

# **CIRCULAR NO. A-11**

## **PART 6**

### **PREPARATION AND SUBMISSION OF STRATEGIC PLANS, ANNUAL PERFORMANCE PLANS, AND ANNUAL PROGRAM PERFORMANCE REPORTS**



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

**JULY 2003**



**SECTION 200—OVERVIEW OF STRATEGIC PLANS, PERFORMANCE BUDGETS, AND ANNUAL PROGRAM PERFORMANCE REPORTS (INCLUDING PERFORMANCE AND ACCOUNTABILITY REPORTS)**

**Summary Schedule**

Initial FY 2005 performance budget to OMB.....	September 2003
Updated and revised strategic plan sent to Congress and OMB.....	by September 2003 (within three years of the date of transmittal of the previous updated and revised strategic plan to Congress)
Revised final FY 2004 performance plan completed.....	October-December 2003 (after final appropriations action)
FY 2005 Congressional justification (incorporating performance budget) sent to Congress.....	February-March 2004
Interim adjustments to strategic plans sent to Congress.....	February-March 2004 (with performance budget for FY 2005)
FY 2003 performance and accountability reports* to President and Congress.....	by January 30, 2004
FY 2003 program performance report to President and Congress.....	by February 27, 2004
Initial FY 2006 performance budget to OMB.....	September 2004
FY 2004 performance and accountability reports* to President and Congress.....	by November 15, 2004
FY 2004 program performance report to President and Congress.....	by February 27, 2005

Agencies should note that OMB Circular A-19 on Legislative Coordination and clearance applies to plans and reports sent to Congress.

\* Performance and accountability reports are prepared by the Cabinet departments and nine major agencies covered by the Chief Financial Officers Act. Program performance reports are prepared by agencies not preparing performance and accountability reports.

## 200.1 Overview

Strategic plans, annual performance plans, and annual program performance reports comprise the main elements of the Government Performance and Results Act (GPRA, or the Results Act). Together, these elements create a recurring cycle of planning, program execution, and reporting.

Beginning with the budget for FY 2005, agencies will prepare a performance budget in lieu of the annual performance plan. The performance budget should satisfy all statutory requirements for the annual performance plan. Please see sections [51](#) and [220](#) for further information on performance budgets. Section 210 contains information on the preparation and submission of strategic plans, and section 230 covers the preparation and submission of annual performance reports, including the performance report portion of the combined performance and accountability report prepared by 24 departments and agencies.

## 200.2 Definitions

**General goal:** These goals are included in a strategic plan. A general goal defines how an agency will carry out its mission over a period of time. The goal is expressed in a manner which allows a future assessment to be made of whether the goal was or is being achieved. The goal may be of a programmatic, policy, or managerial nature. General goals are typically outcome-type goals.

**Long-range performance measure:** A term used in the PART evaluations. A general goal or outcome goal.

**Outcome goal:** A description of the intended result, effect, or consequence that will occur from carrying out a program or activity.

**Output goal:** A description of the level of activity or effort that will be produced or provided over a period of time or by a specified date, including a description of the characteristics and attributes (e.g., timeliness) established as standards in the course of conducting the activity or effort.

**Performance goal:** Also called an annual performance measure by the PART. These goals are included in the performance budget. A performance goal sets a target level of performance which is expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate. Performance goals can be either outcome or output goals.

**Performance indicator:** Can be included in a performance budget and is directly associated with a performance goal. A particular value or characteristic used to measure output or outcome.

**Performance measure:** A performance goal or performance indicator.

**Program evaluation:** An assessment, through objective measurement and systematic analysis, of the manner and extent to which Federal programs achieve intended objectives.

**Strategic goal:** Also called a strategic objective. A statement of aim or purpose that agencies include in a strategic plan. Typically, a strategic goal typically will not be directly measurable. Strategic goals can be used to group outcome goals in a performance budget.

For additional information on developing performance measures and definitions, please see the "Performance Measurement Challenges and Strategies" at [www.whitehouse.gov/omb/part/](http://www.whitehouse.gov/omb/part/).

