VI. GLOSSARY OF BUDGET TERMS

GLOSSARY OF BUDGET TERMS [1]

BALANCES, OBLIGATED—Obligated balances are amounts of budgetary resources that have been obligated but not yet spent. (*Cf.* BALANCES, UNOBLIGATED.)

BALANCES, UNOBLIGATED—Unobligated balances are the amounts of budgetary resources that are available by law for obligation beyond the year in which they were provided and that have not yet been obligated or spent. (*Cf.* BALANCES, OBLIGATED.)

BUDGET—The *Budget of the United States Government* (this document) sets forth the President's comprehensive financial plan and indicates his priorities for the Federal Government. The budget document routinely includes the on-budget and off-budget totals and combines them to derive a total for Federal activity. (See ON-BUDGET and OFF-BUDGET.)

BUDGET AUTHORITY (BA)—Budget authority is the primary source of authority granted by law to enter into obligations that will result outlays. Budget authority most commonly is granted in the form of appropriations.

BUDGETARY RESOURCES—Budgetary resources refers generally to all sources of authority granted by law to enter into obligations, including new budget authority, new offsetting collections credited to appropriation and fund accounts, and unobligated balances of those resources.

DEFICIT—A deficit is the amount by which outlays exceed receipts.

FEDERAL FUNDS—Federal funds are the moneys collected and outlayed for the Government other than those designated as trust funds (defined below). Includes general, special, public enterprise, and intragovernmental funds.

FISCAL YEAR—The fiscal year is the Government's accounting period. It begins on October 1st and ends on September 30th, and is designated by the calendar year in which it ends.

GENERAL FUND—The general fund consists of accounts for receipts not earmarked by law for a specific purpose, the proceeds of general borrowing, and the expenditure of those moneys.

INTRAGOVERNMENTAL FUNDS—Intragovernmental funds are accounts for business-type or market-oriented activities conducted primarily within and between Government agencies and financed by offsetting collections that are credited directly to the fund.

OBLIGATIONS—Obligations are binding agreements for immediate or future outlays. Budgetary resources must be available before obligations can be incurred legally.

OFF-BUDGET TOTALS—Off-budget totals reflect the transactions of Government entities that are excluded from the on-budget totals by law.

OFFSETTING COLLECTIONS—Offsetting collections are collections from the public that result from business-type or market-oriented activities and collections from other Government accounts. These collections are deducted from gross disbursements in calculating outlays, rather than counted in receipt totals. Some are credited directly to appropriation or fund accounts; others, called offsetting receipts, are credited to receipts accounts. (*Cf.* RECEIPTS.)

ON-BUDGET—On-budget total reflect the transactions of all Federal Government entities except those excluded from the budget totals by law.

OUTLAYS—Outlays are the measure of Government spending. They are payments to liquidate obligations (other than the repayment of debt), net of refunds and offsetting collections. Outlays generally are recorded on a cash basis, but also include many cash-equivalent transactions and interest accrued on public issues of the public debt.

PUBLIC ENTERPRISE FUNDS—Public enterprise funds are accounts for business or market-oriented activities conducted primarily with the public and financed by collections credited directly to the account.

[1] These basic terms and other budget terms, concepts, and procedures are described more fully in *The Budget System and Concepts of the United States Government,* a pamphlet available from the Government Printing Office.

250-298 O-1990-50 QL3

RECEIPTS—Receipts are collections that result primarily from the Government's exercise of its power to tax or otherwise compel payment. They are compared to outlays in calculating a surplus or deficit. (*Cf.* OFFSETTING COLLECTIONS.)

SEQUESTER—A sequester is a reduction or cancellation of budgetary resources pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (also known as the Gramm-Rudman-Hollings Act), as amended, for the purpose of meeting statutory deficit targets.

SPECIAL FUNDS—Special funds are accounts for receipts earmarked for specific purposes and the associated expenditure of those receipts. (*Cf.* TRUST FUNDS.)

SURPLUS—A surplus is the amount by which receipts exceed outlays.

