Department of the Interior  

Effective Date: 08/29/2022  
Series: Administrative  
Part 328: Budget Management  
Chapter 1: Budget Formulation  

Originating Office: Office of Budget and Administration  

BOEMM 328.1  

1.1  **Purpose.** This chapter establishes the budget formulation and justification processes for the Bureau of Ocean Energy Management (BOEM). Budget formulation and justification includes all steps, actions, and documentation in the budget process that occur prior to the consideration and approval of an appropriations bill by Congress. BOEM budget formulation is typically a bottom-up process, wherein each organizational unit evaluates its resource needs, then formulates and proposes its own budget. The bureau’s senior leadership considers each organizational unit’s budget proposal. Ultimately, the budget justifications reflect senior leadership decisions with regard to resource needs and the allocations necessary to accomplish the Bureau’s mission.  

1.2  **Scope.** This directive applies to all BOEM offices.  

1.3  **Authority.**  

A.  Office of Management and Budget (OMB) Circular A-11, Preparation, Submission, and Execution of the Budget.  

1.4  **Definitions.**  

A.  **Appropriation.** An act of Congress, signed into law by the President, authorizing money to be paid from the U.S. Department of Treasury (Treasury) for a specified use.  

B.  **Apportionment.** A plan, approved by OMB, to spend resources provided by law.  

C.  **Budget Proposal/Estimate/Justification.** Details the increases and/or decreases in funding as compared to the previous year’s budget; discusses administration and secretarial priorities, and the contribution the proposed budget will make toward the achievement of those priorities; and details the bureau’s achievements and accomplishments in support of its mission.  

D.  **Capability Statements.** Responses to congressional inquiries as to the bureau’s capability to perform a proposed activity (note, the inquiry may or may not include a proposed funding level for the activity in question).
E. **Effect Statements.** Responses to congressional inquiries as to the effect a certain proposal would have on the bureau’s operation (note, the inquiry may or may not include a proposed funding level for the activity in question).

F. **Senior Leadership Team (SLT).** The BOEM management hierarchy consisting of the Director, Deputy Director, Chief of Staff, Senior Advisor/Advisor, Program Chiefs, Office Directors, and others as determined by the Director.

G. **Financial Business and Management System (FBMS).** The Department’s functionally driven computer system designed to incorporate most of the Department’s financial management functions.

H. **Passback.** Formal feedback provided by a reviewing agency (the Department each summer, and OMB each fall) on that year’s annual budget submission. Each passback process typically includes initial feedback from the reviewing agency, followed by a brief opportunity for the BOEM Director and Assistant Secretary - Land and Minerals Management (ASLM) to review the budget decisions and appeal those decisions with which they strongly disagree. At the end of the passback process, settlement occurs wherein the bureau is provided its final budget figures for the passback cycle.

### 1.5 Responsibilities.

A. The SLT is responsible for:

   (1) Reviewing program initiative proposals (after initial Office of Budget and Administration (OBA) review) and advising the Director on those to be included in the bureau’s budget proposal to the Department.

   (2) Reviewing the Departmental passback each summer, the OMB passback each fall, and assisting the Director in deciding on any appeals.

   (3) Participating in preparation for congressional budget testimony and hearings.

B. The bureau Director/Deputy Director is responsible for:

   (1) Reviewing and approving program/office budget initiative proposals received and consolidated by OBA.

   (2) Participating in Departmental, OMB, and congressional meetings, briefings, hearings, etc., as needed.

C. The OBA is responsible for:
(1) Issuing guidance and requesting budget proposal initiatives from each of the programs/offices approximately 18 months prior to the fiscal year.

(2) Compiling and reviewing program/office initiatives and revisions.

(3) Submitting the bureau’s budget proposal to the BOEM Deputy Director and Director for approval.

(4) Making any necessary adjustments and submitting the budget proposal to the Department’s Office of Budget (POB).

(5) Consulting with the staff of the ASLM to prepare for the budget proposal presentation to the Department,

(6) Utilizing input from the Departmental passback of the budget proposal to inform the creation of the bureau’s budget request.

(7) Working with programs/offices, as appropriate, to coordinate and finalize the bureau’s budget request for submission to OMB.

(8) Coordinating with programs/offices to include performance measures and data in the Budget Justifications.

(9) Working with programs/offices to coordinate, finalize, and submit the Fiscal Year Budget Justifications and Performance (also known as the “Greenbook”) information to Congress for review and approval.

(10) Answering questions for the record resulting from congressional hearings.

(11) Developing capability statements and effect statements in response to member requests and committee or floor action.

(12) Receiving the enacted appropriations bill from Congress and the President, and a letter of apportionment from OMB.