### **200.3 Applicability**

For the purposes of sections 210, 220, and 230 of this Circular, "agency" means cabinet departments and other establishments of the Federal government, including independent agencies and Government corporations. A government corporation is a corporation owned or controlled by the Federal government. The Legislative Branch and the Judiciary are not subject to GPRA requirements.

Except as noted below, agencies are required to submit strategic plans, annual performance budgets, and annual program performance reports to the President, Congress, and OMB in accordance with these instructions. The Central Intelligence Agency and the Postal Rate Commission are not subject under this statute to the requirements for strategic plans, annual performance plans, or program performance reports. These instructions also do not apply to the Postal Service; preparation and submission of the Postal Service's strategic plan and performance plan are covered by section 7 of GPRA.

OMB may exempt independent agencies with \$20 million or less in annual outlays from the requirements for a strategic plan, annual performance plan (performance budget), and annual program performance report. GPRA does not authorize any exemption of a component of a department or independent agency, such as a bureau or office that annually spends \$20 million or less.



SECTION 210—PREPARING AND SUBMITTING A STRATEGIC PLAN

**Highlights for 2003–2004 and Section Index**

**Highlights**

Strategic plans will provide the overarching framework for agency performance-based management.

**Main Section Index**

- 210.1 Preparing a strategic plan: The main elements.
- 210.2 Preparing a strategic plan: Format and other features.
- 210.3 Submission of strategic plans.
- 210.4 Interim adjustments to strategic plans.

**210.1 Preparing a strategic plan: The main elements**

- (a) *Summary of strategic plan elements.*

The basic requirements for strategic plans are set forth in Section 3 of the Government Performance and Results Act (GPRA). A strategic plan contains the following elements:

The agency mission statement;

- One or more general goals (general goals are typically outcome goals, and are also called long-term performance measures);
- A description of the means and strategies that will be used to achieve the goals;
- A description of the relationship between annual performance goals in the performance budget and the long-term (general) goals in the strategic plan;
- Identification of key factors that could affect achievement of the long-term goals; and

A description of program evaluations used in preparing the strategic plan, and a schedule for future evaluations.

Your agency's strategic plan keys on those programs and activities that carry out your agency's mission. Revisions of your strategic plan should take into account the Administration's development of the Program Assessment Rating Tool (PART) and the focus on developing a performance budget.

Strategic plans should guide the formulation and execution of the budget. Your strategic plan is a tool to be used in setting priorities and allocating resources consistent with these priorities. A strategic plan is not a budget request, and the projected levels of goal achievement must be commensurate with anticipated resource levels.

(b) *What does a strategic plan include?*

- An agency strategic plan includes a comprehensive mission statement. A mission statement is brief, defining the basic purpose of your agency, and corresponds directly with your core programs and activities. Your agency's program goals should flow from the mission statement.
- An agency strategic plan must include one or more general goals. The goal(s) must be defined in a manner that allows a future assessment to be made on whether the goal was or is being achieved. Most general goals will be outcomes, and are long-term in nature.

<b>Illustrative Examples of General Goal Definitions</b>	
<i>Quantitative:</i>	Seventy percent of American households will own their own home in 2010.
<i>Directly measurable:</i>	Complete the sequencing of the horse genome by June 2005.
<i>Assessment-based:</i>	Educational attainment at grade nine of children who participated in the Sure Learn program will be at least equal to the attainment level of all similarly aged children.

- The agency strategic plan must describe the processes, skills, technologies, and various resources that will be used to achieve the general goals. (These are often called 'means and strategies'.) These may include:
  - ▶ Operational processes, such as changes in work methods or sequencing, workforce adjustments, and shifts in responsibility for particular tasks;
  - ▶ Staff skills, and the development, introduction, and use of technologies; and
  - ▶ Human capital information, and other resources.

Descriptions should be brief. More detailed data should be provided if a significant change in a particular means or strategy will be essential for goal achievement.

