

GLOSSARY

This glossary is intended to explain the terms used in the Commission's Report and papers in as nontechnical language as possible.

Accordingly, although the explanations are intended to be consistent in substance with official definitions contained in Government documents and instructions, they may not be in the same words. It should be understood that, in any such case, the explanation in this glossary should not be interpreted as a Commission recommendation for a change in the official definition in any respect.

"ABOVE THE LINE"—That part of a budget taken into account in calculating the budget surplus or deficit, i.e., receipts and expenditures, but not borrowing.

In a capital budget, the current operating transactions, as distinct from purchases of assets.

ACCOUNTS PAYABLE—Amounts due to others for goods and services received, assets acquired, and performance accepted.

ACCOUNTS RECEIVABLE—Amounts due from others as the result of goods provided, services rendered, or funds advanced.

ACCRUAL ACCOUNTING—A system of accounting in which revenues and expenditures are recognized as they are earned. Usually this means recording receipts and expenditures at the time the liabilities are incurred as a result of services rendered, or, in the case of mass-produced "shelf" items, when goods are delivered, rather than when payment is made or received.

ACCRUED LIABILITIES—Amounts earned by others which are not yet payable.

ADMINISTRATIVE BUDGET—A financial plan for receipts and expenditures of funds owned by the Federal Government, including general funds, special funds, public enterprise funds, and intragovernmental revolving and management funds.

ADVANCES—See Prepayments.

ALLOWANCE FOR LOSSES—A valuation account set up to cover possible future defaults or losses on loans outstanding, or accounts receivable, which is subsequently charged in the event of actual default.

APPROPRIATION—An authorization by an Act of Congress to incur obligations and make payments out of the Treasury for specified purposes. At present, excludes authorizations to enter into contracts but not spend money (i.e., "contract authorizations") and authorizations to spend debt receipts. Under the Commission's recommendations, these latter types of authorization would also be called appropriations, but appropriations to liquidate contract authorizations would not be counted as new appropriations.

AUTHORIZATION—An Act of Congress which authorizes Federal programs, obligations, or expenditures. The term "authorizations" sometimes refers to basic substantive legislation setting up a program or an agency, and authorizing appropriations to be made for them, but not actually providing authority to spend. In the Commission's report and staff papers, however, "authorizations" usually refers to spending authorizations, such as appropriations, rather than to basic substantive legislation which does not include spending authority.

AUTHORIZATIONS TO SPEND DEBT RECEIPTS—A form of spending authorization enacted by the Congress permitting an agency or department to borrow money from the public or from the Treasury and spend the proceeds of such borrowings.