SUPPLEMENTAL APPROPRIATION—A supplemental appropriation is one enacted subsequent to a regular annual appropriations act when the need for funds is too urgent to be postponed until the next regular annual appropriations act.

TRUST FUNDS—Trust funds are accounts, designated by law as trust funds, for receipts earmarked for specific purposes and the associated expenditure of those receipts. (*Cf.* SPECIAL FUNDS.)

GLOSSARY OF BUDGET TERMS[1]

BALANCES OF BUDGET AUTHORITY—These are amounts of budget authority provided in previous years that have not been outlayed. Obligated balances are amounts that have been obligated but not yet outlayed. Unobligated balances are amounts that have not been obligated and that remain available for obligation under law.

BREACH—A breach is the amount by which new budget authority or outlays within a category of discretionary appropriations for a fiscal year is above the cap on new budget authority or outlays for that category for that year.

BUDGET—The Budget of the United States Government (this document) sets forth the President's comprehensive financial plan and indicates the President's priorities for the Federal Government.

BUDGET AUTHORITY (BA)—Budget authority is the authority provided by Federal law to incur financial obligations that will result in outlays. Specific forms of budget authority include:

- provisions of law that make funds available for obligation and expenditure (other than borrowing authority), including the authority to obligate and expend offsetting receipts and collections;
- borrowing authority, which is authority granted to a Federal entity to borrow (e.g., through the issuance of promissory notes or monetary credits) and to obligate and expend the borrowed funds;
- contract authority, which is the making of funds available for obligation but not for expenditure; and
- offsetting receipts and collections as negative budget authority.

BUDGETARY RESOURCES—Budgetary resources comprise new budget authority, unobligated balances of budget authority, direct spending authority, and obligation limitations.

BUDGET TOTALS—The budget includes totals for budget authority, outlays, and receipts. Some presentations in the budget distinguish on-budget totals from off-budget totals. On-budget totals reflect the transactions of all Federal Government entities except those excluded from the budget totals by law. Off-budget totals reflect the transactions of Government entities that are excluded from the on-budget totals by law. Currently excluded are the social security trust funds (Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds) and the Postal Service. The on- and off-budget totals are combined to derive a total for Federal activity.

CAP—This is the term commonly used to refer to legal limits on the budget authority and outlays for each fiscal year for each of the discretionary appropriations categories. A sequester is required if an appropriation for a category causes a breach in the cap.

[1] These basic terms and other budget terms, concepts, and procedures are described more fully in *The Budget System and Concepts of the United States Government,* a pamphlet available from the Government Printing Office. References to requirements in law generally refer to the Balanced Budget and Emergency Deficit Control Act of 1985 (also known as the Gramm-Rudman-Hollings Act), as amended. The Act was most recently amended by the Budget Enforcement Act of 1990 (Title XIII of Public Law 101–508). These requirements are discussed in various parts of the *Budget*.

CATEGORIES OF DISCRETIONARY APPROPRIATIONS—For 1991, 1992, and 1993, discretionary appropriations are categorized as defense, international, or domestic. Separate spending limits (caps) are applied to each category. The appropriations in each of the categories are determined by lists of existing appropriations in a 1990 congressional report[2] or, in the case of new appropriations, in consultation among the Office of Management and Budget and the congressional Committees on Appropriations and the Budget. For 1994 and 1995, all discretionary appropriations constitute a single category.

COST—The term cost, when used in connection with Federal credit programs, means the estimated long-term cost to the Government of a direct loan or loan guarantee, calculated on a net present value basis. The term excludes administrative costs and any incidental effects on governmental receipts or outlays.

CREDIT PROGRAM ACCOUNT—A credit program account receives an appropriation for the cost of a direct loan or loan guarantee program, from which such cost is disbursed to a financing account for the program.

DEFICIT—A deficit is the amount by which outlays exceed Governmental receipts.

