
(2) A congressional action used to propose amendments to the Constitution. Adoption of a joint resolution to propose a constitutional amendment requires a two-thirds majority vote by both the Senate and the House and is not presented to the President for approval. A proposed amendment becomes effective only when ratified by three-fourths of the states.

(*See also* Continuing Appropriation/Continuing Resolution. For a distinction, *see* Concurrent Resolution on the Budget.)

Justification

The documents an agency submits to the appropriations committees in support of its budget request. The Office of Management and Budget (OMB) prescribes justification materials, which typically explain changes between the current appropriation and the amounts requested for the next fiscal year.

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Lease-Purchase

An agreement between a lessor and lessee in which the lessee agrees to lease a building or other property for a specified length of time and then takes title to the building or other property at the end of the lease period. (*See also* Capital Lease; Operating Lease.)

Liability

Defined differently for obligational (or budgetary) and proprietary (or financial) accounting purposes (*see* app. III).

Obligational (or budgetary) accounting, designed to ensure compliance with fiscal laws, is based on the concept of *legal* liability. A legal liability is a claim that may be legally enforced against the government. It may be created in a variety of ways, such as by signing a contract, grant, or cooperative agreement or by operation of law. (*See also* Obligation.)

Proprietary (or financial) accounting, designed to generate data for financial statement purposes, is based on the concept of *accounting* liability. For federal financial accounting purposes, a liability is a probable future outflow or other sacrifice of resources as a result of past transactions or events. Generally, liabilities are thought of as amounts owed for items or services received, assets acquired, construction performed (regardless of whether invoices have been received), an amount received but not yet earned, or other expenses incurred. (See also Contingent Liability.)

Life-Cycle Costs

The overall estimated cost, both government and contractor, for a particular program alternative over the time period corresponding to the life of the program, including direct and indirect initial costs plus any periodic or continuing costs of operation and maintenance.

Limitation

A restriction on the amount, purpose, or period of availability of budget authority. While limitations are most often established through appropriations acts, they may also be established through authorization legislation. Limitations may be placed on the availability of funds for program levels, administrative expenses, direct loan obligations, loan guarantee commitments, or other purposes. (See also Administrative Division or Subdivision of Funds; Apportionment; Appropriation Act; Appropriation Rider; Authorizing Legislation; Duration *under* Budget Authority.)

Line Item

In executive budgeting, a particular expenditure, such as program, subprogram, or object class. For purposes of the concurrent budget resolution, it usually refers to assumptions about particular programs or accounts implicit but not explicit in the budget resolution. In appropriation acts, it usually refers to an individual account or part of an account for which a specific amount is available. (See also Line Item Veto; Obligated Balance *under* Obligational Authority; Appropriation Rider.)