
Advance Payment

An amount paid prior to the later receipt of goods, services, or other assets. Advances are ordinarily made only to payees to whom an agency has an obligation, and they do not exceed the amount of the obligation.

Agency

No one definition of this term has general, governmentwide applicability. “Agency” and related terms, like “executive agency” or “federal agency,” are defined in different ways in different laws and regulations. For example, the provisions of the Budget and Accounting Act of 1921 relating to the preparation of the President’s budget specifically define “agency” to include the District of Columbia government but exclude the legislative branch or the Supreme Court (31 U.S.C. § 1101).

Agency Mission

Term used in section 1105(a)(22) of title 31 of the *United States Code*, which outlines content requirements for the President’s budget submission to Congress. Section 1105 requires that the President’s budget contain a statement of agency budget authority in terms of agency missions, but this section offers no definition. The term is generally accepted to refer to the purpose of the programs of the agency and its component organizations. In the Office of Management and Budget’s (OMB) budget functional classification system, agency missions are distinguished from national needs. National needs are generally described as major functions, while agency missions are generally described in the context of subfunctions. (*See also* Functional Classification.)

Allocation

For the purposes of budgeting, an allocation means a delegation, authorized in law, by one agency of its authority to obligate budget authority and outlay funds to another agency. (The appropriation or fund from which the allocation is made is generally referred to as the parent appropriation or fund.) An allocation is made when one or more agencies share the administration of a program for which appropriations are made to only one of the agencies or to the President. When an allocation occurs, the Department of the Treasury establishes a subsidiary account called a “transfer appropriation account,” and the agency receiving the allocation may obligate up to