (–)   | You must input amounts on line 9801 and 9802. MAX calculates line 9899 as the sum of lines 9801 and 9802 and line 9900 as the sum of lines 8799 and 9899.   |
| 9802 Unobligated balance (–)                                       |   |
| 9899 Total commitments (–)   |   |
| 9900 Uncommitted balance, end of year                              |   |

### 86.6 What do I need to know about the schedule on unavailable collections (schedule N)?

This Appendix schedule provides information on collections and appropriations for special, trust, and certain other funds. The MAX database generates the data for the schedule on unavailable collections from other data and stores it in the database as schedule N.

The following types of accounts require schedule N:

- Special;

- Non-revolving trust funds;
- Accounts with offsetting collections that are unavailable for obligation because of a limitation on obligations.

MAX generates schedule N from:

- Data reported in the previous year’s *Budget Appendix*;
- Data in schedule R; and
- Data in schedule P.

The budget includes only *one* schedule N for each fund. For special and trust fund accounts, the schedule covers all the receipts, offsetting receipts, and offsetting collections that pertain to a particular special or trust fund account. For accounts with offsetting collections that are unavailable for obligation because of a limitation enacted in an appropriations act, the schedule includes all the offsetting collections credited to the account. It aggregates all the data reported under different transmittal codes to a single schedule presented under transmittal code 0. The CY and BY columns of schedule N will include the effect of supplemental requests (transmittal code 1), rescission proposals (transmittal code 5), proposed legislation (transmittal codes 2, 3, and 4), and any other transmittal code (for example, transmittal code 9).

When requesting the establishment of new special or trust fund accounts (see [section 71.3](#)), please specify whether the MAX database should include a *new* schedule on unavailable collections or use an *existing* schedule on unavailable collections to report the transactions related to the new account.

When you make changes to other MAX schedules that affect the fund (for example, you change receipt estimates in schedule R), you will see the effect on MAX schedule N *the following day*, after the MAX system incorporates the changes as part of the overnight production process.

The following table identifies the source for each line in MAX schedule N. Even though the data are automatically generated and you cannot change any amounts, you can change the line titles of the detail lines (lines 02xx, 05xx) through A–11 data entry.

**SCHEDULE ON UNAVAILABLE COLLECTIONS**

| Entry                       | Description  |
|-----------------------------|--|
| 0199 Balance, start of year | Includes: <ul style="list-style-type: none"> <li>• Unappropriated special and trust fund receipts and offsetting receipts. (PY amount should equal the balance on the Department of Treasury’s <i>Unappropriated Receipts Trial Balance</i>, FMS Form 6655, plus invested unappropriated receipts.)</li> <li>• Special and trust fund receipts and offsetting receipts that are precluded from obligation because of a provision of law, such as a benefit formula or limitation on obligations in PY, CY, or BY.</li> <li>• Offsetting collections that are unavailable for obligation because of limitations on obligations in PY, CY, or BY.</li> </ul> |

| Entry  | Description  |
|--|--|
|  | MAX derives the PY amount from the PY amount reported on line 0799 in the previous year's <i>Budget Appendix</i> . If you believe the PY amount is incorrect, provide your OMB representative with a detailed written explanation of the difference. MAX copies CY and BY amounts from the end of year amounts reported on line 0799 for the previous year.  |
| Receipts, offsetting receipts, and offsetting collections: | MAX uses line serial numbers in the range 10-15 to identify different transmittal codes, as described in the MAX User's Guide.   |
| 0200–0219      Receipts                                    | Amount of new collections deposited in special and trust fund receipt accounts. Each receipt account will be listed separately by title and transmittal code. MAX copies these amounts from schedule R.  |
| 0220–0239      Offsetting receipts (proprietary)           |  |
| 0240–0259      Offsetting receipts (intragovernmental)     |  |
| 0260–0279      Offsetting governmental receipts            |  |
| 0280–0289      Offsetting collections                      | Amount of new offsetting collections. MAX copies this amount from schedule P (lines 8800 – 8845, 8896)   |
| 0299      Total receipts and collections                   | MAX calculates this amount as the sum of lines 0200 through 0289.  |
| 0400      Total: Balances and collections                  | MAX calculates this amount as the sum of lines 0199 and 0299.  |
| 0500–0589      Appropriations, net (–)                     | <p>MAX calculates this amount from schedule P. It consists of:</p> <ul style="list-style-type: none"> <li>• the appropriations (reported on lines 4020, 4026, 4028, 5520, 5526, 6020, 6026, and 6526);</li> <li>• the amounts that become available for obligation from balances of receipts and offsetting collections that were previously unavailable (reported on line 6028); and</li> <li>• the spending authority from offsetting collects (reported on lines 6800, 6826, 6900, and 6926).</li> </ul> <p>Minus:</p> <ul style="list-style-type: none"> <li>• the amounts precluded from obligation in a fiscal year because of provisions of law such as benefit formulas or limitations on obligations (reported on lines 6045, 6845 and 6945);</li> <li>• the rescissions (reported on lines 4035, 4036, 5535, 6035, 6036, and 6535); and</li> <li>• the reductions (reported on lines 4071- 4079, 4085, 5574-5579, 5585, 6074-6079, 6085, 6585, 6874-6879, 6885, 6974-6979, and 6985) .</li> </ul> <p>For reductions and rescissions, if the amounts are transferred to the general fund of the Treasury and are <i>not</i> available for subsequent appropriation, notify your OMB representative so OMB can adjust the entry centrally.</p> |

| Entry   | Description  |
|---|--|
|   | <p>If more than one appropriation is made from the fund, each will be listed separately by title and transmittal code. MAX uses line serial numbers in the range 10–15 to identify different transmittal codes, as described in the MAX User’s Guide.</p> <p><i>For selected accounts with contract authority that will be liquidated by trust fund receipts, such as the Highway and Airport and Airway Trust Funds, contract authority will be deducted from the balances rather than the amounts appropriated to liquidate such contract authority.</i></p> |
| 0599 Total appropriations, net (–)            | MAX calculates this amount as the sum of lines 0500–0589.  |
| 0610 Unobligated balance returned to receipts | <p>Unobligated balance of special and trust fund appropriations expiring that are returned to the receipt account and are available for subsequent appropriation action.</p> <p>MAX calculates this amount from amounts reported in schedule P on lines 2398 and 7340.</p> <p>If amounts are transferred to the general fund of the Treasury and are <i>not</i> available for subsequent appropriation, notify your OMB representative so OMB can adjust the entry centrally.</p>  |
| 0799 Balance, end of year                     | MAX calculates this amount as the sum of lines 0199, 0299, 0599 and 0610.  |

### 86.7 What do I need to know about the schedule on the status of contract authority (schedule I)?

If you reported contract authority in PY, CY, or BY in the program and financing schedule, MAX will automatically generate a schedule on the status of contract authority for your account. A single schedule under transmittal code zero will be used to reflect total amounts reported under separate transmittal codes.

MAX will derive the information required to produce the schedule on the status of contract authority from data in MAX schedule P, as part of the overnight production. *You should note that changes to schedule I resulting from changes to MAX schedule P will not appear on screen until the next day.* Only five lines require user input—portion applied from balances of excess liquidating cash. The automatically generated schedule will contain the following entries, as applicable, in the sequence shown.

#### SCHEDULE ON UNFUNDED CONTRACT AUTHORITY

| Entry                                   | Description   |
|---|---|
| 0100 Unobligated balance, start of year | <p>You must input this amount.</p> <p>Unobligated balance of unfunded contract authority at the beginning of the year. Excludes contract authority for which spending authority from offsetting collections or appropriations to liquidate are not provided or requested. Can not exceed the amount on line 2140 of the program and financing schedule.</p> |

| Entry       | Description   |  |
|-------------|---|--|
| 0110        | Obligated balance, start of year  | You must input this amount.<br><br>Obligated balance of unfunded contract authority at the beginning of the year. Excludes contract authority for which spending authority from offsetting collections or appropriations to liquidate are not provided or requested. Can not exceed the amount on line 7240 of the program and financing schedule.                           |
| <b>0199</b> | <b>Total balance, start of year</b>                                       | Sum of start of year balances on lines 0100 and 0110.  |
| <b>0200</b> | <b>Contract authority</b>   | Amount of contract authority provided for the period (generally in substantive law). This entry will be consistent with the entries on lines 49xx and 66xx of the program and financing schedule. Separate entries will be used, as appropriate, to report reductions pursuant to the BEA (Public Law 99–177, as amended), supplemental requests, and legislative proposals. |
| <b>0210</b> | <b>Contract authority, supplemental request</b>                           |  |
| <b>0220</b> | <b>Contract authority, legislative proposal</b>                           |  |
| <b>0230</b> | <b>Reduction in contract authority pursuant to Public Law 99–177</b>      |  |
| <b>0299</b> | <b>Total contract authority</b>   | Sum of the contract authority entries on lines 0200–0230.  |
| <b>0300</b> | <b>Unfunded balance rescission proposal (–)</b>                           | Amount of contract authority proposed for rescission. Derived from amounts on lines 4935, 4936, and 6635 of the program and financing schedule for the rescission proposal (transmittal code "5").   |
| <b>0340</b> | <b>Unobligated balance transferred</b>                                    | Amount of unobligated balances of contract authority transferred to or from other accounts. This entry will be consistent with amounts on line 2221 and 2222 of the program and financing schedule.  |
| <b>0350</b> | <b>Unfunded balance expiring (–)</b>                                      | Amount of definite contract authority, expiring or withdrawn, for which liquidating cash will not be required. This entry will be consistent with amounts on line 2230 of the program and financing schedule.  |
| <b>0360</b> | <b>Adjustments in expired accounts</b>                                    | Amount of upward or downward adjustments in obligations that were made in accounts that expired prior to the beginning of the fiscal year. This entry will be consistent with amounts on line 7340 of the program and financing schedule.  |
| <b>0400</b> | <b>Appropriation to liquidate contract authority (–)</b>                  | The appropriation provided or requested to liquidate contract authority, equal to the sum of lines 4049 and 6049 of the program and financing schedule.  |
| <b>0405</b> | <b>Portion applied from balances of surplus liquidating cash (–)</b>      | Amount of surplus liquidating cash provided in previous years used to liquidate obligations of contract authority. <i>User input required.</i>   |
| <b>0500</b> | <b>Offsetting collections applied to liquidate contract authority (–)</b> | Amount of offsetting collections used to liquidate contract authority equal to line 6849 and 6949 of the program and financing schedule.   |
| <b>0600</b> | <b>Balance of contract authority withdrawn (–)</b>                        | The withdrawal of balances of indefinite contract authority realized through downward adjustments of prior year obligations that have been withdrawn. Equal to the amounts on line 2275 of the program and financing schedule.   |

| Entry  | Description  |
|--|--|
| 0700 Unobligated balance, end of year                          | You must input this amount.<br>Unobligated balance of unfunded contract authority at the end of the year. Can not exceed the amount on line 2440 of the program and financing schedule   |
| 0710 Obligated balance, end of year                            | You must input this amount.<br>Obligated balance of unfunded contract authority at the end of the year. Can not exceed the amount on line 7440 of the program and financing schedule.  |
| <b>0799 Total balance, end of year</b>                         | Sum of end of year balances on lines 0700 and 0710.  |
| <b>0899 Surplus liquidating cash, end of year (memo entry)</b> | Amount of appropriation to liquidate contract authority in excess of ability to incur obligations (either because the appropriation exceeds the contract authority available for obligation or the limitation on obligations). |

### 86.8 What do I need to know about the summary of budget authority and outlays?

If you have a regular account that has separate program and financing schedules for supplemental requests, legislative proposals, or rescission proposals, a summary will be printed in the Budget Appendix to report the totals for budget authority and outlays for PY through BY. MAX automatically generates the summary from data in schedule A. However, it is not a separate MAX schedule and cannot be viewed in the database.

The summary normally will contain the following entries, as applicable, in the sequence shown:

#### SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

| Entry  | Description  |
|--|--|
| Enacted/requested:<br>Budget authority<br>Outlays              | Total amount of budget authority and outlays for all years shown in the regular program and financing schedule under transmittal code 0. Entries reflect, without separate identification, reductions pursuant to the BEA.     |
| Proposed for later transmittal:<br>Budget authority<br>Outlays | Total amount of budget authority and outlays for all years shown in a separate program and financing schedule under transmittal codes 2, 3, or 4. (For a description of transmittal codes, see <a href="#">section 79.2.</a> ) |
| Supplemental:<br>Budget authority<br>Outlays                   | Total budget authority and outlays for all years shown in a separate program and financing schedule under transmittal code 1.  |
| Rescission proposal:<br>Budget authority<br>Outlays            | Total amount of reduction of budget authority and outlays for all years shown in a separate program and financing schedule under transmittal code 5.   |

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| Entry            | Description                   |
|------------------|-------------------------------|
| Total:           | Sum of all preceding entries. |
| Budget authority |                               |
| Outlays          |                               |

---

**Financial Statements  
Statement of Operations (Schedule E)**

| Statement of Operations (in millions of dollars) |                               |           |         |         |         |
|--|-------------------------------|-----------|---------|---------|---------|
| Identification code 16-4023-0-3-754              |                               | PY-1 act. | PY act. | CY est. | BY est. |
| Industrial Program:                              |                               |           |         |         |         |
| 0111   | Revenue.....                  | 9         | 14      | 6       | 10      |
| 0112   | Expenses.....                 | -7        | -8      | -8      | -8      |
| 0115   | Net income or loss (-).....   | 2         | 6       | -2      | 2       |
|  |                               | =====     | =====   | =====   | =====   |
| Sales program:                                   |                               |           |         |         |         |
| 0121   | Revenue.....                  | 25        | 27      | 18      | 15      |
| 0122   | Expenses.....                 | -15       | -20     | -11     | -10     |
| 0125   | Net income or loss (-).....   | 10        | 7       | 7       | 5       |
|  |                               | =====     | =====   | =====   | =====   |
| Power program:                                   |                               |           |         |         |         |
| 0131   | Revenue.....                  | 39        | 28      | 34      | 22      |
| 0132   | Expenses.....                 | -13       | -18     | -20     | -14     |
| 0135   | Net income or loss (-).....   | 26        | 10      | 14      | 8       |
|  |                               | =====     | =====   | =====   | =====   |
| 0191   | Total revenues.....           | 73        | 69      | 58      | 47      |
| 0192   | Total expenses.....           | -35       | -46     | -39     | -32     |
| 0195   | Total income or loss (-)..... | 38        | 23      | 19      | 15      |

Where a fund has more than one program, show each program separately.

→ Industrial Program:

0111 Revenue..... 9 14 6 10  
 0112 Expenses..... align="right">-7 align="right">-8 align="right">-8 align="right">-8  
 0115 Net income or loss (-)..... align="right">2 align="right">6 align="right">-2 align="right">2  
 =====

→ Sales program:

0121 Revenue..... 25 27 18 15  
 0122 Expenses..... align="right">-15 align="right">-20 align="right">-11 align="right">-10  
 0125 Net income or loss (-)..... align="right">10 align="right">7 align="right">7 align="right">5  
 =====

→ Power program:

0131 Revenue..... 39 28 34 22  
 0132 Expenses..... align="right">-13 align="right">-18 align="right">-20 align="right">-14  
 0135 Net income or loss (-)..... align="right">26 align="right">10 align="right">14 align="right">8  
 =====  
 0191 Total revenues..... align="right">73 align="right">69 align="right">58 align="right">47  
 0192 Total expenses..... align="right">-35 align="right">-46 align="right">-39 align="right">-32  
 0195 Total income or loss (-)..... align="right">38 align="right">23 align="right">19 align="right">15

**Financial Statements**  
**Balance Sheet (Schedule F)**

**Balance Sheet** (in millions of dollars)

| Identification code 16-4023-0-3-754                  | PY-1 act. | PY act. | CY est. | BY est. |
|--|-----------|---------|---------|---------|
| <b>ASSETS</b>  |           |         |         |         |
| Federal assets:                                      |           |         |         |         |
| Investments in Federal securities:                   |           |         |         |         |
| 1102 Treasury securities, net.....                   | 4         | 4       | 4       | 4       |
| 1104 Agency securities, net.....                     | 1         | 2       | 2       | 2       |
| 1106 Receivables, net.....                           | 1         | 1       | 1       | 1       |
| Non-Federal assets:                                  |           |         |         |         |
| 1201 Investments in non-Federal securities, net..... | 1         | 2       | 2       | 2       |
| 1999 Total assets.....                               | 7         | 9       | 9       | 9       |
|  | =====     | =====   | =====   | =====   |
| <b>LIABILITIES</b>                                   |           |         |         |         |
| Federal liabilities:                                 |           |         |         |         |
| 2103 Debt.....                                       | 2         | 2       | 2       | 2       |
| Non-Federal liabilities:                             |           |         |         |         |
| 2203 Debt.....                                       | 3         | 3       | 3       | 3       |
| 2999 Total liabilities.....                          | 5         | 5       | 5       | 5       |
|  | =====     | =====   | =====   | =====   |
| <b>NET POSITION</b>                                  |           |         |         |         |
| 3100 Unexpended apappropriations.....                | 3         | 3       | 3       | 3       |
| 3999 Total net position.....                         | 3         | 3       | 3       | 3       |
| 4999 Total liabilities and net position.....         | 8         | 8       | 8       | 8       |

Note: Additional information is required for direct and guaranteed loan financing accounts under the Federal Credit Reform Act (see section 86.2).

**Budget Year Appropriations Request in Thousands of Dollars  
(Schedule T)**

**OFFICE OF THE SECRETARY**  
Salaries and Expenses

For necessary expenses, including services authorized by 5 U.S.C. [\$89,786,000] \$100,788,000.

Use schedule T to report in thousands of dollars the net budgetary resources contained in the appropriations language request.

Account: 007-55-76-0030

| Appropriations Requests in Thousands of Dollars (T): |    |  |  | PY | CY | BY      |
|--|----|--|--|----|----|---------|
| 1001   | 01 | Budget year budgetary resources [Treasury Acct]..... |  |    |    | 100,788 |

Amounts in schedule T must be consistent with amounts in schedule P.

Report amounts on a pre-transfer basis.

Exclude amounts applied to repay debt, liquidate contract authority, or liquidate deficiencies.

Do not report advance appropriations or spending authority from offsetting collections.

Account: 007-55-76-0030

| Program and Financing (P)             |    |  |    | PY actual | CY | BY  |
|---------------------------------------|----|--|----|-----------|----|-----|
| New budget authority (gross), detail: |    |  |    |           |    |     |
| Discretionary:                        |    |  |    |           |    |     |
| 4000                                  | 01 | Appropriation.....                             | 96 | 90        |    | 101 |
| 4200                                  | 01 | Transferred from other accounts [75-1503]..... | 1  | .....     |    | 5   |
| 4300                                  | 01 | Appropriation (total).....                     | 97 | 90        |    | 106 |

Account: 007-54-72-9915

| Appropriations Requests in Thousands of Dollars (T) |    |  |  | PY | CY | BY     |
|---|----|--|--|----|----|--------|
| 1000  | 01 | Budget year budgetary resources [76-0819]..... |  |    |    | 97,843 |
| 1000  | 02 | Budget year budgetary resources [76-0820]..... |  |    |    | 54,287 |
| 1000  | 03 | Budget year budgetary resources [76-0824]..... |  |    |    | 21,000 |
| 1000  | 04 | Budget year budgetary resources [76-0825]..... |  |    |    | 6,500  |

For consolidated or merged accounts, use separate line entries to report the budget year appropriation request. Include in each line the six-digit basic account symbol assigned by Treasury. You do not need to enter the Treasury code when only a single account is involved.

## SECTION 95—BUDGET APPENDIX AND PRINT MATERIALS

**Table of Contents**

*Appendix*

- 95.1 What is the budget Appendix?  
 95.2 How is the Appendix organized?  
 95.3 How is the "Detailed Budget Estimates" section organized?

*Print Materials*

- 95.4 What do I need to know about the print materials published in the Appendix?  
 95.5 What is the process for getting print materials published in the Appendix?  
 95.6 How do I revise galley proofs and submit new print materials?

Ex-95 Revising Galley Proofs

### 95.1 What is the budget *Appendix*?

The *Appendix—Budget of the United States* is one of several volumes that constitute the President's budget. Like the other volumes, the President transmits the *Appendix* to Congress, and it is published through the Government Printing Office. The Appropriations Committees, in particular, use the *Appendix* because it contains the appropriation language proposed by the President for each account that requires such language. The *Appendix* contains other, detailed information about each account—such as, program and financing information, expenditures by object class, narrative statements and data about the work performed, and employment data. We refer to the information to be printed in the *Appendix* as *print materials*, which are described in more detail in [section 95.4](#).

### 95.2 How is the *Appendix* organized?

The *Appendix* consists of these parts:

- Detailed Budget Estimates by Agency—This part, the main part of the *Appendix*, contains print materials for accounts organized by agency. [Section 95.3](#) describes the organization of this part in more detail.
- Other Materials—This part contains:
  - ▶ A summary of proposed changes to current year estimates through supplemental appropriations and rescissions;
  - ▶ Detailed print materials for the proposed supplemental appropriations and rescissions;
  - ▶ A list of the amendments to current year budget authority proposed after the transmittal of the current year budget; and
  - ▶ A list of advance appropriations, advance funding, and forward funding proposed in the budget.

- Financing Vehicles and the Board of Governors of the Federal Reserve—This part contains print materials for certain entities that are excluded from the main part of the *Appendix*.
- Government-Sponsored Enterprises—This part contains the print materials for entities (such as Fannie Mae) that are government-sponsored enterprises (private corporations chartered by Federal law).

### 95.3 How is the "Detailed Budget Estimates" section organized?

This part of the *Appendix* presents print materials in the following general order (see the Table of Contents of the most recent *Appendix* for the exact order):

- Legislative Branch;
- Judicial Branch;
- Cabinet agencies in alphabetical order;
- Large or prominent nondepartmental agencies (for example, the Environmental Protection Agency and the Executive Office of the President) and accounts grouped under the headings, "Other Defense Civil Programs" and "International Assistance Programs;" and
- The remaining agencies, under the heading "Other Independent Agencies," in alphabetical order.

We use the term *chapter* to refer to the presentation of print materials for a separate agency or group of agencies. Within the chapter for a department or large agency, the print materials are organized by bureaus or other major subordinate organizations within the agency (for example, the Farm Service Agency in USDA) or by major program areas (for example, Community Planning and Development in HUD). For the sake of convenience in these instructions, we refer to all equivalent subdivisions of a chapter as bureaus.

The *Appendix* presents accounts in a uniform, logical order in all bureaus, unless there is a compelling reason for an exception. Accounts normally appear in the following order:

- General fund accounts, in the following order:
  - ▶ Accounts for which appropriations are requested for the BY.
  - ▶ Accounts for which appropriations were made in the CY but not requested for the BY.
  - ▶ Other unexpired accounts.
  - ▶ Expired accounts.
- Special fund accounts, in the following order:
  - ▶ Accounts for which appropriations are requested for the BY.
  - ▶ Accounts for which appropriations were made in the CY but not requested for the BY.
  - ▶ Other unexpired accounts.
  - ▶ Expired accounts.
- Public enterprise funds.
- Intragovernmental revolving funds and management funds.

- Credit reform accounts, with related accounts grouped together in the following order:
  - ▶ Program account.
  - ▶ Financing account.
  - ▶ Liquidating account.
- Trust funds.
- Trust revolving funds.

Limitation schedules generally follow the schedules for the related revolving or trust fund. A heading and a note for allocations from other accounts is shown at the end of the bureau (see [section 82.15](#)).

When we establish a new account in the MAX data base, we assign a bureau and account sequence code, which determines the order in which bureaus and accounts appear in the *Appendix* (see [section 79.1](#)).

**95.4 What do I need to know about the print materials published in the *Appendix*?**

The term *print materials* refers to the information presented for an account in the *Appendix*. The first column of the following table lists all of the print materials that could be required for an account in the order in which they would appear in the *Appendix*. Because not all of them will apply to a given account, the second column describes the circumstances in which they apply. The third column directs you to the section of this Circular with information about the type of material listed. The Government Printing Office (GPO) automatically generates some print materials by computer, using the data in the MAX database. We refer to these as generated schedules. You submit other print materials by revising galley proofs that we provide. The fourth column of the table tells you which print materials are generated (including the MAX schedule from which the data come) and which ones you must submit as revised galleys.

**BUDGET APPENDIX PRINT MATERIALS**

| Type of material                     | Applicability  | See A-11 section...  | MAX generated or revised galley?                           |
|--------------------------------------|--|----------------------|--|
| Appropriations language              | Required for each account with appropriations enacted for the CY or proposed for the BY. Language is usually not submitted for legislative or rescission proposals—transmittal codes 2, 4, or 5. | <a href="#">96</a>   | Revised galley   |
| Schedule on unavailable collections  | Required for all special and non-revolving trust fund accounts and for other types of accounts when amounts are precluded from obligation.   | <a href="#">86.6</a> | Generated from schedule N                                  |
| General fund credit receipt accounts | Required whenever credit programs have negative subsidies and downward reestimates receipt accounts.   | <a href="#">79</a>   | Generated from schedule R                                  |
| Program and financing schedule       | Required for all accounts and for annual limitations on certain revolving or trust funds.  | <a href="#">82</a>   | Generated from schedule P, except for limitation schedules |

**SECTION 95—BUDGET APPENDIX AND PRINT MATERIALS**

| <b>Type of material</b>  | <b>Applicability</b>   | <b>See A-11 section...</b> | <b>MAX generated or revised galley?</b>  |
|--|--|----------------------------|--|
| Distribution of budget authority and outlays by account                  | Required for merged and consolidated accounts.   | <a href="#">82.13</a>      | Revised galley   |
| Budget plan  | Required for selected accounts in the Department of Defense.   | <a href="#">86.3</a>       | Generated from schedule D  |
| Summary of budget authority and outlays                                  | Required for each regular account that also has a supplemental request, legislative proposal, or rescission proposal.  | <a href="#">86.8</a>       | Generated from schedule A for accounts reporting data under multiple transmittal codes |
| Status of contract authority   | Required for each account that has contract authority in the PY, CY, or BY.  | <a href="#">86.7</a>       | Generated from schedule I  |
| Status of direct loans   | Required for all credit liquidating and financing accounts with direct loan activity, including Government-sponsored enterprises.                                | <a href="#">185.11</a>     | Generated from schedule G  |
| Status of guaranteed loans   | Required for all credit liquidating and financing accounts with guaranteed loan activity, including Government-sponsored enterprises.                            | <a href="#">185.11</a>     | Generated from schedule H  |
| Summary of loan levels, subsidy budget authority, and outlays by program | Required for all credit program accounts with direct loan or loan guarantee subsidies.   | <a href="#">185.10</a>     | Generated from schedule U  |
| Narrative statement  | Required for all accounts.   | <a href="#">97</a>         | Revised galley   |
| Schedule on the status of funds  | Required for major trust funds and certain other accounts specified in section 86.6.   | <a href="#">86.5</a>       | Generated from schedule J  |
| Statement of operations  | Required for Government-sponsored enterprises and credit liquidating accounts. For noncredit revolving funds, optional at the discretion of OMB.                 | <a href="#">86.2</a>       | Generated from schedule E  |
| Balance sheet  | Required for Government-sponsored enterprises and credit liquidating accounts. For noncredit revolving funds, optional at the discretion of OMB.                 | <a href="#">86.2</a>       | Generated from schedule F  |
| Object classification  | Required for all accounts and annual limitations.  | <a href="#">83</a>         | Generated from schedule O  |
| Personnel summary  | Required for each account that reports personnel compensation in object class 11.1 or 11.3. Also required when FTE are funded by allocations from other accounts | <a href="#">86.1</a>       | Generated from schedule Q  |

**95.5 What is the process for getting print materials published in the *Appendix*?**

The process for getting print materials published involves these steps:

1. In December, we give you copies of galley proofs reprinted by the GPO from last year's *Appendix*. The printed matter appears in one column on legal size pages. Although GPO simply labels them "galley proofs," we refer to this set of galley proofs as *reprinted galleys*.
2. You revise the reprinted galleys (following the instructions in [section 95.6](#)) and return an original and two copies to OMB, by the date we specify when we send you the galleys, together with any additional materials to be printed (such as those for new accounts).
3. We send the revised galleys and the additional print materials to GPO for processing.
4. GPO uses data from MAX to print the schedules that are generated and merges them with the revised galleys to produce new galley proofs.
5. We and you review the new galley proofs and make final changes.
6. We send the revised galley proofs to GPO for printing as *page proofs*, which present the material in two-column format, as it will be published.
7. We review the page proofs on an extremely short deadline, make essential corrections of errors, and send corrected page proofs to GPO for final printing.