DIRECT LOAN—A direct loan is a disbursement of funds by the Government to a non-Federal borrower under a contract that requires the repayment of such funds with or without interest. The term includes the purchase of, or participation in, a loan made by another lender. The term does not include the acquisition of a federally guaranteed loan in satisfaction of default claims or the price support loans of the Commodity Credit Corporation. (*Cf.* LOAN GUARANTEE.)

DIRECT SPENDING—Direct spending is a category of outlays from budget authority provided in law other than appropriations acts, entitlement authority, and the budget authority for the food stamp program. (*Cf.* DISCRETIONARY APPROPRIATIONS.)

DISCRETIONARY APPROPRIATIONS—Discretionary appropriations is a category of budget authority that comprises budgetary resources (except those provided to fund direct-spending programs) provided in appropriations acts. (*Cf.* DIRECT SPENDING.)

EMERGENCY APPROPRIATION—An emergency appropriation is an appropriation in a discretionary category that the President and the Congress have designated as an emergency requirement. Such appropriations result in an adjustment to the cap for the category.

FEDERAL FUNDS—Federal funds are the moneys collected and spent by the Government other than those designated as trust funds. Federal funds include general, special, public enterprise, and intragovernmental funds. (*Cf.* TRUST FUNDS.)

FINANCING ACCOUNT—A financing account receives the cost payments from a credit program account and includes other cash flows to and from the Government resulting from direct loan obligations or loan guarantee commitments made on or after October 1, 1991. At least one financing account is associated with each credit program account. For programs with direct and guaranteed loans, there are separate financing accounts for direct loans and guaranteed loans. The transactions of the financing accounts are not included in the budget totals. (*Cf.* LIQUIDATING ACCOUNT)

FISCAL YEAR—The fiscal year is the Government's accounting period. It begins on October 1st and ends on September 30th, and is designated by the calendar year in which it ends.

GENERAL FUND—The general fund consists of accounts for receipts not earmarked by law for a specific purpose, the proceeds of general borrowing, and the expenditure of these moneys.

LIQUIDATING ACCOUNT—A liquidating account includes all cash flows to and from the Government resulting from direct loan obligations and loan guarantee commitments prior to October 1, 1991. (*Cf.* FINANCING ACCOUNT.)

LOAN GUARANTEE—A loan guarantee is any guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender. The term does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions. (*Cf.* DIRECT LOAN.)

[2] The joint statement of the managers accompanying the conference report on the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508).

MAXIMUM DEFICIT AMOUNTS—These are amounts specified in and subject to certain adjustments under law. If the deficit for the year in question is estimated to exceed the adjusted maximum deficit amount for that year by more than a specified margin, a sequester of the excess deficit is required.

INTRAGOVERNMENTAL FUNDS—Intragovernmental funds are accounts for business-type or market-oriented activities conducted primarily within and between Government agencies and financed by offsetting collections that are credited directly to the fund.

OBLIGATIONS—Obligations are binding agreements that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally.

OFF-BUDGET—See BUDGET TOTALS.

OFFSETTING COLLECTIONS—Offsetting collections are collections from the public that result from business-type or market-oriented activities and collections from other Government accounts. These collections are deducted from gross disbursements in calculating outlays, rather than counted in Governmental receipt totals. Some are credited directly to appropriation or fund accounts; others, called offsetting receipts, are credited to receipt accounts. The authority to spend offsetting collections is a form of budget authority. (*Cf.* RECEIPTS, GOVERNMENTAL.)

ON-BUDGET—See BUDGET TOTALS.

OUTLAYS—Outlays are the measure of Government spending. They are payments to liquidate obligations (other than the repayment of debt), net of refunds and offsetting collections. Outlays generally are recorded on a cash basis, but also include many cash-equivalent transactions, the subsidy cost of direct loans and loan guarantees, and interest accrued on public issues of the public debt.

PAY-AS-YOU-GO—This term refers to requirements in law that result in a sequester if the estimated combined result of legislation affecting direct spending or receipts is an increase in the deficit for a fiscal year.

PUBLIC ENTERPRISE FUNDS—Public enterprise funds are accounts for business or market-oriented activities conducted primarily with the public and financed by offsetting collections that are credited directly to the fund.