- A description of the relationship between annual performance goals included in the performance budget and the general goals in the strategic plan;

An updated and revised strategic plan should briefly outline:

- ▶ The type, nature, and scope of the performance goals being included in annual performance budgets, and
- ▶ How these annual performance goals relate to the long-term, general goals, and their use in helping determine the achievement of the general goals.
- Key factors, external to the agency that could significantly affect the achievement of general goals. If key factors cannot be identified, a statement of such should be included in the plan.

- Achievement of general goals can be affected by certain previously prospective conditions or circumstances actually occurring during the time period covered by the plan. These conditions or circumstances are identified in the plan as key factors, and provide insight on the presumptions an agency used when defining its goals. Key factors may enhance or nullify these assumptions and the likelihood of goal achievement.
- These factors are often called external factors, as they are introduced by external forces or parties, and are not of the agency's own making. The factors may be economic, demographic, social, or environmental, and they may remain stable, change within predicted rates, or vary to an unexpected degree. Goal achievement may also be predicated on certain conditions (events) not happening. Achievement of goals can also depend on the action of Congress, other Federal agencies, States, local governments, or other non-Federal entities.
- A description of completed program evaluations that were used in developing the strategic plan, and a schedule for future program evaluations. For additional information on program evaluations, see Question 2.6 in the PART guidance for the FY 2005 Budget, OMB Budget and Procedures Memorandum No. 861, at <http://www.whitehouse.gov/omb/part/>.
- One or more strategic goals, which are descriptions of aim or purpose. Strategic goals are not inherently measurable, and are intended to be used to group several or more related outcome goals in the performance budget. As such, strategic goals are a basic building block for the performance budget.

## **210.2 Preparing a strategic plan: Format and other features**

No specific format is prescribed for your strategic plan. An updated strategic plan is a complete plan, containing all required plan elements.

Your plan should outline the process for communicating goals and strategies throughout the agency, and for assigning accountability to managers and staff for goal achievement. The nature and dimension of your management-related initiatives and reforms may merit your including a management section in your strategic plan. An agency may describe significant risks that threaten achievement of the general goals. These risks are associated with internal agency operations and functions, and are separate and distinct from external factors.

If appropriate, include a classified appendix. A classified appendix covers any material specifically authorized under criteria established by an Executive order, to be kept secret in the interest of national defense or foreign policy.

A strategic plan must cover the major functions and operations of your agency. You have discretion to omit support-type activities and operations. Strategic plans prepared primarily for your agency's internal use (such as those prepared at a program or component-unique level) may cover a greater range of functions and operations.

You should submit a single agency-wide plan. By 2003, the strategic planning process should be sufficiently mature in all agencies to support preparation of a single agency-wide plan. However, GPRA does allow an agency with widely disparate functions to prepare several strategic plans for its major components or programs. In these instances, an overview that brings together the component plans is prepared. Please consult with the appropriate OMB office and secure its approval if your agency will be unable to prepare a single agency-wide plan.

A strategic plan spans a minimum six-year period: the fiscal year it is submitted and at least five years forward of that fiscal year. (For example, a plan submitted in FY 2003 would cover FY 2003 through FY 2008.) A plan may be for a period longer than six years; for example, containing a project completion goal ten years in the future. A strategic plan, while covering a minimum six year period, is only current for three years.

### **210.3 Submission of strategic plans**

#### **(a) *Timing of strategic plan submissions.***

An agency submits an updated and revised strategic plan to Congress and OMB within three years of submitting its previous strategic plan. An updated plan will often retain, unchanged, the elements of a previous strategic plan, such as the mission statement.

GPRA does not set a specific calendar date for submissions of updated and revised strategic plans. Agencies submitting plans in September 2000 would subsequently submit their second updated plan no later than September 30, 2003. Agencies transmitting an updated plan other than in September 2000 would have three years from their submittal date.

For newly established agencies, the three-year cycle begins with the submittal of the initial strategic plan to Congress. For example, a new agency that had submitted its initial strategic plan in June 15, 2002 would submit an updated plan no later than June 15, 2005.

