



# Indian Health Service



## Budget Formulation Training

Updated: July 2012

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## Overview



- Purpose: To understand the IHS budget formulation process.
- IHS Budget Phases
  - Planning
  - Formulation
  - Present to Congress
  - Execution
- Roles and Responsibilities

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## IHS Budget Cycle



**Federal agencies may deal with 4 fiscal years at the same time.**

For Budget Years	Calendar Year											
	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec
FY - 1	Execution of FY - 1 Enacted Budget									Execution of FY - 2 Enacted*		
FY - 2	Congressional Action on FY - 2 President's Budget*											
FY - 3							Formulation of FY - 3 Budget Request					
FY - 4	Planning of FY - 4 Budget Request											

\* Congressional activity varies each year and may impact the timing of an Enacted budget.

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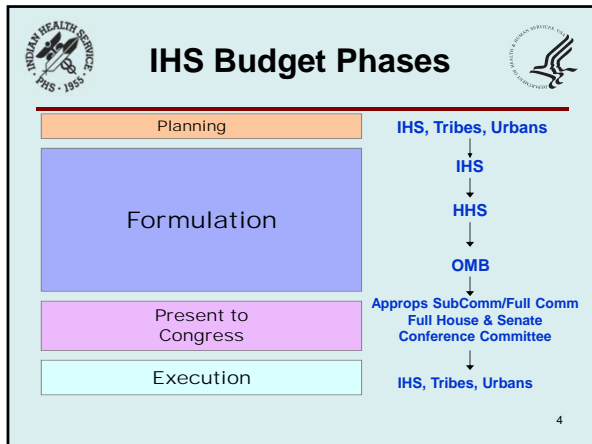
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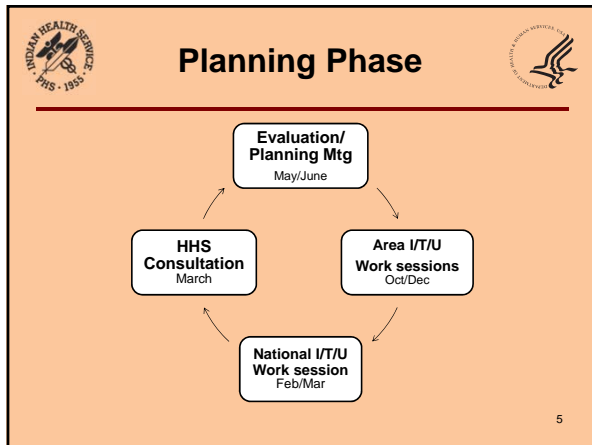
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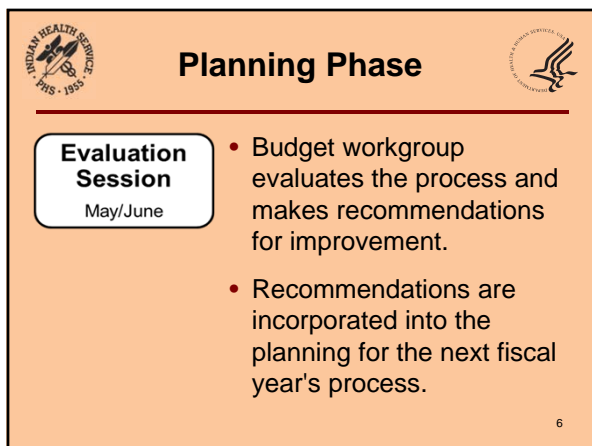
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## Planning Phase

**Area I/T/U  
Work sessions**  
Oct/Dec

- Areas develop budget priorities and make budget recommendations within a designated amount.
- Area input regarding the budget performance measures also occurs during work sessions.

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## Planning Phase

**National I/T/U  
Work session**  
Feb/Mar

- All Area recommendations are consolidated into one set of national recommendations.
  - Budget Priorities
- Two representatives from each Area participate.

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## Planning Phase

**HHS  
Consultation**  
March

- The Department of Health and Human Services (HHS) has an annual Tribal Consultation meeting, which includes all HHS Operating Divisions.
- TBFWG co-chairs and/or other members present the National recommendations for the IHS budget.

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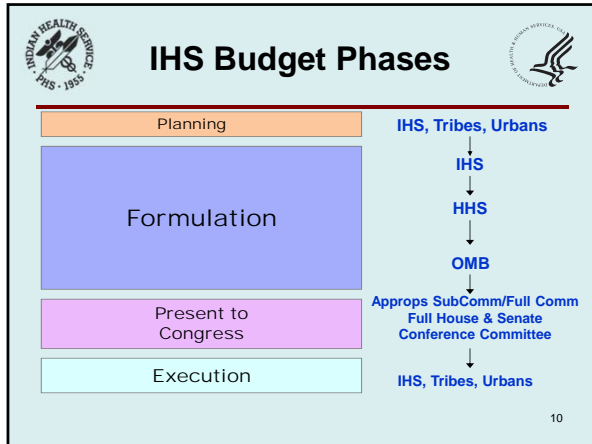
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**Formulation Phase**

- Congressional “power of the purse”
- President’s Budget
- OMB Circular A-11

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**Formulation Phase**

- Spring/Summer:** • HHS Justification
- Fall:** • OMB Justification
- Winte:** • Congressional Justification