RECEIPTS, GOVERNMENTAL—Governmental receipts are collections that result primarily from the Government's exercise of its sovereign power to tax or otherwise compel payment. They are compared to outlays in calculating a surplus or deficit. (*Cf.* OFFSETTING COLLECTIONS.)

SEQUESTER—A sequester is the cancellation of budgetary resources provided by discretionary appropriations or direct spending legislation, following various procedures prescribed in law. A sequester may occur in response to a discretionary appropriation that causes a breach, in response to increases in the deficit resulting from the combined result of legislation affecting direct spending or receipts (referred to as a "pay-as-you-go" sequester), or in response to a deficit estimated to be in excess of the maximum deficit amounts.

SPECIAL FUNDS—Special funds are Federal fund accounts for receipts earmarked for specific purposes and the associated expenditure of those receipts. (*Cf.* TRUST FUNDS.)

SUBSIDY—This term means the same as cost when it is used in connection with Federal credit programs.

SURPLUS—A surplus is the amount by which receipts exceed outlays.

SUPPLEMENTAL APPROPRIATION—A supplemental appropriation is one enacted subsequent to a regular annual appropriations act when the need for funds is too urgent to be postponed until the next regular annual appropriations act.

TRUST FUNDS—Trust funds are accounts, designated by law as trust funds, for receipts earmarked for specific purposes and the associated expenditure of those receipts. (*Cf.* SPECIAL FUNDS.)

GLOSSARY OF BUDGET TERMS[1]

BALANCES OF BUDGET AUTHORITY—These are amounts of budget authority provided in previous years that have not been outlayed. Obligated balances are amounts that have been obligated but not yet outlayed. Unobligated balances are amounts that have not been obligated and that remain available for obligation under law.

BREACH—A breach is the amount by which new budget authority or outlays within a category of discretionary appropriations for a fiscal year is above the cap on new budget authority or outlays for that category for that year.

BUDGET—The Budget of the United States Government (this document) sets forth the President's comprehensive financial plan and indicates the President's priorities for the Federal Government.

BUDGET AUTHORITY (BA)—Budget authority is the authority provided by Federal law to incur financial obligations that will result in outlays. Specific forms of budget authority include:

- provisions of law that make funds available for obligation and expenditure (other than borrowing authority), including the authority to obligate and expend offsetting receipts and collections;
- borrowing authority, which is authority granted to a Federal entity to borrow (e.g., through the issuance of promissory notes or monetary credits) and to obligate and expend the borrowed funds;
- contract authority, which is the making of funds available for obligation but not for expenditure; and
- offsetting receipts and collections as negative budget authority.

BUDGETARY RESOURCES—Budgetary resources comprise new budget authority, unobligated balances of budget authority, direct spending authority, and obligation limitations.

BUDGET TOTALS—The budget includes totals for budget authority, outlays, and receipts. Some presentations in the budget distinguish on-budget totals from off-budget totals. On-budget totals reflect the transactions of all Federal Government entities except those excluded from the budget totals by law. Off-budget totals reflect the transactions of Government entities that are excluded from the on-budget totals by law. Currently excluded are the social security trust funds (Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds) and the Postal Service. The on- and off-budget totals are combined to derive a total for Federal activity.

CAP—This is the term commonly used to refer to legal limits on the budget authority and outlays for each fiscal year for each of the discretionary appropriations categories. A sequester is required if an appropriation for a category causes a breach in the cap.

[1] These basic terms and other budget terms, concepts, and procedures are described more fully in *The Budget System and Concepts of the United States Government,* a pamphlet available from the Government Printing Office. References to requirements in law generally refer to the Balanced Budget and Emergency Deficit Control Act of 1985 (also known as the Gramm-Rudman-Hollings Act), as amended. The Act was most recently amended by the Budget Enforcement Act of 1990 (Title XIII of Public Law 101–508). These requirements are discussed in various parts of the *Budget.*

CATEGORIES OF DISCRETIONARY APPROPRIATIONS—For 1991, 1992, and 1993, discretionary appropriations are categorized as defense, international, or domestic. Separate spending limits (caps) are applied to each category. The appropriations in each of the categories are determined by lists of existing appropriations in a 1990 congressional report[2] or, in the case of new appropriations, in consultation among the Office of Management and Budget and the congressional Committees on Appropriations and the Budget. For 1994 and 1995, all discretionary appropriations constitute a single category.

