



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

December 16, 2004

BULLETIN NO. 05-01

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Guidance on Implementing Across-the-Board Reductions in the Consolidated Appropriations Act, 2005 (H.R. 4818)

Purpose. This bulletin provides guidance on implementing the reductions required by the Consolidated Appropriations Act, 2005 (H.R. 4818)

Background and coverage. This bulletin covers the following sections of H.R. 4818:

Departmental Management's Salaries and expenses account in Division E (Attachment A) rescinds \$3,000,000 for motor vehicle lease, purchase or service costs at the Department of the Interior.

Section 519 in Division F (Attachment B) rescinds \$18 million on a pro rata basis for administrative and related expenses for departmental management for the Department of Labor, the Department of Health and Human Services, and the Department of Education.

Section 122 (a) in Division J (Attachment C) rescinds an amount equal to 0.80 percent of:

- (1) the budget authority provided (or obligation limitation imposed) for fiscal year 2005 for any discretionary account in divisions A through J of H.R. 4818 and in any other fiscal year 2005 appropriation Act (except any fiscal year 2005 supplemental appropriation Act, the Department of Homeland Security Appropriations Act, 2005, the Department of Defense Appropriations Act, 2005, or the Military Construction Appropriations Act, 2005);
- (2) the budget authority provided in any advance appropriation for fiscal year 2005 for any discretionary account in any prior fiscal year appropriation Act; and,
- (3) the contract authority provided in fiscal year 2005 for any program subject to limitation contained in any division or appropriation Act subject to paragraph (1).

Section 122 (b) provides that reductions must be made proportionately to each program, project, and activity within each account.

Required actions. Agencies are required to do two things.

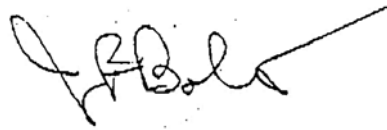
First, prepare a list of proposed reductions by Treasury Appropriation Fund Symbol (TAFS), type of budgetary resource, and the reduction amounts using the electronic format provided in Attachments D, E and F. This list should include amounts in unavailable receipt accounts associated with each special or trust fund TAFS.

Second, prepare any additional supporting information requested by your Resource Management Offices.

Agencies must send all these materials including their FY 2005 reapportionments to their OMB representative by Wednesday, December 29h. While OMB Circular A-11 requires agencies to submit re-apportionments within 10 days of enactment, we have pushed out the due date an additional five days, which is the latest due date allowable by law.

Attachments G and H provide detailed guidance for budget and accounting offices to execute and report these reductions.

Contact. Questions regarding this bulletin should be directed to the agency's OMB representatives.

A handwritten signature in black ink, appearing to read 'J. Bolten', with a long horizontal stroke extending to the right.

Joshua B. Bolten
Director

Attachments

DEPARTMENTAL MANAGEMENT: ACROSS-THE-BOARD REDUCTION

DEPARTMENTAL MANAGEMENT
SALARIES AND EXPENSES
(INCLUDING TRANSFER OF FUNDS)

Provided further, That amounts otherwise appropriated by this Act for motor vehicle lease, purchase or service costs at the Department of the Interior are reduced by \$3,000,000 and, not later than 30 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall submit to the Committees on Appropriations of the House of Representatives and the Senate a listing of the amounts by account of the reductions made pursuant to this proviso.

SECTION 519: ACROSS-THE-BOARD REDUCTION

SEC. 519. (a) IN GENERAL.—Amounts made available under this Act for the administrative and related expenses for departmental management for the Department of Labor, the Department of Health and Human Services, and the Department of Education shall be reduced on a pro rata basis by \$18,000,000: *Provided*, That not later than 15 days after the enactment of this Act, the Director of the Office of Management and Budget shall report to the House and Senate Committees on Appropriations the accounts subject to the pro rata reductions and the amount to be reduced in each account.

(b) LIMITATION.—The reduction required by subsection (a) shall not apply to the Food and Drug Administration and the Indian Health Service.