(13) Informing the programs/offices of their enacted appropriation amounts and working with the OBA Budget Execution Section to enter the appropriation into FBMS.

(14) Initiating the dissemination of information throughout the bureau in the event the laws and regulations that apply to BOEM appropriations are changed.

(15) Ensuring the third-party service provider finance division has access to copies of the Treasury warrants (reflecting the amounts of enacted appropriations, supplemments, reductions, and rescissions, as the case may be).

D. The BOEM programs/offices are responsible for:
(1) Formulating program/offices budget proposal initiatives.

(2) As appropriate, assisting in the development of their respective sections of the budget proposal, estimates, and justifications.

(3) As appropriate, assisting in the resolution of program/office specific Department and OMB passback questions.

(4) Assisting in the response to program/office specific congressional questions regarding the budget justifications.

1.6 Standards, Requirements, and Procedures. Budget formulation guidance is provided by OMB Circular A-11 (updated annually) and is supplemented by guidance from the Department’s Office of Budget and guidance from the BOEM OBA. This annual guidance provides the framework for the bureau’s budget proposals, budget requests, and budget justifications, and results in appropriations language and associated dollars each year.

A. On an annual basis, the OBA requests budget initiatives from each of the seven programs/offices:

(1) Office of Strategic Resources;

(2) Office of Renewable Energy Programs;

(3) Office of Environmental Programs;

(4) New Orleans, Louisiana Office;

(5) Anchorage, Alaska Office;

(6) Camarillo, California Office; and

(7) Office of the Director.

B. After reviewing the program/office initiatives, the OBA compiles and submits the initiatives to the BOEM SLT for review, with final approval by the BOEM Director.

C. After the Director’s approval of the budget initiatives, OBA works with the programs/offices, as appropriate, to develop the budget proposal. The budget proposal is reviewed and cleared by the BOEM Deputy Director, Director, and ASLM prior to transmittal to the POB.

D. The Department reviews the budget proposal and provides the “Department passback” (see definitions). This process allows for questions and answers, recommendations,
and appeals (if any from BOEM). Once the Department has reviewed and made final decisions on any appeals, the OBA prepares the budget request for submission to OMB.

E. OMB reviews the budget request and performs analyses, requests briefings on specific topics of interest, and submits questions regarding the estimates. Once OMB makes their decisions, they provide the “OMB passback” to the Department and BOEM. The passback is reviewed by the Deputy Director, Director, and ASLM. Any appeals are submitted to ASLM and the Department. If approved, the appeals are submitted to OMB. Once the final decisions on appeals are made, the OBA prepares and submits the bureau’s Greenbook to Congress for review and approval.

F. While considering the BOEM Greenbook, Congress conducts meetings, briefings, and/or hearings. Congress then approves the budget justifications with any changes they have decided upon by including it within an appropriations bill, which is then signed into law by the President. The new budget takes effect October 1. If an appropriation is not passed by Congress and signed by the President by October 1, the Federal Government will operate on a continuing resolution (an extension of the previous budget) until such time as a new budget is in place. In the event of a lapse in appropriations, OBA will be responsible for the implementation of the BOEM Contingency Plan.

G. Based on enacted appropriations, the Treasury issues Treasury warrants or non-expenditure transfer documents to establish the respective Treasury fund balances. These are the supporting documents for the posting of budgetary Standard General Ledger entries.

H. Funding for BOEM is requested through the Ocean Energy Management account, which consists of net discretionary appropriations and offsetting collections (comprising a portion of Outer Continental Shelf rental receipts and cost recovery fees).

I. BOEM’s budget authority can be definite (for a specific amount of funds) or indefinite (no amount specified), and permanent (does not require new legislation after first year of enactment) or annual (legislation is required each year that funds are appropriated).

J. The laws and regulations that apply to BOEM’s appropriations are stated in the appropriations bills, which are referenced each year in the budget justifications. If these laws and regulations are changed, notification is provided to the OBA, who initiates the dissemination of information throughout the bureau.

K. Definite appropriation types are categorized as follows:

(1) **Multi-year**: Appropriated multi-year funds are available for obligation for more than one year and available for expenditure for an additional five years thereafter. After the maximum time has expired, unexpended funds are cancelled and returned to the Treasury. (Example Treasury Appropriation Symbol: 148/91917; note - underlined numbers change from year-to-year.)
(2) **No-year**: Appropriated no-year funds remain available for obligation until expended; if any funds are unobligated by the end of a fiscal year, the funds are redistributed as carryover to the programs the following fiscal year. (Example Treasury Appropriation Symbol: 14X1917).