COST—The term cost, when used in connection with Federal credit programs, means the estimated long-term cost to the Government of a direct loan or loan guarantee, calculated on a net present value basis. The term excludes administrative costs and any incidental effects on governmental receipts or outlays.

CREDIT PROGRAM ACCOUNT—A credit program account receives an appropriation for the cost of a direct loan or loan guarantee program, from which such cost is disbursed to a financing account for the program.

DEFICIT—A deficit is the amount by which outlays exceed Governmental receipts.

DIRECT LOAN—A direct loan is a disbursement of funds by the Government to a non-Federal borrower under a contract that requires the repayment of such funds with or without interest. The term includes the purchase of, or participation in, a loan made by another lender. The term does not include the acquisition of a federally guaranteed loan in satisfaction of default claims or the price support loans of the Commodity Credit Corporation. (*Cf.* LOAN GUARANTEE.)

DIRECT SPENDING—Direct spending is a category of outlays from budget authority provided in law other than appropriations acts, entitlement authority, and the budget authority for the food stamp program. (*Cf.* DISCRETIONARY APPROPRIATIONS.)

DISCRETIONARY APPROPRIATIONS—Discretionary appropriations is a category of budget authority that comprises budgetary resources (except those provided to fund direct-spending programs) provided in appropriations acts. (*Cf.* DIRECT SPENDING.)

EMERGENCY APPROPRIATION—An emergency appropriation is an appropriation in a discretionary category that the President and the Congress have designated as an emergency requirement. Such appropriations result in an adjustment to the cap for the category.

FEDERAL FUNDS—Federal funds are the moneys collected and spent by the Government other than those designated as trust funds. Federal funds include general, special, public enterprise, and intragovernmental funds. (*Cf.* TRUST FUNDS.)

FINANCING ACCOUNT—A financing account receives the cost payments from a credit program account and includes other cash flows to and from the Government resulting from direct loan obligations or loan guarantee commitments made on or after October 1, 1991. At least one financing account is associated with each credit program account. For programs with direct and guaranteed loans, there are separate financing accounts for direct loans and guaranteed loans. The transactions of the financing accounts are not included in the budget totals. (*Cf.* LIQUIDATING ACCOUNT)

FISCAL YEAR—The fiscal year is the Government's accounting period. It begins on October 1st and ends on September 30th, and is designated by the calendar year in which it ends.

GENERAL FUND—The general fund consists of accounts for receipts not earmarked by law for a specific purpose, the proceeds of general borrowing, and the expenditure of these moneys.

LIQUIDATING ACCOUNT—A liquidating account includes all cash flows to and from the Government resulting from direct loan obligations and loan guarantee commitments prior to October 1, 1991. (*Cf.* FINANCING ACCOUNT.)

LOAN GUARANTEE—A loan guarantee is any guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender. The term does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions. (*Cf.* DIRECT LOAN.)

[2] The joint statement of the managers accompanying the conference report on the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508).

MAXIMUM DEFICIT AMOUNTS—These are amounts specified in and subject to certain adjustments under law. If the deficit for the year in question is estimated to exceed the adjusted maximum deficit amount for that year by more than a specified margin, a sequester of the excess deficit is required.

INTRAGOVERNMENTAL FUNDS—Intragovernmental funds are accounts for business-type or market-oriented activities conducted primarily within and between Government agencies and financed by offsetting collections that are credited directly to the fund.

OBLIGATIONS—Obligations are binding agreements that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally.

OFF-BUDGET—See BUDGET TOTALS.

