

Proprietary (or financial) accounting, designed to generate data for financial statement purposes, is based on the concept of *accounting* liability. For federal financial accounting purposes, a liability is a probable future outflow or other sacrifice of resources as a result of past transactions or events. Generally, liabilities are thought of as amounts owed for items or services received, assets acquired, construction performed (regardless of whether invoices have been received), an amount received but not yet earned, or other expenses incurred. (*See also* Contingent Liability.)

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## Life-Cycle Costs

The overall estimated cost, both government and contractor, 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.

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## Limitation

A restriction on the amount, purpose, or period of availability of budget authority. While limitations are most often established through appropriations acts, they may also be established through authorization legislation. Limitations may be placed on the availability of funds for program levels, administrative expenses, direct loan obligations, loan guarantee commitments, or other purposes. (*See also* Administrative Division or Subdivision of Funds; Apportionment; Appropriation Act; Appropriation Rider; Authorizing Legislation; Duration *under* Budget Authority.)

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## Line Item

In executive budgeting, a particular expenditure, such as program, subprogram, or object class. For purposes of the concurrent budget resolution, it usually refers to assumptions about particular programs or accounts implicit but not explicit in the budget resolution. In appropriation acts, it usually refers to an individual account or part of an account for which a specific amount is available. (*See also* Line Item Veto; Obligated Balance *under* Obligational Authority; Appropriation Rider.)

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