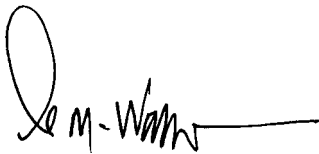

Preface

The federal budget process is the primary means by which the President and Congress select among competing demands for federal funds. The President's budget is the Administration's proposed plan for managing funds, setting levels of spending, and financing the spending of the federal government. It is not only the President's principal policy statement but is also the starting point for congressional budgetary actions. The budget's importance makes it essential that it be comprehensive and clear.

This fifth edition of *A Glossary of Terms Used in the Federal Budget Process* replaces the 1993 Exposure Draft. It fulfills part of GAO's responsibility (31 U.S.C. § 1112) to publish standard terms, definitions, and classifications for the government's fiscal, budget, and program information. It was developed in cooperation with the Secretary of the Treasury and the Directors of the Office of Management and Budget (OMB) and the Congressional Budget Office (CBO). This glossary is a basic reference document for the Congress, federal agencies, and others interested in the federal budget-making process. Like previous editions, this revision emphasizes budget terms, but relevant economic and accounting terms are also defined to help the user appreciate the dynamics of the budget process and its relationship to other key activities (e.g., financial reporting). It also distinguishes between any differences in budgetary and nonbudgetary meanings of terms.

For this edition, we reviewed all terms in the 1993 Exposure Draft and made additions, revisions, or deletions. We added a number of performance budgeting-related terms and deleted Budget Enforcement Act terms that are no longer relevant.

The *Glossary* is by no means an exhaustive list of terms related to the budget. We decided to include only those commonly used terms that are most significant in the congressional and executive budget processes. Executive, legislative, and other budget experts participated in the selections and definitions of the *Glossary* terms. While every effort was made to resolve differences, the final selections and definitions were made by GAO. The *Glossary* can be accessed online at www.gao.gov.

A handwritten signature in black ink, appearing to read "D. M. Walker", followed by a horizontal line.

David M. Walker
Comptroller General
of the United States