### **95.6 How do I revise galley proofs and submit new print materials?**

#### *(a) General instructions.*

When you receive the reprinted galleys from OMB, they will include:

- Updated year headings;
- Generic changes to stub entries in generated schedules;
- No amounts in the generated schedules and narrative tables; and
- Appropriations language for the current year (if language has been enacted by the time OMB prepares the reprinted galleys).

You must use the reprinted galleys as the basis for submitting all print materials other than generated schedules. You revise generated schedules, and add new ones, through changes in the MAX database. You cannot make changes to generated schedules, including changes in stub titles, by marking the galley. We and GPO will ignore all such changes. Only OMB can make changes to the standard stub titles in MAX, and we will make them only for compelling reasons. Consult your OMB representative if you feel a change in a standard stub title is essential.

Changes to the reprinted galleys include changes you make to information printed on the galleys you receive (such as small changes to the enacted CY appropriation language) and new information (such as a set of materials for a new account or legislative proposal for an existing account). [Exhibit 95](#) shows you how to make changes to galleys. Make relatively small changes (not more than two lines) directly on the galley. Use inserts to the galleys for larger changes to existing information and to provide new print materials such as for new accounts and legislative proposals.

You should include new materials for supplemental requests and rescission proposals at the end of each set of galleys, even though we will separate them for printing in a different part of the *Appendix*.

Type information to be inserted on letter-size paper. Each insert must include the following information:

- Department or agency and bureau (if applicable).
- Account title and the account identification code.
- Galley extension and frame number where the new print material is to be inserted.

When you insert print materials for new accounts and legislative proposals, be sure to follow the account sequence in MAX and the sequence of materials specified in [section 95.4](#). Although you must add generated schedules through MAX, you must mark the inserted material to indicate where you want to add a generated schedule and the type of schedule—for example, "Insert Schedule P."

When we send you the reprinted galleys, we will give you the due date for their return. Return three sets (including at least one original), along with all the inserts as a single package for the agency, taking care to keep the galley proofs in order. Do not reduce the size of the reprinted galleys, cut them apart, or obliterate any GPO identifiers.

When we receive the new galley proofs from GPO, we will send them to you with instructions to mark corrections in the manner shown in Exhibit [95](#).

*(b) Specific instructions for revising appropriations language.*

The reprinted galleys will include the appropriations language enacted for the current year, if language has been enacted by the time OMB prepares the reprinted galleys. Make changes to the enacted language to reflect the budget year request following the instructions in [section 96](#). If appropriations language is not included in the reprinted galleys, follow the instructions in [section 96](#), attaching the material as inserts to the reprinted galleys.

*(c) Specific instructions for revising narrative statements, footnotes, and tables.*

Update these materials to address budget year activities by marking changes on the galley proofs or inserting new materials following the instructions in [section 97](#). Be sure to revise footnotes, including the dollar amount and account references for transfers in the estimates.

*(d) Style rules.*

Follow these style rules to ensure consistency among in the materials in the *Appendix*:

- *Capitalization.* Follow the capitalization guidelines of the *Government Printing Office Style Manual*, except capitalize only the first word of references in the text to account titles and the titles of programs and activities (unless the title also contains proper nouns that would otherwise be capitalized).
- *Numbers and amounts.* Follow these rules for numbers:
  - ▶ Use leaders (...) in columns of figures in place of zeros (0).
  - ▶ Omit dollar signs from amounts in tables.
  - ▶ Omit minus signs in the stub entries of tables and include minus signs for negative amounts. (We use parenthesis around numbers to indicate memorandum or non-add entries. Do NOT use parenthesis if you want to show an amount being subtracted in a table.)

- ▶ Present dollar amounts in millions of dollars, rounded to the nearest million, in tables. Where an amount falls exactly halfway between, round to the nearest *even* figure. (For example, both \$11,500,000 and \$12,500,000 would be rounded to \$12). Include amounts of \$500,000 or less as zero (...).
- ▶ In footnotes and narrative statements, present dollar amounts as a figure in millions of dollars (following the same rounding rule as for tables) followed by the word "million" (for example, "\$314 million").

Revising Galley Proofs

Dept of Government Appendix Part 1G.189-685 DOG.010

"Extension" number

Return complete sets of galley proofs to OMB.

**GALLEY PROOF**

**DEPARTMENT OF GOVERNMENT  
OFFICE OF THE SECRETARY  
Federal funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For expenses necessary for the Office of the Secretary, including not to exceed \$90,000 for expenses of travel; purchase (not to exceed one for replacement only) and hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109; [\$3,220,000]: *Provided*, That not to exceed \$20,000 of the amount appropriated under this head in the Department of Government Appropriation Act, 19PY, shall remain available during the current fiscal year. (*Department of Government Appropriations Act, [CY]*)

\$3,500,000

[For an additional amount for "Salaries and Expenses," \$200,000.] (*Supplemental Appropriations Act, [CY]*)

Indicate all changes to proofs in margin closest to insertion point or attach a separate sheet.

Indicate point of insertion of new material, corrections, or deletions by a carret (^) or crossout.

Do not reduce the size of the reprinted galleys.

Prepare appropriations language and mark changes in accordance with section 96. When possible, OMB will include the enacted CY appropriations language on the reprinted galley.

**Program and Financing** (in millions of dollars)

| Identification code 09-2650-0-1-301                                      | PY act. | CY est. | BY est. |
|--|---------|---------|---------|
| <b>Obligations by program activity:</b>                                  |         |         |         |
| 00.01 Assistance and training.....                                       | .....   | .....   | .....   |
| 00.02 Enforcement programs.....  | .....   | .....   | .....   |
| 00.03 Standards setting program.....                                     | .....   | .....   | .....   |
| 00.04 Research and analysis.....   | .....   | .....   | .....   |
| 10.00 Total new obligations.....   | .....   | .....   | .....   |
| <b>Budgetary resources available for obligation:</b>                     |         |         |         |
| 21.40 Unobligated balance available, start of year.....                  | .....   | .....   | .....   |
| 22.00 New budget authority (gross).....                                  | .....   | .....   | .....   |
| 22.10 Resources available from recoveries of prior year obligations..... | .....   | .....   | .....   |
| 22.90 Total budgetary resources available for obligation.....            | .....   | .....   | .....   |
| 23.95 New obligations.....   | .....   | .....   | .....   |
| 23.98 Unobligated balance expiring.....                                  | .....   | .....   | .....   |
| 24.40 New budget authority (gross).....                                  | .....   | .....   | .....   |
| <b>New budget authority (gross), detail:</b>                             |         |         |         |
| 40.00 Appropriation.....   | .....   | .....   | .....   |
| 41.00 Transferred to other accounts.....                                 | .....   | .....   | .....   |
| 43.00 Appropriation (total, discretionary).....                          | .....   | .....   | .....   |
| <b>Change in unpaid obligations:</b>                                     |         |         |         |
| 72.40 Obligated balance, start of year.....                              | .....   | .....   | .....   |
| 73.10 New obligations.....   | .....   | .....   | .....   |
| 73.20 Total outlays (gross).....   | .....   | .....   | .....   |
| 73.40 Adjustments in expired accounts.....                               | .....   | .....   | .....   |
| 73.45 Recoveries of prior year obligations.....                          | .....   | .....   | .....   |
| 74.40 Obligated balance, end of year.....                                | .....   | .....   | .....   |
| <b>Outlays (gross), detail:</b>  |         |         |         |
| 86.90 Outlays from new discretionary authority.....                      | .....   | .....   | .....   |
| 86.93 Outlays from discretionary balances.....                           | .....   | .....   | .....   |
| 87.00 Total outlays (gross).....   | .....   | .....   | .....   |
| <b>Net budget authority and outlays:</b>                                 |         |         |         |
| 89.00 Budget authority.....  | .....   | .....   | .....   |
| 90.00 Outlays.....   | .....   | .....   | .....   |

For generated schedules, MAX data will be printed automatically; don't enter amounts on the reprinted galleys. For non-generated tables, mark amounts on the galleys (see section 95.5).

Exhibit continued on next page.

"Frame" number

VerDate 22-Nov-XX 0:950 Jan 15, XXXX Jkt 162001 PO 0000 Frm 0001 Fmt 3619 Sbfm 3643 E:\BUDGET\GOV.xxx pfm01

Revising Galley Proofs (continued)

For changes to narrative materials, strike out information to be deleted and insert corrections; do not use brackets to indicate deletions or italics to indicate new materials (as you do for appropriation language). Mark short inserts in pencil directly on galley proof. Type inserts involving more than two lines and affix to the proof (if space is available). Type longer inserts on separate sheets of paper, identify the appropriate galley extension and frame number, and attach to the galley proof. For all inserts, draw an arrow to the proper insertion point. See section 97 for further guidance.

INSERT A to extension GOV.000, frame 0002

1. *Assistance and training.* The PY amendments to the Environmental Control Act increased the Federal portion of funds provided for water pollution control projects to 75 percent of the project estimates in BY. Additional training will accompany the increased project funding to provide for a more comprehensive review of future project plans and alternatives. In BY, amounts provided for training will increase 190.4 percent.

Water Pollution Program Activities  
(in millions of dollars)

|                                | PY    | CY    | BY     |
|--------------------------------|-------|-------|--------|
| Total project costs.....       | 37    | 53    | 46     |
| Federal share.....             | 25    | 31    | 34     |
| Projects completed.....        | 21    | 33    | 31     |
| Training program costs.....    | 1     | 1     | 2      |
| Number of persons trained..... | 7,732 | 8,496 | 10,340 |

Title I of the Environmental Control Act of 1968 (88 U.S.C. \_\_\_\_\_ and Water 2102 et seq.) authorized water resource control programs through the promulgation of standards, enforcement of \_\_\_\_\_ and regulations controls and assistance to States governments for pollution control programs.

1. *Assistance and training.* Funds are provided for assisting States in financing up to 60% of the cost of ppllution control projects, in accordance with plans submitted and approved by the Secretary. The projects are required to meet the criteria developed by the Water Resources Control Board, including the preparation of development plans for water-related recreational facilities. Training is provided for the review of water pollution control programs and studies.

2. *Enforcement programs.* The enforcement program is directed toward achieving compliance with standards.

State all amounts in millions of dollars (except amounts in appropriations language).

INSERT A

"Frame" number

"Extension" number

VerDate 22-Nov-XX 0:950 Jan 15, XXXX Jkt 162001 PO 0000 Frm 0002 Fmt 3619 Sbfm 3643 E:\BUDGET\GOV.000 pfm01



## SECTION 96—APPROPRIATIONS LANGUAGE

## Table of Contents

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**96.1 What do I need to know about appropriations language in general?**

Appropriations language constitutes the President's request to Congress for budget authority or other legislative authority (such as general provisions) to be provided through the annual appropriations process. The *Appendix* includes appropriations language for each account for which appropriations or limitation language was enacted in the CY or is proposed for the BY.

Submit appropriations language as part of the *print materials* described in section [95](#). Follow the guidance in that section for your submission of print materials, in general, and the guidance in this section for appropriations language, in particular. Appropriations language submissions consist of:

- Language enacted for the current year (including enacted supplemental appropriations and rescissions) with the proposed changes for the budget year, if any;
- Proposed language if none was enacted for the current year and is required to carry out the President's proposals for the budget year; and
- Statutory references.

See section [96.5](#) for special requirements for credit programs and section [96.6](#) for special requirements for programs funded by budget authority that will be disbursed over periods longer than five fiscal years after the authority expires.

Whenever possible, try to include proposed substantive changes in appropriations language with the initial budget submission to provide adequate time for review by OMB.

**96.2 What format should I use when submitting appropriations language?**

In most cases, you will submit proposed BY appropriations language by marking up language enacted as part of a regular CY appropriations act. However, you may be marking up language contained in or referenced by a continuing resolution, if regular appropriations were not enacted. In other cases, you will submit entirely new language. The following guidance covers each of these cases. In all cases, you must submit the appropriations language for each account on a separate page.

*Language enacted as part of a regular CY appropriations act.* Provide language submissions in the format of [exhibit 96A](#). The text printed in the appropriations acts for the CY constitutes the primary source of material for the language submissions.

Normally, we provide you with reprinted galleys (see section [95.4](#)) that contain the CY language for each account from regular appropriations acts, supplemental or other appropriations actions, and rescissions. Use them to propose revisions to the CY language for the BY. When we cannot provide the CY language in the form of reprinted galleys, we provide copies of the enrolled bills with the language for the accounts. In this case, use these copies to prepare your language submissions. Cut language items related to an account from the enrolled bill (or bills) and paste it onto a separate sheet of paper for each account. Make changes to the language (whether provided in reprinted galleys or as enrolled bills) in accordance with section [96.3](#).

Follow these guidelines when submitting language:

- Use all of the text in the appropriations act, except the preamble and the title of the act.
- If the organizational unit is not identified as a heading in the text, insert the title of the organizational unit at the top of the sheet.
- If there was appropriation action in addition to the regular appropriations action for the current year (such as a supplemental appropriation or a rescission), include the text from the additional appropriations action on the same sheet as the text from the regular act, following the regular act's citation, and omit the account title from the additional language (see [exhibit 96A](#)).
- Display the citation for the additional appropriations after the specific language, in parentheses and underscored.
- In cases where the entire amount available was provided in a supplemental or other appropriations act, provide the title and any immediately preceding organizational unit identification in the same manner as items from an annual act.

*Appropriations for the CY are provided in a continuing resolutions.* If an appropriation for the current year is provided in a continuing resolution, prepare the proposed BY language as follows:

- If the continuing resolution includes specific language by account, we will give you the language as either a reprinted galley or an enrolled bill, and you should submit any revisions as described above for language enacted in a regular appropriations act.
- If the continuing resolution enacts specific language by reference to an appropriations bill, we will provide separate guidance on preparation of the language submissions.
- If the continuing resolution refers only to a level or rate (such as the lower of the House or Senate level, Senate level, or current rate), you must submit the proposed language for the BY as all new language. In such cases, we develop an explanatory note that you insert following the language.

*No current year language enacted.* If no current year language was enacted, you must type the proposed appropriation language as new material and underscore it to indicate that it should be italicized when printed.

### 96.3 How do I make changes in language and amounts?

Make changes to appropriations language and amounts as follows:

- To change language, amounts, or account titles enacted for the CY to reflect the BY request to Congress:
  - ▶ Enclose the material to be omitted in brackets [ ]; and
  - ▶ Type (double-spaced) and underscore all new material. If possible, insert the new material in the right margin of the page.
- Use a caret (^) and line to indicate clearly the place where the new material is to be inserted.
- Place new material following bracketed material, even though the bracketed material may only include figures and new material includes additional language.
- State amounts in dollars rounded to the nearest thousand (for example, \$10,951,000; not \$10,950,768).
- Use black lead pencil to make brackets, carets, and insert lines.
- Do not obliterate pre-existing punctuation marks.
- If no CY language was enacted, type the proposed new language on a separate page, double-spaced and underscored.

Make changes to administrative and general provisions in the same manner (see [exhibit 96B](#)). If you propose to delete an entire numbered section, enclose the section in brackets. Insert proposed new provisions (underscored) at the end of the current law provisions. Be sure to revise the section numbers as necessary by bracketing the old number and inserting revised numbers (underscored) following the bracketed number.

### 96.4 What supporting statutory references must I provide?

You must provide the supporting statutory references described below, inserting them following the appropriations language (in parentheses and underscored). These references are informational only.

Present the references in the following sequence:

(1) *Basic authorizing legislation (including currently effective amendments), treaty, or executive order that continues in effect during the budget year.* Follow these guidelines in referring to basic authorizing legislation:

- Cite the legislation in one of the following forms, in this order of preference:
  - ▶ United States Code;
  - ▶ Public law number;
  - ▶ Popular title of the law (if there is one); or
  - ▶ Date of the Act, followed by the applicable volume and page of the Statutes at Large.

- Do not include references to Government-wide, generally applicable laws (such as Title 5 of the U.S. Code).
- Cite executive orders by number.
- Consolidate citations to the same title of the U.S. Code, and list titles (and sections thereunder) in ascending numerical order.
- Avoid multiple citations to the same statute.
- If a citation is included in statutory text, do not repeat it in parentheses.

(2) *The appropriations act from which the text of the appropriations language has been taken.* Follow these guidelines in citing appropriations acts:

- Generally, reference the short title of the applicable appropriations act.
- If an appropriations act provides a citation for a specific title (that is, portion of the act), use that citation.
- If the act or title thereof has no short title, your OMB representative will specify the citation to use.
- For accounts with appropriations language from more than one source (for example, an account with regular and a supplemental appropriations language), insert the reference following the appropriations language to which it applies.
- If the language in an appropriations bill was enacted by reference in a continuing resolution, cite the continuing resolution (not the referenced bill).

### **96.5 What are the special appropriations language requirements for credit programs?**

The Federal Credit Reform Act imposes special appropriations language requirements for credit programs. (See section [185](#) for general guidance on credit programs.) Each program account for a direct loan or loan guarantee program must contain:

- A request for an appropriation for the subsidy costs on a net present value basis;
- A specification of the loan level supportable by the subsidy cost appropriation; and
- A request for an appropriation for the administrative expenses for operating the credit program.

Use the following standard subsidy appropriation language, using the bracketed elements as appropriate. If you need to transfer the amount for administrative expenses to a salaries and expenses account, modify the language as described below. Where loans are disbursed beyond the five year period after obligation, you need to add the proviso discussed in section [96.6](#).

[For the cost of direct loans, \$\_\_\_,] [and] [for the cost of guaranteed loans, \$\_\_\_,] as authorized by [authorizing statute]: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize [gross obligations for the principal amount of direct loans not to exceed \$\_\_\_] [,and] [total loan principal,

any part of which is to be guaranteed, not to exceed \$\_\_\_\_.] In addition, for administrative expenses to carry out the [direct] [and] [guaranteed] loan program[s], \$\_\_\_\_.

Where you propose to transfer administrative expenses to a salaries and expenses account, substitute the following for the last sentence above:

In addition, for administrative expenses to carry out the [direct] [and] loan [guarantee] program[s], \$\_\_\_\_, which shall be [transferred to and merged with the appropriation for [name of account]] [or, to the extent necessary,] [used to reimburse the Federal Financing Bank as authorized in section 505(c) of the Congressional Budget Act of 1974].

If you believe that the nature of a program requires a modification of the specified language, you may request an exception (see section [25.2](#)).

#### **96.6 What are the special language requirements for programs that disburse over a period longer than five fiscal years?**

Unless otherwise specified by law, budget authority is available for liquidating obligations (that is, outlays) for only five fiscal years after the authority expires. This could be problematic for programs funded by annual or multi-year budget authority where disbursements are expected to occur more than five fiscal years after the authority expires. Where loans or other costs (such as termination costs for some contracts and annual lease payments under operating leases, capital leases, or lease-purchase agreements) will be disbursed beyond the five-year period, use the following standard proviso, modified as appropriate, to ensure that the budget authority will remain available for disbursement over the full term of the contract:

:Provided, That such sums are to remain available through 20XX for the disbursement of [loans] [lease payments] [termination costs] obligated in fiscal year 20XX.

#### **96.7 What do I need to know about explanations of appropriations language?**

Submit the information described below on a separate page from the language submissions. Do not write any explanations on the language submissions themselves.

- An explanation and justification of all new provisions, deletions and proposed changes (other than changes in amounts) in the language of the appropriation, including changes to general and administrative provisions.
- A copy of a letter from the Office of Personnel Management approving any new provisions that relate to employment of personnel without regard to civil service or classification laws.

### Appropriations Language

## GALLEY PROOF

When possible, OMB includes enacted CY appropriations language, including supplemental language, with appropriate headers and cites to the appropriations acts, in reprinted galleys. Otherwise we provide enrolled bills, which you must cut and paste (see section 96.2). In either case, mark up and return originals. See section 95 for general guidance on reprinted galleys.

**KEY POINTS:**

1. Enclose deletions with brackets [ ].
2. Show insertions with carets (^), following (not preceding) bracketed matter.
3. Include language to be inserted (underscored) in the right margin.
4. All brackets, carets, and insert lines are to be made in *black lead pencil* (not typed) so as not to obliterate punctuation marks.

DEPARTMENT OF GOVERNMENT  
OFFICE OF THE SECRETARY  
*Federal Funds*

Add headings (if not already included in reprinted galley) to reflect the organizational unit, unless they already appear as a separate lines at this point in the appropriations act.

**General and special funds:**

SALARIES AND EXPENSES

For expenses necessary for the Office of the Secretary, including not to exceed [~~\$90,000~~] for expenses of travel; \$94,000 purchase (not to exceed [~~one~~] for replacement only) and hire three. of which two shall be of passenger motor vehicles; [~~and~~] services as authorized by 5 U.S.C. 3109; [~~\$3,220,000~~]: Provided, That not to exceed \$20,000 of the amount appropriated under this head in the Department of Government Appropriation Act, PY, shall remain available during the current fiscal year] and uniform allowances therefor, as authorized by 5 U.S.C. 5901-5902;  
(10 U.S.C. 3624; P.L. 92-926; Act of June 21, 1970, 82 Stat.898; Department of Government Appropriations Act, CY.)

[For an additional amount for "Salaries and Expenses," \$200,000.

(Supplemental Appropriations Act, CY).]

Include text (if not already included in reprinted galley) from current year supplemental appropriations acts, where applicable, even though the supplemental only provides an additional amount.

Add references (underlined and in parentheses) to basic authorizing legislation (unless cited in the body of the language) and to the act or acts containing the appropriations text (unless already included in the reprinted galley). See section 96.4 for the preferred method of making citations. Don't provide parallel citations or citations to Government-wide, generally applicable laws (e.g., title 5 of the U.S. Code.)

## General Provisions

GALLEY PROOF

### TITLE VII--GENERAL PROVISIONS

[ SEC. 701. Within the unit of limit of cost fixed by law, appropriations and authorizations made for the Department of Government for the fiscal year 1996 under this Act shall be available for purchase, in addition to those specifically provided for; of not to exceed 665 passenger motor vehicles, of which 664 shall be for replacement only, and for the hire of such vehicles]

SEC. [702] <sup>^</sup>. Funds in this Act available to the Department of Government shall be available for 701 uniforms or allowances therefore as authorized by law (5 U.S.C. 5901-5902).

[SEC. 703. Not less than \$1,500,000 for the appropriations of the Department of Government in this Act for research and service work authorized by the Acts of August 14, 1946 and July 28, 1954 (7. U.S.C. 427, 1621-1629), and chapter 63 of title 31, United States Code, shall be available for contracting in accordance with the said Acts and chapters.]

SEC. [704] <sup>^</sup>. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services and National Finance Center operations shall not exceed [\$2,000,000] ; *Provided*, That no 702 funds in this Act appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator.

SEC. [705] <sup>^</sup>. No part of any appropriation contained in this Act shall remain available for obligation beyond 703 the current fiscal year unless expressly so provided herein.

SEC. 704. From funds made available to the Department of Government in this Act, the Secretary may transfer amounts to "Department Administration," to be merged with such account and available for the same purpose.

#### KEY POINTS:

1. Deletions of entire sections are shown by use of brackets.
2. Section number, after those sections proposed for deletion, are bracketed and revised numbers are shown in the margin and underscored.
3. Any proposed new sections are included at the end of the current law provisions and underscored.



## SECTION 97—NARRATIVE STATEMENTS, FOOTNOTES, AND TABLES

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**97.1 What is the purpose of narrative statements?**

The information published for an account in the budget *Appendix* usually includes a narrative statement. For active accounts, the narrative statement should describe the account's performance goals, including outputs, and outcomes, and explain how the budget year request supports them. For inactive accounts, the narrative statement should give the reason for the inactivity and the expected disposition of the account's balances. Separate narrative statements explain the reason for each supplemental request, rescission proposal, and legislative proposal. Sections [97.3](#) and [97.6](#) (for special cases) explain more specifically what should be covered by narrative statements. Also, for technical reasons, you must treat footnotes to the program and financing schedule and special tables as narrative materials (see section [97.7](#)).

**97.2 Must I prepare a narrative statement for every account?**

You must prepare a narrative statement (revising last year's statement, if there was one) for every active account. In most cases, you should include a brief narrative statement for an inactive account to explain the inactivity and the expected disposition of the account's balances.

**97.3 How should I write the narrative statements?**

(a) *Active accounts.*

An account is active if the program and financing schedule shows obligations in the CY or BY, or you estimate that the account will incur obligations in the outyears. Follow these guidelines in writing the narrative for an active account:

- Write the narrative statements in a concise and factual manner, avoiding hyperbole.
- Orient them toward the policies and objectives for the budget year.
- Include quantitative tables that match program performance and dollar data.
- Discuss performance goals and indicators (see additional guidance in section [97.4](#)).
- Discuss pertinent legislation enacted since the previous budget and legislative initiatives proposed in the budget.

- Do not discuss the history, authorizing statutes, and other legal references except in special cases, as explained below.

The separate activities (and any subactivities) listed in the obligations by program activity section of the program and financing schedule should present a meaningful breakdown of the total program (see section [82.2](#)). Therefore, it usually makes sense to address them separately in the narrative statements. You should identify the activities in side headings by the title used in the program and financing schedule and present them in the same order.

(b) *Inactive accounts.*

An account is inactive if it shows no obligations in the CY or BY and you estimate that no obligations will be incurred in the outyears. The narrative for inactive accounts should explain why the account is inactive. For example, it may be that the account funded a temporary study commission that is no longer authorized, received no appropriation after the PY, and simply spends out obligated balances. If an inactive account shows any budgetary resources (budget authority or unobligated balances) in the CY, BY, or outyears, the narrative should explain the expected disposition of the budgetary resources.

