

DEPARTMENTAL REGULATION		Number: 2000-001
SUBJECT: Budget and Program Analysis Regulations	DATE: June 5, 1984	
	OPI: Office of Budget and Program Analysis	

:1 PURPOSE

This regulation describes the scope and objectives of budgeting, identifies the Department's Budget Officer, and describes the responsibility for the establishment and documentation of policies and procedures for the Department's budget and program analysis activities.

2 SPECIAL INSTRUCTIONS AND CANCELLATIONS

DR 2000-1 replaces 6 AR. This regulation and materials incorporated by reference in paragraph 5 herein replace Title 6 of the Administrative Regulations.

3 THE NATURE AND PURPOSE OF A BUDGET SYSTEM

a Definition of Budgeting. Budgeting can be defined as an instrument of management, consisting of the processes by which:

(1) Work programs including program planning and coordination are translated into financial terms, analyzed, evaluated, approved and reflected in the form of budget estimates.

(2) The necessary funds and authorities are justified to and approved by the granting authority and are allotted or distributed to the proper operating units.

(3) Adequate measures are maintained for control of resources and for assuring that resources available for authorized programs are being used in the most effective and economical manner.

(4) The results of operations are analyzed, measured, evaluated and reported upon in an effective manner.

b Major Stages in Budgeting. The budget process is generally considered to include at least four major stages:

- (1) Budget formulation and presentation, covering the initial development and preparation of budget estimates and the presentation and justification of the estimates to those authorized to approve a budget plan;
- (2) Budget enactment, covering the process of legislative determination and approval of a budget plan;
- (3) Budget execution, covering the implementation of the approved budget plan and the maintenance of program and financial controls.
- (4) Budgetary reporting, covering the system for analyzing, measuring, and reporting on the program and financial results of the work carried out under the approved budget.

These four categories should not be regarded as mutually exclusive or completely comprehensive. They are useful primarily as a systematic way of considering and discussing various aspects of a budget system.

c Basic Objectives of Budgeting. Any budget, whether it applies to a business enterprise or a governmental activity, is designed to achieve two basic objectives:

- (1) Assure the optimum allocation of available resources among competing needs to achieve the maximum potential benefit from the investment of the resources.
- (2) Assure the most effective, economical and efficient use of the resources that have been allocated to specific, approved objectives.

d Related Objectives of Government Budgeting. In addition to the basic objectives of budgeting, Government budgeting must satisfy certain other minimum conditions in order to make the greatest contribution possible to sustain and perfect the democratic system.

- (1) Prior Authorization. Budget estimates should be submitted by the (executive branch and approved by the legislative branch before the expenditure of funds.
- (2) Legality. The budget must be developed and carried out within the constitutional and statutory framework and should be designed in such a way that legality can be clearly demonstrated.

(3) Integrity. The budget should be based upon the most accurate, and reliable information available, be expressed in as clear a manner as possible with the basic issues and choices identified and explained, be carried out in accordance with the intent of the approving authority and be reported on in the most objective and accurate manner attainable.

4 THE DEPARTMENT'S BUDGET OFFICER DEFINED

The Secretary of Agriculture has assigned the Director of the Office of Budget and Program Analysis (OBPA) to serve as the Department's "Budget Officer." See 7 CFR 2.36.

5 BASIC POLICIES AND BROAD PROCEDURAL REQUIREMENTS

The basic policies and broad procedural requirements for budget and legislative program and reporting systems of the Department will be established by the Department's Budget Officer or his designee. Due to the dynamic nature of the program and budget review processes, detailed procedural requirements must frequently be issued on short notice requiring very short response times. The Office of Budget and Program Analysis will be responsible for the issuance of procedural instructions and requests for data as needed to assure, to the fullest extent possible, the timely, orderly, and comprehensive review of budget and programmatic issues and the timely issuance of the most appropriate budget and programmatic data to others outside the Department. Documentation necessary to achieve these objectives will be prepared, distributed and maintained by the Office of Budget and Program Analysis and will be incorporated herein by reference as a part of this regulation.