Consistent with current policy and practice regarding interagency clearance of certain material being sent to Congress, you provide OMB with an advance copy of an updated strategic plan at least 45 days prior to the date for transmitting the plan to Congress and making it available to the public.

#### **(b) *Consultation and outreach***

When preparing a strategic plan, agencies must consult with Congress and solicit and consider the views of interested and potentially affected parties. This consultation and outreach may result in contrary views being expressed.

#### **(c) *Transmittal of plans to Congress and OMB.***

The plan is transmitted to Congress and OMB by the agency head. Transmittal letters are addressed to the Speaker of the House of Representatives, the President and the President pro tempore of the Senate, and the Director of OMB. Distribution is also made to relevant committees of the Congress. The letter transmitting the agency strategic plan to Congress includes a summary of the consultation and outreach processes, and any contrary views. Strategic plans are made available to the public.

GPRA states that the preparation of a strategic plan is an inherently governmental function, and the plan is to be drafted only by Federal employees. However, when preparing a plan, agencies may be assisted by non-Federal parties, such as consultants or contractors. The transmittal should include an acknowledgment and brief description of the contribution by a non-Federal entity in preparing the plan.

Strategic plans are a matter of public record; the public should be afforded the opportunity to access the completed plan. Your agency should place the strategic plan on its website, or make it available through other electronic media. On request, a paper copy should be provided. Generally, a strategic plan should become publicly available when the plan is transmitted to Congress.

#### **210.4 Interim adjustments to strategic plans**

(a) *Scope of interim adjustments.*

You may make minor adjustments to a strategic plan in advance of the three-year revision cycle. Adjustments can include changes to the general goals, the means and strategies used to achieve the goals, the key external factors, or the program evaluation schedule. Modifications may reflect altered circumstances or evaluations of program performance. Interim adjustments are selective and do not produce widespread changes in a plan.

You need not consult with Congress, or conduct outreach to potentially interested or affected parties when preparing interim adjustments.

Significant changes to your strategic plan are made using the more extensive update process, even if this accelerates the three-year revision cycle. Consultation requirements apply in these instances. Interim adjustments do not alter the three-year revision cycle for strategic plans.

(b) *Transmittal of interim adjustments.*

Append an interim adjustment to your budget submission as a separate, easily found section. Present only the adjustments, not the entire strategic plan. The interim adjustments should be included both in the performance budget sent to OMB in September, and in the performance budget sent to Congress in February.

Adjustments do not require a formal transmittal. You should distribute, or otherwise make publicly available, the interim adjustments so readers can reference or review the most current strategic plan content.

As most agencies will be transmitting an updated and revised strategic plan to Congress and OMB in September, 2003, the need for interim adjustments should be confined to those agencies who transmitted an updated and revised strategic plan in either 2001 or 2002.



## SECTION 220—PREPARATION AND SUBMISSION OF PERFORMANCE BUDGETS

**Highlights for the Preparation and Submission of Performance Budgets**

Beginning with the budget for FY 2005, agencies will prepare a performance budget in lieu of the annual performance plan for their budget submission to OMB and the Congress. The performance budget should satisfy all statutory requirements for the annual performance plan which are summarized in this section.

(a) *In general.*

Beginning with the FY 2005 budget, an agency performance budget will substitute for the annual performance plan required by the Government Performance and Results Act. The performance budget will be integrated with other elements of the agency budget request to OMB in September and the agency Congressional justification in February. Your agency should consult with your congressional committees beforehand to ensure their awareness of your plans to modify the format of agency budget documents.

(b) *What is in a performance budget?*

A performance budget consists of a performance-oriented framework, in which strategic goals are paired with related long-term performance goals (outcomes) and annual performance goals (mainly outputs). The strategic goals span a number of agency programs and operations and may span different agency component organizations. The long-term and annual performance goals are usually program-specific and can be grouped and displayed by program. Target levels of performance are set for the performance goals. At a minimum, resources are aligned at the program level within this framework, and agencies are encouraged to align resources at the performance goal level. Resources should be fully costed, with centrally funded administrative services and support allocated to the programs.

