The Federal Fiscal Year

Bill Heniff Jr.
Analyst on the Congress and Legislative Process

June 17, 2008
The fiscal year is the accounting period of the federal government. It begins on October 1 and ends on September 30 of the next calendar year. Each fiscal year is identified by the calendar year in which it ends and commonly is referred to as “FY.” For example, FY2008 began October 1, 2007, and ends September 30, 2008. For more information on the budget process, see the CRS Guides to Congressional Processes at http://www.crs.gov/products/guides/guidehome.shtml.

Initially, the federal fiscal year coincided with the calendar year. In 1842, President John Tyler signed legislation changing the fiscal year to a July 1 to June 30 cycle. Beginning with FY1977, the Congressional Budget Act of 1974 (Section 501 of P.L. 93-344, currently codified at 31 U.S.C. 1102) changed the fiscal year to its current cycle. In both instances, the intent was to provide Congress with more time to process appropriations legislation, particularly to avoid continuing resolutions. Establishing the most appropriate budget cycle continues to be the subject of some legislative proposals that would change the current fiscal year to a biennial (two-year) period.

Federal agencies simultaneously work on three fiscal-year budgets at any given time. Figure 1 illustrates these three fiscal-year budgets. First, agencies implement budgetary legislation for the current fiscal year. Second, they support the President’s budget proposals during congressional consideration of budgetary legislation for the coming fiscal year, referred to as the “budget year.” Third, federal agencies develop their budgets for the following fiscal year, which the President will submit to Congress in February of the next calendar year. For example, in May 2008, agencies were implementing the FY2008 budget, seeking funds for the FY2009 budget, and beginning to develop the FY2010 budget.

Author Contact Information

(name redacted)
Analyst on the Congress and Legislative Process
/redacted/@crs.loc.gov, 7-....
The Congressional Research Service (CRS) is a federal legislative branch agency, housed inside the Library of Congress, charged with providing the United States Congress non-partisan advice on issues that may come before Congress.

EveryCRSReport.com republishes CRS reports that are available to all Congressional staff. The reports are not classified, and Members of Congress routinely make individual reports available to the public.

Prior to our republication, we redacted names, phone numbers and email addresses of analysts who produced the reports. We also added this page to the report. We have not intentionally made any other changes to any report published on EveryCRSReport.com.

CRS reports, as a work of the United States government, are not subject to copyright protection in the United States. Any CRS report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS report may include copyrighted images or material from a third party, you may need to obtain permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

Information in a CRS report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to members of Congress in connection with CRS’ institutional role.

EveryCRSReport.com is not a government website and is not affiliated with CRS. We do not claim copyright on any CRS report we have republished.