

VOLUME 3, CHAPTER 2: “APPORTIONMENT/ REAPPORTIONMENT AND FUNDS DISTRIBUTION”

SUMMARY OF MAJOR CHANGES

All changes are 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 January 2011 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Date refresh	Update
Title	Added funds distribution	Update
Multiple	Inserted and updated hyperlinks; edited, added and reorganized for clarity and to add funds distribution.	Update
Entire Chapter	Added and amplified guidance on funds distribution.	Update

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CHAPTER 2**APPORTIONMENT/ REAPPORTIONMENT AND FUNDS DISTRIBUTION**

0201 GENERAL

020101. General

This Chapter provides information on the apportionment process, and the first level of funds distribution from the Office of the Under Secretary of Defense (Comptroller), Program Budget (OUSD(C)/PB) to the Military Services and Defense Agencies. It includes guidance for the preparation and submission of the Apportionment and Reapportionment Schedule (Standard Form (SF) 132) required by Office of Management and Budget (OMB) Circular No. A-11. Refer to OMB Circular No. A-11 (Part 4, sections 120, 121, 123, and Appendix F) and the OMB Internet Apportionment System User Guide for any additional information not otherwise addressed in this chapter.

020102. Legal Requirement

Apportionment is part of the government-wide system for the administrative control of funds. The legal requirement for apportionment is found at sections 1512 and 1513 of Title 31 United States Code (U.S.C.). Unless expressly exempted or automatically apportioned, all DoD appropriated, collected, and recovered resources require OMB approval through the apportionment/reapportionment process before they are available for distribution and legal obligation. Apportionments may contain quarterly and programmatic limitations on the face of the apportionment document (SF 132) and may provide more account specific guidance in the accompanying footnotes. Revisions to the previous apportionment, called reapportionment, reflect changes to resources previously authorized for obligation, including collections and recoveries of prior year obligations. Apportionments, including footnotes, are legally binding on DoD.

020103. Apportionment Level

OMB manages and approves apportionments at the Treasury appropriation fund symbol (TAFS) level. Each TAFS is comprised of a Treasury departmental index, a period of availability to incur new obligations, and a Treasury account symbol. A TAFS for Military Personnel, Army would be 21-20BB/20EE-2010, where BB and EE represent the fiscal year beginning point and ending point of authority to incur new obligations specified in appropriations and authorization acts.

020104. Funds Allocation

Following approval of apportionment/reapportionment requests by OMB, OUSD(C)/PB allocates funds to the Military Services and Defense Agencies. Funds distributed by OUSD(C)/PB may be further subdivided through sub-allocation and sub-allotment to lower levels within the organizations or across organizations for execution.

***0202 REQUIREMENTS**

020201. Accounts Requiring Apportionment

All appropriations require apportionment, except appropriations and funds that OMB has informed the agency in writing are not subject to apportionment. Refer to *OMB Circular No. A-11* (Part 4, Sections 120.7, and 120.8). Appropriations with TAFS for which budgetary resources are available only for transfer to other TAFS are exempt from apportionment.

A. The OMB currently exempts the following accounts from apportionment (available at *OMB's web-based apportionment module*):

1. Department of Defense—Military:

17X8008 Office of Naval Records and History Fund
 17X8423 Midshipmen's Store, United States Naval Academy
 17X8716 Department of the Navy General Gift Fund
 17X8723 Ships Stores Profits, Navy
 17X8730 United States Naval Academy Museum Fund
 17X8733 United States Naval Academy General Gift Fund
 21X8063 Bequest of Major General Fred C. Ainsworth, Library, Walter Reed
 21X8064 Fisher Houses
 21X8174 National Science Center Gift Fund
 21X8927 Department of the Army General Gift Fund
 21X9971 Other DOD Trust Funds
 57X8170 Fisher House Trust Fund, Depart of the Air Force
 57X8418 Air Force Cadet Fund
 57X8928 Department of the Air Force General Gift Fund
 97X8165 Foreign National Employees Separation Pay
 97X8311 Uniformed Services University of the Health Sciences Gift Fund
 97X8335 Voluntary Separation Incentive Fund
 97X8337 Host Nation Support Fund for Relocation
 97X9981 Other Department of Defense Trust Revolving Funds

2. Other Defense Civil:

21X5285 Department of Defense, Forest Products Program, Army
 97 0040 Payments to Military Retirement Fund, Defense
 97X8097 Department of Defense Military Retirement Fund
 97X8098 Department of Defense, Education Benefits Fund