SECTION 122: ACROSS-THE-BOARD REDUCTIONS

SEC. 122 (a) ACROSS-THE-BOARD RESCISSIONS. - There is hereby rescinded an amount equal to 0.80 percent of --

(1) the budget authority provided (or obligation limitation imposed) for fiscal year 2005 for any discretionary account in divisions A through J of H.R. 4818 and in any other fiscal year 2005 appropriation Act (except any fiscal year 2005 supplemental appropriation Act, the Department of Homeland Security Appropriations Act, 2005, the Department of Defense Appropriations Act, 2005, or the Military Construction Appropriations Act, 2005);

(2) the budget authority provided in any advance appropriation for fiscal year 2005 for any discretionary account in any prior fiscal year appropriation Act; and,

(3) the contract authority provided in fiscal year 2005 for any program subject to limitation contained in any division or appropriation Act subject to paragraph (1).

(b) PROPORTIONATE APPLICATION. - Any rescission made by subsection (a) shall be applied proportionately --

(1) to each discretionary account and each item of budget authority described in such subsection; and

(2) within each such account and item, to each program, project, and activity (with programs, projects, and activities as delineated in the appropriation Act or accompanying reports for the relevant fiscal year covering such account or item, or for accounts and items not included in appropriation Acts, as delineated in the most recently submitted President's budget).

H.R. 4818 Across-the-Board Reduction [Division E, Departmental Management, Salaries and expenses]

Department of the Interior

						If yes, then list the unavailable receipt account associated with the special or trust fund TAFS.			
Treasury Agency	FY1	FY2	Treasury Account	Treasury Account Title	Type of Budgetary Resource	Amount of Reduction (in dollars)	Does the reduction require a FMS 6200 warrant to be processed by Treasury?	Treasury Agency	Treasury Account

EXAMPLES:

80		2005	0174	Salaries and expenses	Appropriation	(\$432,567)	Yes		
80		X	0174	Resource management	Advance Appropriation	(\$76,543)	Yes		
80	2005 /	2006	0511	Program management	Offsetting collections	(\$56,547)	No		
80		X	8065	Safety program	Appropriation	(\$756,434)	No		
80		X	5689	Development management	Appropriation	(\$567,544)	Yes	80	568910
80		X	5488	Reseach and development	Appropriation	(\$954,874)	No		

Comments:

- FY1 FY1 will include a fiscal year for the first year of availability in a multi-year TAFS only.
- FY2 FY2 will include a fiscal year for an annual TAFS, for the last year of availability in a multi-year TAFS, and a "X" for no-year TAFS.
- Treasury Account Spreadsheet is formatted as text.
- Type of Budgetary Resource The following is a list of possible budgetary resources:
 - Appropriation = SF 132/133 line 1A
 - Advance Appropriation = SF 132/133 line 1A
 - Spending authority from offsetting collections = SF 132/133 line 3
- Amount of Reduction If you have identified another budgetary resource, please contact your agency's OMB representative. This amount is required to be deducted and reported in dollars.

H.R. 4818 Across-the-Board Reduction [Division F, section 519]

[Agency Name]

If yes, then list the unavailable receipt account associated with the special or trust fund TAFS.

Treasury Agency	FY1	FY2	Treasury Account	Treasury Account Title	Type of Budgetary Resource	Amount of Reduction (in dollars)	Does the reduction require a FMS 6200 warrant to be processed by Treasury?	Treasury Agency	Treasury Account
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EXAMPLES:

80		2005	0174	Salaries and expenses	Appropriation	(\$432,567)	Yes		
80	2005 /	2006	0174	Resource management	Advance Appropriation	(\$76,543)	Yes		
80		X	8065	Program management	Appropriation	(\$56,547)	No		
80		X	5689	Development management	Appropriation	(\$567,544)	Yes	80	568910
80		X	5488	Reseach and development	Appropriation	(\$954,874)	No		

Comments:

- FY1 FY1 will include a fiscal year for the first year of availability in a multi-year TAFS only.
- FY2 FY2 will include a fiscal year for an annual TAFS, for the last year of availability in a multi-year TAFS, and a "X" for no-year TAFS.
- Treasury Account Spreadsheet is formatted as text.
- Type of Budgetary Resource The following is a list of possible budgetary resources:
 - Appropriation = SF 132/133 line 1A
 - Advance Appropriation = SF 132/133 line 1A
- Amount of Reduction If you have identified another budgetary resource, please contact your agency's OMB representative. This amount is required to be deducted and reported in dollars.