**97.4 What should narrative statements say about performance goals and indicators?**

The statements should be consistent with the strategic plans and annual performance plans required for the agency in sections 200-233 of this Circular. Use the statements to discuss both the short-range and the long-range performance goals of the program. Explain how the budget year request supports them. Address significant increases or decreases in performance or financing from the current to the budget year (including a proposal to terminate a program in the budget year).

Include data on performance goals, preferably those that focus on outputs or outcomes instead of workload and other process measures. Outputs should reflect the products and services provided by the account and delivered or used outside of the account. Outcomes should reflect the results related to the outputs. Use tables to illustrate and compare these goals for the past, current, and anticipated budget year levels.

**97.5 How do I get narrative statements into print?**

Narrative statements are print materials. OMB will provide you with reprinted galleys, which will include the narrative statements for accounts presented in the previous year's budget. You should edit these galleys. For accounts not included in the reprinted galleys, prepare the narrative statements as new print materials. See section [95](#) for more detailed instructions on revising and submitting print materials.

**97.6 Are there specific requirements for narrative statements in certain cases?**

(a) *Overview.*

In addition to the information required for active accounts in general (see section [97.3](#)), the narrative should include certain specific information, described in the following paragraphs, if the account involves any of the following:

- Major programs financed by multiple budget accounts;
- Revolving funds;
- Federal credit programs; or
- Various other special cases.

(b) *Narrative statements for major programs financed by multiple budget accounts.*

Where a single budget account does not contain the total financing needed to conduct a major program, include a table in the narrative statement of the account that finances the major portion of the program activity (that is, the "primary" account). Following the format of [exhibit 97](#), list the primary account and any other accounts (that is, "supplementing" accounts) that support the activity performed by the primary account. For the primary account, each of the supplementing accounts, and in total, show the amounts of budget authority, outlays, and FTE for each of the years PY through BY.

For this purpose, major programs are those that obtain goods and services of \$100 million or more, in budget authority or outlays for the budget year, on a non-reimbursable basis from supplementing accounts.

Support provided by supplementing accounts includes the non-reimbursed cost of central support services that are directly attributable to implementation of the program, but not charged against the primary account. For example, in the case of a grant program, the budget account funding the grant would be the primary account, while a separate salaries and expenses account used for compensation of agency personnel responsible for implementing the program (e.g., disbursing and monitoring the grants) would be the supplementing account.

Consult your OMB representative on the designation of major programs and the form and content of the information presented in the narrative table.

(c) *Narrative statements for revolving funds.*

For revolving funds, the narrative statement should include the information required for active accounts in general (see section [97.3](#)) using the side heading *Budget program*. In addition, the narrative statement should address the following topics, with the side headings shown:

- *Financing.* Provide significant information on the fund's means of financing, such as sources of income and authority to borrow (including limits on such authority, amounts actually borrowed and repaid during the year). For funds with a statutory limit on the amount of borrowing or on the amount of debt that can be outstanding at any one time, indicate the amount of the limit and discuss the position of the fund with respect to the limit during the budget year. Include in the statement a discussion of how close to the limit the fund will approach during the year.
- *Operating results.* Provide significant information relating to levels of revenue, expense, and net income or loss. Explain the steps being taken to dispose of any deficits and the planned disposition of net earnings. Include an analysis of retained income on a cumulative basis, disclosing any budget authority amounts used to offset deficits for non-revenue producing outlays since the inception of the fund.

For each fund covered by section 102 of the Government Corporation Control Act, include a specific recommendation on the application of the retained earnings or restoration of capital impairment at the end of the past year. The recommendation should indicate:

- The amount of retained income to be returned to the Treasury and the use to be made of the remainder, if any; and
- Whether restoration of any capital impairment is required and whether this should be done by appropriations or other means.

(d) *Narrative statements for Federal credit programs.*

Narrative statements for Federal credit programs should address these items:

- Significant factors in developing subsidy estimates, such as default rates and interest rates charged to borrowers.
- Where relevant, information about how risk categories are defined (see section [85.3](#)).
- For loan guarantee programs, the percentage of the loan covered by the guarantee.

Use the following paragraphs, modified as necessary, to describe each account for a credit program.

*For liquidating accounts:*

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from [direct loans obligated] [and][loan guarantees committed] prior to 1992. All new activity in this program (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program accounts and financing accounts.

*For program accounts:*

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the [direct loans obligated] [and] [loan guarantees committed] in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

*For direct loan financing accounts:*

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

*For guaranteed loan financing accounts:*

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals.

(e) *Narrative statements in special cases.*

The narrative statement should explain any special circumstances affecting the means of financing the program. Cover the following cases in particular:

- *Mandatory spending.* Indicate the legal basis for the budget authority (since no appropriations language is presented for such items).

- *Offsetting collections and receipts.* When offsetting collections or receipts earmarked in a special or trust fund finance a significant portion of the obligations of the account, discuss the source of the collections or receipts and the purposes of and restrictions on their use. For example, discuss user charges to the public, reimbursable work performed for other organizations, and asset sales. The narrative should also discuss receipts generated by the program but deposited into the general fund of the Treasury, when pertinent to the operations of the program.
- *Agency debt issued and investments in agency debt.* Unless the information is provided in a balance sheet for the account, the narrative statement should include the following information, as applicable, for PY-1 through BY. For accounts that issue debt instruments to other Federal accounts (excluding debt issued to Treasury or to the Federal Financing Bank) or to non-Federal entities, indicate the par value of outstanding debt securities issued by the account to other Federal accounts (in total) and non-Federal entities (in total). For accounts that own securities issued by other Federal accounts (excluding securities issued by the Treasury or the Federal Financing Bank) or by non-Federal entities, indicate the par value of the securities owned that were issued by Federal accounts (in total) and non-Federal entities (in total).
- *Limitations on borrowing or debt.* For accounts with a statutory limit on the amount of borrowing or on the amount of debt that can be outstanding at any one time, indicate the amount of the limit and discuss the position of the fund with respect to the limit during the budget year. Include in the statement a discussion of how close to the limit the fund will approach during the year.

#### 97.7 What do I need to know about footnotes and tables?

Other sections of this Circular require footnotes and tables in certain circumstances. In some cases, these footnotes and tables appear to be part of a MAX schedule or resemble a MAX schedule. However, you must treat these footnotes and tables as part of the narrative statements because they are not in the MAX A-11 database and are not automatically generated.

- *Transfer in the estimates.* For an account with a transfer in the estimates, as defined in section [20.4\(k\)](#), prepare a footnote in the format described in section [82.12](#) and insert it following the program and financing schedule.
- *Transfer of resources.* For an account with a transfer of resources as defined in section [20.4\(j\)](#), prepare a footnote in the format described in section [82.11](#) and insert it at the end of the program and financing schedule.
- *Allocation accounts.* For each bureau (or agency if the agency has no bureaus) that receives an allocation as defined in [20.4\(l\)](#), prepare a footnote in the format described in section [82.15](#) and insert it at the end of the print materials for the bureau that receives allocations.
- *Consolidated schedules and merged accounts.* For a program and financing schedule that contains data for accounts that have been consolidated or merged (see sections [71.6](#) and [71.7](#)), prepare a table distributing budget authority and outlays by account in the format described in section [82.13](#) and insert it following the program and financing schedule.
- *Annual limitations on trust or revolving funds.* For a trust or revolving fund with an annual limitation on administrative expenses or other annual limitation on its obligations, prepare a table following the guidance in section [82.14](#) and insert it following the limitation language.

### Analysis of Programs Financed by Multiple Budget Accounts

Multiple Budget Account  
Program Financing Table

Bureau of Standardization  
Mechanical Standards Grants

Analysis of Programs Financed by Multiple Budget Accounts  
(dollar amounts in millions)

| <u>PRIMARY ACCOUNT</u>                        | <u>PY</u> | <u>CY</u> | <u>BY</u> |
|---|-----------|-----------|-----------|
| Mechanical standards grants:                  |           |           |           |
| 35-3492-0-1-809                               |           |           |           |
| Budget authority.....                         | 2,409     | 1,988     | 1,735     |
| Outlays.....                                  | 2,215     | 1,843     | 1,639     |
|   |           |           |           |
| SUPPLEMENTING ACCOUNTS                        |           |           |           |
| Salaries and expenses                         |           |           |           |
| 35-0100-0-1-809                               |           |           |           |
| Budget authority.....                         | 125       | 120       | 115       |
| Outlays.....                                  | 128       | 123       | 118       |
| Full-time equivalent<br>employment (FTE)..... | 2,500     | 2,400     | 2,300     |
| Metallurgy research:                          |           |           |           |
| 35-1000-0-1-807                               |           |           |           |
| Budget authority.....                         | 50        | 50        | 50        |
| Outlays.....                                  | 40        | 45        | 50        |
| Full-time equivalent<br>employment (FTE)..... | 500       | 500       | 500       |
|   |           |           |           |
| TOTAL RESOURCES:                              |           |           |           |
| Budget authority.....                         | 2,584     | 2,158     | 1,900     |
| Outlays.....                                  | 2,383     | 2,011     | 1,807     |
| Full-time equivalent<br>employment (FTE)..... | 3,000     | 2,900     | 2,800     |

**SECTION 100—REVISED AND ADDITIONAL INFORMATION REQUIRED AFTER FINAL  
BUDGET DECISIONS**

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- 100.1 What information must I provide after final budget decisions?
- 100.2 What materials must I provide in support of baseline estimates?
- 100.3 What information must I provide on grants to State and local governments?
- 100.4 What information must I provide on motor vehicles?
- 100.5 What information must I provide on relocation expenses?
- 100.6 What information must I provide on international travel?

**Summary of Changes**

Drops the requirement for a summary bridge table between the current year baseline estimates and the budget year baseline estimates (section [100.2](#)).

Requires State-by-State information for significantly fewer major programs than in past years for a new discussion that will replace the former Budget Information for States report (section [100.3](#)).

**100.1 What information must I provide after final budget decisions?**

You must revise the following materials if final budget decisions affect them and submit them promptly after the decisions are made:

- Report on resources for financial management activities (see section [52.5](#)).
- Information on information technology (IT) (see section [53](#)).
- Information on drug control programs (see section [56](#)).
- Capital asset plans (see section [300](#)).

In addition, you must submit materials in support of baseline estimates (see section [100.2](#)). As applicable to your agency, you must also submit the information described in sections 100.4–100.6.

Unless otherwise specified in the guidance below, *after final decisions* means after the passback of initial decisions to your agency or, in the case of those items that could be affected by the outcome of appeals, after the resolution of appeals. Don't wait until all appeals are resolved to submit information that is unlikely to be affected by the outcome of the appeals.

**100.2 What materials must I provide in support of baseline estimates?**

Submit a table showing the impact on the baseline estimates of:

- Major regulations;
- Expiring provisions of law;
- Caseloads for major mandatory programs;
- Management initiatives;
- Administrative actions; and
- Other major program assumptions included in the baseline.

Show the budgetary impact of each major assumption separately. For example, a change in outlays resulting from a regulatory change should be shown separately from a change resulting from the expiration of a provision of law. Consult with your OMB representative on the format and content of this table.

### 100.3 What information must I provide on grants to State and local governments?

If your agency has major formula grants to State or local governments, you must provide budget data by program for PY, CY, and BY and the percentage share for the BY allocated to:

- Each State;
- The District of Columbia;
- Territories; and
- Indian tribe set-asides, when applicable.

This year, a new State-by-State discussion will be prepared and released along with the budget. The new discussion will include significantly fewer programs than have been included in the past in the Budget Information for States report and will replace that report. We will provide separate instructions, including the scope and timing of submissions, at a later date.

### 100.4 What information must I provide on motor vehicles?

(a) *Agencies required to report.*

If your agency operates at least 300 motor vehicles, then the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 (Public Law 99–272) requires your agency to report data on motor vehicles. The law exempts the following agencies from these requirements:

- Tennessee Valley Authority.
- Postal Service.
- Postal Rate Commission.

Report total agency costs for motor vehicle acquisition, operation, maintenance, leasing and disposal for PY, CY, and BY. Include the costs of Government-owned and leased vehicles and the costs of privately-owned vehicles (POVs) while on official business. Report the costs in terms of obligations and outlays in millions of dollars. Report outlay totals as separate entries even if total obligations and outlays are identical.

Use the following definitions to report the data:

- **Motor vehicle** means any vehicle that is self-propelled or drawn by mechanical power, except the term does not include any vehicle designed or used for military field training, combat, or tactical purposes, or any other special purpose vehicle or equipment exempted by the Administrator of GSA (see the following definition).
- **Special purpose vehicles and equipment** means vehicles and equipment used and designed for specialized functions. This definition includes, but is not limited to, the following types of vehicles and equipment:
  - ▶ Trailers.

- ▶ Semi-trailers and other types of trailing equipment.
  - ▶ Semi-trailers and 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.
  - ▶ 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; or
    - ▶ To commute between an employee's residence and a common carrier terminal or facility.

Please enter your agency's data into MAX as soon as possible, but no later than five days after the budget database is locked. The lockout date for entering data on motor vehicles is separate from the lockout date for entering data for the *President's Budget* exercise. Only one person from each agency may have access to this application. To add or change names, contact OMB's Budget Review Division at 202-395-3172. Enter the data as follows:

- From the MAX A-11 data entry program, choose the *Select Legal Requirements* exercise.
- For OMB account, enter the OMB agency code.
- You will find the data that your agency submitted last year. Replace with this year's data.
- After you have made your changes, save and upload your data.

After you have updated MAX, prepare a statement explaining why existing and new motor vehicle acquisition, operation, maintenance, leasing, and disposal activities cannot be met through one of the following means:

- 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.

Include, in the lower right-hand corner, the name and telephone number of the individual responsible for preparing the submission and the date prepared. You may fax or e-mail the statement to your OMB representative.

OMB uses this information to prepare a table on motor vehicle obligations and outlays, which is provided to Congress as a part of the Object Class Analysis report.

### **100.5 What information must I provide on relocation expenses?**

Section 635 of Public Law 105-61 requires your agency to report on total obligations for the agency's employee relocation expenses for the PY, CY and BY. ***Employee relocation expenses*** means all obligations incident to employee relocation authorized under either chapter 57 of Title 5, United States Code, or section 901 of the Foreign Service Act of 1980 (22 U.S.C. 4081; Public Law 96-465). These expenses are normally reported as part of the following object classes (see section 83):

**SECTION 100—REVISED AND ADDITIONAL INFORMATION  
REQUIRED AFTER FINAL BUDGET DECISIONS**

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- Travel and transportation of persons (object class 21).
- Transportation of things (object class 22) (for example, movement of household goods (but not storage costs, which are reported in object class 25.7)).
- Civilian personnel benefits (object class 12.1) (for example, various relocation allowances and expenses associated with sale of residence or breaking a lease).
- Military personnel benefits (object class 12.2) (for example, the same kinds of expenses reported in object class 12.1).
- Operation and maintenance of equipment (object class 25.7) (for example, contractual services for storage and care of vehicles and storage of household goods, when associated with relocation).

Please enter your agency's data into MAX as soon as possible, but no later than five days after the budget database is locked. The lockout date for entering data on relocation expenses is separate from the lockout date for entering data for the *President's Budget* exercise. Only one person from each agency may have access to this application. To add or change names, contact OMB's Budget Review Division at 202-395-3172. Enter the data as follows:

- From the MAX A-11 data entry program, choose the *Select Legal Requirements* exercise.
- For OMB account, enter the OMB agency code.
- You will find the data that your agency submitted last year. Replace with this year's data, making sure the data are consistent with MAX schedule O.
- After you have made your changes, save and upload your data.

OMB uses this information to prepare a table on total agency relocation expenses, which is provided to Congress as a part of the Object Class Analysis report.

**100.6 What information must I provide on international travel?**

Section 2505(g) of the Foreign Relations Authorizations Act, Fiscal Years 1998 and 1999 requires you to report for the agency as a whole:

- Total obligations in PY for official international travel (in thousands of dollars); and
- Total number of individuals engaged in such international travel in PY.

Use the following definitions to prepare this report:

- ***International travel*** means all travel between the United States and other nations, and travel between or within other nations. United States refers to the continental United States, Alaska, Hawaii, and all territories.
- ***Expenditures*** means the total obligations incurred and reported in object class 21, travel and transportation of persons, for international travel in PY. This includes all instances when an agency pays directly or reimburses the traveler. This does not include payments by contractors or grantees. Include the following work-related travel:

- ▶ Conferences.
- ▶ Meetings.
- ▶ Inspections associated with treaty compliance.

Do not include:

- ▶ Expenses related to the relocation of Federal employees (for example, permanent change of station due to retirement or injury); or
- ▶ Deployment of troops for contingency operations.
- **Individuals** means the total number of people (not full-time equivalents) who engaged in international travel in PY. This specifically refers to the number of individuals, as opposed to the number of trips individuals take (for example, a person who takes two international trips is one individual).

Please enter your agency's data into MAX as soon as possible, but no later than five days after the budget database is locked. The lockout date for entering data on international travel is separate from the lockout date for entering data for the *President's Budget* exercise. Only one person from each agency may have access to this application. To add or change names, contact OMB's Budget Review Division at 202-395-3172. Enter the data as follows:

- From the MAX A-11 data entry program, choose the *Select Legal Requirements* exercise.
- For OMB account, enter the OMB agency code.
- You will find the data that your agency submitted last year. Replace with this year's data.
- After you have made your changes, save and upload your data.

OMB uses this information to prepare a table on international travel by the Executive Branch agencies. This table provides actual obligations for official international travel and the total number of individuals in each agency who engaged in such travel. This table is provided to Congress as a part of the Object Class Analysis report.



**APPENDIX A—SCOREKEEPING GUIDELINES**

These budget scorekeeping guidelines are to be used by the House and Senate Budget Committees, the Congressional Budget Office, and the Office of Management and Budget (the "scorekeepers") in measuring compliance with the Congressional Budget Act of 1974 (CBA), as amended, and GRH, as amended. The purpose of the guidelines is to ensure that the scorekeepers measure the effects of legislation on the deficit consistent with established scorekeeping conventions and with the specific requirements in those Acts regarding discretionary spending, direct spending, and receipts. These rules shall be reviewed annually by the scorekeepers and revised as necessary to adhere to the purpose. These rules shall not be changed unless all of the scorekeepers agree. New accounts or activities shall be classified only after consultation among the scorekeepers. Accounts and activities shall not be reclassified unless all of the scorekeepers agree.

**1. Classification of appropriations.**

A list of appropriations that are normally enacted in appropriations acts is included in the conference report of the Balanced Budget Act of 1997, House Report 105–217, pp. 1014–1053. The list identifies appropriated entitlements and other mandatory spending in appropriations acts, and it identifies discretionary appropriations by category.

**2. Outlays prior.**

Outlays from prior-year appropriations will be classified consistent with the discretionary/mandatory classification of the account from which the outlays occur.

**3. Direct spending programs.**

Entitlements and other mandatory programs (including offsetting receipts) will be scored at current law levels, as defined in section 257 of GRH, unless congressional action modifies the authorizing legislation. Substantive changes to or restrictions on entitlement law or other mandatory spending law in appropriations laws will be scored against the Appropriations Committee's section 302(b) allocations in the House and the Senate. For the purpose of CBA scoring, direct spending savings that are included in both an appropriations bill and a reconciliation bill will be scored to the reconciliation bill and not to the appropriations bill. For scoring under sections 251 or 252 of GRH, such provisions will be scored to the first bill enacted.

**4. Transfer of budget authority from a mandatory account to a discretionary account.**

The transfer of budget authority to a discretionary account will be scored as an increase in discretionary budget authority and outlays in the gaining account. The losing account will not show an offsetting reduction if the account is an entitlement or mandatory program.

**5. Permissive transfer authority.**

Permissive transfers will be assumed to occur (in full or in part) unless sufficient evidence exists to the contrary. Outlays from such transfers will be estimated based on the best information available, primarily historical experience and, where applicable, indications of Executive or congressional intent.

This guideline will apply both to specific transfers (transfers where the gaining and losing accounts and the amounts subject to transfer can be ascertained) and general transfer authority.

## **6. Reappropriations.**

Reappropriations of expiring balances of budget authority will be scored as new budget authority in the fiscal year in which the balances become newly available.

## **7. Advance appropriations.**

Advance appropriations of budget authority will be scored as new budget authority in the fiscal year in which the funds become newly available for obligation, not when the appropriations are enacted.

## **8. Rescissions and transfers of unobligated balances.**

Rescissions of unobligated balances will be scored as reductions in current budget authority and outlays in the year the money is rescinded.

Transfers of unobligated balances will be scored as reductions in current budget authority and outlays in the account from which the funds are being transferred, and as increases in budget authority and outlays in the account to which these funds are being transferred.

In certain instances, these transactions will result in a net negative budget authority amount in the source accounts. For purposes of section 257 of GRH, such amounts of budget authority will be projected at zero. Outlay estimates for both the transferring and receiving accounts will be based on the spending patterns appropriate to the respective accounts.

## **9. Delay of obligations.**

Appropriations acts specify a date when funds will become available for obligation. It is this date that determines the year for which new budget authority is scored. In the absence of such a date, the act is assumed to be effective upon enactment.

If a new appropriation provides that a portion of the budget authority shall not be available for obligation until a future fiscal year, that portion shall be treated as an advance appropriation of budget authority. If a law defers existing budget authority (or unobligated balances) from a year in which it was available for obligation to a year in which it was not available for obligation, that law shall be scored as a rescission in the current year and a reappropriation in the year in which obligational authority is extended.

## **10. Contingent legislation.**

If the authority to obligate is contingent upon the enactment of a subsequent appropriation, new budget authority and outlays will be scored with the subsequent appropriation. If a discretionary appropriation is contingent on the enactment of a subsequent authorization, new budget authority and outlays will be scored with the appropriation. If a discretionary appropriation is contingent on the fulfillment of some action by the Executive branch or some other event normally estimated, new budget authority will be scored with the appropriation, and outlays will be estimated based on the best information about when (or if) the contingency will be met. If direct spending legislation is contingent on the fulfillment of some action by the Executive branch or some other event normally estimated, new budget authority and outlays will be scored based on the best information about when (or if) the contingency will be met. Non-lawmaking contingencies within the control of the Congress are not scoreable events.

## 11. Scoring purchases, lease-purchases, capital leases, and operating leases.

When a law provides the authority for an agency to enter into a contract for the purchase, lease-purchase, capital lease, or operating lease of an asset, budget authority and outlays will be scored as follows:

For lease-purchases and capital leases, budget authority will be scored against the legislation in the year in which the budget authority is first made available in the amount of the estimated net present value of the Government's total estimated legal obligations over the life of the contract, except for imputed interest costs calculated at Treasury rates for marketable debt instruments of similar maturity to the lease period and identifiable annual operating expenses that would be paid by the Government as owner (such as utilities, maintenance, and insurance). Property taxes will not be considered to be an operating cost. Imputed interest costs will be classified as mandatory and will not be scored against the legislation or for current level but will count for other purposes.

For operating leases, budget authority will be scored against the legislation in the year in which the budget authority is first made available in the amount necessary to cover the Government's legal obligations. The amount scored will include the estimated total payments expected to arise under the full term of a lease contract or, if the contract will include a cancellation clause, an amount sufficient to cover the lease payments for the first fiscal year during which the contract is in effect, plus an amount sufficient to cover the costs associated with cancellation of the contract. For funds that are self-insuring under existing authority, only budget authority to cover the annual lease payment is required to be scored.

Outlays for a lease-purchase in which the Federal government assumes substantial risk (for example, through an explicit Government guarantee of third party financing) will be spread across the period during which the contractor constructs, manufactures, or purchases the asset. Outlays for an operating lease, a capital lease, or a lease-purchase in which the private sector retains substantial risk will be spread across the lease period. In all cases, the total amount of outlays scored over time against legislation will equal the amount of budget authority scored against that legislation.

No special rules apply to scoring purchases of assets (whether the asset is existing or is to be manufactured or constructed). Budget authority is scored in the year in which the authority to purchase is first made available in the amount of the Government's estimated legal obligations. Outlays scored will equal the estimated disbursements by the Government based on the particular purchase arrangement, and over time will equal the amount of budget authority scored against that legislation.

Existing contracts will not be rescored.

To distinguish lease purchases and capital leases from operating leases, the following criteria will be used for defining an operating lease:

- Ownership of the asset remains with the lessor during the term of the lease and is not transferred to the Government at or shortly after the end of the lease period.
- The lease does not contain a bargain-price purchase option.
- The lease term does not exceed 75 percent of the estimated economic lifetime of the asset.
- The present value of the minimum lease payments over the life of the lease does not exceed 90 percent of the fair market value of the asset at the inception of the lease.

- The asset is a general purpose asset rather than being for a special purpose of the Government and is not built to unique specification for the Government as lessee.
- There is a private-sector market for the asset.

Risks of ownership of the asset should remain with the lessor.

Risk is defined in terms of how governmental in nature the project is. If a project is less governmental in nature, the private-sector risk is considered to be higher. To evaluate the level of private-sector risk associated with a lease-purchase, legislation and lease-purchase contracts will be considered against the following type of illustrative criteria, which indicate ways in which the project is less governmental:

- There should be no provision of Government financing and no explicit Government guarantee of third party financing.
- Risks of ownership of the asset should remain with the lessor unless the Government was at fault for such losses.
- The asset should be a general purpose asset rather than for a special purpose of the Government and should not be built to unique specification for the Government as lessee.
- There should be a private-sector market for the asset.
- The project should not be constructed on Government land.

Language that attempts to waive the Anti-Deficiency Act, or to limit the amount or timing of obligations recorded, does not change the Government's obligations or obligational authority, and so will not affect the scoring of budget authority or outlays.

Unless language that authorizes a project clearly states that no obligations are allowed unless budget authority is provided specifically for that project in an appropriations bill in advance of the obligation, the legislation will be interpreted as providing obligation authority, in an amount to be estimated by the scorekeepers.

## **12. Write-offs of uncashed checks, unredeemed food stamps, and similar instruments.**

Exceptional write-offs of uncashed checks, unredeemed food stamps, and similar instruments (i.e., write-offs of cumulative balances that have built up over several years or have been on the books for several years) shall be scored as an adjustment to the means of financing the deficit rather than as an offset. An estimate of write-offs or similar adjustments that are part of a continuing routine process shall be netted against outlays in the year in which the write-off will occur. Such write-offs shall be recorded in the account in which the outlay was originally recorded.

## **13. Reclassification after an agreement.**

Except to the extent assumed in a budget agreement, a law that has the effect of altering the classification or scoring of spending and revenues (e.g., from discretionary to mandatory, special fund to revolving fund, on-budget to off-budget, revenue to offsetting receipt), will not be scored as reclassified for the purpose of enforcing a budget agreement.

**14. Scoring of receipt increases or direct spending reductions for additional administrative or program management expenses.**

No increase in receipts or decrease in direct spending will be scored as a result of provisions of a law that provides direct spending for administrative or program management activities.

