
Budget Activity

A specific and distinguishable line of work performed by a governmental unit to discharge a function or subfunction for which the governmental unit is responsible. Activities within most accounts identify the purposes, projects, or types of activities financed. For example, food inspection is an activity performed in the discharge of the health function. A budget activity is presented in the Program by Activities section in the Program and Financing Schedule for each account in the President's budget. (*See also* Functional Classification; for a partial distinction, *see* Program, Project, or Activity.)

Budget Amendment

A revision to a pending budget request that the President submits to Congress before Congress completes appropriations action.

Budget and Accounting Act of 1921

Enhanced budgetary efficiency and aided in the performance of constitutional checks and balances through the budget process. It required the President to submit a national budget each year and restricted the authority of the agencies to present their own proposals. (See 31 U.S.C. §§ 1104, 1105.) With this centralization of authority for the formulation of the executive branch budget in the President and the newly established Bureau of the Budget (now the Office of Management and Budget (OMB)), Congress also took steps to strengthen its oversight of fiscal matters by establishing the General Accounting Office, renamed the Government Accountability Office (GAO) in 2004.

Budget Authority

Authority provided by federal law to enter into financial obligations that will result in immediate or future outlays involving federal government funds. The basic forms of budget authority include (1) appropriations, (2) borrowing authority, (3) contract authority, and (4) authority to obligate and expend offsetting receipts and collections. Budget authority includes the credit subsidy cost for direct loan and loan guarantee programs, but does not include the underlying authority to insure or guarantee the repayment of indebtedness incurred by another person or government.

Budget authority may be classified by its duration (1-year, multiple-year, or no-year), by the timing provided in the legislation (current or permanent), by the manner of determining the amount available (definite or indefinite), or by its availability for new obligations. (See also Current Level Estimate; Credit Subsidy Cost, Direct Loan, and Guaranteed Loan *under* Federal Credit; Offsetting Collections *under* Collections.)

Forms of Budget Authority

Appropriations. Budget authority to incur obligations and to make payments from the Treasury for specified purposes. An appropriation act is the most common means of providing appropriations; however, authorizing and other legislation itself may provide appropriations. (See also Backdoor Authority/Backdoor Spending.)

Appropriations do not represent cash actually set aside in the Treasury for purposes specified in the appropriation act; they represent amounts that agencies may obligate during the period of time specified in the respective appropriation acts. An appropriation may make funds available from the general fund, special funds, or trust funds. Certain types of appropriations are not counted as budget authority because they do not provide authority to incur obligations. Among these are appropriations to liquidate contract authority (legislation to provide funds to pay obligations incurred against contract authority), to redeem outstanding debt (legislation to provide funds for debt retirement), and to refund receipts. Sometimes appropriations are contingent upon the occurrence of some other action specified in the appropriation law, such as the enactment of a subsequent authorization or the fulfillment of some action by the executive branch. (See also Appropriation Act; Discretionary; Expired Budget Authority *under* Availability for New Obligations *under* Budget Authority; Mandatory.)

Borrowing Authority. Budget authority enacted to permit an agency to borrow money and then to obligate against amounts borrowed. It may be definite or indefinite in nature. Usually the funds are borrowed from the Treasury, but in a few cases agencies borrow directly from the public. (See also Debt, Federal.)

Contract Authority. Budget authority that permits an agency to incur obligations in advance of appropriations, including collections sufficient to liquidate the obligation or receipts. Contract authority is unfunded, and a subsequent appropriation or offsetting collection is needed to liquidate the obligations. The Food and Forage Act (41 U.S.C. § 11) and the Price Anderson Act (42 U.S.C. § 2210) are examples of such authority. (See also Backdoor Authority/Backdoor Spending.)

Offsetting Receipts and Collections. A form of budget authority that permits agencies to obligate and expend the proceeds of offsetting receipts and collections. 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. In the President's budget, the Office of Management and Budget (OMB) reports offsetting receipts as appropriations.

Duration

One-Year Authority. Budget authority available for obligation only during a specific fiscal year that expires at the end of that fiscal year. It is also known as "fiscal year" or "annual" budget authority.

Multiple-Year Authority (Multiyear). Budget authority available for a fixed period of time in excess of 1 fiscal year. This authority generally takes the form of 2-year, 3-year, and so forth, availability but may cover periods that do not coincide with the start or end of a fiscal year. For example, the authority may be available from July 1 of one fiscal year through September 30 of the following fiscal year, a period of 15 months. This latter type of multiple-year authority is sometimes referred to as "forward funding." (For a distinction, *see* Advance Appropriation; Advance Funding. *See also* Full Funding.)

No-Year Authority. Budget authority that remains available for obligation for an indefinite period of time. A no-year appropriation is usually identified by language such as "to remain available until expended."

Reappropriation. Legislation permitting an agency to obligate, whether for the same or different purposes, all or part of the unobligated portion of budget authority that has expired or would otherwise expire if not reappropriated. In the President's budget, reappropriations of expired balances are counted as new budget authority or balance transfers depending on the year for which the amounts are reappropriated.

Timing of Legislative Action

Current Authority. Budget authority made available by Congress for the fiscal year or years during which the funds are available for obligation.

Permanent Authority. Budget authority that is available as the result of previously enacted legislation and is available without further legislative action. For example,

authority to retain and use offsetting receipts tends to be permanent authority. Such budget authority can be the result of substantive legislation or appropriation acts.

Determination of Amount

Definite Authority. Budget authority that is stated as a specified sum at the time the authority is enacted. This type of authority, whether in an appropriation act or other law, includes authority stated as “not to exceed” a specified amount.

Indefinite Authority. Budget authority that, at time of enactment, is for an unspecified amount. Indefinite budget authority may be appropriated as all or part of the amount of proceeds from the sale of financial assets, the amount necessary to cover obligations associated with payments, the receipts from specified sources—the exact amount of which is determinable only at some future date—or it may be appropriated as “such sums as may be necessary” for a given purpose.

Availability for New Obligations

Expired Budget Authority. Budget authority that is no longer available to incur new obligations but is available for an additional 5 fiscal years for disbursement of obligations properly incurred during the budget authority’s period of availability. Unobligated balances of expired budget authority remain available for 5 years to cover legitimate obligation adjustments or for obligations properly incurred during the budget authority’s period of availability that the agency failed to record. (See 31 U.S.C. §§ 1552(a), 1553(a).) (*See also* Expired Account; Unobligated Balance *under* Obligational Authority; Warrant.)

Unexpired Budget Authority. Budget authority that is available for incurring new obligations.

Budget Enforcement Act (BEA)

First enacted as Title XIII of the Omnibus Budget Reconciliation Act of 1990. BEA amended the Balanced Budget and Emergency Deficit Control Act of 1985 and related amendments (Gramm-Rudman-Hollings) and the Congressional Budget and Impoundment Control Act of 1974. BEA modified procedures and definitions for sequestration and deficit reduction, reformed budgetary credit accounting, maintained the off-budget status of the Old-Age and Survivors Insurance and Disability Insurance Trust Funds, and removed Social Security trust fund receipts and