H.R. 4818 Across-the-Board Reduction [Division J, section 122 (a)]

[Agency Name]

If yes, then list the unavailable receipt account associated with the special or trust fund TAFS.

Treasury Agency	FY1	FY2	Treasury Account	Treasury Account Title	Type of Budgetary Resource	Amount of Reduction (in dollars)	Does the reduction require a FMS 6200 warrant to be processed by Treasury?	Treasury Agency	Treasury Account
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EXAMPLES:

80		2005	0174	Salaries and expenses	Appropriation	(\$432,567)	Yes		
80		X	0174	Resource management	Advance Appropriation	(\$76,543)	Yes		
80	2005 /	2006	0511	Program management	Appropriation	(\$56,547)	Yes		
80		X	8065	Safety program	Contract Authority	(\$756,434)	No		
80		2005	8065	Safety program	Obligation Limitation	(\$56,547)	No		
80		X	5689	Development management	Appropriation	(\$567,544)	Yes	80	568910
80		X	5488	Research and development	Appropriation	(\$954,874)	No		

Comments:

FY1 FY1 will include a fiscal year for the first year of availability in a multi-year TAFS only.
 FY2 FY2 will include a fiscal year for an annual TAFS, for the last year of availability in a multi-year TAFS, and a "X" for no-year TAFS.
 Treasury Account Spreadsheet is formatted as text.
 Type of Budgetary Resource The following is a list of possible budgetary resources:
 Appropriation = SF 132/133 line 1A
 Advance Appropriation = SF 132/133 line 1A
 Contract Authority = SF 132/133 line 1C
 Obligation Limitation
 Amount of Reduction If you have identified another budgetary resource, please contact your agency's OMB representative. This amount is required to be deducted and reported in dollars.

**INSTRUCTIONS FOR ACCOUNTING AND BUDGET OFFICES
RELATED TO EXECUTING AND REPORTING
THE SECTION 122 REDUCTION OF H.R. 4818**

OMB, working with the Treasury Financial Management Service, has prepared the following instructions related to executing and reporting the section 122 reduction of H.R. 4818.

What accounting event happened that must be acted on?

Division H, section 122 of the Consolidated Appropriations Act, 2005 (H.R. 4818) contains an across-the-board reduction. The Public Law is 108-447.

How much flexibility do I have in allocating the reduction?

The language says: “Any rescission made by subsection (a) shall be applied proportionately--

“(1) to each discretionary account and each item of budget authority described in such subsection; and

“(2) within each such account and item, to each program, project, and activity (with programs, projects, and activities as delineated in the appropriation Act or accompanying reports for the relevant fiscal year covering such account or item, or for accounts and items not included in appropriation Acts, as delineated in the most recently submitted President’s budget).”

What general rules do I apply in calculating the reduction?

Section 122 (a) includes detailed instructions on applying the reduction, which interact in various ways with the base appropriation language in the bill. Therefore, you should apply the following basic rules:

1. Scope of the Reduction. The reduction applies to all discretionary spending authority provided in the bill or in previous appropriations acts for fiscal year (FY) 2005:
 - a. Discretionary authority. The across-the-board reduction only applies to discretionary amounts. It does not apply to mandatory amounts.
 - b. Spending authority. The reduction applies to spending authority provided by the bill (i.e., budget authority, obligation limitations, and contract authority).
 - c. Advance appropriations. The reduction applies to any advance appropriation for FY 2005 provided in any prior appropriations act, i.e., FY 2004 or prior appropriations acts. Advance appropriations FY 2006 or future years provided in H.R. 4818 are not subject to the reduction.

