

# Budget 101

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# Agenda

- Key Budget Concepts and Terminology
- Budget Process Overview
  - Executive Budget Formulation
  - Congressional Budget Process
  - Budget Execution
- Top 5 Budget Resources
  - Generalist
  - Program Analyst
  - Budget Analyst



# Budget Terminology

- Budget Authority
  - Legal authority to enter into obligations is provided in legislation specifying
    - Purpose
    - Amount
    - Time
- Obligation
  - A definite commitment creating a legal liability of the government
  - Payment can be made immediately or in the future
- Outlays
  - Payments from the Treasury to liquidate government obligations



# Budget Terminology

Budget  
Authority

Obligations

Outlays

- The President's Budget reports budget authority, obligations, and outlays for all budget accounts



# Budget Terminology

- **Appropriation**
  - Legislative language that provides budget authority and permits a federal agency to incur obligations and make payments from Treasury (outlays)
  
- **Authorization**
  - A statutory provision that establishes or continues a federal agency, activity, or program
  - Implicitly authorizes congressional action to appropriate funds for such agencies, activities, or programs



# Budget Terminology

- Discretionary spending
  - Provided in appropriations acts, requiring annual action by Congress and the President
  - Amounts are specified in appropriations acts
  
- Mandatory (direct and/or entitlement) spending
  - Provided by permanent law, or
  - Effectively controlled by permanent law
  - Often, amounts result through eligibility criteria and payment formula

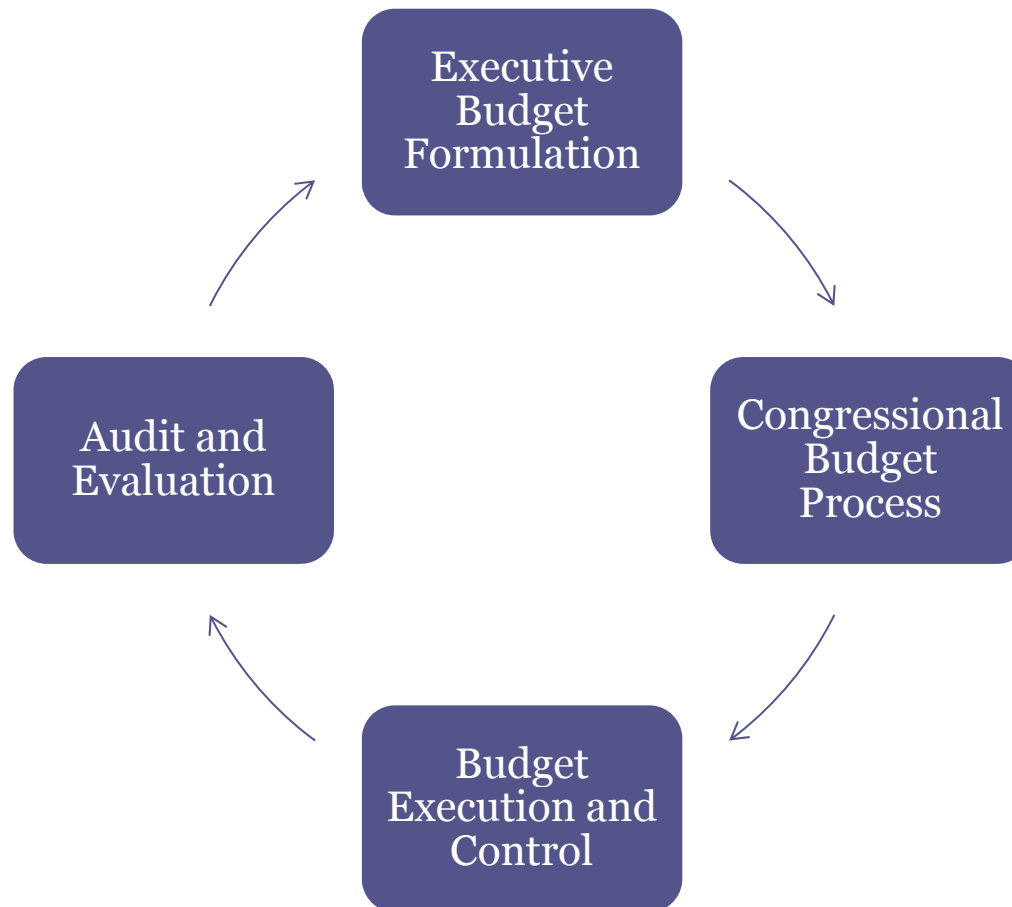


# Budget Terminology

- Continuing Resolution (CR)
  - Continues funding for a program if the fiscal year ends without a new appropriation in place
  - Provides funding at current levels or less
  
