

accounting period in which the revenues were earned or costs were incurred. (*See also* Accrual Accounting; app. III.)

Chain Price Indexes (Economics Term)

Index calculated by linking (chaining) of price indexes based on changing weights to create a time series. Chain-type indexes are used in the Bureau of Economic Analysis National Income and Product Accounts (NIPA). (*See also* Chained Dollars; Real Dollar.)

Chained Dollars (Economics Term)

Dollar values calculated by taking the current dollar level of a series in the base period (or period from which the weights for a measurement series are derived) and multiplying it by the change in the chain quantity index number for the series (calculated using chained weights) since the base period. Chained-dollar estimates correctly show growth rates for a series, but the summed components do not equal the aggregate in periods other than the period from which the weights for a measurement series are derived. (*See also* Chain Price Indexes; Real Dollar.)

Closed (Canceled) Account

An appropriation account whose balance has been canceled. Once balances are canceled, the amounts are not available for obligation or expenditure for any purpose. An account available for a definite period (fixed appropriation account) is canceled 5 fiscal years after the period of availability for obligation ends. An account available for an indefinite period (no-year account) is canceled if (1) the head of the agency concerned or the President determines that the purposes for which the appropriation was made have been carried out and (2) no disbursement has been made against the appropriation for 2 consecutive fiscal years. (*See also* Expired Account; Obligational Authority.)

Collections

Amounts received by the federal government during the fiscal year. Collections are classified into three major categories: (1) governmental receipts (also called budget receipts or federal receipts), (2) offsetting collections, and (3) offsetting receipts.

Governmental receipts result from the exercise of the government's sovereign powers. Offsetting collections and receipts result from businesslike transactions with the public or transactions between appropriated activities. Offsetting collections and offsetting receipts are recorded as offsets to spending. They are offsetting collections when the collections are authorized by law to be credited to expenditure accounts. Otherwise, they are deposited in receipt accounts and called offsetting receipts.

For further discussion, see "Federal Receipts and Collections" in the *Analytical Perspectives* of the President's budget. (See also Account in the President's Budget; Off-Budget; On-Budget; Revenue.)

Governmental Receipts

Collections from the public based on the government's exercise of its sovereign powers, including individual and corporate income taxes and social insurance taxes, excise taxes, duties, court fines, compulsory licenses, and deposits of earnings by the Federal Reserve System. Gifts and contributions (as distinguished from payments for services or cost-sharing deposits by state and local governments) are also counted as governmental receipts. Total governmental receipts include those specifically designated as off-budget by provisions of law. Total governmental receipts are compared with total outlays in calculating the budget surplus or deficit. (See also Federal Fund Accounts *under* Account in the President's Budget; Gross Basis and Net Basis *under* Budgeting in Relation to Totals *under* Bases of Budgeting; Off-Budget; On-Budget.)

Offsetting Collections

Collections authorized by law to be credited to appropriation or fund expenditure accounts. They result from (1) businesslike transactions or market-oriented activities with the public, (2) intragovernmental transfers, and (3) collections from the public that are governmental in nature but required by law to be classified as offsetting. Collections resulting from businesslike transactions with the public and other government accounts are also known as reimbursements.

Laws authorizing offsetting collections make them available for obligation to meet the account's purpose without further legislative action. However, it is not uncommon for annual appropriation acts to include limitations on the obligations to be financed by these collections. The authority to obligate and spend offsetting collections is a form of budget authority. The Congressional Budget Act of 1974, as

amended by the Budget Enforcement Act (BEA) of 1990, defines offsetting collections as negative budget authority and the reductions to it as positive budget authority.

Offsetting collections include reimbursements, transfers between federal and trust fund accounts, offsetting governmental collections, and refunds.

Reimbursements. When authorized by law, amounts collected for materials or services furnished to the public or other government accounts. (For accounting purposes, earned reimbursements are also known as revenues.) These offsetting collections are netted against gross outlays in determining net outlays from such appropriations. (*See also* Unfilled Customer Orders.)

Transfers between Federal and Trust Fund Accounts. Transfers of resources between federal and trust fund accounts are treated as expenditure transfers regardless of the nature of the transaction. The receiving account reports offsetting collections from federal sources (for offsetting collections) or intragovernmental receipts (for offsetting receipts).

Offsetting Governmental Collections. A term used by the Office of Management and Budget (OMB) to designate offsetting collections from nonfederal sources that are governmental in nature but are required by law to be credited to expenditure accounts.

Refunds. Payments returned to the government that were made in error. They are credited to the appropriation originally charged. (*See also* Offsetting Collections *under* Collections.)