**15. Asset sales.**

If the net financial cost to the Government of an asset sale is zero or negative (a savings), the amount scored shall be the estimated change in receipts and mandatory outlays in each fiscal year on a cash basis. If the cost to the Government is positive (a loss), the proceeds from the sale shall not be scored for purposes of the CBA or GRH.

The net financial cost to the Federal government of an asset sale shall be the net present value of the cash flows from:

- (1) Estimated proceeds from the asset sale;
- (2) The net effect on federal revenues, if any, based on special tax treatments specified in the legislation;
- (3) The loss of future offsetting receipts that would otherwise be collected under continued Government ownership (using baseline levels for the projection period and estimated levels thereafter); and
- (4) Changes in future spending, both discretionary and mandatory, from levels that would otherwise occur under continued Government ownership (using baseline levels for the projection period and at levels estimated to be necessary to operate and maintain the asset thereafter).

The discount rate used to estimate the net present value shall be the average interest rate on marketable Treasury securities of similar maturity to the expected remaining useful life of the asset for which the estimate is being made, plus 2 percentage points to reflect the economic effects of continued ownership by the Government.

**16. Indefinite borrowing authority and limits on outstanding debt.**

If legislation imposes or changes a limit on outstanding debt for an account financed by indefinite budget authority in the form of borrowing authority, the legislation will be scored as changing budget authority only if and to the extent the imposition of a limit or the change in the existing limit alters the estimated amount of obligations that will be incurred.



APPENDIX B—SCORING LEASE-PURCHASES AND LEASES OF CAPITAL ASSETS

**Summary of Changes**

The guidance on calculations (section 4) explains how budget authority should be calculated for leases that provide for multiple deliveries of the leased items over a period of years.

This Appendix provides instructions on scoring lease-purchases and leases of capital assets consistent with the scorekeeping rule developed by the executive and legislative branches in connection with the Budget Enforcement Act of 1990 (BEA), as revised pursuant to the Balanced Budget Act of 1997 (see Appendix A). The scorekeeping rule focuses on leases and lease-purchases specifically authorized by law. However, the scorekeeping requirements apply to all lease-purchase arrangements and capital leases, including those arrangements that agencies may enter into under existing general legal authorities and arrangements that are financed through the Federal Financing Bank. The only exception is that leases between Federal agencies generally will not be scored on this basis if the lessor recorded the full cost of the asset when it was acquired.

**1. Scorekeeping rule.**

When an agency is authorized to enter into a lease-purchase or capital lease contract, budget authority will be scored in the year in which the authority is first made available in the amount of the net present value of the Government's total estimated legal obligations over the life of the contract, as described in section 2 (b) below. Outlays for lease-purchases in which the Federal Government assumes substantial risk will be spread across the period during which the contractor constructs, manufactures, or purchases the asset. Outlays for a capital lease or a lease-purchase in which the private sector retains substantial risk will be spread across the lease term. The scorekeeping requirements are summarized below.

For operating leases, budget authority is required for the first year of the contract in the amount necessary to cover the Government's legal obligations, consistent with the requirements of the Antideficiency Act. This will include the estimated total payments expected to arise under the full term of the contract or, if the contract includes a cancellation clause, an amount sufficient to cover the lease payments for the first year plus an amount sufficient to cover the costs associated with cancellation of the contract. (For each subsequent year, sufficient budget authority is required to cover the annual lease payment plus any additional cancellation costs.) In a limited number of instances, where funds are self-insuring under existing authority, only the amount of budget authority needed to cover the annual lease payment is required to be scored. OMB will advise agencies if funds should be considered self-insuring for this purpose.

Unless otherwise specified by law, budget authority is available for liquidating obligations (i.e., outlays) for only five fiscal years after the authority expires. For leases financed by annual or multi-year budget authority, agencies should ensure that the appropriations language allows the budget authority to remain available for lease payments over the full term of the lease. If this period is expected to be longer than five fiscal years after the authority expires, the appropriations language should include the provision described in section [96.5](#).

When an agency modifies or amends an existing capital lease or lease-purchase contract, any remaining budgetary resources prior to modification should be used to offset the cost of the new contract. The amount scored will be the difference in the net present value of the Government's total estimated legal obligations between the new contract and the remaining term of the original contract. (Both net present values should be calculated using the Treasury borrowing rates published in the annual update to

**APPENDIX B—SCORING LEASE-PURCHASES  
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Appendix C of OMB Circular No. [A-94](#) at the time the contract is amended (see section 4)). There would be no remaining budgetary resources if funds equal to the lease payments or the present value of the lease payments were not scored up front at the time the lease was signed. In this case, the full cost of the new contract should be scored, consistent with the rules for scoring lease-purchases and capital leases.

When the lease agreement contains an option to renew that can be exercised without additional legislation, it will be presumed that the option will be exercised for purposes of calculating the term of the lease and scoring budget authority. When the lease agreement contains an option to purchase at less than fair market value (at the time the option is to be exercised), and the option can be exercised without additional legislation, it will be presumed that the option will be exercised for purposes of classifying the type of lease and scoring budget authority.

**SUMMARY OF SCOREKEEPING REQUIREMENTS**

| <b>Transaction</b>                              | <b>Budget Authority</b>   | <b>Outlays</b>  |
|---|---|---|
| Lease-purchase without substantial private risk | Amount equal to asset cost recorded up front; amount equal to imputed interest costs recorded on an annual basis over lease period.                               | Amount equal to asset cost scored over the construction period in proportion to the distribution of the contractor's costs; amount equal to imputed interest costs recorded on an annual basis over lease term. |
| Lease-purchase with substantial private risk    | Amount equal to asset cost recorded up front; amount equal to imputed interest costs recorded on an annual basis over lease term.                                 | Scored over lease term in an amount equal to the annual lease payments.   |
| Capital lease                                   | Amount equal to asset cost recorded up front; amount equal to imputed interest costs recorded on an annual basis over lease term.                                 | Scored over lease term in an amount equal to the annual lease payments.   |
| Operating lease                                 | Amount equal to total payments under the full term of the lease or amount sufficient to cover first year lease payments plus cancellation costs recorded up front | Scored over lease term in an amount equal to the annual lease payments.   |

**2. Budget presentation.**

*(a) General.*

For the purposes of scorekeeping transactions that involve lease-purchases and capital leases, the costs are separated into the following components:

- Asset cost (which equals the present value of the lease payments).
- Imputed interest cost (which equals the financing cost Treasury would have incurred if it had financed the project by borrowing).

These concepts are defined more fully in section 3. Guidance on calculating the appropriate amounts is provided in section 4. Budget authority and outlays attributable to asset costs will be classified as

investment-type activities (physical assets), and budget authority and outlays attributable to imputed interest costs will be classified as non-investment activities (see section [84.4](#)).

(b) *Budget authority.*

- *Amounts.* The up-front budget authority required for both lease-purchases and capital leases is called the asset cost. This equals the present value of the minimum lease payments excluding payments for identifiable annual operating expenses that would be paid by the Government as owner, such as utilities, maintenance, and insurance. Property taxes will not be considered to be an operating expense and will be included in the calculation of the up-front budget authority. (See section 3 for the treatment of property taxes for purposes of distinguishing operating leases from capital leases.) The present value of the lease payments is discounted as of the date of the first payment (or the beginning of the lease term, whichever is earlier) using the appropriate interest rate (see section 4 for a more detailed explanation and the treatment of multiple deliveries).

Additional budget authority equal to Treasury's cost of financing (i.e., the imputed interest cost) plus any annual operating expenses will be recorded on an annual basis over the lease term.

- *Type of authority.* When an agency enters into a capital lease or lease-purchase under general authorities available to the agency, it must do so within the limits of the budgetary resources available to it and the constraints of the scorekeeping requirements.

If Congress enacts legislation that enables an agency to enter into a lease-purchase or capital lease for a specific project without further congressional action (e.g., appropriations action), it will be assumed that Congress has provided the budget authority required for the transaction. If Congress does not provide the budget authority in the form of an appropriation, then authority to borrow or contract authority will be recorded as follows:

- ▶ *Authority to borrow* will be recorded if the transaction is a lease-purchase without substantial private risk, in which case outlays need to be scored up-front – in advance of appropriations for the annual lease payment (or offsetting collections). A portion of the amount subsequently appropriated (or collected, if the agency receives offsetting collections) will be applied to retire outstanding agency debt attributable to the lease-purchase. (See sections 2(c) and 2(d) for more information on how that portion is determined and presented in the Budget.)
- ▶ *Contract authority* will be recorded if the transaction is a lease-purchase with substantial private risk or a capital lease, in which case outlays will be scored over the lease term and financed by appropriations for the annual lease payment (or offsetting collections). A portion of the amount appropriated (or collected, if the agency receives offsetting collections) will be applied to liquidate contract authority. (See sections 2(c) and 2(d) for more information on how that portion is determined and presented in the Budget.)
- *Timing.* When Congress enacts legislation that specifically enables an agency to enter into a lease-purchase or capital lease, the budget authority required for the transaction will be recorded when the authority first becomes available for obligation. Obligations will be recorded when the lease agreement is signed. When the authority stems from general authority available to the agency, obligations are recorded, and sufficient budgetary resources must be available, when the lease agreement is signed.

(c) *Outlays.*

- *Lease-purchases without substantial private risk.* Outlays are not equal to the annual lease payments.
  - ▶ Outlays are scored over the period during which the contractor constructs, manufactures, or purchases the asset, in an amount equal to the asset cost. This amount will equal the up-front budget authority. Amounts of the asset cost in excess of the contractor's actual construction or manufacturing costs should be distributed in proportion to the distribution of the construction or manufacturing costs. If the asset already exists, the outlays will be recorded in the year in which the lease-purchase contract is signed.
  - ▶ Outlays equal to the imputed interest costs are reported on an annual basis over the lease term.
- *Lease-purchases with substantial private risk and capital leases.* Outlays are scored annually equal to the annual lease payments.
  - ▶ Over the life of the lease agreement, a portion of the outlays (equivalent to the asset cost) will come from the balances obligated when the lease agreement was signed, and a portion (equivalent to the imputed interest cost) will come from new budget authority. The appropriate amounts can be determined from amortization tables developed in accordance with the instructions in section 4.

(d) *Annual appropriations for lease financed by contract authority or borrowing authority.*

The annual lease payments under a lease-purchase or capital lease can be divided into two components:

- Asset cost.
- Imputed interest cost.

These amounts can be determined from the amortization tables developed in accordance with the instructions in section 4.

Lease-purchases and capital leases that are financed by contract authority or borrowing authority (see section 2(b)) will generally require annual appropriations in an amount equal to the annual lease payment. Since budget authority equal to the asset cost is scored up front, the portion of the annual appropriation that corresponds to the amortization of the asset cost is not scored as new budget authority. If it were, total budget authority would be overstated over the life of the lease. The budget authority that is recorded on an annual basis will equal the imputed interest cost. The required adjustments are explained below.

- *For lease-purchases without substantial private risk that are financed by borrowing authority.* An amount equal to the amortization of the asset cost component of the annual lease payment will be treated as redemption of debt and deducted from the new budget authority totals. On the program and financing schedule (see section [82.3](#)), this amount will be reported as a negative entry on line 4047 or 6047. (If offsetting collections are used to make the annual lease payment in lieu of an appropriation, the amount will be reported as a negative entry on line 6847 or 6947.)
- *For capital leases and lease-purchases with substantial private risk that are financed by contract authority.* An amount equal to the amortization of the asset cost component of the annual lease payment will be treated as liquidating cash and deducted from the new budget authority totals. On the program and financing schedule (see section [82.3](#)), this amount will be reported as a negative

entry on line 4049 or 6049. (If offsetting collections are used to make the annual lease payment in lieu of an appropriation, the amount will be reported as a negative entry on line 6849 or 6949.)

(e) *Agency debt.*

For lease-purchases without substantial private risk, agency borrowing must be recorded to finance the outlays scored for the construction, manufacture, or purchase of the asset. The agency debt that accumulates over this period is equal to the asset cost; this debt is subsequently redeemed over the lease payment period in an amount equal to a portion of the annual lease payment. The appropriate amounts of debt and debt redemption can be determined from the amortization tables developed in accordance with the instructions in section 4, Step 5. Interest on agency debt can be determined in accordance with Steps 3, 4, and 5.

If the account has a balance sheet, the amount of such agency debt should be included as a separate item (and separate from other agency debt) under liabilities and identified as having been incurred to finance lease-purchases. All other accounts should include the amount of agency debt in the narrative statement for the account (see section [97.6](#)).

### 3. Definitions and concepts.

For the purposes of scoring lease-purchases and capital leases, the following definitions and concepts apply. Agencies should consult with OMB in cases where enhanced use leases and public-private partnerships are involved. Public-private partnerships should not be used solely or primarily as a vehicle for obtaining private financing of Federal construction or renovation projects. Such transactions should be used only when they are the least expensive method, in present value terms, to finance construction or repair.

***Lease-purchase*** means a type of lease in which ownership of the asset is transferred to the Government at or shortly after the end of the lease term. Such a lease may or may not contain a bargain-price purchase option.

***Capital lease*** means any lease other than a lease-purchase that does not meet the criteria of an operating lease.

***Operating lease*** means a lease that meets all the criteria listed below. If the criteria are not met, the lease will be considered to be a capital lease or a lease-purchase, as appropriate. Multi-year service contracts (e.g., grounds maintenance) and multi-year purchase contracts for expendable commodities (e.g., aspirin) will be considered to be operating leases. Agencies should consult with OMB in cases where a service contract requires a private contractor to construct or acquire a capital asset solely or primarily to provide the service to the government.

- Ownership of the asset remains with the lessor during the term of the lease and is not transferred to the Government at or shortly after the end of the lease term.
- The lease does not contain a bargain-price purchase option.
- The lease term does not exceed 75 percent of the estimated economic life of the asset.
- The present value of the minimum lease payments over the life of the lease does not exceed 90 percent of the fair market value of the asset at the beginning of the lease term.

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- The asset is a general purpose asset rather than being for a special purpose of the Government and is not built to the unique specification of the Government as lessee.
- There is a private sector market for the asset.

The following guidelines will be used in distinguishing between operating leases, capital leases, and lease purchases. They should be used in calculating the *term of the lease* and the value of the *minimum lease payments*:

- *Estimate of fair market value.* In the case of real property, the fair market value should be based on current market appraisals. If no asset exists, the fair market value of the proposed asset should be calculated based on the Government's estimate of the cost to construct a facility equal in size and other characteristics to the amount of space to be leased. The estimate should include consideration of the Government's total direct and indirect costs of the facility, including land, design, site improvements, and management costs.
- *Projects on Government land.* If the project is constructed or located on Government land, it will be presumed to be for a special purpose of the Government.
- *Renewal and purchase options.* If the lease agreement contains an option to renew that can be exercised without additional legislation, it will be presumed that the option will be exercised. If the lease agreement contains an option to purchase at less than fair market value (at the time the option is to be exercised), and the option can be exercised without additional legislation, it will be presumed that the option will be exercised.
- *Cancellation clauses.* It will be presumed that the lease will run for the full term of the contract, and the minimum lease payments will be calculated on the basis of the lease payments that will be made over the full term of the lease (including options to renew).
- *Property taxes.* Property taxes, along with other operating expenses, will be excluded from the lease payments for purposes of comparing the present value of the minimum lease payments with the fair market value of the asset. (Note: Property taxes will be included in the calculation of the net present value of the lease payments for purposes of scoring budget authority under the BEA. See section 2 (b) above.)
- *Interest rates.* The present value of the minimum lease payments will be calculated on the basis of Treasury rates for marketable debt instruments of similar maturity to the lease term (see section 4).

**Risk** means the level of private-sector risk. Lease-purchase agreements are scored as with or without substantial private risk depending on the level of private-sector risk. Substantial private risk means the absence of substantial government risk. Risk is defined in terms of how governmental in nature the project is. That is, if the project is less governmental in nature, the private sector risk is considered to be higher.

The following types of illustrative criteria indicate ways in which the project is *less governmental*:

- There is no provision of Government financing and no explicit Government guarantee of third-party financing.
- Risks incident to ownership of the asset (e.g., financial responsibility for destruction or loss of the asset) remain with the lessor unless the Government was at fault for such losses.

- The asset is a general purpose asset rather than being for a special purpose of the Government and is not built to the unique specification of the Government as lessee.
- There is a private-sector market for the asset.
- The project is not constructed on Government land.

**Imputed interest cost** means the financing costs that Treasury would have incurred if it had sold debt to the public equal to the total project cost. The difference between the total estimated legal obligations (excluding obligations for annual operating expenses as described in section 2(b)) and their estimated net present value represents imputed interest costs. Imputed interest costs will be calculated at Treasury rates for marketable debt instruments of similar maturity to the lease term on the date the contract is signed. These costs will be considered mandatory under the BEA and will be shown in the same function as interest on agency debt, that is, in the function that provided the obligational authority to enter into the contract.

**Differential cost of financing** means the total annual interest payments on any debt sold to the public less the interest payments that would have been made on the same amount of debt at the Treasury rate (i.e., less the imputed interest costs). Simply stated, this corresponds to any interest above Treasury's interest rate.

**Asset cost** means the present value of the agency's minimum lease payments discounted from the date of the first payment (or the beginning of the lease term, whichever is earlier) using the Treasury interest rate for marketable debt instruments of similar maturity to the lease term on the date the contract is signed and excluding obligations for identifiable annual operating expenses as described in section 2(b). Asset cost corresponds to the total construction or acquisition costs, plus property taxes and any interest above Treasury's cost of financing (i.e., the differential cost of financing). See section 4 for more detailed explanation and the treatment of multiple deliveries.

#### **4. Guidance on calculations.**

A schedule of lease payments or an amortization schedule is required to calculate budget authority, outlays, and debt. The correct Treasury rate to use for discounting to present value and for calculating imputed interest costs will be based on the economic assumptions in the most recent budget, which are published in the annual update to Appendix C of OMB Circular No. [A-94](#). Revised Treasury interest rates are released whenever economic assumptions for the budget are updated. Use Treasury rates for marketable debt instruments of similar maturity to the lease term on the date the contract is signed. Discount from the date of the first payment (or the beginning of the lease term, whichever is earlier). The term selected for the Treasury rate should be comparable to the term of the capital lease or lease-purchase.

##### ***Step 1—Calculate up-front BA.***

*For lease-purchase without substantial private risk; lease-purchase with substantial private risk; and capital lease:* To determine up-front BA (i.e., asset cost), calculate the present value of the lease payments, discounting from the date of the first payment or the beginning of the lease term, whichever is earlier, using the appropriate Treasury interest rate as the discount factor and excluding obligations for identifiable annual operating expenses as described in section 2(b). This BA is scored when the authority to enter into a contract for the lease-purchase or capital lease first becomes available for obligation.

However, if the lease contract provides for multiple deliveries of assets, the up-front BA is sum of the present values of the lease payments for each asset discounted back to the date that the asset is delivered. For example, if the lease contract provides for the delivery of one machine in each of the next five years, the lease payments for the machine acquired in the first year would be discounted back to the first year, while the lease payments for the machine acquired in the fifth year would be discounted back to the fifth year, and the total BA recorded up front would be the sum of the present values calculated for each of the five deliveries.

***Step 2—Calculate outlays over the period during which the contractor constructs, manufactures, or purchases the asset.***

*For lease-purchase without substantial private risk:* Score outlays in proportion to the distribution of the contractor's costs. For example, assume a contractor's costs on a \$50 million project are estimated to be \$7.5 million the first year, \$27.5 million the second year, and \$15 million the third year. The analyst should apply spendout rates of 15 percent, 55 percent, and 30 percent to the BA calculated in Step 1 for the first, second, and third years, respectively. Total outlays at the end of the construction, manufacture, or purchase period should equal the BA calculated in Step 1. (Note that total outlays will ordinarily exceed the contractor's costs.)

*For lease-purchase with substantial private risk and capital lease:* Outlays are not scored during this period. Refer to Step 4 for outlay scoring.

***Step 3—Calculate annual BA for the lease payment period.***

*For lease-purchase without substantial private risk; lease-purchase with substantial private risk; and capital lease:* Annual BA will equal the imputed interest costs calculated using the same Treasury interest rate used to discount the lease payments in Step 1. The interest portion of each periodic payments is the imputed interest cost. In the case of a lease-purchase without substantial private risk, the interest rate should be applied to debt that is initially equal to the up-front BA calculated in Step 1 and that is then amortized over the lease term in accordance with Step 5.

***Step 4—Calculate outlays over the lease payment period.***

*For lease-purchase without substantial private risk:* Annual outlays are equal to the annual BA (i.e., the imputed interest costs).

*For lease-purchase with substantial private risk and capital lease:* Annual outlays are equal to the lease payments.

***Step 5—Calculate agency debt (applies only to lease-purchases without substantial private risk).***

Agency debt accumulates during the period of construction, manufacture, or purchase of the asset. The increase in debt each year equals the amount of outlays calculated in Step 2. Agency debt is subsequently redeemed over the lease payment period according to an amortization schedule. The amount of debt redemption each year is equal to the lease payment less the imputed interest cost as defined in Step 3. (Debt redemption is not scored as BA or outlays.) Imputed interest costs are scored as BA and outlays and are also scored as interest on agency debt.

**5. Reporting to OMB and Treasury.**

Budget execution reports and apportionment requests will reflect budget amounts in accordance with these requirements. Amounts (e.g., budget authority and outlays) will be reported to Treasury on the same basis.

**APPENDIX C—LISTING OF OMB AGENCY/BUREAU AND TREASURY CODES**

Under the MAX system, OMB assigns agency and bureau codes that are used to identify and access data in the budget database. The following table lists these codes in budget order. It also provides the corresponding agency codes assigned by Treasury. In certain instances, a different Treasury agency code may be used for some accounts in an agency; a complete listing can be found in the Budget Accounts Title (BAT) file. (See section [79.2](#) for additional information on account identification codes.)

| Agency  | OMB Codes |        | Treasury agency code |
|---|-----------|--------|----------------------|
|   | Agency    | Bureau |                      |
| <b>LEGISLATIVE BRANCH</b>   |           |        |                      |
| Senate.....   | 001       | 05     | 00                   |
| House of Representatives.....                                       | 001       | 10     | 00                   |
| Joint Items.....  | 001       | 11     | 00                   |
| Office of Compliance.....   | 001       | 12     | 09                   |
| Congressional Budget Office.....                                    | 001       | 14     | 08                   |
| Architect of the Capitol.....                                       | 001       | 15     | 01                   |
| Botanic Garden.....   | 001       | 18     | 09                   |
| Library of Congress.....  | 001       | 25     | 03                   |
| Government Printing Office.....                                     | 001       | 30     | 04                   |
| General Accounting Office.....                                      | 001       | 35     | 05                   |
| U.S. Tax Court.....   | 001       | 40     | 23                   |
| Legislative Branch Boards and Commissions.....                      | 001       | 45     | 09                   |
| <b>JUDICIAL BRANCH</b>  |           |        |                      |
| Supreme Court of the U.S.....                                       | 002       | 05     | 10                   |
| U.S. Court of Appeals for the Federal Circuit.....                  | 002       | 07     | 10                   |
| U.S. Court of International Trade.....                              | 002       | 15     | 10                   |
| Court of Appeals, District Courts, and other Judicial Services..... | 002       | 25     | 10                   |
| Administrative Office of the U.S. Courts.....                       | 002       | 26     | 10                   |
| Federal Judicial Center.....  | 002       | 30     | 10                   |
| Judicial Retirement Funds.....                                      | 002       | 35     | 10                   |
| U.S. Sentencing Commission.....                                     | 002       | 39     | 10                   |
| Violent Crime Reduction Programs.....                               | 002       | 42     | 10                   |
| <b>DEPARTMENT OF AGRICULTURE</b>                                    |           |        |                      |
| Office of the Secretary.....  | 005       | 03     | 12                   |
| Executive Operations.....   | 005       | 04     | 12                   |
| Departmental Administration.....                                    | 005       | 05     | 12                   |
| Office of Communications.....                                       | 005       | 06     | 12                   |
| Office of the Inspector General.....                                | 005       | 08     | 12                   |
| Office of the General Counsel.....                                  | 005       | 10     | 12                   |
| Economic Research Service.....                                      | 005       | 13     | 12                   |
| National Agricultural Statistics Service.....                       | 005       | 15     | 12                   |
| Agricultural Research Service.....                                  | 005       | 18     | 12                   |
| Cooperative State Research, Education, and Extension Service.....   | 005       | 20     | 12                   |
| Animal and Plant Health Inspection Service.....                     | 005       | 32     | 12                   |

**APPENDIX C—LISTING OF OMB AGENCY/BUREAU AND TREASURY CODES**

| Agency   | OMB Codes |        | Treasury agency code |
|--|-----------|--------|----------------------|
|  | Agency    | Bureau |                      |
| Food Safety and Inspection Service.....                          | 005       | 35     | 12                   |
| Grain Inspection, Packers and Stockyards Administration.....     | 005       | 37     | 12                   |
| Agricultural Marketing Service.....                              | 005       | 45     | 12                   |
| Risk Management Agency (Federal Crop Insurance Corporation)..... | 005       | 47     | 12                   |
| Farm Service Agency.....   | 005       | 49     | 12                   |
| Natural Resources Conservation Service.....                      | 005       | 53     | 12                   |
| Rural Development.....   | 005       | 55     | 12                   |
| Rural Housing Service.....                                       | 005       | 63     | 12                   |
| Rural Business-Cooperative Service.....                          | 005       | 65     | 12                   |
| Rural Utilities Service.....                                     | 005       | 60     | 12                   |
| Foreign Agricultural Service.....                                | 005       | 68     | 12                   |
| Food and Nutrition Service.....                                  | 005       | 84     | 12                   |
| Forest Service.....  | 005       | 96     | 12                   |
| <b>DEPARTMENT OF COMMERCE</b>                                    |           |        |                      |
| Departmental Management.....                                     | 006       | 05     | 13                   |
| Economic Development Administration.....                         | 006       | 06     | 13                   |
| Bureau of the Census.....  | 006       | 07     | 13                   |
| Economic and Statistical Analysis.....                           | 006       | 08     | 13                   |
| International Trade Administration.....                          | 006       | 25     | 13                   |
| Export Administration.....                                       | 006       | 30     | 13                   |
| Minority Business Development Agency.....                        | 006       | 40     | 13                   |
| U.S. Travel and Tourism Administration.....                      | 006       | 44     | 13                   |
| National Oceanic and Atmospheric Administration.....             | 006       | 48     | 13                   |
| Patent and Trademark Office.....                                 | 006       | 51     | 13                   |
| Technology Administration.....                                   | 006       | 53     | 13                   |
| National Technical Information Service.....                      | 006       | 54     | 13                   |
| National Institute of Standards and Technology.....              | 006       | 55     | 13                   |
| National Telecommunications and Information Administration.....  | 006       | 60     | 13                   |
| <b>DEPARTMENT OF DEFENSE-MILITARY</b>                            |           |        |                      |
| Military Personnel.....  | 007       | 05     | *                    |
| Operation and Maintenance.....                                   | 007       | 10     | *                    |
| Procurement.....   | 007       | 15     | *                    |
| Research, Development, Test, and Evaluation.....                 | 007       | 20     | *                    |
| Military Construction.....                                       | 007       | 25     | *                    |
| Family Housing.....  | 007       | 30     | *                    |
| Special Foreign Currency Program.....                            | 007       | 37     | *                    |
| Revolving and Management Funds.....                              | 007       | 40     | *                    |
| Allowances.....  | 007       | 45     | *                    |
| Trust Funds.....   | 007       | 55     | *                    |
| <b>DEPARTMENT OF EDUCATION</b>                                   |           |        |                      |
| Office of Elementary and Secondary Education.....                | 018       | 10     | 91                   |
| Office of English Language Acquisition.....                      | 018       | 15     | 91                   |
| Office of Special Education and Rehabilitative Services.....     | 018       | 20     | 91                   |
| Office of Vocational and Adult Education.....                    | 018       | 30     | 91                   |
| Office of Postsecondary Education.....                           | 018       | 40     | 91                   |
| Office of Student Financial Assistance.....                      | 018       | 45     | 91                   |
| Office of Educational Research and Improvement.....              | 018       | 50     | 91                   |
| Departmental Management.....                                     | 018       | 80     | 91                   |