2. Offsetting Collections from Federal sources and the Public. In general, the reduction applies to net positive spending authority. Therefore the reduction is not applied to spending authority from offsetting collections from Federal sources and the public *provided by the bill*. If the agency may spend certain offsetting collections without appropriations action, then those offsetting collections are not reduced.
3. Unobligated balances. The reduction does not apply against unobligated balances brought forward October 1, 2004.
4. Multiple Reductions. If your account has more than one reduction on the amount newly appropriated, apply the reductions in the following sequence: (1) account-specific rescission, (2) agency-wide reduction, (3) appropriation act-wide reduction, and (4) government-wide reduction. For example, if an account has an account-specific rescission of \$5M against new budget authority of \$400M, subtract the \$5M from the budget authority of \$400M and then apply the next reduction to BA of \$395M.
5. Proportionate application. The Act requires that the reductions be applied equally to each *account* and separately to each *item*. Then, *within each account and each item*, apply the rescission to each program, project, and activity subject to the rescission.
6. Program, project, and activity (PPA). PPAs are defined as that level of appropriations detail specified:
 - a. In the appropriation act or accompanying report, including earmarks and directives; or
 - b. If the detail in (a) does not exist, in the program and financing schedule of the President's Budget.
 - c. *Credit programs.* The reduction percentage is applied *separately* to the administrative expenses, the direct loan subsidy, and the guaranteed loan subsidy.
7. Nonexpenditure transfers. Since the across-the-board reduction is applied to the account that receives the appropriation, the across-the-board reduction is applied to the parent account where the appropriation is received.
8. Permanent or temporary reductions.
 - a. For most accounts the amounts rescinded by section 122 (a) are *permanent* and returned to miscellaneous receipts in the Treasury. This covers amounts appropriated from the General Fund of the Treasury.
 - b. However, for special, trust, and revolving funds to which the section 122 (a) reduction applies, the amounts are *temporarily* not available during this fiscal year. For special or trust fund expenditure accounts associated with unavailable receipt accounts, the amounts rescinded are returned to the corresponding unavailable receipt accounts from which they can be subsequently appropriated.

For special or trust fund expenditure accounts associated with available receipt accounts and revolving funds, the amounts rescinded stay in the fund but they are simply not available for obligation.

9. Rounding rules. The reduction will be *taken in dollars*. However, for reporting purposes, the reductions may be rounded to thousands or millions, as appropriate. For example, the reductions will be *reported in whole dollars* on the Treasury warrants, which are issued in dollars. The reductions will be *rounded to millions* in the Program and Financing schedule, as required by OMB Circular No. A-11.

In general, what must I do?

When executing the reduction, ensure that you consistently report the reduction on the SF 132, SF 133, and the actual column of the FY 2006 Budget Program and Financing (P&F) schedule.

Specifically, what must I do?

1. OMB Bulletin. Respond to the OMB Bulletin. A copy of the enacted appropriations language and instructions for responding are contained in an attachment to the Bulletin.
2. FMS 6200 Warrant. Contact the Department of the Treasury's Financial Management Service (FMS) Budget Reports Division to request a negative FMS 6200 Warrant for affected accounts appropriated from the General Fund of the Treasury or associated with unavailable receipt accounts. You will need to know the amount and the TAFS (which includes the period of availability) to request a warrant. You can fax reduction requests to Treasury at 202-874-9944.

Like last year, OMB will provide FMS with a list of accounts and reduction amounts that agencies provided to OMB. FMS will cross check warrant requests received from the agencies against this list, send any request that does not agree with this list to OMB, and not process the request until OMB approves the change.

3. SF 132 Apportionment. Prepare an SF 132 Apportionment with reduction amounts on the appropriate line number. For general funds or TAFS with contract authority, use line 6B "Enacted reductions (-)." For special, trust, and revolving funds, use line 5 "Temporarily not available pursuant to Public Law 108-447". Refer to the Treasury Financial Manual, USSGL Supplement or consult your agency's USSGL representative to identify the specific U.S. Government Standard General Ledger account codes that provide the mechanism to either make the funds temporarily or permanently not available. See OMB Circular No. A-11, Appendix F for further guidance.
4. U.S. Government Standard General Ledger (USSGL)/FACTS II. Record the reduction using the appropriate USSGL account codes in your accounting system so that the proper amounts will be reported via FACTS II. FACTS II will then create the SF 133 and initial set of data for the P&F schedule. When reporting the reduction via FACTS II, use 108-447 for Public_Law_Number. For general funds appropriated from the General Fund of the Treasury or contract authority, use USSGL account 4392. For special or trust fund expenditure accounts related to available receipt accounts and revolving funds, use USSGL account 4382. For special