Offsetting Receipts

Collections that are offset against gross outlays but are not authorized to be credited to expenditure accounts. Offsetting receipts are deposited in receipt accounts. Like offsetting collections, they result from (1) businesslike transactions or market-oriented activities with the public, (2) intragovernmental transfers, and (3) collections from the public that are governmental in nature but required by law to be classified as offsetting receipts.

Offsetting receipts are offsets to gross budget authority and outlays, usually at the agency or subfunction level, but some are undistributed and are offsets to budget authority and outlays in the aggregate. (*See also* Undistributed Offsetting Receipts.)

Unlike offsetting collections, offsetting receipts cannot be used without being appropriated. Trust fund offsetting receipts are permanently appropriated and, therefore, can be used without subsequent annual appropriation legislation. (*See* Permanent Authority *under* Timing of Legislative Action *under* Budget Authority; Trust Fund Receipt Account *under* Trust Fund Accounts *under* Account in the President's Budget.) The Congressional Budget Act of 1974, as amended by the Budget Enforcement Act (BEA) of 1990, defines offsetting receipts and collections as negative budget authority and the reductions to it as positive budget authority. (*See also* Earmarking; Reimbursement.)

Proprietary Receipts from the Public. Collections from outside the government that are deposited in receipt accounts that arise as a result of the government's business-type or market-oriented activities. Among these are interest received, proceeds from the sale of property and products, charges for nonregulatory services, and rents and royalties. Such collections may be credited to general fund, special fund, or trust fund receipt accounts and are offset against budget authority and outlays. In most cases, such offsets are by agency and by subfunction, but some proprietary receipts are deducted from total budget authority and outlays for the government as a whole. An example of the latter is rents and royalties on the Outer Continental Shelf. (*See* Subfunction 953 in app. IV. *See also* Earmarking.)

Intragovernmental Transfers. Collections from other federal government accounts, often as payment for goods or services provided. Most offsetting receipts from intragovernmental transfers are offset against budget authority and outlays of the agency or subfunction that produced the goods or services. However, two intragovernmental transfers are classified as undistributed offsetting receipts: (1) agency payments as employers into employee retirement trust funds and (2) interest received by trust funds. These offsetting receipts appear as offsets to budget authority and outlays for the government as a whole, rather than at the agency level.

Intragovernmental transfers may be (1) intrabudgetary (on-budget), (2) off-budget, or (3) transfers between on-budget and off-budget accounts. Intrabudgetary transfers are further subdivided into three categories: (1) interfund transfers, where the payment is from one fund group, either federal or trust, to a receipt account in the other fund group; (2) federal intrafund transfers, where the payment and receipt both occur within the federal fund group; and (3) trust intrafund transfers, where the payment and receipt both occur within the trust fund group.

Offsetting Governmental Receipts. A term used by the Office of Management and Budget (OMB) to designate receipts that are governmental in nature (e.g., tax receipts, regulatory fees, and compulsory user charges) but are required by law to be classified as offsetting.

Combined Statement of Receipts, Outlays, and Balances of the United States Government

The Department of the Treasury's annual accounting of the (1) unified budget receipts activities of the federal government, which should be consistent with the aggregated custodial nonexchange revenues (before net accrual adjustment) reported in federal agencies' statements of custodial activity, and (2) unified budget outlays activities of the federal government, which should be consistent with net outlays reported in federal agencies' statements of budgetary resources. This report also provides a summary accounting of agencies' budget activities: appropriations, borrowings and investments, outlays, and balances based on the agencies' budget execution reports. (*See also* Monthly Treasury Statement.)

Commitment

An administrative reservation of allotted funds, or of other funds, in anticipation of their obligation. For federal proprietary accounting, a commitment may also manifest an intent to expend assets (e.g., to provide government social insurance benefits). See Statement of Federal Financial Accounting Standards (SFFAS) No. 25, *Basis for Conclusions*, para. 8, and SFFAS No. 17, *Basis for Conclusions*, paras. 65 and 94. (*See also* Allotment; Loan Guarantee Commitment *under* Federal Credit; Obligation.)

Committee Allocation

The distribution of total proposed new budget authority and outlays, as set forth in the concurrent resolution on the budget, among the congressional committees according to their jurisdictions. The allocations are set forth in the joint explanatory statement of managers included in the conference report on the congressional budget resolution. House and Senate committees receive allocations of total new budget authority and total outlays. House committees also receive allocations of total entitlement authority, and Senate committees also receive allocations of Social Security outlays. Allocations are committee specific, but not program specific.