OFFSETTING COLLECTIONS—Offsetting collections are collections from the public that result from business-type or market-oriented activities and collections from other Government accounts. These collections are deducted from gross disbursements in calculating outlays, rather than counted in Governmental receipt totals. Some are credited directly to appropriation or fund accounts; others, called offsetting receipts, are credited to receipt accounts. The authority to spend offsetting collections is a form of budget authority. (*Cf.* RECEIPTS, GOVERNMENTAL.)

ON-BUDGET—See BUDGET TOTALS.

OUTLAYS—Outlays are the measure of Government spending. They are payments to liquidate obligations (other than the repayment of debt), net of refunds and offsetting collections. Outlays generally are recorded on a cash basis, but also include many cash-equivalent transactions, the subsidy cost of direct loans and loan guarantees, and interest accrued on public issues of the public debt.

PAY-AS-YOU-GO—This term refers to requirements in law that result in a sequester if the estimated combined result of legislation affecting direct spending or receipts is an increase in the deficit for a fiscal year.

PUBLIC ENTERPRISE FUNDS—Public enterprise funds are accounts for business or market-oriented activities conducted primarily with the public and financed by offsetting collections that are credited directly to the fund.

RECEIPTS, GOVERNMENTAL—Governmental receipts are collections that result primarily from the Government's exercise of its sovereign power to tax or otherwise compel payment. They are compared to outlays in calculating a surplus or deficit. (*Cf.* OFFSETTING COLLECTIONS.)

SEQUESTER—A sequester is the cancellation of budgetary resources provided by discretionary appropriations or direct spending legislation, following various procedures prescribed in law. A sequester may occur in response to a discretionary appropriation that causes a breach, in response to increases in the deficit resulting from the combined result of legislation affecting direct spending or receipts (referred to as a "pay-as-you-go" sequester), or in response to a deficit estimated to be in excess of the maximum deficit amounts.

SPECIAL FUNDS—Special funds are Federal fund accounts for receipts earmarked for specific purposes and the associated expenditure of those receipts. (*Cf.* TRUST FUNDS.)

SUBSIDY—This term means the same as cost when it is used in connection with Federal credit programs.

SURPLUS—A surplus is the amount by which receipts exceed outlays.

SUPPLEMENTAL APPROPRIATION—A supplemental appropriation is one enacted subsequent to a regular annual appropriations act when the need for funds is too urgent to be postponed until the next regular annual appropriations act.

TRUST FUNDS—Trust funds are accounts, designated by law as trust funds, for receipts earmarked for specific purposes and the associated expenditure of those receipts. (*Cf.* SPECIAL FUNDS.)

GLOSSARY OF BUDGET TERMS [1]

BALANCES OF BUDGET AUTHORITY—These are amounts of budget authority provided in previous years that have not been outlayed. Obligated balances are amounts that have been obligated but not yet outlayed. Unobligated balances are amounts that have not been obligated and that remain available for obligation under law.

BREACH—A breach is the amount by which new budget authority or outlays within a category of discretionary appropriations for a fiscal year is above the cap on new budget authority or outlays for that category for that year.

BUDGET—The *Budget of the United States Government* (this document) sets forth the President's comprehensive financial plan and indicates the President's priorities for the Federal Government.

BUDGET AUTHORITY (BA)—Budget authority is the authority provided by Federal law to incur financial obligations that will result in outlays. Specific forms of budget authority include:

- provisions of law that make funds available for obligation and expenditure (other than borrowing authority), including the authority to obligate and expend offsetting receipts and collections;
- borrowing authority, which is authority granted to a Federal entity to borrow (e.g., through the issuance of promissory notes or monetary credits) and to obligate and expend the borrowed funds;
- contract authority, which is the making of funds available for obligation but not for expenditure; and
- offsetting receipts and collections as negative budget authority.

BUDGETARY RESOURCES—Budgetary resources comprise new budget authority, unobligated balances of budget authority, direct spending authority, and obligation limitations.

