

VOLUME III – BUDGET FORMULATION

CHAPTER 6 – SUPPLEMENTALS AND AMENDMENTS

TABLE OF CONTENTS

	Page Number
Section 40 General Information	<u>III (6) - 1</u>
Section 41 Legal Requirements	<u>III (6) - 2</u>
Section 42 Definitions	<u>III (6) - 3</u>
Supplementals	<u>III (6) - 3</u>
Amendments	<u>III (6) - 3</u>
Section 43 Policy	<u>III (6) - 4</u>
OMB Policy	<u>III (6) - 4</u>
Departmental Policy	<u>III (6) - 4</u>
Section 44 Materials Required	<u>III (6) - 5</u>
Highlight Memorandum (For Request to Secretary Only)	<u>III (6) - 5</u>
The Supplemental or Amendment Package	<u>III (6) - 5</u>
Section 45 Review Process for Supplementals and Amendments	<u>III (6) - 8</u>
Section 46 Action Taken after Approval of Amendments or Supplementals	<u>III (6) - 9</u>
EXHIBITS	APPENDIX A

SECTION 40 – GENERAL INFORMATION

- A. Guidelines for the preparation of requests for supplementals and amendments to the President's Budget are included in [Section 110 of the A-11](#). The instructions and exhibits included in [OMB Circular A-11](#) should be followed in preparing such requests. The guidance here supplements [OMB Circular A-11](#) and explains the information needed by reviewers in the Department, OMB and the Congress. Instructions for the preparation of substantive amendments to the OMB budget submissions are included in Section 44.

SECTION 41 – LEGAL REQUIREMENTS

- A. 31 U.S.C. 1107 (see Volume II of this *Handbook*) authorizes the President to transmit supplemental requests to the Congress after determining that they are necessary because of laws enacted after the transmission of the Budget or are otherwise in the public interest.

SECTION 42 – DEFINITIONS

A. Supplementals

- 1) Supplementals provide additional funds to amounts already provided in the annual appropriation act. They may also provide additional statutory authorities. These appropriations provide additional funding or authorities when the need for such action is too urgent to be delayed until enactment of the next appropriation.

B. Amendments

- 1) Amendments are proposed funding or language changes that revise the President's Budget request and are transmitted prior to completion of action on the budget request by the Appropriations Committees of both Houses of Congress.

SECTION 43 – POLICY

A. OMB Policy

- 1) [OMB Circular A-11](#) provides general policies on the circumstances which warrant the transmittal of supplemental and amendment requests. Generally, all proposed revisions must conform to Presidential policy. If the potential request is for additional funding, agencies are urged to postpone into the next year any action which would require supplemental appropriations. Proposals that decrease funding requirements should, however, be submitted without delay. [Section 110.1 of the A-11](#) directs that requests for additional amounts will be accompanied by rescission proposals elsewhere in the agency.
- 2) The President's Budget remains the official Administration policy until a revision is forwarded to the Congress. Therefore, agency representatives should not give the impression that the amounts requested by the President are insufficient until such time as a supplemental or amendment request is officially transmitted to the Congress. After such a request is submitted, agency communications with the Congress can and should reflect the need for additional resources as reflected in the revised budget request. (See Volume II of this *Handbook* for guidance on release of budgetary information.)

B. Departmental Policy

- 1) Program managers and heads of operating units should advise the Secretary and the Chief Financial Officer/Assistant Secretary (hereafter, "Assistant Secretary") for Administration at the earliest practicable time of the actual or potential need for a supplemental appropriation or budget amendment. Such needs should be covered in the budget request to the Secretary, the Department's legislative program, comments on proposed legislation and at other times where circumstances warrant. Any request for a supplemental or amendment should include a statement of alternative courses of action which would be considered if the request is denied and the consequences of those actions. A copy of any supplemental or amendment request must be forwarded to the Office of Budget when it is transmitted to the Secretary and Assistant Secretary for Administration.

SECTION 44 – MATERIALS REQUIRED

- A. [Section 110.3 of the A-11](#) lists materials required by OMB for supplemental and amendment requests. In order to simplify the process, the basic content of supplemental and amendment packages are the same for requests to the Secretary, OMB and the Congress.
- B. Operating units preparing a supplemental or amendment proposal when final action on an earlier proposal has not been completed should raise the question to the Office of Budget, who will provide guidance on how to reflect the earlier request in the justification package for the new proposal.
- C. Highlight Memorandum (For Request to Secretary Only)
- 1) A memorandum highlighting the request should be submitted with request to the Secretary and focus on the following:
 - i) the purposes or programs for which the proposal provides;
 - ii) the circumstances which call for the revision (see the [Section 110.1 of the A-11](#));
 - iii) an explanation of any proposed language changes;
 - iv) the effect on FTE employment and permanent positions;
 - v) the time schedule for the beginning of obligations associated with the request and actual obligations for the last three months; and
 - vi) data on how the amount requested was determined and accompanying workload and performance data.
- D. The Supplemental or Amendment Package
- 1) Five copies of the justification package are sent to the Office of Budget.
 - 2) Requests Involving Changes in Amounts and/or Employment
 - i) The materials discussed below are required for all supplemental or amendment requests which include changes in funding amounts and/or employment:
 - (a) Table of Contents - Begins the justification package. It is prepared in the format of Exhibit III5A when the change involves only one appropriation account. If more than one appropriation account is involved, the format will be that shown on Exhibit III5B. The exhibit is labeled "Secretarial Submission" in

the lower right-hand corner. Any later versions of the package will be labeled "OMB Submission" and "Congressional Submission", as appropriate.

