

## **GLOSSARY OF BUDGET TERMS**

Terms	Definitions
Allocation	Distribution of Budget Authority made available by administratively prescribed procedure or process. Also, includes distribution based on Congressional earmarks.
Apportionment	Distribution of Budget Authority made available by statutory formula, or procedure prescribed in law. An apportionment divides amounts available for obligation by specific time period (usually quarters), activities, projects, objects, or a combination thereof. The amounts so apportioned limit the amount of obligations that may be incurred.
Appropriation Act	A statute that generally provides legal authority for federal agencies to incur obligations and to make payments out of Treasury for specified purposes. An appropriation act generally follows enactment of authorizing legislation unless the authorizing legislation provides budget authority.
Authorization Act	Substantive legislation that sets up or continues the operation of a federal program or agency either indefinitely or for a specific period of time or that sanctions a particular type of obligation or expenditure within a program.
Budget Authority	Authority provided by law to enter into financial obligations that will result in immediate or future outlays involving federal government funds. Budget Authority can be based on General Fund from the Treasury or Contract Authority from Trust Funded resources.
Contract Authority	Authority that permits obligations to be incurred in advance of appropriations or receipts.
Fiscal Year (FY)	Any yearly accounting period, regardless of its relationship to a calendar year. The fiscal year for the Federal Government begins on October 1 of each year and ends on September 30 of the following year. (Prior to fiscal year 1977, the federal fiscal year began on July 1 and ended on June 30.)
Obligation Limitation	A restriction on the amount of budgetary resources that can be obligated or committed for a specific purpose.

Obligations	Amounts of orders placed, contracts awarded, service received, and similar transactions during a given period that will require payments during the same or a future period.
States	As defined in Chapter 1 of Title 23, the 50 states comprising the United States, plus the District of Columbia, and the Commonwealth of Puerto Rico. However, for the purposes of some programs (e.g. Sec 5311, Sec 5310, and RTAP), the term may also include territories (Virgin Islands, Guam, American Samoa, and the Northern Marianas Islands).
Urbanized Area	Comprises an incorporated place and adjacent densely settled surrounding area that together have a minimum population of 50,000.
Trust Fund	A fund credited with receipts which are earmarked by law and held in trust or in a fiduciary capacity by the Government for use in carrying out specific purposes and programs in accordance with an agreement or a statute.