


Object Classification

A uniform classification identifying the obligations of the federal government by the types of goods or services purchased (such as personnel compensation, supplies and materials, and equipment) without regard to the agency involved or the purpose of the programs for which they are used. If the obligations are in a single object classification category, the classification is identified in the Program and Financing Schedule in the President's budget. For the activities distributed among two or more object classification categories, the budget has a separate object classification schedule to show the distribution of the obligations by object classification. See also Explanation of Estimates in the "Detailed Budget Estimates" section of the President's budget. General instructions are provided in OMB Circular No. A-11, revised. (*See also* Allocation. For a distinction, *see* Functional Classification.)

Obligation

A definite commitment that creates a legal liability of the government for the payment of goods and services ordered or received, or a legal duty on the part of the United States that could mature into a legal liability by virtue of actions on the part of the other party beyond the control of the United States. Payment may be made immediately or in the future. An agency incurs an obligation, for example, when it places an order, signs a contract, awards a grant, purchases a service, or takes other actions that require the government to make payments to the public or from one government account to another. The standards for the proper reporting of obligations are found in section 1501(a) of title 31 of the *United States Code*. See also OMB Circular No. A-11.

Obligation Limitation

See under Limitation.