**APPENDIX C—LISTING OF OMB AGENCY/BUREAU AND TREASURY CODES**

| Agency   | OMB Codes |        | Treasury agency code |
|--|-----------|--------|----------------------|
|  | Agency    | Bureau |                      |
| <b>DEPARTMENT OF ENERGY</b>                                    |           |        |                      |
| National Nuclear Security Administration.....                  | 019       | 05     | 89                   |
| Environmental and Other Defense Activities.....                | 019       | 10     | 89                   |
| Energy Programs.....   | 019       | 20     | 89                   |
| Power Marketing Administration.....                            | 019       | 50     | 89                   |
| Departmental Administration.....                               | 019       | 60     | 89                   |
| <b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                 |           |        |                      |
| Food and Drug Administration.....                              | 009       | 10     | 75                   |
| Health Resources and Services Administration.....              | 009       | 15     | 75                   |
| Indian Health Services.....                                    | 009       | 17     | 75                   |
| Centers for Disease Control and Prevention.....                | 009       | 20     | 75                   |
| National Institutes of Health.....                             | 009       | 25     | 75                   |
| Substance Abuse and Mental Health Services Administration..... | 009       | 30     | 75                   |
| Agency for Health Care Research and Quality.....               | 009       | 33     | 75                   |
| Centers for Medicare and Medicaid Services.....                | 009       | 38     | 75                   |
| Administration for Children and Families.....                  | 009       | 70     | 75                   |
| Administration on Aging.....                                   | 009       | 75     | 75                   |
| Departmental Management.....                                   | 009       | 90     | 75                   |
| Program Support Center.....                                    | 009       | 91     | 75                   |
| Office of the Inspector General.....                           | 009       | 92     | 75                   |
| <b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>             |           |        |                      |
| Public and Indian Housing Programs.....                        | 025       | 03     | 86                   |
| Community Planning and Development.....                        | 025       | 06     | 86                   |
| Housing Programs.....  | 025       | 09     | 86                   |
| Government National Mortgage Association.....                  | 025       | 12     | 86                   |
| Policy Development and Research.....                           | 025       | 28     | 86                   |
| Fair Housing and Equal Opportunity.....                        | 025       | 29     | 86                   |
| Office of Lead Hazard Control and Healthy Homes.....           | 025       | 32     | 86                   |
| Management and Administration.....                             | 025       | 35     | 86                   |
| <b>DEPARTMENT OF THE INTERIOR</b>                              |           |        |                      |
| Bureau of Land Management.....                                 | 010       | 04     | 14                   |
| Minerals Management Service.....                               | 010       | 06     | 14                   |
| Office of Surface Mining Reclamation and Enforcement.....      | 010       | 08     | 14                   |
| Bureau of Reclamation.....                                     | 010       | 10     | 14                   |
| Central Utah Project.....                                      | 010       | 11     | 14                   |
| U.S. Geological Survey.....                                    | 010       | 12     | 14                   |
| Bureau of Mines.....   | 010       | 14     | 14                   |
| U.S. Fish and Wildlife Service.....                            | 010       | 18     | 14                   |
| National Park Service.....                                     | 010       | 24     | 14                   |
| Bureau of Indian Affairs.....                                  | 010       | 76     | 14                   |
| Departmental Management.....                                   | 010       | 84     | 14                   |
| Insular Affairs.....   | 010       | 85     | 14                   |
| Office of the Solicitor.....                                   | 010       | 86     | 14                   |
| Office of Inspector General.....                               | 010       | 88     | 14                   |
| Office of Special Trustee for American Indians.....            | 010       | 90     | 14                   |

APPENDIX C—LISTING OF OMB AGENCY/BUREAU AND TREASURY CODES

| Agency   | OMB Codes |        | Treasury agency code |
|--|-----------|--------|----------------------|
|  | Agency    | Bureau |                      |
| Natural Resources Damage Assessment and Restoration..... | 010       | 91     | 14                   |
| National Indian Gaming Commission.....                   | 010       | 92     | 14                   |
| <b>DEPARTMENT OF JUSTICE</b>                             |           |        |                      |
| General Administration.....                              | 011       | 03     | 15                   |
| U.S. Parole Commission.....                              | 011       | 04     | 15                   |
| Legal Activities and U.S. Marshals.....                  | 011       | 05     | 15                   |
| Radiation Exposure Compensation.....                     | 011       | 06     | 15                   |
| Interagency Law Enforcement.....                         | 011       | 07     | 15                   |
| Federal Bureau of Investigation.....                     | 011       | 10     | 15                   |
| Drug Enforcement Administration.....                     | 011       | 12     | 15                   |
| Immigration and Naturalization Service.....              | 011       | 15     | 15                   |
| Federal Prison System.....                               | 011       | 20     | 15                   |
| Office of Justice Programs.....                          | 011       | 21     | 15                   |
| Violent Crime Reduction Trust Fund.....                  | 011       | 30     | 15                   |
| <b>DEPARTMENT OF LABOR</b>                               |           |        |                      |
| Employment and Training Administration.....              | 012       | 05     | 16                   |
| Office of the American Workplace.....                    | 012       | 10     | 16                   |
| Pension and Welfare Benefit Administration.....          | 012       | 11     | 16                   |
| Pension Benefit Guaranty Corporation.....                | 012       | 12     | 16                   |
| Employment Standards Administration.....                 | 012       | 15     | 16                   |
| Occupational Safety and Health Administration.....       | 012       | 18     | 16                   |
| Mine Safety and Health Administration.....               | 012       | 19     | 16                   |
| Bureau of Labor Statistics.....                          | 012       | 20     | 16                   |
| Departmental Management.....                             | 012       | 25     | 16                   |
| <b>DEPARTMENT OF STATE</b>                               |           |        |                      |
| Administration of Foreign Affairs.....                   | 014       | 05     | 19                   |
| International Organizations and Conferences.....         | 014       | 10     | 19                   |
| International Commissions.....                           | 014       | 15     | 19                   |
| Other.....   | 014       | 25     | 19                   |
| <b>DEPARTMENT OF TRANSPORTATION</b>                      |           |        |                      |
| Office of the Secretary.....                             | 021       | 04     | 69                   |
| Transportation Security Administration.....              | 021       | 06     | 69                   |
| Coast Guard.....   | 021       | 08     | 69                   |
| Federal Aviation Administration.....                     | 021       | 12     | 69                   |
| Federal Highway Administration.....                      | 021       | 15     | 69                   |
| Federal Motor Carrier Safety Administration.....         | 021       | 17     | 69                   |
| National Highway Traffic Safety Administration.....      | 021       | 18     | 69                   |
| Federal Railroad Administration.....                     | 021       | 27     | 69                   |
| Federal Transit Administration.....                      | 021       | 36     | 69                   |
| St. Lawrence Seaway Development Corporation.....         | 021       | 40     | 69                   |
| Research and Special Programs Administration.....        | 021       | 50     | 69                   |
| Office of Inspector General.....                         | 021       | 56     | 69                   |
| Surface Transportation Board.....                        | 021       | 61     | 69                   |
| Bureau of Transportation Statistics.....                 | 021       | 64     | 69                   |
| Maritime Administration.....                             | 021       | 70     | 69                   |

**APPENDIX C—LISTING OF OMB AGENCY/BUREAU AND TREASURY CODES**

| Agency  | OMB Codes |        | Treasury agency code |
|---|-----------|--------|----------------------|
|   | Agency    | Bureau |                      |
| <b>DEPARTMENT OF THE TREASURY</b>                                 |           |        |                      |
| Departmental Offices.....   | 015       | 05     | 20                   |
| Financial Crimes Enforcement Network.....                         | 015       | 04     | 20                   |
| Federal Law Enforcement Training Center.....                      | 015       | 08     | 20                   |
| Interagency Law Enforcement.....                                  | 015       | 09     | 20                   |
| Financial Management Service.....                                 | 015       | 10     | 20                   |
| Federal Financing Bank.....                                       | 015       | 11     | 20                   |
| Bureau of Alcohol, Tobacco and Firearms.....                      | 015       | 13     | 20                   |
| U.S. Customs Service.....   | 015       | 15     | 20                   |
| Bureau of Engraving and Printing.....                             | 015       | 20     | 20                   |
| U.S. Mint.....  | 015       | 25     | 20                   |
| Bureau of the Public Debt.....                                    | 015       | 35     | 20                   |
| Internal Revenue Service.....                                     | 015       | 45     | 20                   |
| U.S. Secret Service.....  | 015       | 55     | 20                   |
| Comptroller of the Currency.....                                  | 015       | 57     | 20                   |
| Office of Thrift Supervision.....                                 | 015       | 58     | 20                   |
| Interest on the Public Debt.....                                  | 015       | 60     | 20                   |
| <b>DEPARTMENT OF VETERANS AFFAIRS</b>                             |           |        |                      |
| Veterans Health Administration.....                               | 029       | 15     | 36                   |
| Veterans Benefits Administration.....                             | 029       | 25     | 36                   |
| Construction.....   | 029       | 30     | 36                   |
| Departmental Administration.....                                  | 029       | 40     | 36                   |
| <b>CORPS OF ENGINEERS</b>   |           |        |                      |
| Corps of Engineers.....   | 202       | 00     | 96                   |
| <b>OTHER DEFENSE-CIVIL PROGRAMS</b>                               |           |        |                      |
| Military Retirement.....  | 200       | 05     | 97                   |
| Retiree Health Care.....  | 200       | 07     | 97                   |
| Educational Benefits.....   | 200       | 10     | 97                   |
| American Battle Monuments Commission.....                         | 200       | 15     | 74                   |
| White House Commission on the National Moment of Remembrance..... | 200       | 18     | 95                   |
| Armed Forces Retirement Home.....                                 | 200       | 20     | 84                   |
| Cemeterial Expenses.....  | 200       | 25     | 21                   |
| Forest and Wildlife Conservation, Military Reservations.....      | 200       | 30     | 97                   |
| Selective Service System.....                                     | 200       | 45     | 90                   |
| <b>ENVIRONMENTAL PROTECTION AGENCY</b>                            |           |        |                      |
| Environmental Protection Agency.....                              | 020       | 00     | 68                   |
| <b>EXECUTIVE OFFICE OF THE PRESIDENT</b>                          |           |        |                      |
| Executive Office of the President.....                            | 100       | 00     | 11                   |
| <b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>                        |           |        |                      |
| Federal Emergency Management Agency.....                          | 361       | 00     | 58                   |

**APPENDIX C—LISTING OF OMB AGENCY/BUREAU AND TREASURY CODES**

| Agency  | OMB Codes |        | Treasury agency code |
|---|-----------|--------|----------------------|
|   | Agency    | Bureau |                      |
| <b>GENERAL SERVICES ADMINISTRATION</b>  |           |        |                      |
| Real Property Activities .....  | 023       | 05     | 47                   |
| Supply and Technology Activities .....  | 023       | 10     | 47                   |
| General Activities.....   | 023       | 30     | 47                   |
| <b>INTERNATIONAL ASSISTANCE PROGRAMS</b>                                      |           |        |                      |
| International Security Assistance.....  | 184       | 05     | 11                   |
| Multilateral Assistance.....  | 184       | 10     | 11                   |
| Agency for International Development.....                                     | 184       | 15     | 72                   |
| Overseas Private Investment Corporation.....                                  | 184       | 20     | 71                   |
| Trade and Development Agency.....   | 184       | 25     | 11                   |
| Peace Corps.....  | 184       | 35     | 11                   |
| Inter-American Foundation.....  | 184       | 40     | 11                   |
| African Development Foundation.....   | 184       | 50     | 11                   |
| International Monetary Programs .....   | 184       | 60     | 11                   |
| Military Sales Programs .....   | 184       | 70     | 11                   |
| Special Assistance for Central America.....                                   | 184       | 75     | 72                   |
| <b>NASA, NSF, OPM, SBA, AND SSA</b>   |           |        |                      |
| National Aeronautics and Space Administration.....                            | 026       | 00     | 80                   |
| National Science Foundation.....  | 422       | 00     | 49                   |
| Office of Personnel Management.....   | 027       | 00     | 24                   |
| Small Business Administration.....  | 028       | 00     | 73                   |
| Social Security Administration.....   | 016       | 00     | 28                   |
| <b>OTHER INDEPENDENT AGENCIES</b>   |           |        |                      |
| Advisory Council on Historic Preservation .....                               | 306       | 00     | 95                   |
| Appalachian Regional Commission.....  | 309       | 00     | 46                   |
| Architectural and Transportation Barriers Compliance Board.....               | 310       | 00     | 95                   |
| Barry Goldwater Scholarship and Excellence in Education Foundation.....       | 313       | 00     | 95                   |
| Broadcasting Board of Governors .....   | 514       | 00     | 95                   |
| Central Intelligence Agency.....  | 316       | 00     | 56                   |
| Chemical Safety and Hazard Investigation Board.....                           | 510       | 00     | 95                   |
| Christopher Columbus Fellowship Foundation.....                               | 465       | 00     | 76                   |
| Commission of Fine Arts .....   | 323       | 00     | 95                   |
| Commission on Civil Rights .....  | 326       | 00     | 95                   |
| Commission on Ocean Policy .....  | 515       | 00     | 48                   |
| Committee for Purchase from People who are Blind or Severely Disabled.....    | 338       | 00     | 95                   |
| Commodity Futures Trading Commission.....                                     | 339       | 00     | 95                   |
| Community Empowerment Board .....   | 507       | 00     | 48                   |
| Consumer Product Safety Commission.....                                       | 343       | 00     | 61                   |
| Corporation for National and Community Service .....                          | 485       | 00     | 95                   |
| Corporation for Public Broadcasting.....                                      | 344       | 00     | 20                   |
| Court of Appeals for Veterans Claims .....                                    | 345       | 00     | 95                   |
| Court Services and Offender Supervision Agency for the District of Columbia . | 511       | 00     | 95                   |
| Defense Nuclear Facilities Safety Board .....                                 | 347       | 00     | 95                   |
| Delta Regional Authority .....  | 517       | 00     | 95                   |
| Denali Commission.....  | 513       | 00     | 95                   |

**APPENDIX C—LISTING OF OMB AGENCY/BUREAU AND TREASURY CODES**

| Agency  | OMB Codes |        | Treasury agency code |
|---|-----------|--------|----------------------|
|   | Agency    | Bureau |                      |
| District of Columbia:   |           |        |                      |
| Courts .....  | 349       | 10     | 20                   |
| Corrections .....   | 349       | 20     | 20                   |
| General and Special Payments .....  | 349       | 30     | 20                   |
| Equal Employment Opportunity Commission .....                                 | 350       | 00     | 45                   |
| Export-Import Bank of the U.S. ....   | 351       | 00     | 83                   |
| Farm Credit Administration .....  | 352       | 00     | 78                   |
| Farm Credit System Financial Assistance Corporation.....                      | 354       | 00     | 78                   |
| Farm Credit System Insurance Corporation .....                                | 355       | 00     | 78                   |
| Federal Communications Commission .....                                       | 356       | 00     | 27                   |
| Federal Deposit Insurance Corporation:  |           |        |                      |
| Bank Insurance.....   | 357       | 10     | 51                   |
| Savings Association Insurance .....   | 357       | 20     | 51                   |
| Federal Savings and Loan Insurance Corporation Resolution .....               | 357       | 30     | 51                   |
| Office of Inspector General.....  | 357       | 40     | 51                   |
| Affordable Housing and Bank Enterprise.....                                   | 357       | 50     | 51                   |
| Federal Drug Control Programs .....   | 154       | 00     | 11                   |
| Federal Election Commission .....   | 360       | 00     | 95                   |
| Federal Financial Institutions Examination Council Appraisal Subcommittee.... | 362       | 00     | 95                   |
| Federal Housing Finance Board .....   | 364       | 00     | 95                   |
| Federal Labor Relations Authority.....  | 365       | 00     | 54                   |
| Federal Law Enforcement Training Center .....                                 | 366       | 00     | 95                   |
| Federal Maritime Commission .....   | 366       | 00     | 65                   |
| Federal Mediation and Conciliation Service .....                              | 367       | 00     | 93                   |
| Federal Mine Safety and Health Review Commission.....                         | 368       | 00     | 95                   |
| Federal Retirement Thrift Investment Board .....                              | 369       | 00     | 26                   |
| Federal Trade Commission.....   | 370       | 00     | 29                   |
| Harry S. Truman Scholarship Foundation.....                                   | 372       | 00     | 95                   |
| Institute of American Indian and Alaska Native Culture and Arts               |           |        |                      |
| Development.....  | 373       | 00     | 95                   |
| Institute of Museum Services and Library Services.....                        | 474       | 00     | 59                   |
| Intelligence Community Management Account.....                                | 467       | 00     | 95                   |
| International Trade Commission.....   | 375       | 00     | 95                   |
| James Madison Memorial Fellowship Foundation.....                             | 381       | 00     | 95                   |
| Japan-United States Friendship Commission.....                                | 382       | 00     | 95                   |
| JFK Assassination Records Review Board .....                                  | 491       | 00     | 48                   |
| Legal Services Corporation .....  | 385       | 00     | 20                   |
| Marine Mammal Commission .....  | 387       | 00     | 95                   |
| Merit Systems Protection Board .....  | 389       | 00     | 41                   |
| Morris K. Udall Scholarship and Excellence in National Environmental          |           |        |                      |
| Policy Foundation.....  | 487       | 00     | 95                   |
| National Archives and Records Administration .....                            | 393       | 00     | 88                   |
| National Capital Planning Commission .....                                    | 394       | 00     | 95                   |
| National Commission on Libraries and Information Science.....                 | 400       | 00     | 95                   |
| National Council on Disability .....  | 413       | 00     | 95                   |
| National Credit Union Administration .....                                    | 415       | 00     | 25                   |
| National Education Goals Panel.....   | 415       | 00     | 25                   |
| National Endowment for the Arts .....   | 492       | 00     | 95                   |
| National Endowment for the Humanities.....                                    | 417       | 00     | 59                   |
| National Labor Relations Board .....  | 418       | 00     | 59                   |
| National Mediation Board .....  | 420       | 00     | 63                   |
| National Transportation Safety Board .....                                    | 421       | 00     | 95                   |
|   | 424       | 00     | 95                   |

**APPENDIX C—LISTING OF OMB AGENCY/BUREAU AND TREASURY CODES**

| Agency  | OMB Codes |        | Treasury agency code |
|---|-----------|--------|----------------------|
|   | Agency    | Bureau |                      |
| National Veterans Business Development Corporation .....                    | 518       | 00     | 95                   |
| Neighborhood Reinvestment Corporation .....                                 | 428       | 00     | 82                   |
| Nuclear Regulatory Commission .....   | 429       | 00     | 31                   |
| Nuclear Waste Technical Review Board .....                                  | 431       | 00     | 48                   |
| Occupational Safety and Health Review Commission.....                       | 432       | 00     | 95                   |
| Office of Government Ethics .....   | 434       | 00     | 95                   |
| Office of Navajo and Hopi Indian Relocation .....                           | 435       | 00     | 48                   |
| Office of Special Counsel.....  | 436       | 00     | 62                   |
| Oklahoma City National Memorial Trust.....                                  | 516       | 00     | 95                   |
| Other Commissions and Boards .....  | 505       | 00     | 95                   |
| Pacific Chapter Commission.....   | 522       | 00     | 48                   |
| Panama Canal Commission.....  | 438       | 00     | 95                   |
| Postal Service .....  | 440       | 00     | 18                   |
| Presidio Trust.....   | 512       | 00     | 95                   |
| Railroad Retirement Board .....   | 446       | 00     | 60                   |
| Resolution Trust Corporation.....   | 448       | 00     | 22                   |
| Securities and Exchange Commission.....                                     | 449       | 00     | 50                   |
| Smithsonian Institution .....   | 452       | 00     | 33                   |
| State Justice Institute .....   | 453       | 00     | 48                   |
| Tennessee Valley Authority .....  | 455       | 00     | 64                   |
| United Mine Workers of America Benefit Funds.....                           | 476       | 00     | 95                   |
| U.S. Enrichment Corporation Fund .....                                      | 486       | 00     | 95                   |
| U.S. Holocaust Memorial Museum.....   | 456       | 00     | 95                   |
| U.S. Institute of Peace .....   | 458       | 00     | 95                   |
| U.S. Canada Alaska Rail Commission.....                                     | 521       | 00     | 48                   |
| Vietnam Education Foundation .....  | 519       | 00     | 95                   |
| White House Commission on the National Moment of Remembrance .....          | 520       | 00     | 95                   |
| <b>GOVERNMENT-SPONSORED ENTERPRISES</b>                                     |           |        |                      |
| Student Loan Marketing Association .....                                    | 918       | 00     | 99                   |
| Federal National Mortgage Association.....                                  | 915       | 00     | 99                   |
| Federal Home Loan Mortgage Corporation .....                                | 914       | 00     | 99                   |
| Farm Credit System.....   | 912       | 00     | 99                   |
| Federal Home Loan Bank System.....  | 913       | 00     | 99                   |
| <b>FINANCING VEHICLES AND THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE</b> |           |        |                      |
| Financing Vehicles and the Board of Governors of the Federal Reserve.....   | 920       | 00     | 99                   |

\* Under Department of Defense-Military, Treasury agency codes are assigned as follows:

| Agency             | Code |
|--------------------|------|
| Navy .....         | 17   |
| Army .....         | 21   |
| Air Force.....     | 57   |
| Defense-wide ..... | 97   |

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**APPENDIX D—EXPLANATION OF MAX EDIT CHECKS**

Development of the MAX edit checks is an ongoing process. The help messages included in the on-line MAX screens will reflect the latest edit checks and descriptions of these checks. In addition to the MAX edit checks, OMB has developed diagnostic reports to help you eliminate errors. Some of these diagnostic reports are described in [Appendix E](#).

| <b>MAX data section</b> | <b>Error code range</b> | <b>Description of edit check</b>  | <b>Circ. No. A-11 reference</b> |
|-------------------------|-------------------------|---|---------------------------------|
| A                       | 3490                    | Past year amounts cannot be coded as emergency funding.   | 81.4                            |
| A                       | 3500                    | Subfunction does not match BAT file subfunction for this account.   | 81.4                            |
| A                       | 3510                    | If BA is reported (lines 4300 - 6990), then outlays (lines 91xx - 98xx) must also be reported (even if amounts are zero).   | 81.4                            |
| A                       | 3520                    | Outlays from new authority (except from offsetting collections) reported on line 9111 cannot exceed the total amount of BA reported on lines 4300-6790.                     | 81.4                            |
| A                       | 3550                    | Outlays from spending authority from offsetting collections (lines 9311, 9321) should be reported if offsetting collections (lines 6890, 6990) are reported and vice versa. | 81.4                            |
| A                       | 3580                    | If offsetting collections (line 8800-8845) are reported in the inyears in schedule A, then they must be reported in the outyears.   | 81.4                            |
| A                       | 3590                    | If spending authority from offsetting collections (lines 6890, 6990) is reported in the inyears in schedule A, then it must be reported in the outyears.                    | 81.4                            |
| A                       | 3610                    | According to the BAT file, limitation data are required for this account. For changes to limitation requirements, consult OMB.  | 81.4                            |
| A                       | 3630                    | Outlays from discretionary spending authority from offsetting collections (line 6890) must be reported on discretionary lines 9311-9321.                                    | 81.4                            |
| A                       | 3635                    | Outlays from mandatory spending authority from offsetting collections (line 6990) must be reported on mandatory lines 9311-9321.  | 81.4                            |
| A                       | 3640, 3645              | Outlays from new spending authority from offsetting collections (line 9311) cannot exceed total new spending authority from offsetting collections (lines 6890, 6990).      | 81.4                            |
| A                       | 3650                    | For supplementals, budget authority data (lines 4300 - 6990) are not generally reported beyond the current year.  | 81.4                            |
| A                       | 3660                    | For rescission proposals, current year BA must be negative or zero.   | 81.4                            |
| A                       | 3670                    | For rescission proposals, budget year BA must be negative or zero.  | 81.4                            |