020202. Accounts Requiring Reapportionment

All accounts which must be apportioned must also be reapportioned for *any upward adjustment of budgetary resources greater than \$400,000 or two percent (whichever is lower)* before the increased resources may be obligated. The unobligated balances brought forward in unexpired accounts must also be reapportioned annually. Refer to *OMB Circular No. A-11* (Part 4, sections 120.37, and 120.38). For control purposes, OUSD(C)/PB also apportions decreases in budgetary resources resulting from reprogramming actions and/or funds withdrawn. Expired accounts are not apportioned. Transfer-only accounts are exempt from apportionment. All accounts being reapportioned must be compared to the most current SF133, Report on Budget Execution and Budgetary Resources (SF133), applying at a minimum the standards in paragraph 020204 below.

020203. Funds Controlled and Distributed by OUSD(C)/PB

Initial distribution to Military Services and Defense Agencies is the responsibility of OUSD(C)/PB for all funds appropriated by Congress or made available through above-threshold reprogrammings and transfers from other TAFS. The assigned OUSD(C)/PB analyst for each appropriation account will allocate funds to the Military Services and Defense Agencies by means of funds authorization documents (FADs). Distribution will be made after funds are apportioned as necessary. Distribution below the level of initial transfer to the Military Services and Defense Agencies will be the responsibility of the Services and Agencies. Transfer-only accounts are not available for obligation or outlay, and budgetary resources in such accounts will not be distributed directly from the transfer accounts; such funds are distributed using reprogramming procedures governed by Volume 3, chapter 6 to the FAD for the recipient appropriation.

020204. Periodic Review

Analysts responsible for preparation of apportionment requests will review apportioned amounts a minimum of four times per year and make any necessary adjustments. The review will be performed two-weeks prior to each quarter-end, and necessary adjustments will be submitted to allow at least 10 days processing time for any necessary reapportionments. At a minimum the review will include the following:

A. Confirm unobligated balances forward, appropriations received, and permanent reductions to amounts reported on the SF133. Coordinate with DFAS to resolve discrepancies.

B. Check *reasonableness* of transfers to amounts reported on the most recent SF133. Reconcile as necessary (possible timing differences). Refer to *OMB Circular No. A-11* (Appendix F) for proper reporting of expired and unexpired balances transferred.

C. Update recoveries and spending authority from offsetting collections to actual amounts reported on the most recent SF133.

D. Ensure sufficient amounts are apportioned for projected obligations through the end of the respective quarter; for both direct and reimbursable funding, and by quarter or category. Request reapportionment as necessary to avoid a deficiency.

***0203 PROCEDURES**

020301. Preparation of Apportionment and Reapportionment Requests

All requests will be created electronically using the *OMB's web-based apportionment module*. Refer to the *OMB Internet Apportionment System User Guide* for detailed instructions to prepare SF132 requests. Apportionment requests will be submitted by responsible Military Service and Defense-Wide analysts to OUSD(C)/PB, Program and Financial Control (P&FC), and will be validated in OMB's MAX system prior to submission. Submit requests in accordance with the following:

A. Timing and minimum requirements:

1. For new appropriations, submit requests within 5 calendar days after enactment of appropriations acts appropriating funds to DoD. At the direction of the OUSD(C), the SF 132 apportionment requests may be required to execute fund transfers

mandated or authorized in an appropriations act. Refer to paragraph 020504 for information about budgetary resources available to agencies pending OMB approval of an initial apportionment following newly enacted appropriations, and paragraph 020505 for information about apportionment requirements under continuing resolutions.

2. For revolving, public enterprise, and special funds submit requests based on budget estimates by August 14. Amounts must reconcile to the current budget request.

3. Estimated unobligated balances on all multi-year accounts which will be available for obligation in the following year will be submitted by August 14. Estimates will be based on unobligated balances on the July SF133. Include anticipated reimbursements in this request as applicable.

4. Reapportionment requests will be submitted at various times throughout the year as needed to reflect changes in resources. Reapportionment is also necessary if amounts require redistribution among apportionment categories (refer to C below). Refer to paragraph 020204 for minimum review requirements to be performed with every reapportionment. Update collections and recoveries to actual amounts reflected on the SF133 with each reapportionment.

B. Apportionment Categories. Apportionments are identified by four categories (A, B, AB and C) designated in OMB Circular No. A-11, Part 4, Section 120.9. DoD uses, at a minimum, the following categories:

1. Category A, Quarterly apportionments as follows:

Line 6001: First Quarter
Line 6002: Second Quarter
Line 6003: Third Quarter
Line 6004: Fourth Quarter

2. Category B, Program or Project level apportionments will be reported on lines 6011 – 6159 for multi-year accounts. Accounts may be apportioned lump sum, by business area, or by program or project.