The performance budget also includes other information needed to justify the agency budget request. Requirements for this additional information are either set out elsewhere in Circular No. A-11 (for the performance budget sent to OMB) or by your agency's congressional committees (for the performance budget submitted to Congress).

The performance budget is organized as a hierarchy of goals. At the top of the pyramid are strategic goals, which are statements of aim or purpose and may cover several or more agency programs. If strategic goals cover programs in other agencies, the performance budget should describe how a portfolio of inter-agency programs will help attain the broadly stated aims of a strategic goal. For each strategic goal, there are usually several outcome goals, and for each outcome goal, there typically are several output goals.

The resources requested for each program should be the amount needed to achieve the target levels for the performance goals for the program.

The performance budget includes information from the PART assessments, where available, including all performance goals used in the assessment of program performance done under the PART process. Until all programs have been assessed by the PART, the performance budget will also for a time include performance goals for agency programs that have not yet been assessed using the PART. The PART assessments are initially prepared by OMB and the agencies prior to agency submission of its performance budget. Subsequently, OMB will use these assessments to help make budget decisions as

the budget is formulated. The performance measure data included in the PARTs and Congressional justification will need to be updated to reflect the budgetary resources and associated performance targets included in the President's budget.

The performance budget displays up to six years of performance data for every performance goal, including for the budget year, current year, past year, and three additional past years of data. Only three years of resource data are required. Agencies need not include historical performance data for newly established goals.

The means and strategies the agency intends to use to help achieve the performance goals should be included (see [section 51](#)).

(c) *How does the performance budget relate to the strategic plan and the annual performance report, including the performance and accountability report?*

The strategic goals and the long-term performance goals should be set out in the agency strategic plan. These goals serve as the organizing framework for the performance budget. The annual performance report presents information on how well the agency achieved the target levels in the past year. (See sections [26](#) and [230](#).) The Congressional justification may include additional and updated past year performance data.

In the design of your Congressional justification, you should take special care to identify those performance goals in the Congressional justification against which actual performance will be compared in your annual performance report.

(d) *Ensuring that the performance budget is publicly available.*

The performance component of the agency Congressional justification should be readily available to the public. Publication of the performance component on the WorldWideWeb is strongly encouraged. Having an overview document that also presents the performance component may prove useful.

**SECTION 230—PREPARATION AND SUBMISSION OF THE ANNUAL PROGRAM  
PERFORMANCE REPORT, INCLUDING THE PERFORMANCE REPORT PORTION OF A  
PERFORMANCE AND ACCOUNTABILITY REPORT**

**Highlights for the FY 2003 Program Performance Report  
and Section Index**

**Highlights**

- The Cabinet Departments and nine major independent agencies must combine their performance report with their accountability report, and transmit the combined report for FY 2003 by January 30, 2004. The performance and accountability report for FY 2004 is to be transmitted by November 15, 2004.
- Most independent agencies must transmit their program performance report for FY 2003 by February 27, 2004.

**Main Section Index**

- 230.1 Preparing the performance and accountability report or the annual program performance report.
- 230.2 What does the annual program performance report contain?
- 230.3 Sending the annual program performance report to the President and Congress.

**230.1 Preparing the performance and accountability report or the annual program performance report.**

(a) *In general.*

The annual performance report provides information on your actual performance and your progress in achieving the goals in your strategic plan and performance budget.

You prepare one annual report for a fiscal year. Missing or incomplete program performance data for the fiscal year is included, as it becomes available, in a subsequent year's annual report. Performance information for past years is also included in your annual performance budget.

(b) *Combining the annual performance report and the annual accountability report.*

OMB Bulletin 01-09 (September 25, 2001) on the "Form and Content of Agency Financial Statements" requires the Cabinet Departments and nine independent agencies to combine the program performance report with the accountability report. See [OMB BULLETIN NO. 01-09—Form and Content of Agency Financial Statements](#) for further information on the accountability report.