**APPENDIX D—EXPLANATION OF MAX EDIT CHECKS**

| <b>MAX data section</b> | <b>Error code range</b> | <b>Description of edit check</b>  | <b>Circ. No. A-11 reference</b> |
|-------------------------|-------------------------|---|---------------------------------|
| A                       | 3680                    | For rescission proposals, there can be no budget year estimates for outlays from new authority (line 9111).   | 81.4                            |
| A                       | 3690                    | For rescission proposals, outlays must be negative or zero in the current and budget years.   | 81.4                            |
| A                       | 3940                    | User charge data and coding are required for offsetting collections (lines 8840 and 8845) in this account.  | 81.4                            |
| A                       | 3941                    | User charge coding is only appropriate for lines 8840 and 8845  | 81.4                            |
| A, P                    | 3850                    | Offsetting collections (lines 8800-8845) reported in schedule A must equal the corresponding entries in schedule P. (Rounding tolerance of \$2M)  | 81.4, 82.6                      |
| A, P                    | 3945                    | User charge amounts reported on lines 8840 and 8845 in schedule A cannot exceed the amounts shown on lines 8840 and 8845 in schedule P.   | 81.4, 82.7                      |
| A, P                    | 3720                    | Schedule P is required when data are reported for PY-BY in schedule A.  | 81.4, 82                        |
| A, P                    | 3840                    | Change in uncollected customer payments from Federal sources (unexpired) (line 8895) and collections credited to expired accounts (line 8896) reported in schedule A must equal the corresponding entries in schedule P.                  | 81.4, 82.6                      |
| A, S                    | 3700                    | For liquidating accounts, all budget authority, limitations and outlays must be coded mandatory, authorizing committee.   | 81.4                            |
| A, S                    | 3710                    | Budget authority, outlays and limitation data (schedules A & S) are not required for direct and guaranteed loan financing accounts.   | 81.4                            |
| A, S                    | 3860                    | Budget authority is required in schedule S (lines 4300 - 6990) if current year budget authority is reported in schedule A.  | 81.4                            |
| A, S                    | 3870, 3910              | Outlays are required in schedule S (lines 9111-98xx) if current year outlays are reported in schedule A.  | 81.4                            |
| A, S                    | 3880                    | If a line entry in schedule A is coded mandatory, then the same entry must be reported in schedule S, with the same category code and amount.   | 81.4                            |
| A, S                    | 3890                    | The budget year Presidential policy discretionary spendout rate for new BA (i.e., the percent of outlays from new budgetary resources) should be the same as the baseline spendout rate for that year (within 1%).                        | 81.4                            |
| A, S                    | 3900                    | The budget year Presidential policy discretionary spendout rate for new offsetting collections (i.e., the percent of outlays from new offsetting collections) should be the same as the baseline spendout rate for that year (within 1%). | 81.4                            |
| A, S                    | 3930                    | Current year outlays reported in schedule A (lines 91xx - 98xx) must equal the corresponding entries in schedule S.   | 81.4                            |

| MAX data section | Error code range | Description of edit check  | Circ. No. A-11 reference |
|------------------|------------------|--|--------------------------|
| C                | 4410             | Schedule C is not required for direct and guaranteed loan financing accounts.  | 84                       |
| C                | 4420             | The total allocation of research funds reported on lines 1451-xx through 1455-xx must equal the total amounts reported for the conduct of basic and applied research on lines 1411-xx through 1422-xx.                                 | 84.4                     |
| C                | 4430             | Subfunction does not match BAT file subfunction for this account.  | 84                       |
| C, A             | 4440             | The sum of outlays in schedule C must equal the outlays minus offsetting collections (lines 8800-8845) reported in schedule A. (Rounding tolerance of \$5M)  | 81.4, 84                 |
| C, A             | 4450             | The sum of budget authority in schedule C must equal the budget authority minus offsetting collections and change in uncollected customer payments (lines 8800-8896) reported in schedule A. (Rounding tolerance of \$2M)              | 81.4, 84                 |
| C, A             | 4460             | Budget authority (lines 4300 - 6990) is required in schedule A if budget authority (lines xxxx-01) is reported in schedule C and vice versa.   | 81.4, 84                 |
| C, A             | 4470             | Outlays (lines 9111-98xx) are required in schedule A if outlays (lines xxxx-02) are reported in schedule C and vice versa.   | 81.4, 84                 |
| D                | 2230             | Schedule D is not valid for this account.  | 86.3                     |
| D                | 2240             | In budget plan schedules, a subtotal (line 0791) is required if multiple detail lines (0701-0789) are used and a reimbursable line exists (line 0801) and must equal the sum of detail lines (0701-0789). (Rounding tolerance of \$2M) | 86.3                     |
| D                | 2250             | A total line (line 0893) is required if multiple lines (0601-0801) are present and must equal the sum of detail lines (lines 0601-0801) reported in schedule D. (Rounding tolerance of \$2M)   | 86.3                     |
| D                | 2260             | In budget plan schedules, a subtotal (line 0691) is required if multiple detail lines (0601-0689) are used and a reimbursable line exists (line 0801) and must equal the sum of detail lines (0601-0689). (Rounding tolerance of \$2M) | 86.3                     |
| E                | 3090             | Revenue (line 01x1), expense (line 01x2), and net income or loss (line 01x5) must be reported for each program.  | 86.2                     |
| E                | 3100             | Revenue for the account as a whole (line 0191) must equal the sum of the revenue reported for each program (lines 0101 - 0181). (Rounding tolerance of \$2M)   | 86.2                     |
| E                | 3110             | Expense for the account as a whole (line 0192) must equal the sum of the expense reported for each program (lines 0102 - 0182). (Rounding tolerance of \$2M)   | 86.2                     |
| E                | 3120             | When information is provided for two or more programs, net income or loss (line 0195) will be reported for the account as a whole.   | 86.2                     |

**APPENDIX D—EXPLANATION OF MAX EDIT CHECKS**

| <b>MAX data section</b> | <b>Error code range</b> | <b>Description of edit check</b>  | <b>Circ. No. A-11 reference</b> |
|-------------------------|-------------------------|---|---------------------------------|
| E                       | 3140                    | Net income or loss for the account as a whole (line 0195) must equal the sum of the revenue (lines 0101 - 0181) and expense (lines 0102 - 0182) (minus entries) reported for each program. (Rounding tolerance of \$2M)                         | 86.2                            |
| E                       | 3145                    | Other comprehensive income for the account as a whole (line 0198) must equal the sum of the other comprehensive income (lines 0108 - 0188) reported for each program. (Rounding tolerance of \$2M)  | 86.2                            |
| E                       | 3148                    | Total comprehensive income for the account as a whole (line 0199) must equal the sum of the revenue (lines 01x1), expense (lines 01x2), and the other comprehensive income (lines 01x8) reported for each program. (Rounding tolerance of \$2M) | 86.2                            |
| E                       | 3150                    | Net income or loss (e.g., line 0105) for each program must equal the sum of the revenue (e.g., line 0101) and expense (e.g., line 0102) (a minus entry) reported for that program.  | 86.2                            |
| E                       | 3155                    | Total comprehensive income (e.g., line 0109) for each program must equal the sum of the revenue (e.g., line 0101), expense (e.g., line 0102), and the other comprehensive income (e.g., line 0108) reported for that program.                   | 86.2                            |
| E                       | 3160                    | Statement of operations (schedule E) should not be reported for financing accounts.   | 86.2                            |
| F                       | 3180                    | The net present value of assets related to direct loans (line 1499) must equal the sum of the corresponding detail. (Rounding tolerance of \$2M)  | 86.2                            |
| F                       | 3190                    | The net present value of assets related to defaulted guaranteed loans (line 1599) must equal the sum of the corresponding detail. (Rounding tolerance of \$2M)  | 86.2                            |
| F                       | 3200                    | Direct loans and interest receivable, net (line 1604) must equal the sum of the corresponding detail. (Rounding tolerance of \$2M)  | 86.2                            |
| F                       | 3210                    | The value of assets related to direct loans (line 1699) must equal the sum of the corresponding detail. (Rounding tolerance of \$2M)  | 86.2                            |
| F                       | 3220                    | Defaulted guaranteed loans and interest receivable, net (line 1704) must equal the sum of the corresponding detail. (Rounding tolerance of \$2M)  | 86.2                            |
| F                       | 3230                    | The value of assets related to loan guarantees (line 1799) must equal the sum of the corresponding detail. (Rounding tolerance of \$2M)   | 86.2                            |
| F                       | 3240                    | Total assets (line 1999) must equal the sum of the corresponding detail. (Rounding tolerance of \$2M)   | 86.2                            |
| F                       | 3250                    | Total liabilities (line 2999) must equal the sum of the corresponding detail. (Rounding tolerance of \$2M)  | 86.2                            |

| MAX data section | Error code range | Description of edit check   | Circ. No. A-11 reference |
|------------------|------------------|---|--------------------------|
| F                | 3260             | Total net position (line 3999) must equal the sum of the corresponding detail. (Rounding tolerance of \$2M)   | 86.2                     |
| F                | 3270             | Total net position (line 3999) must equal total assets (line 1999) minus total liabilities (line 2999). (Rounding tolerance of \$2M)  | 86.2                     |
| F                | 3275             | Total net position (line 3999) should be zero.  | 86.2                     |
| F                | 3280             | Total liabilities and net position (line 4999) must equal the sum of the corresponding detail. (Rounding tolerance of \$2M)   | 86.2                     |
| F                | 3284             | Total assets (line 1999) must equal total liabilities and net position (line 4999).   | 86.2                     |
| F, G             | 3290             | Direct loans, gross reported on line 1601 of schedule F must equal the outstanding balances of direct loans reported on line 1290 in schedule G. (Rounding tolerance of \$2M)                       | 85.10, 86.2              |
| F, H             | 3300             | Defaulted guaranteed loans receivable, gross reported on line 1501 of schedule F must equal defaulted guaranteed loans receivable reported on line 2390 in schedule H. (Rounding tolerance of \$2M) | 185.11, 86.2             |
| G                | 2570             | For direct loans, if total direct loan obligations (line 1150) are reported, then a line for appropriations act limitation on direct loans (line 1111) is required, even if no amounts are shown.   | 185.11                   |
| G                | 2580             | The end of year balance of direct loans outstanding (line 1290) must equal the sum of the direct loan outstanding entries (lines 1210 - 1264). (Rounding tolerance of \$2M)                         | 185.11                   |
| G                | 2590             | For direct loans, unobligated direct loan limitation line (1142) should only be reported in the past and current years.   | 185.11                   |
| G                | 2600             | For direct loans, the start of year outstanding balance, (line 1210) must equal the preceding year's end of year balance (line 1290).   | 185.11                   |
| G                | 2620             | Total direct loan obligations (line 1150) must equal the sum of the appropriations act limitation on direct loan obligations plus adjustments (lines 1111 - 1143). (Rounding tolerance of \$2M)     | 185.11                   |
| G                | 2643             | Direct loan disbursements (line 1231) must be entered as positive numbers   | 185.11                   |
| G                | 2650             | Data on direct loan limitations (lines 1111 - 1150) are not required for liquidating accounts.  | 185.11                   |
| G                | 2660             | Data on direct loan limitations and obligations (lines 1111 - 1150) are required for direct loan financing accounts.  | 185.11                   |
| G                | 2700             | Direct loan repayments and prepayments (lines 1251 - 1253) in regular budget schedules (transmittal code 0) must be entered as negative numbers.  | 185.11                   |

APPENDIX D—EXPLANATION OF MAX EDIT CHECKS

| MAX data section | Error code range | Description of edit check  | Circ. No. A-11 reference |
|------------------|------------------|--|--------------------------|
| G                | 2702             | Direct loan write-offs for default (line 1263) must be entered as negative numbers.  | 185.11                   |
| G                | 2710             | For direct loans, data on the unobligated limitation carried forward (line 1121) should not exceed the unobligated loan limitation in the previous year (line 1143) but with the opposite sign.  | 185.11                   |
| G, F             | 2770             | The outstanding balances of direct loans (line 1290) in schedule G cannot be less than the balance of loans disbursed (line 1401) in schedule F.   | 185.11, 86.2             |
| G, H             | 2550             | Credit financing accounts must have either schedule G or H but not both.   | 185.9                    |
| G, H             | 2565             | Credit liquidating accounts must have schedule G and/or H.   | 185.9                    |
| G, H             | 2610             | If there are proceeds from loan asset sales to the public with recourse (line 1253 in schedule G), then the absolute value of that amount must be greater than or equal to the guarantees of loans sold to the public with recourse (line 2232 in schedule H). | 185.11                   |
| G, H, Y          | 2558             | Credit program accounts cannot have schedules G, H, or Y.  | 185.9                    |
| G, P             | 2630             | Direct loan repayments or prepayments (line 1251) plus proceeds from loan asset sales (line 1252) in schedule G must be equal to or less than offsetting collections from non-Federal sources (line 8840) in schedule P.                                       | 185.11                   |
| G, P             | 2640             | Direct loan disbursements (line 1231) plus purchase of loan assets (line 1232) must be equal to or less than gross outlays (line 8700) in schedule P.  | 185.11                   |
| G, P             | 2750             | Data on net financing disbursements (line 6300) are required and must be equal to financing disbursements (line 9000) in schedule P for financing accounts.  | 185.11                   |
| G, Y             | 2780             | Federal credit data, baseline estimates (schedule Y) are required if schedule G is present.  | 185.11                   |
| H                | 2790             | For guaranteed loans, the start of year outstanding balance, (line 2210) must equal the preceding year's end of year balance (line 2290).  | 185.11                   |
| H                | 2800             | For guaranteed loans, if total guaranteed loan commitments (line 2150) are reported, then a line for appropriations act limitation on guaranteed loans made by private lenders (line 2111) is required, even if the amounts are zero.                          | 185.11                   |
| H                | 2810             | The end of year outstanding balance of defaulted guaranteed loans that result in loans receivable (line 2390) must equal the sum of the detail entries (lines 2310 - 2364). (Rounding tolerance of \$2M)   | 185.11                   |
| H                | 2820             | The end of year balance of guaranteed loans outstanding (line 2290) must equal the sum of the guaranteed loan outstanding entries (lines 2210 - 2264). (Rounding tolerance of \$2M)  | 185.11                   |

| MAX data section | Error code range | Description of edit check  | Circ. No. A-11 reference |
|------------------|------------------|--|--------------------------|
| H                | 2830             | For defaulted guaranteed loans that result in loans receivable, the outstanding balance start of year (line 2310) must equal the outstanding balance from the end of the preceding year (line 2390).     | 185.11                   |
| H                | 2840             | If an outstanding balance of guaranteed loans, end of year is reported (line 2290), then an entry for the guaranteed amount of guaranteed loans outstanding, end of year (line 2299) is required.        | 185.11                   |
| H                | 2850             | For guaranteed loans, the guaranteed amount of the outstanding loans (line 2299) cannot exceed the amount of the outstanding guaranteed loans, end of year (line 2290).                                  | 185.11                   |
| H                | 2860             | Disbursements for guaranteed loan claims (line 2331) must be equal to or greater than the absolute value of the amount reported as terminations for default that result in loans receivable (line 2261). | 185.11                   |
| H                | 2870             | Total guaranteed loan commitments (line 2150) must equal the sum of appropriations act limitations on guaranteed loans plus adjustments (lines 2111 - 2143). (Rounding tolerance of \$2M)                | 185.11                   |
| H                | 2880             | For guaranteed loans, the guaranteed amount of the guaranteed loan commitments (line 2199) cannot exceed the amount of the total guaranteed loan commitment (line 2150).                                 | 185.11                   |
| H                | 2900             | For guaranteed loans, the uncommitted guaranteed loan limitation data (line 2142) should only be reported in the past and current years.   | 185.11                   |
| H                | 2910             | Data on guaranteed loan limitations (lines 2111 - 2150) are not required for liquidating accounts.   | 185.11                   |
| H                | 2915             | Disbursements of guaranteed loans (line 2231) must be entered as positive numbers.   | 185.11                   |
| H                | 2920             | Repayments and prepayments of guaranteed loans and terminations for default (lines 2251 - 2263) must be entered as negative numbers.   | 185.11                   |
| H                | 2940             | For liquidating accounts, if terminations for default that result in loans receivable (line 2261) are reported, disbursement for guaranteed loan claims must be reported (line 2331).                    | 185.11                   |
| H                | 2964             | Disbursements for guaranteed loan claims that become receivable to the Government (line 2331) must be entered as positive numbers  | 185.11                   |
| H                | 2966             | Repayments of loans receivable (line 2351) must be entered as negative numbers.  | 185.11                   |
| H                | 2968             | Write-off of loans receivable (line 2361) must be entered as negative numbers.   | 185.11                   |

**APPENDIX D—EXPLANATION OF MAX EDIT CHECKS**

| <b>MAX data section</b> | <b>Error code range</b> | <b>Description of edit check</b>  | <b>Circ. No. A-11 reference</b> |
|-------------------------|-------------------------|---|---------------------------------|
| H                       | 2980                    | Data on guaranteed loan limitations and commitments (lines 2111 - 2150) are required for guaranteed loan financing accounts.  | 185.11                          |
| H                       | 2990                    | For guaranteed loans, data on the uncommitted limitation carried forward (line 2121) should not exceed the uncommitted loan limitation in the previous year (line 2143) but with the opposite line                          | 185.11                          |
| H                       | 3010                    | Data on net financing disbursements are required (line 6300) and must be equal to financing disbursements (line 9000) in schedule P for financing accounts.   | 185.11                          |
| H, F                    | 3020                    | The outstanding balances of defaulted guaranteed loans (line 2390) in schedule H cannot be less than the balance of defaulted guaranteed loans (line 1501) in schedule F.   | 185.11, 86.2                    |
| H, O                    | 2930                    | For liquidating accounts, terminations for default that result in loans receivable (line 2261) must be equal to or less than the sum of object class entries for loans and investments (lines x330) in schedule O.          | 83, 185.11                      |
| H, O                    | 2950                    | For liquidating accounts, terminations for default that result in acquisition of property (line 2262) must be equal to or less than the sum of object class entries for land and structures (lines x320) in schedule O.     | 83, 185.11                      |
| H, O                    | 2960                    | For liquidating accounts, terminations for default that result in claim payments (line 2263) must be equal to or less than the sum of object class entries for insurance claims and indemnities (lines x420) in schedule O. | 83, 185.11                      |
| H, P                    | 2890                    | Disbursements for defaulted guaranteed loan claims (line 2331) must be equal to or less than gross outlays (line 8700) in schedule P.   | 82, 185.11                      |
| H, Y                    | 3030                    | Federal credit data, baseline estimates (schedule Y) is required if schedule H is present.  | 85, 185.11                      |
| I                       | 3050                    | Unobligated balance, start of year (line 0100) plus obligated balance, start of year (line 0110) must equal total balance, start of year (line 0199).   | 86.7                            |
| I                       | 3060                    | Unobligated balance, end of year (line 0700) plus obligated balance, end of year (line 0710) must equal total balance, end of year (line 0799).   | 86.7                            |
| J                       | 4660                    | Unexpended balances, end of year (lines 8700-8705) must equal the start of year balances plus cash income, less cash outgo, plus or minus any adjustments. (Rounding tolerance of \$2M)                                     | 86.6                            |
| J                       | 4670                    | The 12-digit OMB account ID code of the applicable receipt account must be entered for receipts (lines 1200-1279 and 2200-2279) reported as income in schedule J.   | 86.6                            |

| MAX data section | Error code range | Description of edit check   | Circ. No. A-11 reference |
|------------------|------------------|---|--------------------------|
| J                | 4680             | The 12-digit OMB account ID code of the applicable expenditure account must be entered for cash outgo (lines 4500-5589) in schedule J.  | 86.6                     |
| J                | 4690             | The 12-digit OMB account ID code of the applicable expenditure account must be entered for offsetting collections (lines 1280-1289 and 2280-2289) reported as income in schedule J.   | 86.6                     |
| K                | 4770             | Subfunction must match BAT file subfunction for this account.   | 81.4                     |
| K                | 4780             | Character class must match BAT file character class for this account.   | 81.4                     |
| K                | 4790             | Baseline data are not required for legislative proposals, later transmittals, or rescission proposals (transmittal codes 2, 3, 4, or 5) or for discretionary supplementals.   | 81.4                     |
| K                | 4800             | User charge coding is required for this account.  | 81.4                     |
| O                | 3305             | Detail lines that contain zeroes in all years are not required.   | 83                       |
| O                | 3310             | Total obligations (line 9999) is required when more than one object class is reported and must equal the sum of the corresponding detail reported on lines 1111-3930 plus the residual line (9995). (Rounding tolerance of \$1M)            | 83.7                     |
| O                | 3330             | The total limitation expenses on lines (x930) of schedule O for the account as a whole and limitation account must sum to zero. This avoids a double count because these obligations are also reported by individual object class. (+/- 4M) | 83.17                    |
| O                | 3350             | Amounts reported in object class 9995 must be positive; use of this object class to report amounts of more than \$4 million requires OMB approval.  | 83.7                     |
| O                | 3360             | Total personnel compensation (x119) is required when multiple personnel compensation detail lines are used and must equal the sum of the detail lines (x111 - x118) for all categories. (Rounding tolerance of \$2M)                        | 83.7                     |
| O                | 3370-3375        | The obligations subtotal line (x990) must equal the sum of personnel compensation lines (x111 - x118) plus other detail lines (x121 - x930) for each object class category (e.g., direct, reimbursable). (Rounding tolerance of \$2M)       | 83.7                     |
| O                | 3380             | For non-revolving fund accounts, a subtotal for reimbursable obligations (2990) is required whenever reimbursable detail is reported.   | 83.18                    |
| O                | 3390-3440        | A subtotal (line x990) is required for a category when (1) obligations are reported for more than one of the following categories: direct, reimbursable, or allocation; and (2) two or more detail lines are reported within that category. | 83.18                    |
| O, P             | 3480             | Total obligations in schedule O must equal total obligations in schedule P (line 1000).   | 82, 83.5                 |

APPENDIX D—EXPLANATION OF MAX EDIT CHECKS

| MAX data section | Error code range | Description of edit check  | Circ. No. A-11 reference |
|------------------|------------------|--|--------------------------|
| O, P             | 3485             | If reimbursable obligations are reported in schedule O (lines 2xxx), then reimbursable obligations must be reported in schedule P on lines (09xx) and vice versa and the amounts must be equal. (Rounding tolerance of \$4M)   | 82, 83.5                 |
| P                | 0010             | Detail lines that contain zeroes in all years are not required except for lines 8900 and 9000, which are required for all accounts.  | 82.7                     |
| P                | 0020             | GRH reductions to unobligated balances (lines 2380 and 2385) can only occur in accounts in the national defense function.  | 82.4                     |
| P                | 0030             | Only one net outlays entry (line 9000) can be reported.  | 82.7                     |
| P                | 0040             | Net outlays entry (line 9000) is required for all accounts.  | 82.7                     |
| P                | 0050             | Net budget authority entry (line 8900) is required for all accounts.   | 82.7                     |
| P                | 0090             | New budget authority (gross) (line 2200) is required only when there is new gross budget authority. If required, line 2200 must equal the sum of the detail budget authority entries (lines 4000-4200, 4700-4785, 4900-4985, etc.). (Rounding tolerance of \$1M)   | 82.4                     |
| P                | 0100             | Total new budget authority gross (line 7000) is required only when there is more than one type of budget authority. If required, line 7000 must equal the detail entries for BA (lines 40xx-69xx) and the corresponding entry on line 2200. (Rounding tolerance of \$1M)                                       | 82.4                     |
| P                | 0110             | Past year amounts must equal zero for every transmittal code except zero (i.e., do not report past year amounts for proposed supplementals, rescissions, and legislative proposals).   | 82.8                     |
| P                | 0120             | Net outlays (line 9000) must equal the sum of total outlays, gross (lines 8690-8698 or 8700) minus offsetting collections (lines 8800-8845). (Rounding tolerance of \$2M)  | 82.6, 82.7               |
| P                | 0130             | Net BA (line 8900) must equal the total new BA (gross) (line 2200) minus offsetting collections (lines 8800-8845); the change in uncollected customer payments from Federal sources (unexpired) (line 8895); and offsetting collections credited to expired accounts (line 8896). (Rounding tolerance of \$2M) | 82.7                     |
| P                | 0150             | A gross outlay entry (line 8700) is required only when multiple detail lines are reported (lines 8690-8698). If required, line 8700 must equal the sum of the detail outlay entries. (Rounding tolerance of \$2M)  | 82.6                     |
| P                | 0160             | A new obligations entry (line 7310) is required only when total obligations are reported on line 1000. If required, the amounts on lines 1000 and 7310 must be equal.  | 82.3, 82.5               |
| P                | 0180             | Total obligations (line 1000) must be positive.  | 82.3                     |

| MAX data section | Error code range | Description of edit check   | Circ. No. A-11 reference |
|------------------|------------------|---|--------------------------|
| P                | 0190             | Total outlays, gross (line 7320) must equal the sum of the detail outlay entries (lines 8690-8698 or 8700), but with the opposite sign.   | 82.5, 82.6               |
| P                | 0200             | Recoveries of prior year obligations reported on line 7345 must equal recoveries of prior year obligations reported on line 2210, but with the opposite sign.   | 82.4, 82.5               |
| P                | 0210             | A total new obligations entry (e.g., line 2395) is required only when total obligations are reported on line 1000. If required, the amount on line 2395 must equal the amount on line 1000, but with the opposite sign.   | 82.3, 82.4               |
| P                | 0220             | A total budgetary resources available for obligation entry (line 2390) is required only when multiple detail lines are reported (lines 2140 – 2385). If required, line 2390 must equal the sum of the detail entries. (Rounding tolerance of \$2M)  | 82.4                     |
| P                | 0240             | The unobligated balance, end of year (line 2440) must equal the start of year balance (lines 2140) plus new BA, adjustments, new obligations (a minus entry), and expiring balances (a minus entry). (Rounding tolerance of \$2M)   | 82.4                     |
| P                | 0245             | For liquidating accounts, there should be no end of year unobligated balances; all balances should be repaid to Treasury (lines 6827, 6847, 6927, or 6947), as appropriate.   | 82.4                     |
| P                | 0260             | The obligated balance, end of year (line 7440) must equal the start of year balance (line 7240) plus new obligations (line 7310), adjustments (lines 7331-7345), the change in uncollected customer payments from Federal sources (lines 7400 and 7410), and gross outlays (normally a minus entry) (line 7320). (Rounding tolerance of \$2M) | 82.5                     |
| P                | 0270-0340        | If transfers are reported for an account (lines 2221, 2222, 4100, 4200, 6100, 6200, 6661, 6662, 6861, 6862, 6961, 6962, 7331, or 7332), then the associated gaining or losing account(s) must be identified using the appropriate 6-digit Treasury account symbol.  | 82.4, 82.5               |
| P                | 0350             | Unobligated balance, start of year (line 2140) must equal the corresponding unobligated balance, end of year (line 2440) for the preceding year.  | 82.4                     |
| P                | 0440             | If spending authority from offsetting collections (cash) is reported on line 6800 or 6900, then there must be an entry for offsetting collections (cash) (lines 8800-8845).   | 82.4, 82.7               |
| P                | 0443             | Spending authority from offsetting collections reported on lines 6800 and 6900 must equal the sum of the amounts reported on lines 8800-8845 plus 8896 (normally a minus entry).  | 82.4, 82.7               |
| P                | 0445             | If the sum of lines 8800-8845 plus 8896 is greater than zero, then there must be an entry for spending authority from offsetting collections on lines 6800 or 6900 and the total amounts must be equal.   | 82.4, 82.7               |