BUDGET TOTALS—The budget includes totals for budget authority, outlays, and receipts. Some presentations in the budget distinguish on-budget totals from off-budget totals. On-budget totals reflect the transactions of all Federal Government entities except those excluded from the budget totals by law. Off-budget totals reflect the transactions of Government entities that are excluded from the on-budget totals by law. Currently excluded are the social security trust funds (Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds) and the Postal Service. The on- and off-budget totals are combined to derive a total for Federal activity.

CAP—This is the term commonly used to refer to legal limits on the budget authority and outlays for each fiscal year for each of the discretionary appropriations categories. A sequester is required if an appropriation for a category causes a breach in the cap.

[1] These basic terms and other budget terms, concepts, and procedures are described more fully in *The Budget System and Concepts of the United States Government,* a pamphlet available from the Government Printing Office. References to requirements in law generally refer to the Balanced Budget and Emergency Deficit Control Act of 1985 (also known as the Gramm-Rudman-Hollings Act), as amended. The Act was most recently amended by the Budget Enforcement Act of 1990 (Title XIII of Public Law 101–508). These requirements are discussed in various parts of the *Budget.*

CATEGORIES OF DISCRETIONARY APPROPRIATIONS—Through 1993, discretionary appropriations are categorized as defense, international, or domestic. Separate spending limits (caps) are applied to each category. The appropriations in each of the categories are determined by lists of existing appropriations in a 1990 congressional report[2] or, in the case of new appropriations, in consultation among the Office of Management and Budget and the congressional Committees on Appropriations and the Budget. For 1994 and 1995, all discretionary appropriations constitute a single category.

COST—The term cost, when used in connection with Federal credit programs, means the estimated long-term cost to the Government of a direct loan or loan guarantee, calculated on a net present value basis. The term excludes administrative costs and any incidental effects on governmental receipts or outlays. Present value is a standard financial concept that allows for the time value of money, that is, for the fact that a given sum of money is worth more at present than in the future because interest can be earned on it. The cost of direct loans and loan guarantees is a net present value because collections are offset against disbursements.

CREDIT PROGRAM ACCOUNT—A credit program account receives an appropriation for the cost of a direct loan or loan guarantee program, from which such cost is disbursed to a financing account for the program.

DEFICIT—A deficit is the amount by which outlays exceed Governmental receipts.

DIRECT LOAN—A direct loan is a disbursement of funds by the Government to a non-Federal borrower under a contract that requires the repayment of such funds with or without interest. The term includes the purchase of, or participation in, a loan made by another lender. The term does not include the acquisition of a federally guaranteed loan in satisfaction of default claims or the price support loans of the Commodity Credit Corporation. (*Cf.* LOAN GUARANTEE.)

DIRECT SPENDING—Direct spending, which sometimes is called mandatory spending, is a category of outlays from budget authority provided in law other than appropriations acts, entitlement authority, and the budget authority for the food stamp program. (*Cf.* DISCRETIONARY APPROPRIATIONS.)

DISCRETIONARY APPROPRIATIONS—Discretionary appropriations is a category of budget authority that comprises budgetary resources (except those provided to fund direct-spending programs) provided in appropriations acts. (*Cf.* DIRECT SPENDING.)

EMERGENCY APPROPRIATION—An emergency appropriation is an appropriation in a discretionary category that the President and the Congress have designated as an emergency requirement. Such appropriations result in an adjustment to the cap for the category.

FEDERAL FUNDS—Federal funds are the moneys collected and spent by the Government other than those designated as trust funds. Federal funds include general, special, public enterprise, and intragovernmental funds. (*Cf.* TRUST FUNDS.)

FINANCING ACCOUNT—A financing account receives the cost payments from a credit program account and includes other cash flows to and from the Government resulting from direct loan obligations or loan guarantee commitments made on or after October 1, 1991. At least one financing account is associated with each credit program account. For programs with direct and guaranteed loans, there are separate financing accounts for direct loans and guaranteed loans. The transactions of the financing accounts are not included in the budget totals. (*Cf.* LIQUIDATING ACCOUNT)

FISCAL YEAR—The fiscal year is the Government's accounting period. It begins on October 1st and ends on September 30th, and is designated by the calendar year in which it ends.