**SECTION 230—PREPARATION AND SUBMISSION OF THE ANNUAL PROGRAM PERFORMANCE REPORT, INCLUDING THE PERFORMANCE REPORT PORTION OF A PERFORMANCE AND ACCOUNTABILITY REPORT**

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The combined FY 2003 Performance and Accountability Report is to be transmitted to the President, Congress, and OMB not later than January 30, 2004. All other independent agencies prepare an annual performance report. The annual performance report for FY 2003 is transmitted to the President, Congress, and OMB by February 27, 2004.

Agencies preparing a performance and accountability report should note that the transmittal date for the FY 2004 report is November 15, 2004.

Program performance information derived from the annual performance report is not subject to new or additional audit requirements as a consequence of its being included in the accountability report or the financial statement

(c) *Combining the annual performance report with the performance budget.*

Agencies not required to prepare a performance and accountability report may combine their annual performance report with their performance budget. The performance budget (with the annual report) should be incorporated in the agency Congressional justification.

(d) *Including actual performance information in the performance budget.*

A performance budget includes actual performance data for the fiscal year covered by the report, and three prior fiscal years. The data should be taken from the annual performance report. However, the timetable for preparing an annual performance report may result in some performance data not having been collected or analyzed when the report is completed. The performance budget should include all available actual performance data, including data omitted from the annual performance report because it was not available earlier.

The November 15 transmittal date for future year performance and accountability reports precedes the transmittal of the President's budget. Potentially, this may require the agency to omit certain information from the performance and accountability report, as it would be considered to be privileged and cannot be publicly released prior to transmittal of the President's budget. This omitted information is included in the agency performance budget.

(e) *Coverage of programs assessed using the Program Assessment Rating Tool (PART)*

OMB is assessing the effectiveness of Federal programs using the PART. The performance and accountability report or the annual performance report includes information on every PART program assessed as part of budget formulation for the fiscal year covered by the report. For example, the Performance and Accountability Report for FY 2004 would include information on all PART assessments done during the summer and fall of 2002 as the FY 2004 budget was prepared.

The PART information should be updated to reflect actual performance for the fiscal year. The PART information may also cover actions taken affecting the program and its performance in the succeeding fiscal year. Please note that the succeeding fiscal year is the current year column in the budget, not the budget year.

**230.2 What does the annual program performance report contain?**

(a) *Required elements.*

**SECTION 230—PREPARATION AND SUBMISSION OF THE ANNUAL PROGRAM  
PERFORMANCE REPORT, INCLUDING THE PERFORMANCE REPORT PORTION  
OF A PERFORMANCE AND ACCOUNTABILITY REPORT**

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Your annual report must include the following elements:

- A comparison of your actual performance with the projected (target) levels of performance as set out in the performance goals in your annual performance budget (or your annual performance plan for fiscal years prior to FY 2005);
- An explanation, where a performance goal was not achieved, for why the goal was not met;
- A description of the plans and schedules to meet an unmet goal in the future, or alternatively, your recommended action regarding an unmet goal where you have concluded it is impractical or infeasible to achieve that goal;
- An evaluation of your performance budget (although use the FY 2004 performance plan for the FY 2003 report) for the current fiscal year, taking into account the actual performance achieved in the fiscal year covered by your report;
- An assessment of the reliability and completeness of the performance data included in the report; and
- Actual performance information for at least four fiscal years.

(b) *Comparing actual performance to performance goal target levels.*

Your agency's annual report must state the actual performance for every performance goal in your annual performance budget (or, as applicable, your performance plans for FY 2003 and 2004).. Actual performance is reported as it occurred during the fiscal year covered by the report. For some programs, this performance may have resulted from spending prior year monies during the fiscal year. The annual report also includes actual performance for any goals that were discontinued after the fiscal year covered by the report.

If the alternative form (i.e., a non-quantified measure) was used to define a performance goal, the annual report matches actual performance to the corresponding performance criteria set out in the form. The description of actual performance must allow an accurate, independent determination to be made of whether such performance met the criteria specified in the form, or how it otherwise compared to the goal as stated.