3. Defense Working Capital Funds (WCF) requests will identify apportionments for the Military Service/Agency business areas by listing them as separate Category B apportionments.

C. Footnotes are an essential mechanism for administrative control of funds used in apportionments. They provide supporting explanation and clarity. Incorporating explanatory footnotes sufficient to support the changes on the SF132 will facilitate faster processing at OMB. Refer to OMB Circular No. A-11, (Part 4, sections 120.38 – 120.41) for additional information.

1. The following footnotes will be included at a minimum on all DoD apportionments:

a. “Pursuant to Title 31 U.S.C. Subsection 1553(b), not to exceed 1 percent of the total appropriations for this account is apportioned for the purpose of paying legitimate obligations related to canceled appropriations.”

b. “A classified attachment displaying the apportionment of specific classified programs within the amount displayed may be included. All documents associated with this apportionment are unclassified except for the Classified Attachment. The classified apportionment shall be allotted in full and executed without change. Such apportionment shall remain valid during the fiscal year until such time as a reapportionment of such classified apportionment is required. Allotments shall be made no later than 30 days after OMB signs the apportionment or the start of the subsequent calendar month, whichever is later.”

c. “Actual amounts recovered are automatically apportioned.”

d. “Adjustments to spending authority from offsetting collections may be made without further action from OMB.”

2. While under continuing resolution, should a separate written apportionment be required, the following additional footnotes will be included:

a. “For any subsequent extensions of the Continuing Appropriations Act, (*insert year*), in addition to the amounts previously apportioned, this account will receive the amounts automatically apportioned via (*insert OMB Bulletin number*) using the daily rate, provided that the total amount apportioned during the CR period does not exceed the total annualized level of the CR.”

b. “Apportioned amounts may be increased during the CR period for any additional spending authority from offsetting collections received.”

D. Allocation Transfers to Other Agencies (Parent/Child transfers). Allocation transfers to other agencies for execution of funds on behalf of DoD will be reflected on all apportionment/reapportionment requests. Refer to the example at *OMB Circular No. A-II*, Part 4, Section 121, Exhibit 121P. Use line split “P” for “Parent” and “C” for “Child” in the line split column of the apportionment category.

020302. Supporting Information

Each apportionment document will be accompanied by a written explanation of the requested apportionment action (footnotes will suffice for most requests).

020303. File naming conventions

Requests will be submitted with a consistent file naming convention. File names will begin with the two-position fiscal year (FY), followed by the account abbreviation, the two-position Treasury Index, the four-position account number, the 4 or 8-position period of availability (POA), and a sequence number in parenthesis (filenames and sequence numbers may be changed at P&FC when necessary). Examples of acceptable file names:

A. 12 OMA 21 2020 2012 (3).xls would represent Operation and Maintenance, Army’s third FY 12 submission.

B. 12 BRAC 97 0512 X (2).xls would represent the Base Realignment and Closure account’s second FY 12 submission

C. 12 APAF 57 3010 2012-2014 (2).xls would represent Aircraft Procurement, Air Force’s second FY 12 submission of the 2012/2014 POA.

020304. Submission Instructions

MAX-validated SF 132 Apportionment Requests will be submitted to OUSD(C), P&FC at the following email address: OUSDC.Apportionments@osd.mil.

0204 NOTIFICATION TO COMPONENT OF DOD COMPTROLLER AND OFFICE OF MANAGEMENT AND BUDGET ACTION**020401. Notification to DoD Components of OUSD(C) Action**

The OUSD(C) will notify the Component involved of amounts recommended by the OUSD(C) if such amounts differ significantly from those requested by the DoD Component.

020402. Action by OMB

The OMB will indicate to the OUSD(C) the action taken in regard to the initial request for apportionment within the time prescribed by law, and in regard to reapportionment, generally within ten days after receipt of the request. This is accomplished via email notification.

020403. Notification to DoD Component of OMB Action

Upon receipt of the email notification of OMB action, the OUSD(C), P&FC will forward the OMB approved apportionment document, together with any correspondence relating thereto, to the OUSD(C) appropriation managers and the DoD Component points of contact. Appropriation managers will issue FADs to the Components.

0205 SPECIAL INSTRUCTIONS*020501. NATO Security Investment Program**

NATO infrastructure recoupments will be reported as collections. If it is anticipated that amounts will be recouped during the FY an estimate should be apportioned as anticipated reimbursements.