or trust fund expenditure accounts related to unavailable receipt accounts, use USSGL account 4387. See Treasury Financial Manual, USSGL Supplement or consult your agency's USSGL representative for further guidance.

5. SF 133 Report on Budget Execution and Budgetary Resources. By using FACTS II appropriately, the amounts will crosswalk to SF 133 line 5 "Temporarily not available pursuant to Public Law 108-447" or line 6B " Enacted reductions (-)" See OMB Circular No. A-11, Appendix F for further guidance.

6. Budget Program and Financing (P&F) schedule. As a result of correctly reporting the amounts via FACTS II for the fourth quarter of FY 2005, they will be automatically crosswalked to the appropriate P&F line number. The accounting and the budget offices must work together to ensure that the actual column of the FY 2007 Budget P&F schedule accurately reflects this reduction. See OMB Circular No. A-11, section 82 for further guidance.

**Relationship among Selected SF 132 and SF 133
as they relate to the Across-The-Board Reduction, H.R. 4818
Division J, section 122**

SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE			
		Period ended 9/30/2005	
AGENCY: Department of Government		APPROPRIATION OR FUND TITLE AND SYMBOL	
BUREAU: Government Bureau		80-2005-???? Governmental Operations	
	AMOUNT ON LATEST SF 132	AGENCY REQUEST	ACTION BY OMB
BUDGETARY RESOURCES			
5. Temporarily not available pursuant to P.L. 108-447x (-).....		-xxx,xxx	<p>For revolving, special, and trust funds, the reduction makes the funds temporarily not available. For special or trust fund expenditure accounts associated with unavailable receipt accounts, the amounts rescinded are returned to the corresponding unavailable receipt account from which they can be subsequently appropriated. For special or trust fund expenditure accounts associated with available receipt accounts and revolving funds, the amounts rescinded stay in the fund but they are simply not available for obligation.</p>
6. Permanently not available: B. Enacted Reduction (-).....	<p>For general funds appropriated from the General Fund of the Treasury and contract authority, the reduction makes the funds permanently not available. For general funds originally appropriated from the General Fund of the Treasury, they, then, are returned to the General Fund of the U.S. Treasury.</p>	-xxx,xxx	
7. Total budgetary resources.....			

NOTE: Lines 5 and 6B, These amounts are rescinded pursuant to Section 122 (a) of Public Law 108-447, signed 12/8/04.

SF 133 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES			
		Period ended 9/30/2004	
AGENCY: Department of Government		APPROPRIATION OR FUND TITLE AND SYMBOL	
BUREAU: Government Bureau		80-2005-???? Governmental Operations	
	FY 2005 <u>Unexpired</u> Account	FY 2004 Expired Account	
BUDGETARY RESOURCES			
5. Temporarily not available pursuant to P.L. 108-447 (-).....	-xxx,xxx		<p>For special or trust fund expenditure accounts associated with available receipt accounts and revolving funds, use USSGL account 4382. By using USSGL account 4382, the reduction makes the funds temporarily not available.</p> <p>For special or trust fund expenditure accounts associated with unavailable receipt accounts, use USSGL account 4387. By using USSGL account 4387, the reduction makes the funds temporarily not available.</p>
6. Permanently not available: B. Enacted Reduction (-).....	-xxx,xxx		
7. Total budgetary resources.....			<p>For general funds appropriated from the General Fund of the Treasury and contract authority, use USSGL account 4392. By using USSGL account 4392, the reduction makes the funds permanently not available.</p>

NOTE: Lines 5 and 6B, These amounts are rescinded pursuant to Section 122 (a) of Public Law 108-447, signed 12/8/04.