At the time a performance report (or a combined performance and accountability report) is sent to the President and Congress, actual performance information may not be available, or the available information may be incomplete or preliminary. The annual report should identify those performance goals where actual performance information is missing, incomplete, or preliminary. For such goals, the annual report should indicate the approximate date when actual performance information, sufficient to make an accurate comparison with performance goal target levels, will be available. Once available, the actual performance information and the comparison between actual and target performance is included in a subsequent annual report. (This information may be included in the agency Congressional justification.)

(c) *Providing an explanation for non-achievement of a performance goal.*

If a performance goal was not achieved, your annual report must explain why it was not met. There are two types of explanation: specific and generic.

**SECTION 230—PREPARATION AND SUBMISSION OF THE ANNUAL PROGRAM PERFORMANCE REPORT, INCLUDING THE PERFORMANCE REPORT PORTION OF A PERFORMANCE AND ACCOUNTABILITY REPORT**

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A specific explanation is included if goal non-achievement is significant and material. A specific explanation should show an understanding of why a performance shortfall occurred, and the consequences. The specific explanation should also support actions you are taking to eliminate or reduce future shortfalls for this goal.

Agencies may apply the following criteria when determining if a specific explanation is required. A specific explanation should always be provided if:

- The manager(s) of the program, activity, or component experiencing a performance shortfall alerts or informs senior agency officials about actual performance levels, and the implications of these levels on overall program accomplishment; or
- The manager(s) took or is taking substantive action to address the shortfall in performance; or
- Performance levels for future years are being adjusted downward to reflect actual performance levels; or
- Outside parties will likely conclude that the non-achievement was significant and material.

A generic explanation is provided if the difference between the goal target level and actual performance is slight. An agency may use the following language for its generic explanation: the performance goal was set at an approximate target level, and the deviation from that level is slight. There was no effect on overall program or activity performance.

If actual performance data shows that a goal was not met, but the explanation for why the goal was not met or a description of steps being taken to meet the unmet goal in the future cannot be completed by the time of transmittal, the data are included in the report and marked as preliminary. The following year's annual report will include the data and the deferred explanation and next steps.

(d) *Agency plans and schedules for achieving an unmet goal in the future*

For every performance goal whose target level was not achieved and a specific explanation was provided, a description of the actions the agency is taking to achieve the goal in the future is included. A schedule for these actions is also included. The actions and schedule may cover only the current fiscal year, if included in a performance and accountability report, and future fiscal years, if included in an annual program performance report. Information on future fiscal years should be included in the performance budget for agencies filing performance and accountability reports.

A description of the actions being taken, and the accompanying schedule, may be omitted for an unachieved goal where external factors (such as a natural disaster) or entities (such as another country) were the sole cause for non-achievement, and the agency lacks the capacity or authority to affect these factors or entities.

An agency may conclude, based on actual performance, that a performance goal cannot be achieved in the future. For such goals, the annual report explains why a particular goal is no longer practical or feasible, and recommends a course of action for the goal. These actions may include discontinuing or adjusting the goal.

(e) *Evaluating performance goal levels in the current year performance budget relative to actual performance during the past fiscal year.*

**SECTION 230—PREPARATION AND SUBMISSION OF THE ANNUAL PROGRAM  
PERFORMANCE REPORT, INCLUDING THE PERFORMANCE REPORT PORTION  
OF A PERFORMANCE AND ACCOUNTABILITY REPORT**

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As you prepare your annual report, the performance information you collect may be used to make further adjustments to your annual budget for the current fiscal year. You may do so if actual performance information is available near the end of the fiscal year covered by the annual report. These adjustments are made at the time a Congressional justification incorporating the performance budget is prepared. The annual report should identify every change to performance goals in the performance budget for the current fiscal year that primarily stem from this assessment of effects.

(f) *Assessing the completeness and reliability of performance data.*

The Reports Consolidation Act of 2000 specifies that your annual report contain an assessment of the completeness and reliability of the performance data included in it. The assessment describes any material inadequacies in the completeness and reliability of the data, and any actions the agency can take and is taking to resolve the inadequacies.

