

## Chapter I - INTRODUCTION

### Section 1 -- Handbook Authority, Purpose, Organization, and Responsibilities

#### A. Authority

The Budget and Program Analysis Handbook is issued pursuant to Department Administrative Order 203-8, which provides for the issuance and maintenance of a Budget and Program Analysis Handbook for the Department of Commerce.

The Office of Budget is the organization primarily responsible for coordinating the development, presentation, execution and control of the Department of Commerce budget.

#### B. Purpose

The purpose of this Handbook is to provide the basic guidelines and instructions on the formulation, presentation, execution and control of the budget of the Department of Commerce. It establishes Department-wide budget procedures, practices and standards for all aspects of the budget process and provides guidance for all Bureaus and offices in preparing budget materials.

This Handbook provides Commerce Department-specific guidance and instructions beyond that found in OMB circulars A-11 and A-34. For all other Federal budget guidance and instructions, refer to the latest version of OMB circulars A-11 and A-34, which can be found at <http://www.whitehouse.gov/OMB>.

Annual and supplementary instructions may be issued for those aspects of the Department of Commerce budget process for which procedures vary from year to year. Instructions for special, one-time requirements will be issued as needed. Revisions to the Handbook will be made in such a manner as to allow timely preparation of budget materials.

#### C. Organization

The major parts of the Handbook correspond to the key elements of the budget process: formulation and presentation of the Secretarial Budget, the OMB Budget, the President's/Congressional Budget; the Congressional review and appropriations action; and the budget execution.

#### D. Responsibilities

Responsibilities of Departmental officials in the various phases of the budget process are set forth in applicable sections of the Handbook. Responsibilities relating to the Handbook are as follows:

1. Heads of operating units are responsible for establishing procedures which support the proper preparation and timely submission of materials required by the Handbook.

2. The Office of Budget is responsible for:
  - a. the timely issuance and revision of sections of the Handbook; and
  - b. the interpretation of policies, standards, criteria and instructions incorporated in the Handbook.

The Office of Budget is responsible for reviewing all materials prepared pursuant to the requirements of the Handbook for conformance to specifications. The Office of Budget must assure that end products meet Handbook specifications, and may, in the absence of satisfactory material received from operating units, revise the material.

Requests for exceptions to the guidelines or procedures set forth in the Handbook must be made in writing to the Director, Office of Budget.

## Section 2 -- Budget Process

The following tables highlight the major events in each of the phases of the budget process. These tables show the planned timing or, when applicable, the timing specified in law. The actual timing may vary from this. For example, Congress frequently does not enact all appropriations acts by the start of the fiscal year, and on several occasions a President has submitted the budget later than specified for various reasons, including late enacted appropriations for the previous fiscal year.

Budget schedules with more specific activities and due dates are issued throughout the fiscal year by the Office of Budget.

Table A: Major Steps in the Formulation Phase

Table B: Major Steps in the Congressional Phase

Table C: Major Steps in the Execution Phase

**TABLE A**

**MAJOR STEPS IN THE FORMULATION PHASE**

<b>What happens?</b>	<b>When?</b>
<p>The Secretary Issues budget guidance to heads of Bureaus and calls for a Secretarial budget request to be delivered to the Office of Budget.</p> <p>OMB issues Spring planning guidance to Executive Branch agencies for the upcoming budget. The OMB Director issues a letter to the head of each agency providing policy guidance for the agency’s budget request. Absent more specific guidance, the outyear estimates included in the previous budget serve as a starting point for the next budget.</p>	Spring
<p>The Office of Budget performs a review of Bureau budgets with senior Departmental management in light of Administration and Secretarial guidance. A passback is issued, Bureaus may appeal, and a final budget is decided by the Secretary – this becomes the OMB budget submission.</p>	Summer
<p>Executive Branch agencies make initial budget submissions to OMB.</p>	September
<p>OMB conducts its Fall review. The OMB staff analyzes agency budget proposals in the light of presidential priorities, program performance, and budget constraints. The Office of Budget and Bureaus cooperate with and assist OMB staff during this period.</p>	October — November
<p>OMB briefs the President and senior advisors on proposed budget policies. The OMB Director recommends a complete set of budget proposals to the President after OMB has reviewed all agency requests and considered overall budget policies.</p>	Late November
<p>OMB issues their passback to all Executive Branch agencies at the same time about the decisions on their budget requests.</p>	Late November
<p>All agencies enter MAX computer data and submit print materials and additional data. This process begins immediately after passback and continues until OMB must “lock” agencies out of the database in order to meet the printing deadline.</p>	Late November to early January
<p>Executive Branch agencies may appeal to OMB and the President. An agency head may ask OMB to reverse or modify certain decisions. All appeals are processed through the Office of Budget and subject to final review by the Secretary.</p>	December
<p>Agencies prepare and OMB reviews congressional budget justification materials. Agencies prepare the budget justification materials they need to explain their budget requests to the responsible congressional subcommittees. All justifications are provided to the Office of Budget for review and final distribution to Congress.</p>	January
<p>President transmits the 2002 budget to Congress.</p>	First Monday in February

**TABLE B**

**MAJOR STEPS IN THE CONGRESSIONAL PHASE**

<b>What happens?</b>	<b>When?</b>
Congressional Budget Office (CBO) reports to Budget Committees on the economic and budget outlook.	January
CBO re-estimates the President's budget based on their own economic and technical assumptions.	February
Other committees submit "views and estimates" to House and Senate Budget Committees. Committees indicate their preferences regarding budgetary matters for which they are responsible.	Within 6 weeks of budget transmittal
Congress completes action on the concurrent resolution on the budget. Congress commits itself to broad spending and revenue levels by passing a budget resolution.	April 15
Congressional Appropriations Committees hold hearings and report on their respective bills. The Office of Budget assists the Secretary in preparing for his hearing and processes all answers to congressional inquiries resulting from any hearings. All information provided to congressional staff related to Bureau budget requests is also processed through the Office of Budget.	Spring/Summer
Congress needs to complete action on appropriations bill for the upcoming fiscal year. Congress completes action on regular appropriations bills or provides a "continuing resolution" (a stop-gap appropriation law).	September 30

**TABLE C**

**MAJOR STEPS IN THE EXECUTION PHASE**

<b>What happens?</b>	<b>When?</b>
Fiscal year begins.	October 1
OMB apportions funds made available in the budget process. Agencies submit apportionment requests to OMB for each budget account through the Office of Budget, and OMB approves or modifies the apportionment, which specifies the amount of funds agencies may use by time period, program, project, or activity.	September 10 (or within 30 days after approval of a spending bill)
Agencies incur obligations and make outlays to carry out the funded programs, projects, and activities. Agencies hire people, enter into contracts, enter into grant agreements, etc. in order to carry out their programs, projects, and activities.	Throughout the fiscal year
Fiscal year ends.	September 30