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## Formulation Phase Summary

### I/T/U Input

- Area sessions - recommendations for designated funding levels (e.g., +\$500 mil)
- National Worksession - consolidation of recommendations for percent increases agreed to through consensus (e.g., minimum 20% increase)

### HHS/OMB Budget Guidance

- Includes
  - direction on funding levels for budget request
  - Secretarial, Administration budget priorities
  - Technical instructions, e.g., pay raise assumptions

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→ **IHS Budget Request to HHS/OMB**

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## IHS Budget Phases

Planning	IHS, Tribes, Urbans
Formulation	↓ IHS ↓ HHS ↓ OMB
Present to Congress	↓ Approps SubComm/Full Comm Full House & Senate Conference Committee
Execution	↓ IHS, Tribes, Urbans

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## Present to Congress

- Submit the Congressional Justification to Congress
- First Monday of February

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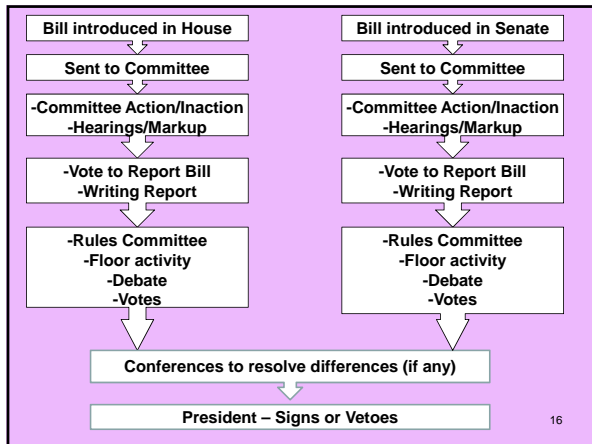
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## Congressional Phase



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- February – Prepare for briefing and Congressional hearings
- March – April – Testify before Appropriations Subcommittees (House and Senate)
- June – Receive House Action
- July – Receive Senate Action

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## Congressional Phase



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- August – Prepare Effect Statements of the House and Senate actions for Conference Committees
- September – Receive Conference Action
- By September 30 – Receive an enacted appropriations
- October 1 – Presidential Action

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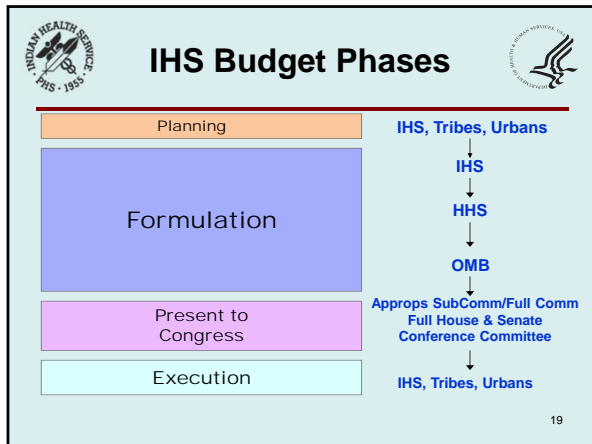
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- ### Execution
- Preparation of spending plans
  - Submission of apportionment requests to HHS for review
  - Forward apportionment requests to OMB
  - Receive approved apportionments for OMB and warrants from Treasury
  - Prepare allotments
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- ### Execution
- Prepare Advice of Allowances
  - Submit reapportionment requests
  - Allocate undistributed or reapportioned funds
  - Balance the fiscal budget
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## IHS Budget Process One Year Summary



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct*	Nov	Dec
<b>Planning/ Tribal Consultation</b>	Nat'l Meeting Area Submissions		HHS Consultation		Evaluation/Planning Meeting						Area Work Sessions	
<b>Formulation</b>	CI Budget Submission					HHSJ Budget Submission			OMTB Budget Submission		PASSBACK	
<b>Congress</b>		CI Public		Congressional Hearings								
<b>Execution</b>									FY Ends	FY Begins		
<b>Performance</b>						Logic Released	GPRA Report Run					Logic Released

\* All activities are approximate and subject to change.

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## Roles and Responsibilities at the Area Office Level



- Incorporate recommendations for improvement to budget planning from the budget workgroups
- Formulate budget priorities based on the mission and goals of IHS
- Send representatives to the National Work Session
- Execute the budget
  - Ensure appropriate administrative control of funds
  - Monitor obligated/unobligated balances
  - Ensure cash management activities are performed, as required by the US Treasury

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## Roles and Responsibilities at the Headquarters Level



- Incorporate of recommendations for improvement to budget planning from the budget workgroups
- Manage the Tribal budget consultation process
- Director, IHS makes the final decisions and submits the IHS budget to HHS
- Respond to US Congress Appropriation Subcommittee inquiries

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## Roles and Responsibilities at the Headquarters Level



- Execute the budget
  - Ensure appropriate administrative control funds
  - Monitor obligated/unobligated balances
  - Ensure cash management activities are performed, as required by the US Treasury
- Provide policy, guidance and direction for financial management activities

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## IHS Budget Formulation



For More Information Contact:  
 Office of Finance and Accounting  
 Division of Budget Formulation  
 301-443-1270

Division of Budget Formulation Website:  
<http://www.ihs.gov/NonMedicalPrograms/BudgetFormulation/index.asp>

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