Budgetary Resources

An amount available to enter into new obligations and to liquidate them. Budgetary resources are made up of new budget authority (including direct spending authority provided in existing statute and obligation limitations) and unobligated balances of budget authority provided in previous years. (*See also* Budget Authority.)

Byrd Rule

A rule of the Senate that allows a senator to strike extraneous material in, or proposed to be in, reconciliation legislation or the related conference report. The rule defines six provisions that are "extraneous," including a provision that does not produce a change in outlays or revenues and a provision that produces changes in outlays or revenues that are merely incidental to the nonbudgetary components of the provision. The Byrd Rule was first enacted as section 20001 of the Consolidated Omnibus Budget Reconciliation Act of 1985 and later transferred in 1990 to section 313 of the Congressional Budget Act (2 U.S.C. § 644). The rule is named after its primary sponsor, Senator Robert C. Byrd. (*See also* Reconciliation; Reconciliation Bill; Reconciliation Instruction; Reconciliation Resolution.)

C

Capital

Has different meanings depending on the context in which it is used.

Physical capital is land and the stock of products set aside to support future production and consumption. In the National Income and Product Accounts, private capital consists of business inventories, producers' durable equipment, and residential and nonresidential structures. (*See* National Income and Product Accounts.) *Financial capital* is funds raised by governments, individuals, or businesses by incurring liabilities such as bonds, mortgages, or stock certificates. *Human capital* is the education, training, work experience, and other attributes that enhance the ability of the labor force to produce goods and services.

Capital assets are land, structures, equipment, intellectual property (e.g., software), and information technology (including information technology service contracts) that are used by the federal government and have an estimated useful life of 2 years or more. Capital assets may be acquired in different ways: through purchase, construction, or manufacturing; through a lease-purchase or other capital lease (regardless of whether title has passed to the federal government); through an operating lease for an asset with an estimated useful life of 2 years or more; or through exchange.

Capital assets may or may not be recorded in an entity's balance sheet under federal accounting standards. Capital assets do not include grants to state and local governments or other entities for acquiring capital assets (such as National Science Foundation grants to universities or Department of Transportation grants to Amtrak), intangible assets (such as the knowledge resulting from research and development), or the human capital resulting from education and training. For more on capital assets, consult the *Capital Programming Guide* (June 1997), a supplement to OMB Circular No. A-11.

Capital Budget

A budget that segregates capital investments from the operating budget's expenditures. In such a budget, the capital investments that are excluded from the operating budget do not count toward calculating the operating budget's surplus or deficit at the time the investment is made. States that use capital budgets usually include only part of their capital expenditures in that budget and normally finance the capital investment from borrowing and then charge amortization (interest and debt repayment) to the operating budget.

Capital Lease

A lease other than a lease-purchase that transfers substantially all the benefits and risks of ownership to the lessee and does not meet the criteria of an operating lease. (*See also* Operating Lease.)

Cash Accounting

A system of accounting in which revenues are recorded when cash is actually received and expenses are recorded when payment is made without regard to the