

VOLUME 3, CHAPTER 4: “FUNCTIONAL TRANSFERS”**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue and underlined font](#).

The previous version dated [February 2015](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated and changed paragraph numbering system throughout the chapter.	Revision
1.0	This paragraph was substantively revised to add the Purpose narratives and the required list of Authoritative Guidance information.	Revision/ Addition

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CHAPTER 4

FUNCTIONAL TRANSFERS

*1.0 GENERAL

1.1 Purpose

The purpose of this chapter is to provide guidance relative to statutory authority and the types of transfer authorities for functional transfers.

1.2 Authoritative Guidance

The financial management and requirements prescribed by this chapter are in accordance with the applicable provisions of:

1.2.1. Title 10, United States Code, section 125, (10 U.S.C. § 125) “Functions, powers, and duties: transfer, reassignment, consolidation, or abolition”

1.2.2. 10 U.S.C. § 126, “Transfer of funds and employees”

2.0 STATUTORY AUTHORITY

Under the provisions of 10 U.S.C. § 125, the Secretary of Defense (**SecDef**) is authorized to transfer, reassign, consolidate or abolish any function, power or duty vested in the Department. Whenever a transfer of function, power or duty is accomplished under the authority of 10 U.S.C. § 125, balances of appropriations and civilian employees, that the **SecDef** determines are available and needed to finance and perform that function, power, duty or activity, may be transferred, with the approval of the President as delegated to the Office of Management and Budget in accordance with 10 U.S.C. § 126.

3.0 TYPES OF TRANSFER AUTHORITIES

3.1 Fund Adjustments

If a funding adjustment is necessitated by a transfer of functions during a current year, it should be handled to the extent possible on a reimbursable basis. Only when financing of such transfers through the reimbursement process presents serious burdens or involves significant amounts should a transfer of funds be requested.

3.2 Transfer of Funds

When transfers of funds are necessary as a result of transfer of functions under 10 U.S.C. § 125, it will be the responsibility of the receiving **Department of Defense (DoD)** Component to request that the **Under Secretary of Defense (Comptroller)** obtain the necessary determination and approval for the transfer of funds. The request **must** be prepared **pursuant to**

10 U.S.C. § 126. In accordance with the provisions in Chapter 3, the request must also contain a statement that the DoD Components concerned have agreed to the amounts proposed for transfer. A copy of the SecDef approval of the transfer of functions (under 10 U.S.C. § 125) should accompany the request.