Performance data that is not acceptably reliable is characterized as being materially inadequate. The annual report should identify any performance goals for which the available performance data are materially inadequate, along with a brief reason for why the data are inadequate. The annual report should briefly cite any actions being taken by the agency to remedy a material inadequacy.

(g) *Fiscal year coverage.*

Your annual reports for fiscal year 2003 and future years should include actual performance information for the fiscal year covered by the report, and at least three prior fiscal years.

You may cease reporting actual performance information for prior years for any goal that is discontinued.

Comparisons between actual performance and performance goal target levels are not included for prior fiscal years, unless the comparison was deferred because of the unavailability of the performance data in a prior year's annual report, or the analysis of actual performance was not completed.

Agencies having actual performance information for more than three prior fiscal years may include this information if it will be useful in reviewing performance trends.

(h) *Other elements and features of an annual report.*

These elements and features may selectively apply to your agency. Any that do not apply are omitted from your annual report.

*Program evaluations.* Your report includes a summary of the findings and recommendations of the program evaluations completed during the fiscal year. If no evaluations were completed, the report should note such. For more information on program evaluations, see question 2.6 of the PART guidance for the FY 2005 Budget at <http://www.whitehouse.gov/omb/part/>.

*Information on use of non-Federal parties.* GPRA states that preparation of an annual report is an inherently government function. Your report should include an acknowledgment of the role and a brief description of any significant contribution made by a non-Federal entity in preparing the report.

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Classified appendices not available to the public. An agency with a classified appendix for its annual performance budget may also prepare a similar classified appendix for its annual report. Agencies should not need to prepare a non-public appendix for certain law enforcement or revenue collection activities in their annual report. Retrospective reporting of actual performance for these activities should not interfere with achieving current or future goals for the same activities. However, if an agency believes that reporting of actual performance will impede current or future goal achievement, a non-public appendix may be prepared. The agency should contact its OMB representative for approval prior to preparing such an appendix.

*Budget information.* In your annual report, you should include relevant budget information, consistent with the obligation amounts shown in the Budget Appendix for the fiscal year covered by the report. The annual report does not present comparisons between the amounts originally requested for a fiscal year and the amounts actually obligated.

(i) *Format.*

There is no prescribed format for the annual report. Your agency is encouraged to include, from your strategic plan, a summary of your mission statement and your general goals and objectives.

The report's design should provide for easy and quick access through the World Wide Web.

**230.3 Sending the annual program performance report to the President and Congress.**

There are two dates for submitting your annual report:

For the 24 departments and agencies preparing a combined FY 2003 Performance and Accountability Report, the combined report must be transmitted no later than January 30, 2004

For all other independent agencies, your annual report must be transmitted no later than 150 days following the end of the fiscal year covered by the report. The FY 2003 and subsequent year reports will be due by February 27 of the year following the end of the fiscal year.

Your annual report is sent to the President and Congress and the Director of OMB. The report must be transmitted by the head of your agency.

Your transmittal letters to Congress are addressed to the Speaker of the House of Representatives and the President and President pro tempore of the Senate. Copies of the Congressional transmittal are sent to the chairmen and ranking minority members of the budget committees, relevant authorization and oversight committees, appropriation subcommittees, and the chairman and ranking minority member of the Senate Committee on Governmental Affairs and the House Government Reform Committee.

Following its transmittal to the President and Congress, your agency's annual report should be made available to the public. You should use electronic means to make the report quickly and readily accessible, such as by posting it on your agency's website.

The Reports Consolidation Act of 2000 requires that an agency merging the annual performance report with its accountability report send the combined document to the President, Congress, and the Director of OMB. The combined document is titled the Performance and Accountability Report. A performance and accountability report is sent by the agency head. An agency may add other signatories, such as the Chief

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Financial Officer, to the transmittal of a performance and accountability report, thus recognizing a shared responsibility within the agency for the performance reported and any future performance commitments.

If you choose to combine your annual report with your annual performance budget, changes to your customary distribution for the Congressional justification may be needed.