020502. Surcharge Collections, Sales of Commissary Stores - Trust Revolving Fund

Title 10 U.S.C. Section 2685 permits obligation of anticipated proceeds from the adjustments or surcharges authorized by Section 2685. Prior to any such obligation of funds, the amounts must be apportioned as contract authority on of the SF 132.

020503. Letter Apportionments

Letter apportionments may be requested by OUSD(C) under certain circumstances, such as periods under Continuing Resolution Authority, or for prior approval reprogramming actions or internal reprogramming actions. Subsequent requests for reapportionment will reflect the amounts approved on the letter apportionment in all columns of the SF 132.

020504. Interim Apportionment Authority for Initial Appropriations Act

In cases where OMB is reviewing the first apportionment request for newly enacted appropriations, OMB automatically apportions up to a 30-day level of resources. Refer to [OMB](#)

Circular No. A-11 (Part 4, section 120.28) for additional guidance to calculate the amount automatically apportioned. Once the written apportionment is approved by OMB, the automatic apportionment ceases to remain in effect. This authority may be further limited or modified by OUSD(C) and OMB direction.

020505. Apportionment Requirements under Continuing Resolution (CR)

When an appropriations act for a fiscal year has not been signed by October 1, Congress generally will pass a resolution appropriating funds to allow for the continuation of government operations for a specified period of time or until under enactment of an appropriations act providing appropriations for the fiscal year. The CR is generally for a short term period, and there may be multiple CRs or CR extensions before an act is finally passed. Each CR must be signed into law by the President before becoming effective. The OMB publishes a bulletin with the first CR providing guidance to clarify how appropriations will be calculated.

A. Annualized appropriations and automatic apportionment while under CR will be calculated by OUSD(C)/PB, P&FC based on the CR and guidance in the OMB bulletin issued with the first CR. The P&FC will provide appropriations and adjustments for reporting in the AR1002 and SF133, and available funds under CR to all Components, along with guidance to be followed while under CR. All P&FC calculations and fund balances/availability will be at the account level. Updates will be provided with each subsequent CR until an appropriations bill is passed. Appropriations and apportionments while under CR will be recorded in the SF133 in accordance with *OMB Circular No. A-11* (Appendix F).

B. Pursuant to written exceptions from OMB, during the period of a CR DoD reimbursements generally are automatically apportioned to the extent that orders are received. OMB authorizes the exception in writing when it becomes evident that agency operations under a CR are imminent. This special exception for automatic apportionment of reimbursements will be conveyed to Components with the guidance accompanying the initial CR.

C. Should Components require more funds than are automatically available to them under the CR, an exception apportionment will be required. Guidance for submission of an exception will be included in the CR guidance. The OMB requires that Components receiving exception apportionments prepare a written apportionment with each subsequent CR per *OMB Circular No. A-11* (Part 4, section 123.6 and 123.7). This requirement can be overcome by including the proper footnotes in each written apportionment. Refer to 020301.C. above for mandatory footnotes to include on written apportionments while under CR.

*0206 RESCISSONS AND DEFERRALS

020601. Rescissions and Deferrals – General.

A. Available budgetary resources may be withheld from obligation or expenditure through impoundment, either permanently (rescission) or temporarily (deferral) under conditions set forth in *Title 31 U.S.C. Section 1512* and the Congressional Budget and Impoundment Control Act (*Title 2 U.S.C. Sections 683 and 684*). Budgetary resources may be deferred to provide for contingencies; to achieve savings made possible by or through changes in requirements or greater efficiency of operations; or as specifically provided by law, except that funds available for only one fiscal year may not be deferred through the end of that year. *For additional information and definitions of rescissions and deferrals, refer to *OMB Circular No. A-11 (Part 4, section 112)*.*

B. Reapportionment will generally be required when funds are proposed for rescission or deferral. For procedures and special reporting requirements, refer to [OMB Circular No. A-11](#) (Part 4, sections 123.5 - 123.13).

C. As the fourth quarter approaches, Components should review all deferrals (particularly of funds expiring at the end of the year) to ensure that amounts deferred for only part of the year will be released in time to be used prudently before the year ends. If a determination is made that such amounts should not be used, a rescission will be proposed prior to the beginning of the fourth fiscal quarter. Only in exceptional cases will rescissions be proposed during the fourth quarter. All proposed rescissions must be approved by the OMB.

D. Refer to [OMB Circular No. A-11](#) (Part 4, sections 112-14 – 112-16) for guidance with regard to apportionment actions to be taken when rescission proposals and deferrals are enacted, released, or disapproved.