GENERAL FUND—The general fund consists of accounts for receipts not earmarked by law for a specific purpose, the proceeds of general borrowing, and the expenditure of these moneys.

LIQUIDATING ACCOUNT—A liquidating account includes all cash flows to and from the Government resulting from direct loan obligations and loan guarantee commitments prior to October 1, 1991. (*Cf.* FINANCING ACCOUNT.)

LOAN GUARANTEE—A loan guarantee is any guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower

[2]The joint statement of the managers accompanying the conference report on the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508).

to a non-Federal lender. The term does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions. (*Cf.* DIRECT LOAN.)

MANDATORY SPENDING—See DIRECT SPENDING.

MAXIMUM DEFICIT AMOUNTS—These are amounts specified in and subject to certain adjustments under law. If the deficit for the year in question is estimated to exceed the adjusted maximum deficit amount for that year by more than a specified margin, a sequester of the excess deficit is required.

INTRAGOVERNMENTAL FUNDS—Intragovernmental funds are accounts for business-type or market-oriented activities conducted primarily within and between Government agencies and financed by offsetting collections that are credited directly to the fund.

OBLIGATIONS—Obligations are binding agreements that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally.

OFF-BUDGET—See BUDGET TOTALS.

OFFSETTING COLLECTIONS—Offsetting collections are collections from the public that result from business-type or market-oriented activities and collections from other Government accounts. These collections are deducted from gross disbursements in calculating outlays, rather than counted in Governmental receipt totals. Some are credited directly to appropriation or fund accounts; others, called offsetting receipts, are credited to receipt accounts. The authority to spend offsetting collections is a form of budget authority. (*Cf.* RECEIPTS, GOVERNMENTAL.)

ON-BUDGET—See BUDGET TOTALS.

OUTLAYS—Outlays are the measure of Government spending. They are payments to liquidate obligations (other than the repayment of debt), net of refunds and offsetting collections. Outlays generally are recorded on a cash basis, but also include many cash-equivalent transactions, the subsidy cost of direct loans and loan guarantees, and interest accrued on public issues of the public debt.

PAY-AS-YOU-GO—This term refers to requirements in law that result in a sequester if the estimated combined result of legislation affecting direct spending or receipts is an increase in the deficit for a fiscal year.

PUBLIC ENTERPRISE FUNDS—Public enterprise funds are accounts for business or market-oriented activities conducted primarily with the public and financed by offsetting collections that are credited directly to the fund.

RECEIPTS, GOVERNMENTAL—Governmental receipts are collections that result primarily from the Government's exercise of its sovereign power to tax or otherwise compel payment. They are compared to outlays in calculating a surplus or deficit. (*Cf.* OFFSETTING COLLECTIONS.)

SEQUESTER—A sequester is the cancellation of budgetary resources provided by discretionary appropriations or direct spending legislation, following various procedures prescribed in law. A sequester may occur in response to a discretionary appropriation that causes a breach, in response to increases in the deficit resulting from the combined result of legislation affecting direct spending or receipts (referred to as a "pay-as-you-go" sequester), or in response to a deficit estimated to be in excess of the maximum deficit amounts.

SPECIAL FUNDS—Special funds are Federal fund accounts for receipts earmarked for specific purposes and the associated expenditure of those receipts. (*Cf.* TRUST FUNDS.)

SUBSIDY—This term means the same as cost when it is used in connection with Federal credit programs.

SURPLUS—A surplus is the amount by which receipts exceed outlays.

SUPPLEMENTAL APPROPRIATION—A supplemental appropriation is one enacted subsequent to a regular annual appropriations act when the need for funds is too urgent to be postponed until the next regular annual appropriations act.

TRUST FUNDS—Trust funds are accounts, designated by law as trust funds, for receipts earmarked for specific purposes and the associated expenditure of those receipts. (*Cf.* SPECIAL FUNDS.)