**APPENDIX D—EXPLANATION OF MAX EDIT CHECKS**

| <b>MAX data section</b> | <b>Error code range</b> | <b>Description of edit check</b>   | <b>Circ. No. A-11 reference</b> |
|-------------------------|-------------------------|--|---------------------------------|
| P                       | 0450                    | Obligated balance, start of year (lines 7240) must equal the corresponding obligated balance entry, end of year (line 7440) for the preceding year.  | 82.5                            |
| P                       | 0530                    | Change in uncollected customer payments from Federal sources (unexpired) (lines 6810, 6910) is required if change in uncollected customer payments from Federal sources is reported on line 7400 and vice versa. | 82.4, 82.5                      |
| P                       | 0577                    | The amount reported as a change in uncollected customer payments from Federal sources on line 7400 must equal the sum of the corresponding amounts reported on lines 6810 and 6910, but with the opposite sign.  | 82.4                            |
| P                       | 0610                    | The change in uncollected customer payments from Federal sources reported on line 8895 must equal the sum of the corresponding amounts reported on lines 6810 and 6910.  | 82.4, 82.7                      |
| P                       | 0630                    | If a G-R-H reduction is reported (lines 9180, 9185), then outlays prior to the reduction (line 9110) must be reported.   | 82.8                            |
| P                       | 0640                    | Outlays prior to G-R-H reductions (line 9110) must equal the sum of net outlays (line 9000) plus G-R-H reductions (absolute value of amounts on lines 9180, 9185).   | 82.8                            |
| P                       | 0650                    | Line 0091 (single activity or subactivity group subtotal) must equal the sum of the activity or subactivity lines 0001 - 0089. (Rounding tolerance of \$2M)  | 82.3                            |
| P                       | 0660                    | Line 0100 (running subtotal) must equal the sum of lines 0001 - 0089. (Rounding tolerance of \$2M)   | 82.3                            |
| P                       | 0670                    | Line 0191 (single activity or subactivity subtotal) must equal the sum of lines 0101 - 0189. (Rounding tolerance of \$2M)  | 82.3                            |
| P                       | 0680                    | Line 0192 (subtotal of two activity or subactivity groups) must equal the sum of the activity or subactivity lines: 0001 - 0089 plus 0101 - 0189. (Rounding tolerance of \$2M)                                   | 82.3                            |
| P                       | 0690                    | Line 0200 (running subtotal) must equal the sum of the activity or subactivity lines: 0001 - 0089 plus 0101 - 0189. (Rounding tolerance of \$2M)   | 82.3                            |
| P                       | 0700                    | Line 0291 (subtotal) must equal the sum of lines 0201 - 0289. (Rounding tolerance of \$2M)   | 82.3                            |
| P                       | 0710                    | Line 0292 (subtotal of two activity or subactivity groups) must equal the sum of the activity or subactivity lines: 0101 - 0189 plus 0201 - 0289. (Rounding tolerance of \$2M)                                   | 82.3                            |
| P                       | 0720                    | Line 0293 (subtotal of three activity or subactivity groups) must equal the sum of lines: 0001 - 0089 plus 0101 - 0189 plus 0201 - 0289. (Rounding tolerance of \$2M)  | 82.3                            |
| P                       | 0730                    | Line 0300 (running subtotal) must equal the sum of the lines: 0001 - 0089 plus 0101 - 0189 plus 0201 - 0289. (Rounding tolerance of \$2M)  | 82.3                            |

| <b>MAX data section</b> | <b>Error code range</b> | <b>Description of edit check</b>  | <b>Circ. No. A-11 reference</b> |
|-------------------------|-------------------------|---|---------------------------------|
| P                       | 0740                    | Line 0391 must equal the sum of lines 0301-0389. (Rounding tolerance of \$2M)                           | 82.3                            |
| P                       | 0750                    | Line 0392 must equal the sum of lines 0201-0389. (Rounding tolerance of \$2M)                           | 82.3                            |
| P                       | 0760                    | Line 0393 must equal the sum of lines 0101-0389. (Rounding tolerance of \$2M)                           | 82.3                            |
| P                       | 0770                    | Line 0394 must equal the sum of lines 0001-0389. (Rounding tolerance of \$2M)                           | 82.3                            |
| P                       | 0780                    | Line 0400 (running subtotal) must equal the sum of detail lines 0001-0389. (Rounding tolerance of \$2M) | 82.3                            |
| P                       | 0790                    | Line 0491 must equal the sum of lines 0401-0489. (Rounding tolerance of \$2M)                           | 82.3                            |
| P                       | 0800                    | Line 0492 must equal the sum of lines 0301-0489. (Rounding tolerance of \$2M)                           | 82.3                            |
| P                       | 0810                    | Line 0493 must equal the sum of lines 0201-0489. (Rounding tolerance of \$2M)                           | 82.3                            |
| P                       | 0820                    | Line 0494 must equal the sum of lines 0101-0489. (Rounding tolerance of \$2M)                           | 82.3                            |
| P                       | 0830                    | Line 0500 (running subtotal) must equal the sum of detail lines 0001-0489. (Rounding tolerance of \$2M) | 82.3                            |
| P                       | 0840                    | Line 0591 must equal the sum of lines 0501-0589. (Rounding tolerance of \$2M)                           | 82.3                            |
| P                       | 0850                    | Line 0592 must equal the sum of lines 0401-0589. (Rounding tolerance of \$2M)                           | 82.3                            |
| P                       | 0860                    | Line 0593 must equal the sum of lines 0301-0589. (Rounding tolerance of \$2M)                           | 82.3                            |
| P                       | 0870                    | Line 0594 must equal the sum of lines 0201-0589. (Rounding tolerance of \$2M)                           | 82.3                            |
| P                       | 0880                    | Line 0600 (running total) must equal the sum of detail lines 0001-0589. (Rounding tolerance of \$2M)    | 82.3                            |
| P                       | 0890                    | Line 0691 must equal the sum of lines 0601-0689. (Rounding tolerance of \$2M)                           | 82.3                            |
| P                       | 0900                    | Line 0692 must equal the sum of lines 0501-0689. (Rounding tolerance of \$2M)                           | 82.3                            |
| P                       | 0910                    | Line 0693 must equal the sum of lines 0401-0689. (Rounding tolerance of \$2M)                           | 82.3                            |
| P                       | 0920                    | Line 0694 must equal the sum of lines 0301-0689. (Rounding tolerance of \$2M)                           | 82.3                            |
| P                       | 0930                    | Line 0700 (running subtotal) must equal the sum of detail lines 0001-0689. (Rounding tolerance of \$2M) | 82.3                            |

**APPENDIX D—EXPLANATION OF MAX EDIT CHECKS**

| <b>MAX data section</b> | <b>Error code range</b> | <b>Description of edit check</b>   | <b>Circ. No. A-11 reference</b> |
|-------------------------|-------------------------|--|---------------------------------|
| P                       | 0940                    | Line 0791 must equal the sum of lines 0701-0789. (Rounding tolerance of \$2M)                        | 82.3                            |
| P                       | 0950                    | Line 0792 must equal the sum of lines 0601-0789. (Rounding tolerance of \$2M)                        | 82.3                            |
| P                       | 0960                    | Line 0793 must equal the sum of lines 0501-0789. (Rounding tolerance of \$2M)                        | 82.3                            |
| P                       | 0970                    | Line 0794 must equal the sum of lines 0401-0789. (Rounding tolerance of \$2M)                        | 82.3                            |
| P                       | 0980                    | Line 0800 (running total) must equal the sum of detail lines 0001-0789. (Rounding tolerance of \$2M) | 82.3                            |
| P                       | 0990                    | Line 0891 must equal the sum of lines 0801-0889. (Rounding tolerance of \$2M)                        | 82.3                            |
| P                       | 1000                    | Line 0892 must equal the sum of lines 0701-0889. (Rounding tolerance of \$2M)                        | 82.3                            |
| P                       | 1010                    | Line 0893 must equal the sum of lines 0601-0889. (Rounding tolerance of \$2M)                        | 82.3                            |
| P                       | 1020                    | Line 0894 must equal the sum of lines 0501-0889. (Rounding tolerance of \$2M)                        | 82.3                            |
| P                       | 1030                    | Line 0999 must equal the sum of detail lines 0901-0988. (Rounding tolerance of \$2M)                 | 82.3                            |
| P                       | 1040                    | Line 0909 must equal the sum of detail lines 0900-0908. (Rounding tolerance of \$2M)                 | 82.3                            |
| P                       | 1045                    | Line 0919 must equal the sum of detail lines 0910-0918. (Rounding tolerance of \$2M)                 | 82.3                            |
| P                       | 1050                    | Line 0929 must equal the sum of detail lines 0920-0928. (Rounding tolerance of \$2M)                 | 82.3                            |
| P                       | 1055                    | Line 0939 must equal the sum of detail lines 0930-0938. (Rounding tolerance of \$2M)                 | 82.3                            |
| P                       | 1060                    | Line 0949 must equal the sum of detail lines 0940-0948. (Rounding tolerance of \$2M)                 | 82.3                            |
| P                       | 1065                    | Line 0959 must equal the sum of detail lines 0950-0958. (Rounding tolerance of \$2M)                 | 82.3                            |
| P                       | 1070                    | Line 0969 must equal the sum of detail lines 0960-0968. (Rounding tolerance of \$2M)                 | 82.3                            |
| P                       | 1072                    | Line 0979 must equal the sum of detail lines 0970-0978. (Rounding tolerance of \$2M)                 | 82.3                            |
| P                       | 1076                    | Line 0989 must equal the sum of detail lines 0980-0988. (Rounding tolerance of \$2M)                 | 82.3                            |

| MAX data section | Error code range | Description of edit check  | Circ. No. A-11 reference |
|------------------|------------------|--|--------------------------|
| P                | 1080             | Total new obligations (line 1000) must equal the sum of all the detail activity lines (0001 - 0988). (Rounding tolerance of \$2M)  | 82.3                     |
| P                | 1082             | Total new obligations (line 1000) reported in the Budget for the PY must equal the actuals reported to Treasury and certified by your agency's accounting office. (Rounding tolerance of \$2M)                                 | 82.20                    |
| P                | 1083             | The unobligated balance, start of year (line 2140) reported in the Budget for the PY must equal the actuals reported to Treasury and certified by your agency's accounting office. (Rounding tolerance of \$2M)                | 82.20                    |
| P                | 1085             | The unobligated balance, carried forward, end of year (line 2440) reported in the Budget for the PY must equal the actuals reported to Treasury and certified by your agency's accounting office. (Rounding tolerance of \$2M) | 82.20                    |
| P                | 1087             | The obligated balance, start of year (line 7240) reported in the Budget for the PY must equal the actuals reported to Treasury and certified by your agency's accounting office. (Rounding tolerance of \$2M)                  | 82.20                    |
| P                | 1089             | The obligated balance, end of year (line 7440) reported in the Budget for the PY must equal the actuals reported to Treasury and certified by your agency's accounting office. (Rounding tolerance of \$2M)                    | 82.20                    |
| P                | 1090             | Trust fund budget authority (e.g., line 4026) should not be reported in the same account with general or special fund budget authority (e.g., lines 4000 or 4020).   | 82                       |
| P                | 1100, 1130       | Transfers of balances from other accounts (lines 2222 and 7332) must be positive.  | 82.4, 82.5               |
| P                | 1110, 1120       | Transfers of balances to other accounts (lines 2221 and 7331) must be negative.  | 82.4, 82.5               |
| P                | 1140, 1150, 1155 | Transfers of BA to other accounts (lines 4100, 6100, 6661) must be negative.   | 82.4                     |
| P                | 1160, 1164, 1166 | Transfers of BA from other accounts (lines 4200, 6200, 6662) must be positive.   | 82.4                     |
| P                | 1174             | Transfers of offsetting collections to other accounts (lines 6861 and 6961) must be negative.  | 82.4                     |
| P                | 1175             | Transfers of offsetting collections from other accounts (lines 6862 and 6962) must be positive.  | 82.4                     |
| P                | 1177             | Transfers are not being reported consistently by the gaining and losing accounts. Check the pulldown menu under "views/transfers" for the information being reported by the corresponding accounts.                            | 82.3                     |

**APPENDIX D—EXPLANATION OF MAX EDIT CHECKS**

| <b>MAX data section</b> | <b>Error code range</b> | <b>Description of edit check</b>  | <b>Circ. No. A-11 reference</b> |
|-------------------------|-------------------------|---|---------------------------------|
| P                       | 1180-1270               | A total BA entry (e.g., line 4300) is required only when multiple detail entries (e.g., lines 4000 - 4200) are reported. If required, lines 4300 must equal the sum of the detail entries. (Rounding tolerance of \$2M) | 82.4                            |
| P                       | 1280                    | A total entry (e.g., line 8890) is required only when multiple detail entries (e.g., lines 8800 - 8845) are reported. If required, line 8890 must equal the sum of the detail entries. (Rounding tolerance of \$2M)     | 82.6                            |
| P                       | 1500                    | Special fund budget authority (lines 4020 and 6020) should not be reported in trust fund accounts.  | 82.3                            |
| P                       | 1505                    | Trust fund BA (lines 4026 and 6026) should only be reported in trust fund accounts.   | 82.3                            |
| P                       | 1510-1795               | A BA line (e.g., 4000) and a total line (e.g., 4300) are both required when certain types of adjustments are reported (e.g., line 4035).  | 82.4                            |
| P                       | 2067                    | Outlays (gross) detail (lines 8690 - 8698) is not required for direct and guaranteed loan financing accounts; gross outlays should be reported on line 8700.  | 82.6                            |
| P                       | 2135                    | Unobligated balance expiring or withdrawn (line 2398) must be negative.   | 82.4                            |
| P, A                    | 1950 - 2045             | The total BA reported in schedules P and A (e.g., line 4300) must be equal for each type of BA. BA entries are required in schedule A for each type of authority reported in schedule P.                                | 81.4, 82.4                      |
| P, A                    | 2050 - 2062             | Offsetting collections entries in schedule A (e.g., line 8840) must equal the corresponding entries in schedule P. (Rounding tolerance of \$2M)   | 81.4, 82.7                      |
| P, A                    | 2070                    | Outlays from new discretionary authority line (line 8690) in schedule P must equal outlays from new discretionary authority in schedule A (line 9111, 9311, 970x).  | 81.4, 82.6                      |
| P, A                    | 2080                    | Outlays from discretionary balances (line 8693) in schedule P must equal discretionary outlays from balances in schedule A (lines 9121, 9321, and 980x).  | 81.4, 82.6                      |
| P, A                    | 2090                    | Outlays from new mandatory authority line (line 8697) in schedule P must equal outlays from new mandatory authority in schedule A (line 9111, 9311).  | 81.4, 82.6                      |
| P, A                    | 2100                    | Outlays from mandatory balances (line 8698) in schedule P must equal outlays from mandatory balances in schedule A (lines 9121 and 9321).   | 81.4, 82.6                      |
| P, A                    | 2140                    | Outlay data (lines 9111 - 9809) are required in schedule A if gross outlay data (line 7320) are present in schedule P.  | 81.4, 82.5                      |
| P, A                    | 2170                    | Outlays from new discretionary spending authority from offsetting collections (line 9311 of schedule A) should not exceed discretionary spending authority from offsetting collections (line 6890 in schedule P).       | 81.4, 82.4                      |

| MAX data section    | Error code range | Description of edit check   | Circ. No. A-11 reference |
|---------------------|------------------|---|--------------------------|
| P, A                | 2175             | Outlays from new mandatory spending authority from offsetting collections (line 9311 of schedule A) should not exceed mandatory spending authority from offsetting collections (line 6990 in schedule P).   | 81.4, 82.4               |
| P, A                | 2180             | Discretionary change in uncollected customer payments from Federal sources entry (line 8895) is required in schedule A if discretionary change in uncollected customer payments from Federal sources is reported in schedule P (line 6810) and the amounts should be equal.   | 81.4, 82.7               |
| P, A                | 2185             | Mandatory change in uncollected customer payments from Federal sources entry (line 8895) is required in schedule A if mandatory change in uncollected customer payments from Federal sources is reported in schedule P (line 6910) and the amounts should be equal.   | 81.4, 82.7               |
| P, A                | 2190             | Offsetting collections credited to expired accounts entry (line 8896) is required in A if it is reported in P (line 8896), and the amounts should be equal.   | 81.4, 82.7               |
| P, A, C, E, F, O, S | 2562             | Credit liquidating accounts must have schedules A, C, E, F, O, P, and S.  | 185.9                    |
| P, A, O, U          | 2555             | Credit program accounts must have schedules A, O, P, and U.   | 185.9                    |
| P, F                | 2553             | Credit financing accounts must have a schedule P and schedule F.  | 185.11, 86.2             |
| P, G                | 2195             | Net financing disbursements (line 9000) reported in schedule P must equal the net financing disbursements (line 6300) reported in schedule G.   | 82.7, 185.11             |
| P, H                | 2196             | Net financing disbursements (line 9000) reported in schedule P must equal the net financing disbursements (line 6300) reported in schedule H.   | 82.7, 185.11             |
| P, U                | 2200             | In credit program accounts, net outlays (line 9000) in schedule P must be greater than or equal to the sum of schedule U administrative expenses outlays (line 3580 plus 3590), direct loan subsidy outlays (line 1349), direct loan upward reestimate subsidy outlays (line 1369), guaranteed loan subsidy outlays (line 2349), and guaranteed loan upward reestimate subsidy outlays (line 2369). | 185.10                   |
| Q, O                | 3454             | Average salaries (which are calculated by dividing the personnel compensation reported in schedule O by the FTE reported in schedule Q) should not be less than \$15,000.   | 86.1                     |
| Q, O                | 3456             | Average salaries (which are calculated by dividing the personnel compensation reported in schedule O by the FTE reported in schedule Q) should not exceed \$110,000.  | 86.1                     |
| Q, O                | 4510-4520        | If full-time equivalent employment for military personnel is reported in the personnel summary, then obligations (other   | 36.1, 83.7               |

APPENDIX D—EXPLANATION OF MAX EDIT CHECKS

| MAX data section | Error code range | Description of edit check   | Circ. No. A-11 reference |
|------------------|------------------|---|--------------------------|
|                  |                  | than allocations) for military personnel compensation (line x117) must be reported in schedule O.   |                          |
| Q, O             | 4530-4565        | If obligations (other than allocations) for FTE employment (lines x111 or x113) are reported in schedule O, then full-time equivalent employment must be reported in schedule Q and vice versa.                       | 36.1, 83.7               |
| R                | 4730             | Subfunction must match BAT file subfunction for this account.   | 81.4                     |
| R                | 4740             | Character class must match BAT file character class for this account.   | 81.4                     |
| R                | 4765             | User charge coding is required for this account.  | 81.4                     |
| R, K             | 4750             | Current year receipts in baseline (schedule K) must equal the corresponding entries in policy (schedule R).   | 81.4                     |
| R, K             | 4760             | If a line entry in policy (schedule R) is coded mandatory, then the same entry must be reported in baseline (schedule K), with the same category code and amount.   | 81.4                     |
| S                | 3970             | Baseline budget authority, outlays and limitations are not required for direct and guaranteed loan financing accounts.  | 81.4                     |
| S                | 3980             | Sequesterable unobligated balances (line 2140) are reported in schedule S only for accounts in the national defense function.   | 81.4                     |
| S                | 3984             | For accounts in the national defense function (subfunction 05x), outlays from sequesterable unobligated balances (line 9994) must be reported if sequesterable unobligated defense balances (line 2140) are reported. | 81.4                     |
| S                | 3985             | Entries for sequesterable unobligated balances (line 2140) cannot be coded as exempt.   | 81.4                     |
| S                | 3990             | Number of beneficiaries (line 9993) can only be used if approved by OMB.  | 81.4                     |
| S                | 4000- 4085       | If budget authority is reported for BY, then it should also be reported for the outyears.   | 81.4                     |
| S                | 4090-4095        | If spending authority from offsetting collections (lines 6890 and 6990) is reported for BY, then it should also be reported for the outyears.   | 81.4                     |
| S                | 4100             | If offsetting collections (lines 8800-8845) are reported for the inyears, then they should also be reported for the outyears.   | 81.4                     |
| S                | 4120             | Limitation data have been reported under an incorrect line code. For changes to limitation requirements, consult OMB.   | 81.4                     |
| S                | 4130             | Data have been reported under an incorrect sequesterable/exempt code.   | 81.3                     |
| S                | 4160             | Subfunction does not match BAT file subfunction for this account.   | 81.3                     |

| MAX data section | Error code range | Description of edit check   | Circ. No. A-11 reference |
|------------------|------------------|---|--------------------------|
| S                | 4170             | Outlays from prior limitations (line 98xx) and from balances (line 9x21) cannot be coded as sequestrable  | 81.3                     |
| S                | 4240             | Baseline data are not required for legislative proposals, later transmittals, or rescission proposals (transmittal codes 2, 3, 4, or 5) or for discretionary supplementals.   | 81.4                     |
| S                | 4390             | If offsetting collections (lines 6890 or 6990) are sequestrable, then offsetting collections from non-Federal sources (lines 8840-8845) must be reported and cannot be less than the amount reported on lines 6890 and 6990.                              | 81.4                     |
| S                | 4395             | User charge data and coding are required for offsetting collections (lines 8840 and 8845) in this account.  | 81.4                     |
| S                | 4396             | User charge coding is only appropriate for lines coded 8840 and 8845  | 81.4                     |
| S                | 4397             | Outlays from sequestrable unobligated balances (line 9994) cannot be coded as exempt.   | 81.4                     |
| S, A             | 4250-4340        | Current year baseline BA entries reported in schedule S (lines 4300-6990) must equal the corresponding entries in schedule A.   | 81.4                     |
| S, A             | 4350-4358        | Current year baseline offsetting collections (lines 8800-8845) reported in schedule S must equal the corresponding entries in schedule A.   | 81.4                     |
| S, A             | 4365             | Current year change in uncollected customer payments from Federal sources (unexpired) (line 8895) reported in schedule S must equal the corresponding entry in schedule A.  | 81.4                     |
| S, A             | 4370             | Current year offsetting collections (cash) credited to expired accounts (line 8896) reported in schedule S must equal the corresponding entry in schedule A.  | 81.4                     |
| S, A             | 4380             | Current year baseline outlays reported in schedule S (lines 91xx - 98xx) must equal the corresponding entries in schedule A.  | 81.4                     |
| S, C             | 3975             | Schedule S and schedule C are not required for government-sponsored enterprises.  | 81.4, 84.4               |
| S, P             | 3982             | For accounts in the national defense function (subfunction 05x), line 2140 is required if the account has sequesterable unobligated defense balances  | 81.4, 82.4               |
| S, P             | 4385             | Spending authority from offsetting collections (lines 6890 and 6990) should equal total offsetting collections credited to unexpired accounts (lines 8800-8845 plus 8896), unless adjustments have been reported in schedule P on detail lines 6810-6985. | 81.4, 82.3               |

**APPENDIX D—EXPLANATION OF MAX EDIT CHECKS**

| <b>MAX data section</b> | <b>Error code range</b> | <b>Description of edit check</b>   | <b>Circ. No. A-11 reference</b> |
|-------------------------|-------------------------|--|---------------------------------|
| T                       | 4900                    | For consolidated and merged accounts, separate line entries are used to report the budget year request for each component account, and each line entry must include the 6 digit Treasury account symbol for the account involved.  | 82, 86.4                        |
| T, P, A                 | 4905                    | Amounts in schedule T should be consistent with the BY appropriations language request and amounts reported in schedules P and A under transmit code 0. Transfers will be reported on a pre-transfer basis except for transfers from the violent crime reduction trust fund. Exclude spending authority from offsetting collections. | 82, 86.4                        |
| U                       | 2270                    | For direct loan levels supported by subsidy BA, the sum of the direct loan level entries (lines 1150) must equal the total direct loan levels (line 1159). Rounding tolerance of \$2M)   | 185.10                          |
| U                       | 2275                    | The weighted average subsidy rate (line 1329) must equal the total subsidy budget authority (line 1339) divided by the total loan level (line 1159). (Rounding tolerance of 100 or 1 percent)  | 185.10                          |
| U                       | 2280                    | For direct loan subsidies, the sum of multiple subsidy outlay entries (lines 1340) must equal the total subsidy outlay (line 1349). (Rounding tolerance of \$2M)   | 185.10                          |
| U                       | 2285                    | For direct loan subsidies, the sum of the subsidy outlay entries (lines 1340) must equal the total subsidy outlay (line 1349). (Rounding tolerance of \$2M)  | 185.10                          |
| U                       | 2290                    | The total upward reestimate budget authority (line 1359) must equal the sum of the upward reestimate budget authority detail entries (lines 1350). (Rounding tolerance of \$2M)  | 185.10                          |
| U                       | 2295                    | Upward reestimate outlays (line 1360) for each risk category should equal upward reestimate budget authority (line 1350) for that risk category.   | 185.10                          |
| U                       | 2300                    | The total upward reestimate outlays (line 1369) must equal the sum of the upward reestimate outlay detail entries (line 1360). (Rounding tolerance \$2M)   | 185.10                          |
| U                       | 2305                    | The total downward reestimate budget authority (line 1379) must equal the sum of the downward reestimate budget authority detail entries (line 1370). (Rounding tolerance \$2M)  | 185.10                          |
| U                       | 2310                    | Downward reestimate outlays (line 1380) for each risk category should equal downward reestimate budget authority (line 1370) for that risk category.   | 185.10                          |
| U                       | 2320                    | The total downward reestimate outlays (line 1389) must equal the sum of the downward reestimate budget outlay detail entries (line 1380). (Rounding tolerance \$2M)  | 185.10                          |
| U                       | 2330                    | For guaranteed loan levels supported by subsidy BA, the sum of multiple guaranteed loan level entries (line 2150) must equal total loan guarantee levels (line 2159)   | 185.10                          |

| MAX data section | Error code range | Description of edit check   | Circ. No. A-11 reference |
|------------------|------------------|---|--------------------------|
| U                | 2335             | The weighted average subsidy rate (line 2329) must equal the total subsidy budget authority (line 2339) divided by the total level (line 2159). (Rounding tolerance of 100 or 1 percent)  | 185.10                   |
| U                | 2340             | For guaranteed loan subsidies, the sum of multiple subsidy BA entries (lines 2330) must equal the total subsidy BA (line 2339). (Rounding tolerance of \$2M)  | 185.10                   |
| U                | 2345             | For guaranteed loan subsidies, the sum of multiple subsidy outlay entries (lines 2340) must equal the total subsidy outlays (line 2349). (Rounding tolerance of \$2M)   | 185.10                   |
| U                | 2350             | For guaranteed loan levels supported by subsidy BA, the sum of multiple guaranteed loan level entries (lines 2150) must equal total loan guarantee levels (line 2159). (Rounding tolerance of \$2M)   | 185.10                   |
| U                | 2355             | Upward reestimate outlays (line 2360) for each risk category should equal upward reestimate budget authority (line 2350) for that risk category.  | 185.10                   |
| U                | 2360             | The total upward reestimate outlays (line 2369) must equal the sum of the upward reestimate outlay detail entries (line 2360). (Rounding tolerance of \$2M)   | 185.10                   |
| U                | 2365             | The total downward reestimate budget authority (line 2379) must equal the sum of the downward reestimate budget authority detail entries (line 2370). (Rounding tolerance of \$2M).   | 185.10                   |
| U                | 2370             | Downward reestimate outlays (line 2380) for each risk category should equal downward reestimate budget authority (line 2370) for that risk category.  | 185.10                   |
| U                | 2375             | The total downward reestimate outlays (line 2389) must equal the sum of the downward reestimate budget authority outlay detail entries (line 2380). (Rounding tolerance of \$2M)  | 185.10                   |
| U, A             | 2400             | Total subsidy outlays for guaranteed loans (line 2349) cannot exceed policy outlays (lines 9111 - 9808) in schedule A.  | 81.4, 185.10             |
| U, A             | 2410             | The sum of total subsidy outlays for direct loans (line 1349) plus total direct loan upward reestimate outlays (line 1369) plus guaranteed loans (line 2349) plus total guaranteed loan upward reestimate outlays (line 2369) plus outlays for administrative expenses (line 3590) in schedule U cannot exceed policy outlays in schedule A (lines 9xxx). | 81.4, 185.10             |
| U, A             | 2420             | Total direct loan levels supportable by subsidy BA (line 1159) reported in schedule U must not exceed the corresponding limitations on direct loan activity reported in schedule A (line 7007).   | 81.4, 185.10             |
| U, A             | 2430             | Total guaranteed loan levels supportable by BA (line 2159) in schedule U must not exceed the corresponding limitations on loan guarantee commitments reported in schedule A (line 7008).  | 81.4, 185.10             |

