

Object Classification

Object classes are categories used in budget preparation to classify obligations by the items or services purchased by the federal government. The major object classes and their corresponding numbers are

- 10 – Personnel compensation and benefits
- 20 – Contractual services and supplies
- 30 – Acquisition of assets
- 40 – Grants and fixed charges
- 90 – Other

These object classes present obligations according to their initial purpose rather than the result or service. For example, the wage obligations of a federal employee who is paid to construct a building are classified as “Personnel compensation and benefits,” but the contractual obligations for the purchase of a building are classified as “Acquisition of assets.”

Obligations are recorded when the federal government places an order for an item or a service, awards a contract, receives a service, or enters into transactions that will require payments in the same or a future period. Obligations are also recorded when an expenditure transfer is made between federal government accounts. Object class information is mandated by law (31 U.S.C. § 1104(b)), which requires the President’s budget to present obligations by object class for each account.

Object class information is reported whenever obligations are reported on a program and financing schedule (except that object class information is not reported for credit financing accounts). Therefore, obligations are reported by object class separately for the regular budget requests, supplemental budget requests, rescission proposals, and legislative proposals. Object class schedules also separately identify the following types of obligations: direct and reimbursable obligations; obligations covered by statutory limitations; and obligations for allocations between agencies.

Object classes are subdivided into smaller classes. (For an example, see fig. 5.) The following table of object classification is taken from OMB Circular No. A-11:

10	Personnel Compensation and Benefits
11	Personnel compensation
11.1	Full-time permanent

Appendix VII
Object Classification

11.3	Other than full-time permanent
11.5	Other personnel compensation
11.7	Military personnel
11.8	Special personal services payment
11.9	Total personnel compensation
12	Personnel benefits
12.1	Civilian personnel benefits
12.2	Military personnel benefits
13	Benefits of former personnel
20	Contractual Services and Supplies
21	Travel and transportation of persons
22	Transportation of things
23	Rent, communications, and utilities
23.1	Rental payments to the General Services Administration
23.2	Rental payments to others
23.3	Communications, utilities, and miscellaneous charges
24	Printing and reproduction
25	Other contractual services
25.1	Advisory and assistance services
25.2	Other services
25.3	Other purchases of goods and services from government accounts
25.4	Operation and maintenance of facilities
25.5	Research and development contracts
25.6	Medical care
25.7	Operation and maintenance of equipment
25.8	Subsistence and support of persons
26	Supplies and materials
30	Acquisition of Assets
31	Equipment
32	Land and structures
33	Investments and loans
40	Grants and Fixed Charges
41	Grants, subsidies, and contributions
42	Insurance claims and indemnities

Appendix VII
Object Classification

43	Interest and dividends
44	Refunds
90	Other
91	Unvouchered
92	Undistributed
93	Limitation on expenses
94	Financial transfers
99	Subtotal, obligations
99.5	Below reporting threshold
99.9	Total new obligations

Appendix VII Object Classification

Figure 5: Example of Object Classification for Department of Defense Program

Object Classification (in millions of dollars)			
Identification code 21-2010-0-1-051	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.7 Military personnel	26,159	20,193	20,542
11.8 Special personal services payments	1		
11.9 Total personnel compensation	26,160	20,193	20,542
12.2 Accrued retirement benefits	4,997	3,879	4,041
12.2 Other personnel benefits	2,130	2,484	2,460
12.2 Military personnel benefits	2,253	2,499	
13.0 Benefits for former personnel	273	53	152
21.0 Travel and transportation of persons	660	347	229
22.0 Transportation of things	354	576	774
25.3 Other purchases of goods and services from Government accounts	724		
25.7 Operation and maintenance of equipment	28	31	65
25.8 Subsistence and support of persons	805	149	
26.0 Supplies and materials	1,960	110	132
42.0 Insurance claims and indemnities	13	3	7
43.0 Interest and dividends	6		
99.0 Direct obligations	40,363	30,324	28,402
99.0 Reimbursable obligations	496	288	297
99.9 Total new obligations	40,859	30,612	28,699

Source: GAO representation of OMB data.