- Sequester
  - Provides for the automatic cancellation of previously enacted spending, making largely across-the-board reductions to non-exempt programs, activities, and accounts
  - A sequester is implemented through a sequestration order issued by the President as required by law



# The Federal Budget Process







# The Federal Budget Process

## Phase 1: Executive Budget Formulation

Outcomes	Players	Timeline
Agencies develop strategic plan	Budget office, strategic planning office	Spring-Summer
Agencies and OMB work together on agency budget proposals	OMB examiners, budget office	September-December
<b>President submits budget request</b>	<b>OMB</b>	<b>First Monday in February</b>

# Phase 2: The Congressional Budget Process



Outcomes	Players	Timeline
Congress receives President's budget request	Congressional budget committees, OMB	January-February
Congress adopts a budget resolution	Budget committees	March-April
Reconciliation	Budget committees and authorizing committees	Optional
Appropriations	Appropriations committees and subcommittees	May-September
Direct Spending, Revenue, and Authorization Legislation	Authorizing committees	Throughout the Congressional Session



## Phase 3: Budget Execution and Control

Outcomes	Players
Apportionment	OMB, Treasury
Allowances/allotment/ allocation	Agency budget office
Obligation	Agency program offices, budget offices
Accounting/financial statements	Agency financial office, Treasury



## Phase 4: Audit and Evaluation

<b>Outcomes</b>	<b>Players</b>
Performance Reporting	Agency officials, OMB
Congressional Review of Agency Performance and Financial Audits	GAO, Congressional Requestors
Internal Agency Review of Performance	Inspector General's Offices

# Generalist/Auditor: Five Things to Know



Concept/Activity	Potential Resources
Type of Federal Funds	<ul style="list-style-type: none"> <li>•Appropriations Legislation</li> <li>•Authorization Legislation</li> </ul>
Role of Congressional and President's Budgets	<ul style="list-style-type: none"> <li>•U.S. House of Representatives Committee on Budget</li> <li>•President's Budget</li> </ul>
Debt/Deficit	GAO's Budget Glossary
Continuing Resolutions	OMB Bulletin 12-02
Performance Reporting	<ul style="list-style-type: none"> <li>•Government Performance and Results Act (GPRA)</li> <li>•Performance.gov</li> <li>•And agency specific strategic plans.</li> </ul>



## Program Analyst: Five Things to Know

Concept/Activity	Potential Resources
Budget Language	<ul style="list-style-type: none"> <li>•GAO Budget Glossary</li> <li>•OMB Circular A-11</li> </ul>
Budgetary Resources	Agency's Authorization and Appropriations Legislation
Budget Planning	Agency's Authorization and Appropriations Legislation
Communication with Budget Offices	Supervisor/agency culture
Congressional Justification	Individual Agency Websites



# Budget Analyst: Five Things to Know

Concept/Activity	Potential Resources
Authorization and Appropriations Laws	Corresponding legislation
Agency/program budget submission to OMB	OMB Circular A-11
BEA: Mandatory vs. Discretionary	Budget Control Act of 2011
Budget Execution	Analytical Perspectives, Chapter 11 “Budget Concepts”
Sequestration	Corresponding Legislation



# Budget Resources

- OMB Circular A-11  
[http://www.whitehouse.gov/omb/circulars\\_a11\\_current\\_year\\_a11\\_toc](http://www.whitehouse.gov/omb/circulars_a11_current_year_a11_toc)
- Budget of the U.S. Government, *Analytical Perspectives*, Chapter 11, “Budget Concepts”  
<http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/concepts.pdf>
- OMB Memorandum M-13-14, *Fiscal Year 2015 Budget Guidance*  
<http://www.whitehouse.gov/sites/default/files/omb/memoranda/2013/m-13-14.pdf>
- OMB Bulletin 12-02, *Apportionment of the Continuing Resolution(s) for Fiscal Year 2013*  
<http://www.whitehouse.gov/sites/default/files/omb/bulletins/fy2012/b12-02.pdf>
- U.S. House of Representatives Committee on the Budget, *Compilation of Laws and Rules Relating to the Congressional Budget Process*  
<http://budget.house.gov/uploadedfiles/committeelaws.pdf>
- Budget Control Act of 2011  
<http://www.gpo.gov/fdsys/pkg/BILLS-112s365enr/pdf/BILLS-112s365enr.pdf>
- GAO’s *A Glossary of Terms Used in the Federal Budget Process*  
<http://www.gao.gov/assets/80/76911.pdf>





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