APPENDIX D—EXPLANATION OF MAX EDIT CHECKS

| MAX data section                 | Error code range | Description of edit check  | Circ. No. A-11 reference |
|----------------------------------|------------------|--|--------------------------|
| Y                                | 2559             | Liquidating accounts cannot have schedule Y.   | 185.9                    |
| Y                                | 2670-2690        | Outstanding agency debt, end of year (line 3390) must equal the sum of outstanding agency debt, start of year plus adjustments (lines 3310 - 3350). (Rounding tolerance of \$2M)                 | 185.11                   |
| Y                                | 2740             | Start of year outstanding balances for agency debt held by the FFB (line 3310) must equal the outstanding balances for the end of the preceding year (line 3390).                                | 185.11                   |
| Y                                | 3080             | Data on net financing disbursements are required (line 6300) for direct and guaranteed loan financing accounts.  | 185.11                   |
| Y, G, H                          | 3040             | Schedule Y is only required if schedule G or H is reported.  | 185.11                   |
| <i>Informational Edit Checks</i> |                  |  |                          |
| P                                | 0247             | For direct loan financing accounts, there should be no end of year unobligated balances; all balances should be repaid to Treasury (lines 6827 or 6847), as appropriate.                         | 185.2                    |
| P                                | 0360             | When an account has unobligated balances (lines 21xx) these balances should be used for capital transfers to the general fund (line 2240) before new offsetting collections (line 6827 or 6927). | 82.4                     |
| P                                | 0370             | When an account has unobligated balances, these balances should be used for redemption of debt (line 2260) before new offsetting collections (line 6847 or 6947).                                | 82.4                     |
| P                                | 1275             | Separate repayment lines (lines 8840) should be provided for principal repayments and for interest payments.   | 82.7, 185.11             |
| P                                | 1400             | Direct loan subsidy expense (line 0001) should be reported for direct loan program accounts.   | 82.3, 185.10             |
| P                                | 1402             | Loan guarantee subsidy expense (line 0002) should be reported for guaranteed loan program accounts.  | 82.3, 185.10             |
| P                                | 1405             | Subsidy for modifications of direct loan terms (line 0003) should be reported for direct loan program accounts.  | 82.3, 185.10             |
| P                                | 1407             | Subsidy for modifications of loan guarantees (line 0004) should be reported for guaranteed loan program accounts.  | 82.3, 185.10             |
| P                                | 1409             | Reestimates of direct loan subsidy (line 0005) should be reported for direct loan program accounts.  | 82.3, 185.10             |
| P                                | 1411             | Interest on reestimates of direct loan subsidy (line 0006) should be reported for direct loan program accounts.  | 82.3, 185.10             |
| P                                | 1413             | Reestimates of the loan guarantees (line 0007) should be reported for guaranteed loan program accounts.  | 82.3, 185.10             |
| P                                | 1415             | Interest on reestimates of loan guarantee subsidy (line 0008) should be reported for guaranteed loan program accounts.   | 82.3, 185.10             |

| MAX data section | Error code range | Description of edit check   | Circ. No. A-11 reference |
|------------------|------------------|---|--------------------------|
| P                | 1417             | Administrative expenses (line 0009) should be reported for guaranteed loan program accounts.  | 82.3, 185.10             |
| S                | 3982             | For accounts in the national defense function (subfunction 05x), line 2140 is required if the account has sequesterable unobligated defense balances.   | 81.4, 82.4               |
| S                | 4210             | Outlays from end of PY balances (line 9122) is missing.   | 81.4                     |
| S, O             | 4381             | When an account uses discretionary budget authority to finance civilian personnel compensation and benefits, there should be an entry in MAX schedule S to indicate the amount used for that purpose.               | 81.3, 83.7               |
| S, O             | 4383             | When an account uses discretionary budget authority to finance personnel compensation and benefits for military personnel, there should be an entry in MAX schedule S to indicate the amount used for that purpose. | 81.3, 83.7               |
| U                | 2210             | For credit program accounts, administrative expense budget authority (line 3510) and administrative expense outlays (line 3580 and/or line 3590) should be reported.  | 185.10                   |

**APPENDIX E—DIAGNOSTIC REPORTS**

In addition to the MAX edit checks listed in Appendix D, OMB produces a number of reports to ensure that data reported in the data base are consistent both within and between schedules and that they comply with standard budget concepts.

This Appendix includes exhibits of the major diagnostic reports listed below to provide information that can be used to understand and resolve any errors in the data base highlighted by these reports. Agencies can print the reports marked with an asterisk (\*) themselves, using MAX.

The Treasury Financial Manual (TFM) provides a crosswalk between data in the agency financial systems, the program and financing schedule, FMS 2108, and SF 133. This crosswalk is available on the Internet ([www.fms.treas.gov/ussgl](http://www.fms.treas.gov/ussgl)).

| Title   | Description  | Exhibit No. |
|---|--|-------------|
| Diagnostic Reports:   |  |             |
| BEA Questions and Problems Report (BEACK01)*  | Identifies possible errors in BEA classification in schedules A and R (policy) and S and K (baseline).   | E1          |
| Total FTE Employment: Approved Estimates vs. Schedule Q (CKFTE)*                        | Compares FTE estimates approved by OMB with personnel levels in schedule Q.  | E2          |
| FTE Employment: Average Salaries (CKFTEOBS)*  | Identifies potential errors by comparing personnel obligations in schedule O with FTE employment in MAX schedule Q and computing average salaries for both direct and reimbursable FTEs. | E3          |
| Suspected Receipt Estimating Problems (CKRCPTS)*  | Identifies receipt accounts in schedule R with apparent inconsistencies in the BY Budget data when compared with the previous budget and actual data.                                    | E4          |
| Reconciliation of Program and Financing Schedule Transfers (TRANSFER)                   | Compares transfers of budget authority, unobligated balances, and obligated balances reported by gaining and losing accounts in schedule P.  | E5          |
| Policy and Baseline Agency/Category Account Detail Report—Mandatory Estimates (BEACAT)* | Compares mandatory baseline estimates in schedule S with mandatory policy estimates in schedule A.   | E6          |

### BEA Questions and Problems Report (BEACK01)

This report only displays exceptions to the rules. In most cases, the BEA classification will need to be corrected in MAX. Where the classification is valid (e.g., an advance appropriation that should be classified as mandatory), contact the OMB examiner.

This report displays policy and baseline data from schedules A and R (policy) and S and K (baseline).

Indicates the apparent problem with the data (e.g., an account historically classified as mandatory has reported all resources as discretionary).

This report is designed to identify new account/line number combinations where classification does not conform to the following assumptions:

1. Amounts categorized as under authorizing committee jurisdiction should be classified as mandatory;
2. Credit program accounts should be classified as discretionary;
3. Credit liquidating accounts should be classified as mandatory, authorizing committee;
4. Advance appropriations should be classified as discretionary;
5. Obligation limitations should be classified as discretionary, except for limitations on credit financing accounts, which should be classified as mandatory, authorizing committee;
6. Offsetting collections and spending authority and outlays from offsetting collections should be classified as discretionary for accounts classified as discretionary under the BEA.
7. Receipts should be classified as mandatory, authorizing committee; and;
8. GSEs should be classified as mandatory authorizing committee.

Agency: Department of Government  
Bureau: Revolving and Management Funds

Classification 3: Accounts that Historically Use a Single BEA Category  
Action Required: Validate Coding for BEA Cat not Previously Used for Account

| Line #<br>(1) | BEA Cat.<br>(2) | BEA Sub.<br>(3) | Com<br>(4) | Policy |    |    |     | Baseline |    |     |
|---------------|-----------------|-----------------|------------|--------|----|----|-----|----------|----|-----|
|               |                 |                 |            | PY     | CY | BY | BY2 | CY       | BY | BY2 |

Account Management Fund  
007-40-17-3980-0-4-051

HISTORICAL CATEGORY: MAND

|           |      |  |    |      |      |      |  |      |      |        |
|-----------|------|--|----|------|------|------|--|------|------|--------|
| **6890-01 | DISC |  | DE | 475  | 578  | 599  |  | 1    | 1    | **     |
| **8890-01 | DISC |  | DE | -476 | -531 | -599 |  | 578  | 599  | 599**  |
| **8895-01 | DISC |  | DE | 2    | -47  |      |  | -531 | -599 | -599** |
| **9121-01 | DISC |  | DE | -8   |      |      |  | -47  |      | **     |
| **9311-01 | DISC |  | DE | 476  | 531  | 599  |  | 531  | 599  | **     |

Account: Working capital fund  
007-40-21-4528 -0-4-051

HISTORICAL CATEGORY: MAND

|           |      |  |    |        |      |      |  |      |      |      |
|-----------|------|--|----|--------|------|------|--|------|------|------|
| **6890-01 | DISC |  | DE | 946    | 919  | 725  |  | 919  | 725  | 725  |
| **8890-01 | DISC |  | DE | -1,303 | -919 | -725 |  | -919 | -725 | -725 |
| **8895-01 | DISC |  | DE | 357    |      |      |  |      |      | **   |
| **9121-01 | DISC |  | DE | 36     |      |      |  |      |      | **   |
| **9311-01 | DISC |  | DE | 1,303  | 919  | 725  |  | 919  | 725  | **   |

"BEA Cat" and "BEA Sub" (columns 2 and 3) indicate the BEA classification of data on the specified lines of the data base.

"Com" (column4) designates committee jurisdiction. The code refers to the applicable appropriations subcommittee (e.g., "DE" is for defense). For resources under authorizing committee jurisdiction, the code "AU" is used.

**Total FTE Employment: Approved Estimates vs. Schedule Q (CKFTE)**

This report is used to compare agency FTE estimates approved by OMB during the fall budget process with data reflected in MAX. Account level detail reported in schedule Q follows summary data in this report.

FTE estimates approved by OMB during the budget review process.

This amount must be fixed in MAX to match what was reported to OPM on SF 113G.

|   | PY      |         |      | CY      |         |      | BY      |         |      |
|---|---------|---------|------|---------|---------|------|---------|---------|------|
|   | Actual  | MAX     | Diff | Aprvd   | MAX     | Diff | Aprvd   | MAX     | Diff |
| Department of Agriculture<br>005                      | 103,848 | 103,848 |      | 105,452 | 105,452 |      | 104,568 | 104,568 |      |
| Department of Commerce<br>006                         | 35,347  | 35,347  |      | 35,211  | 35,211  |      | 35,500  | 35,500  |      |
| Department of Defense -- Military<br>007              | 821,739 | 821,739 |      | 800,008 | 800,008 |      | 767,417 | 767,417 |      |
| Department of Education<br>018                        | 4,816   | 4,819   | 3    | 4,750   | 4,750   |      | 4,613   | 4,613   |      |
| Department of Energy<br>019                           | 19,657  | 19,657  |      | 19,749  | 19,749  |      | 18,492  | 18,492  |      |
| Department of Health and Human<br>Services<br>009     | 59,011  | 59,011  |      | 58,511  | 58,511  |      | 58,924  | 58,924  |      |
| Department of Housing and Urban<br>Development<br>025 | 12,110  | 12,110  |      | 11,870  | 11,870  |      | 11,369  | 11,369  |      |
| Department of the Interior<br>010                     | 72,012  | 72,012  |      | 70,491  | 70,491  |      | 72,155  | 72,155  |      |
| Department of Justice<br>011                          | 97,869  | 97,869  |      | 106,317 | 106,317 |      | 112,520 | 112,520 |      |
| Department of Labor<br>012                            | 16,815  | 16,815  |      | 16,633  | 16,633  |      | 17,074  | 17,074  |      |
| Department of State<br>014                            | 23,863  | 23,863  |      | 23,651  | 23,651  |      | 23,476  | 23,476  |      |
| Department of Transportation<br>021                   | 63,171  | 63,171  |      | 63,935  | 63,935  |      | 63,859  | 63,859  |      |
| Department of the Treasury<br>015                     | 157,481 | 157,481 |      | 153,309 | 153,309 |      | 156,765 | 156,765 |      |
| Department of Veterans Affairs<br>029                 | 223,112 | 223,112 |      | 218,242 | 218,242 |      | 217,327 | 217,327 |      |

The sum of account-level detail (line xxx1) in schedule Q for a year for an agency.

Actuals and approved estimates and MAX totals should equal. Where differences occur, MAX schedule Q data should be adjusted to agree with approved estimates.

FTE Employment: Average Salaries (CKFTE0BS)

This report computes average salaries by comparing obligations for personnel and FTE employment reported in MAX. Comparisons are made for both direct and reimbursable FTEs.

This is an exception report. It displays data only for accounts where the average salary does not fall in the normal range (i.e., average salary of less than \$12,800 or more than \$100,000).

Both a high and low estimate of average salaries are computed to take into account the potential effects of rounding.

| Department of Government                                 | PY       | CY       | BY       |
|--|----------|----------|----------|
| <u>General Administration</u>                            |          |          |          |
| Salaries and expenses                                    |          |          |          |
| Direct obligations, object classes 11.1+11.3 (\$M)       | 47       | 165      | 45       |
| Direct FTE employment                                    | 1,160    | 1,207    | 1,207    |
| Average salary, low estimate (dollars)                   | 40,086   | 136,289  | 36,868   |
| Average salary, high estimate (dollars)                  | 40,947   | 137,117  | 37,695   |
| Reimbursable obligations, object classes 11.1+11.3 (\$M) | 3        | 3        | 3        |
| Reimbursable FTE employment                              | 33       | 24       | 23       |
| Average salary, low estimate (dollars)                   | 75,757   | 104,166  | 108,695  |
| Average salary, high estimate (dollars)                  | 106,030  | 145,791  | 152,130  |
| 022-04-11-9972- Miscellaneous trust fund                 |          |          |          |
| Direct obligations, object classes 11.1+11.3 (\$M)       | 0        | 0        | 0        |
| Direct FTE employment                                    | 3        | 3        | 3        |
| Average salary, low estimate (dollars)                   | -166,666 | -166,666 | -166,666 |
| Average salary, high estimate (dollars)                  | 166,333  | 166,333  | 166,333  |

Equals the sum of direct obligations for object classes 11.1 (full-time permanent) and 11.3 (other than full-time permanent) in MAX schedule O.

Equals direct FTE employment (lines 1xxx and 6xxx) in MAX schedule Q.

For BY, the average salary (low estimate) is computed by taking the obligations reported, determining the smallest number that rounds up to \$45 million (\$44,501,000), and dividing by the FTE's.

For BY, the average salary (high estimate) is computed by taking the obligations reported, determining the largest number that rounds down to \$45 million (\$45,500,000), and dividing by the FTEs.

PY and CY average salaries are computed in a similar manner.

In this case, the average salary appears to be too high. Either the obligations are overstated or FTEs are understated.

These data show that no dollars are in schedule O for reimbursable personnel, even though reimbursable FTE are reported. Either reimbursable obligations should be reported or reimbursable FTE should not be reported.

The average low salary may be a negative number when there are a small number (e.g., less than 10) of FTEs, and personnel compensation does not round to \$1 million.

Suspected Receipt Estimating Problems (CKRCPTS)

This report identifies receipt accounts in schedule R with apparent inconsistencies in the data when compared with estimates in the previous budget and actual data.

Accounts with \$4 million or less in each year of the BY Budget and credit subsidy accounts are excluded from the report.

| Department of Government  | PY-4 | PY-3 | PY-2 | PY-1 | PY | CY  | BY  |
|---|------|------|------|------|----|-----|-----|
| Land and water conservation fund, royalty receipts<br>010-00-500580 |      |      |      |      |    |     |     |
| CY BUDGET   |      |      |      |      | 0  | 0   | 139 |
| Last update: CY-01-09 ACTUALS/BY BUDGET                             | 503  | 633  | 356  | -8   | 0  | 122 | 349 |

ERROR? The CY estimate is zero in the CY Budget and not zero in the BY Budget.  
EXPLANATION: (CY Budget) Depends on OCS transfer estimate; Can budget get actual transfer amount?

|   |    |    |    |    |    |     |    |
|---|----|----|----|----|----|-----|----|
| Natural resources damages from legal actions<br>010-00-519810 |    |    |    |    |    |     |    |
| CY BUDGET   |    |    |    |    | 76 | 34  | 24 |
| Last update: CY-01-09 ACTUALS/BY BUDGET                       | 17 | 50 | 35 | 72 | 48 | 102 | 79 |

ERROR? There is at least a 25% difference between the PY actual and both the CY est. in the CY Budget and the CY est. in the BY Budget.  
EXPLANATION:

|   |   |   |   |     |      |      |  |
|---|---|---|---|-----|------|------|--|
| Court award, OCS rent and bonuses, environmental improvement<br>010-00-542510 |   |   |   |     |      |      |  |
| CY BUDGET   |   |   |   | 221 | -221 | 0    |  |
| Last update: CY-01-09 ACTUALS/BY BUDGET                                       | 0 | 0 | 0 | 0   | 221  | -221 |  |

ERROR? The PY actual is zero and the PY estimate in the CY Budget is not zero.  
EXPLANATION:

Indicates when receipt data in schedule R were last updated.

Identifies suspected errors.

Errors in the proposed budget must be fixed in MAX. Where there is a justifiable reason for the apparent inconsistency, contact the OMB examiner and provide a written explanation.

Reconciliation of Program and Financing Schedule Transfers (TRANSFER)

|  |   |                          |  | PY | CY | BY |
|--|---|--------------------------|--|----|----|----|
| <b>Net current authority transferred (4100/4200)</b> |   |                          |  |    |    |    |
| <u>Senate</u>  |   |                          |  |    |    |    |
| 001-05-00-0110-0                                     | Salaries, officers and employees                        |                          |  |    |    |    |
| 001-05-00-0110-0                                     | Salaries, officers and employees                        | (001-05-00-0126) 4100 02 |  | -7 | 0  | 0  |
| 001-05-00-0126-0                                     | Secretary of the Senate                                 | (001-05-00-0110) 4200 01 |  | 7  | 0  | 0  |
| Total:   | transfer in balance                                     |                          |  | 0  | 0  | 0  |
| 001-05-00-0128-0                                     | Inquiries and investigations                            |                          |  |    |    |    |
| 001-05-00-0128-0                                     | Inquiries and investigations                            | (001-05-00-0123) 4100 01 |  | -2 | 0  | 0  |
| 001-05-00-0123-0                                     | Miscellaneous items                                     | (001-05-00-0128) 4200 01 |  | 2  | 0  | 0  |
| Total:   | transfer in balance                                     |                          |  | 0  | 0  | 0  |
| 001-05-00-0132-0                                     | Official mail costs                                     |                          |  |    |    |    |
| 001-05-00-0182-0                                     | Official mail costs                                     | (001-05-00-0130) 4100 01 |  | -1 | 0  | 0  |
|  | Senators' official personnel and office expense account | (001-05-00-0132) 4200 01 |  | 1  | 0  | 0  |
| 001-05-00-0130-0                                     |   |                          |  |    |    |    |
| Total:   | transfer in balance                                     |                          |  | 0  | 0  | 0  |
| <u>House of Representatives</u>                      |   |                          |  |    |    |    |
| 001-10-00-0400-0                                     | Salaries and expenses                                   |                          |  |    |    |    |
| 001-12-09-1200-0                                     | Secretary of the Senate                                 | (001-10-00-0400) 4200 02 |  | 0  | 1  | 0  |
| Total:   | TRANSFER NOT IN BALANCE                                 |                          |  | 0  | 1  | 0  |
| 001-10-09-XXXX-0                                     | Account transferred to or from not identified           |                          |  |    |    |    |
| 001-10-00-0400-0                                     | Salaries and expenses                                   | (MISSING) 4100 01        |  | 0  | -1 | 0  |
| Total:   | TRANSFER NOT IN BALANCE                                 |                          |  | 0  | -1 | 0  |

This report compares transfers of budget authority and obligated and unobligated balances reported by gaining and losing accounts in schedule P. It indicates where transfers to and from accounts do not equal. Errors must be fixed in MAX before the data base locks.

The same type of line should be used to report a transfer to or from an account (e.g., discretionary BA transfers are reported on lines 4100/4200; mandatory BA transfers on lines 6100/6200; unobligated balance transfers on lines 2221/2222). The line numbers indicate whether a transfer to an account (e.g., line 4100) or from an account (e.g., line 4200) is being reported.

Indicates the account to which the transfer is made.

Indicates the transfer lines in schedule P and amount transferred.

Indicates the account from which the amount is transferred.

For each transfer reported in an account, agencies must enter the 6-digit basic account symbol assigned by Treasury for the other account(s) involved in the transfer. This account ID is reported in the stub entry of the transfer line in schedule P.

In this case, the ID of the gaining account was not reported on line 4100 by the account from which the amount is transferred (001-10-00-0400). However, the gaining account (001-12-09-1200) identified the source of the transfer. To correct the error, include the account ID in the stub entry for line 4100.

Policy and Baseline Agency/Category Account Detail Report  
Mandatory Estimates (BEACAT)

| Agency Category   | Other Independent Agencies | Total Mandatory | Indicates BEA category of data reported.                     |       |       |       |        |      |        |       |        |        |        |
|-------------------|----------------------------|-----------------|--|-------|-------|-------|--------|------|--------|-------|--------|--------|--------|
|                   |                            |                 | PY   | CY    | BY    | BY+1  | BY+2   | BY+3 | BY+4   | BY+5  | BY+6   | BY+7   | BY+8   |
| 440-00-1004-372-4 |                            |                 | Payment to the Postal Service fund for nonfunded liabilities |       |       |       |        |      |        |       |        |        |        |
| Baseline          |                            |                 |  |       |       |       |        |      |        |       |        |        |        |
| BA                |                            |                 | 0  | 0     | 0     | 0     | 0      | 0    | 0      | 0     | 0      | 0      | 0      |
| OL                |                            |                 | 0  | 0     | 0     | 0     | 0      | 0    | 0      | 0     | 0      | 0      | 0      |
| Policy            |                            |                 |  |       |       |       |        |      |        |       |        |        |        |
| BA                |                            |                 | 0  | 0     | -36   | -34   | -32    | -31  | -29    | -28   | -26    | -24    | -22    |
| OL                |                            |                 | 0  | 0     | -36   | -34   | -32    | -31  | -29    | -28   | -26    | -24    | -22    |
| Difference        |                            |                 |  |       |       |       |        |      |        |       |        |        |        |
| BA                |                            |                 | 0  | -36   | -34   | -32   | -31    | -29  | -28    | -26   | -24    | -22    | -20    |
| OL                |                            |                 | 0  | -36   | -34   | -32   | -31    | -29  | -28    | -26   | -24    | -22    | -20    |
| 440-00-4020-372-0 |                            |                 | Postal Service fund  |       |       |       |        |      |        |       |        |        |        |
| Baseline          |                            |                 |  |       |       |       |        |      |        |       |        |        |        |
| BA                |                            |                 | 0  | 4,917 | 3,151 | 3,049 | 1,924  | 267  | 2,266  | 1,391 | 1,696  | 1,569  | 91     |
| OL                |                            |                 | 0  | -348  | 2,596 | 26    | -1,454 | -534 | -1,808 | 1,823 | -1,703 | -1,758 | -1,602 |
| Policy            |                            |                 |  |       |       |       |        |      |        |       |        |        |        |
| BA                |                            |                 | 2,554  | 4,917 | 3,151 | 3,049 | 1,924  | 267  | 2,266  | 1,391 | 1,696  | 1,569  | 91     |
| OL                |                            |                 | -1,969   | -348  | 2,596 | 26    | -1,454 | -534 | -1,808 | 1,823 | -1,703 | -1,758 | -1,602 |
| Difference        |                            |                 |  |       |       |       |        |      |        |       |        |        |        |
| BA                |                            |                 | 0  | 0     | 0     | 0     | 0      | 0    | 0      | 0     | 0      | 0      | 0      |
| OL                |                            |                 | 0  | 0     | 0     | 0     | 0      | 0    | 0      | 0     | 0      | 0      | 0      |
| 440-00-4020-372-2 |                            |                 | Postal Service fund  |       |       |       |        |      |        |       |        |        |        |
| Baseline          |                            |                 |  |       |       |       |        |      |        |       |        |        |        |
| BA                |                            |                 | 0  | 0     | 0     | 0     | 0      | 0    | 0      | 0     | 0      | 0      | 0      |
| OL                |                            |                 | 0  | 0     | 0     | 0     | 0      | 0    | 0      | 0     | 0      | 0      | 0      |
| Policy            |                            |                 |  |       |       |       |        |      |        |       |        |        |        |
| BA                |                            |                 | 0  | 37    | 36    | 0     | 0      | 0    | 0      | 0     | 0      | 0      | 0      |
| OL                |                            |                 | 0  | 37    | 36    | 0     | 0      | 0    | 0      | 0     | 0      | 0      | 0      |
| Difference        |                            |                 |  |       |       |       |        |      |        |       |        |        |        |
| BA                |                            |                 | 37   | 36    | 0     | 0     | 0      | 0    | 0      | 0     | 0      | 0      | 0      |
| OL                |                            |                 | 37   | 36    | 0     | 0     | 0      | 0    | 0      | 0     | 0      | 0      | 0      |

This report compares, by BEA category and transmittal code, baseline estimates in schedule S with policy estimates in schedule A.

This section of the report presents data on mandatory estimates in MAX. As a general rule, there should be no differences between baseline and policy estimates for mandatory programs unless proposed policy changes have been approved by OMB. Errors must be fixed in schedules A and S before the data base locks.

Agency Category

Indicates BEA category of data reported.

Policy changes are reported as PAYGO (transmittal code 4) when changes proposed are classified as mandatory and are scorable under the Budget Enforcement Act.

Current law baseline estimates for mandatory programs are reported under transmittal code 0. Baseline and policy estimates for mandatory programs in transmittal code 0 should equal, except where third scorecard changes are proposed.

Policy changes for mandatory programs are reported as non-PAYGO (transmittal code 2) when the proposal affects off-budget transactions (e.g., social security, postal service) or are otherwise not subject to PAYGO rules (intergovernmental transactions).

Indicates the transmittal code of the MAX schedules for which data are reported. For mandatory programs, policy changes are usually reported as PAYGO (transmittal code 4), or non-PAYGO (transmittal code 2). No data should be reported for PY in transmittal codes 2 or 4.

No baseline data should be reported for legislative proposals (transmittal codes 2 or 4).

Proposed changes that are not scored as PAYGO or non-PAYGO (i.e., level of effort and other indirect effects of appropriations language) are classified as third scorecard, appropriations committee or third scorecard, authorizing committee and are reported in transmittal code 0 in schedule A.

<sup>1</sup> Discretionary estimates are reported in another section of this report.