

1

For our purposes, the process begins when an agency is given **budget authority** — the power to spend some money.

AGENCIES RECEIVE BUDGET AUTHORITY

DEPARTMENT
of
ILLUSTRATIVE
EXAMPLES



2

AGENCIES ARE DIVIDED INTO PROGRAMS

The agency's budget is organized into **programs**, which spend money in order to achieve some particular goal.

PROGRAM
A

PROGRAM
A

3

PROGRAMS SPEND MONEY
THROUGH OBLIGATIONS

That spending takes the form of awards to specific recipients. These awards can take different forms, like grants, or contracts, or loans. The umbrella term for all of these is **obligations**. An obligation means that although the government may not yet have actually cut a check, the money is committed and can't be spent on something else.



FAADS

FPDS

TREASURY

OBLIGATIONS BECOME DISBURSEMENTS

4

Eventually, these obligations are sent to Treasury, which sends actual payments to the recipients. At this point the obligations become **disbursements**. Unfortunately, details about this process aren't available to the public in a useful form.



Nonprofit X

Contractor Y

Individual Z

OBLIGATION-LEVEL REPORTING

5

Fortunately, there are other systems for tracking this spending. **FAADS-PLUS** tracks grants, loans, loan guarantees and insurance. **FPDS-NG** tracks contracts. Both are run by the **Office of Management and Budget**. Together, they provide the data that appears on [USASpending.gov](https://www.usaspending.gov). Agencies report their obligations to these systems on a continuous basis.

Office of
Management
and Budget

USASpending.gov

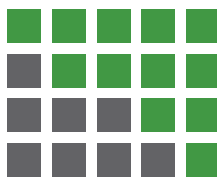
CFDA

PROGRAM-LEVEL REPORTING

6

Agencies also report information on the program level. Once a year they submit information about grant programs to the **Catalog of Federal Domestic Assistance**, which is maintained by the **General Services Administration**. The CFDA includes information about each program's purpose, who is eligible to participate in the program, and an estimate of the program's total obligations.

PROGRAMS



MEASURING ACCURACY

7

In theory, we should be able to add up the grant information reported to FAADS and compare the total against the number that's reported to CFDA. In practice, things don't always work that well.

OBLIGATION-LEVEL
REPORTING VS.
PROGRAM-LEVEL
REPORTING