- (b) Subchapter Summary Statement (Optional) - This exhibit may be included for requests involving more than one appropriation account and should be included only if the interdependence or close relationship between items included in the request requires clarification.

(1) There is no set format for this exhibit.

- (c) Appropriation Summary Statement - This exhibit is in two parts. The top of the page shows resources; it is followed by the Statement of Purpose and Need. The statement is as brief and concise as possible (in no case extending beyond one page) and explains the nature of the proposal and the factors which give the proposal its urgent character. The statement may be revised in the submission to the Congress so that it summarizes what is in the President's official transmittal. Exhibits III5C, III5D, and III5E illustrate the formats (column headings and stub entries) to be used at the top of the exhibit for different types of requests; e.g., supplementals for accounts with both funding and employment resources, supplementals for accounts with funding resources only, and amendments.

- (d) Language Provisions - Language sheets are prepared according to the formats included in [OMB Circular A-11](#). Exhibit 110A is followed for supplementals, while Exhibit 110B is used for amendments.

- (e) *Handbook* Exhibits

(1) The following *Handbook* exhibits are required:

- (i) Summary of Resource Requirements (Exhibit 5);
- (ii) Summary of Financing (Exhibit 7);
- (iii) Program and Performance: Direct Obligations (Exhibit 10);
- (iv) Justification of Program and Performance (Exhibit 12);
- (v) Increase for 20CY or 20BY (Exhibit 13);
- (vi) Supplemental/Amendment Personnel Detail (Exhibit 14);
- (vii) Summary of Requirements by Object Class (Exhibit 16); and

(viii) Detailed Requirements by Object Class (Exhibit 17).

(2) These exhibits are described in Volume IV of this *Handbook* and illustrated in Appendix A. The primary difference is in format, e.g., the column headings differ from the regular requests to the Secretary. In the Summary of Resource Requirements, only the bottom part of Exhibit 5 in Appendix A is included. The column headings for these exhibits (except the Personnel Detail exhibit, which remains unchanged from Appendix A) should be:

(i) Supplementals (\$K)

<u>20CY</u>			<u>20CY</u>			<u>20CY</u>		
<u>Currently Available</u>			<u>Proposed Supplemental</u>			<u>Revised Estimate</u>		
<u>FTE</u>	<u>POS</u>	<u>Amount</u>	<u>FTE</u>	<u>POS</u>	<u>Amount</u>	<u>FTE</u>	<u>POS</u>	<u>Amount</u>

(ii) Amendments (\$K)

<u>20BY</u>			<u>20BY</u>			<u>20BY</u>		
<u>Pending Budget</u>			<u>Proposed Change</u>			<u>Revised Estimate</u>		
<u>FTE</u>	<u>POS</u>	<u>Amount</u>	<u>FTE</u>	<u>POS</u>	<u>Amount</u>	<u>FTE</u>	<u>POS</u>	<u>Amount</u>

1. The position data are included because the Congress reviews requests in terms of authorized permanent positions rather than FTE employment, and the supplemental and amendment process is simplified if exhibits remain the same through all stages of review.

(f) OMB materials – OMB requirements are listed in [Section 110.3 of OMB Circular A-11](#) and the materials will be prepared according to the instructions contained there.

(g) Requests Involving Language Changes Only - In addition to the highlight memorandum, only the "Language Provisions" sheet need be prepared according to the instructions and exhibits in [Section 110.3 of the A-11](#).

SECTION 45 – REVIEW PROCESS FOR SUPPLEMENTALS AND AMENDMENTS

- A. The review process for supplemental and amendment proposals is the same as that for the regular budget requests, although often on a much accelerated schedule. The Office of Budget reviews the proposal, often meeting with program managers from the operating unit to obtain additional information and a better understanding of the proposal. The Assistant Secretary for Administration and the Deputy Secretary review and must approve any proposal before it is forwarded to OMB. Operating unit staff incorporate requested changes into all exhibits and submit ten (10) copies to the Department. Typically, the review time at OMB for proposals not transmitted in the annual budget is a minimum of three weeks. When OMB approval is obtained, the operating unit makes necessary changes and sends fifty (50) copies to the Office of Budget. The Appropriations Committees may request hearings on supplementals or amendments. Such hearings may be separate or combined with hearings on the 20BY request. If a hearing is requested, witnesses should prepare themselves in the same manner as for the normal appropriation hearing process described in Volume IV of this *Handbook*.

**SECTION 46 – ACTION TAKEN AFTER APPROVAL OF AMENDMENTS OR
SUPPLEMENTALS**

- A. A reapportionment must be prepared for each affected account whenever the Congress approves a supplemental appropriation request. The instructions in Volume V of this *Handbook* are to be followed in preparing all reapportionment requests. The outlay, financial, and staffing plans discussed in Volume V must be updated to reflect changes resulting from approval of the supplemental request.