

VOLUME 3, CHAPTER 13: “RECEIPT AND DISTRIBUTION OF BUDGETARY RESOURCES—DEPARTMENT LEVEL”

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 September 2008 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
130201	Updated reference from United States Standard General Ledger (USSGL) Treasury Financial Manual (TFM) to USSGL Standard Financial Information Structure (SFIS) Transaction Library. Also deleted “except for budgetary entries that apply to accounts 4540 through 4580” because the USSGL SFIS Transaction Library includes accounting entries for these accounts.	Update
130202.A	Clarified the differences between appropriations and authorization acts.	Add
130202.A.1	Added examples for each type of budget authority and defined earmark.	Add
130202.A.6	Defined continuing resolution.	Add
130202.A.7	Defined the lapse or gap of funding.	Add
130202.A.8 130202.C 130206.C 130206.D 130209.B	Referenced the TFM and deleted reference to Figure 13-1.	Update
130204.E.2	Updated reference to Chapter 19 of this volume.	Update
130205.B.3	Clarified nonexpenditure transfer of funds.	Update
130207.C 130301.F 130303.B	Updated Volume 1, Chapter 7, Appendix B hyperlink to Volume 1, Chapter 7, Figure 7-3.	Update
130207.D	Updated Volume 14, Appendix A hyperlink to Volume 14, Chapter 1.	Update

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
130306	Changed P.L. 101-510 to section 1552 of title 31, United States Code. Referenced canceled appropriation obligation policy in Chapter 10 of this volume.	Update
Figure 13-1	Referenced the TFM in related paragraphs and deleted Figure 13-1.	Delete

Table of Contents

VOLUME 3, CHAPTER 13: “RECEIPT AND DISTRIBUTION OF BUDGETARY RESOURCES—DEPARTMENT LEVEL” 1

1301 GENERAL 4

 130101. Purpose 4

 130102. Applicability and Scope 4

 130103. Overview 4

1302 STANDARDS 4

 *130201. Accounts 4

 130202. Appropriations 5

 130203. Apportionments and Reapportionments 7

 130204. Indefinite Contract Authority 9

 130205. Transfer of Funds 10

 130206. Reappropriations 11

 130207. Allocations 13

 130208. Withdrawals and Restorations 14

 130209. Indefinite Appropriations 14

 130210. Reprogramming 15

1303 ACCOUNT ADJUSTMENTS AND ACCOUNT CLOSING PROCEDURES 15

 130301. Adjustments to Expiring and Nonexpiring Accounts 15

 130302. Budget Execution Report Preparation 16

 130303. Notification From Lower Levels 16

 130304. Closing Procedures 16

 130305. Adjustments to Expired Authority 17

 *130306. Canceled Authority 17

CHAPTER 13

RECEIPT AND DISTRIBUTION OF BUDGETARY RESOURCES
DEPARTMENTAL-LEVEL

1301 GENERAL

130101. Purpose

The purpose of this chapter is to prescribe the standards for recording receipt and subsequent distribution of budgetary resources transactions in the departmental-level budgetary accounts.

130102. Applicability and Scope

The departmental-level budgetary accounts apply to the Military Departments and the Washington Headquarters Services at “headquarters” level.

130103. Overview

The main purpose of the budgetary accounts prescribed for a departmental-level accounting entity is to ensure that the budget execution accounting required by the Congress, the Office of Management and Budget (OMB), the Treasury Department, and the Office of the Secretary of Defense (OSD) is accomplished. Departmental-level accounting covers appropriation by the Congress, apportionment and reappropriation by OMB, and allocation to the execution level. In addition, budgetary accounts used at the departmental level ensure that transfers between appropriation and fund accounts, and restorations and withdrawals of budgetary resources are properly recorded. The monitoring of lower levels and consolidating reports for higher levels are facilitated by accounting at the departmental level.

1302 STANDARDS

*130201. Accounts

The accounts established for use by departmental-level accounting entities implement the [United States Standard General Ledger \(USSGL\)](#) contained in Volume 1, Chapter 7. Budgetary accounting entries for the USSGL accounts are specified in the [USSGL Standard Financial Information Structure \(SFIS\) Transaction Library](#). In addition to detail level accounts used for routine posting of transactions, summary accounts are provided to facilitate aggregation of data for reporting purposes. Budgetary accounts have been established for recording appropriations and other budget authority realized apportionments, allocations, transfers, and contract authority transactions. Amounts of budgetary resources received are debited to specifically titled accounts for each of these resources and credited to accounts that recognize the availability status of the resources. The departmental-level accounting entity also issues fund allocations to subordinate commands. In addition, the special actions of restorations and withdrawals of budgetary

resources are accomplished at departmental-level. The following subsections set forth the standards for recording transactions in the departmental-level accounts.

130202. Appropriations

* A. General. Appropriations are statutory authorities to incur obligations (see subparagraph 130204.B, for an exception) and make payments from the United States Treasury for specified purposes. The making of an appropriation must be stated expressly. An appropriation may not be inferred or made by implication. An authorization act is a statute, passed annually by Congress, which authorizes the appropriation of funds for programs and activities. An authorization act does not provide budget authority. That authority stems from the appropriations act. Authorization acts frequently contain restrictions or limitations on the obligation of appropriated funds. An appropriations act is the most common form of budget authority. Budget authority has the following characteristics:

1. Period of Availability. Budget authority may be made available for obligation for varying periods.

a. One-Year (Annual) Authority. Budget authority that is available for obligation only during a specified fiscal year and expires at the end of that period. For example, operations and maintenance (O&M) and personnel appropriations.

b. Multiple Year Authority. Budget authority that is available for obligation for a specified period of time in excess of one fiscal year. For example, research, development, test and evaluation (RDT&E) appropriations (2 years); procurement appropriations (3 years); Shipbuilding and Conversion, Navy appropriation (5 years); and military construction appropriations (5 years).

c. No-Year Authority. Budget authority that remains available for obligation for an indefinite period of time. See paragraph 130209 of this chapter for an example.

d. Earmark. An earmark occurs when Congress designates a portion of an appropriation for a particular purpose by way of legislative language within the appropriation.

2. Phases of Availability. Annual and multiple year appropriations pass through three phases of availability.

a. Current or Unexpired Phase. The current or unexpired phase is the time period when the appropriations are available for incurring new obligations.

b. Expired Phase. The expired phase is the period of time when the appropriations are no longer allowed to incur new obligations but still available to liquidate valid obligations incurred during the unexpired phase. Adjustments, such as contract changes, may be made to increase or decrease valid obligations that were made before the

appropriations expired. Normally, this phase lasts for five years except when a law specifically lengthens this phase. See Chapter 10 for accounting requirements for expired accounts.

c. Canceled Phase. The canceled phase follows the expired phase. Payments cannot be made from the canceled account for legitimately incurred obligations that have not been paid at the time the account is canceled. After an account is canceled, any obligation or adjustments to obligations that properly would have been chargeable to that appropriation may be paid from an unexpired appropriation that is available for the same purpose as the canceled account if:

(1) The obligation or obligation adjustment is not already chargeable to another unexpired account and

(2) The payment of obligations against the canceled appropriation from the unexpired appropriation does not exceed one percent of the unexpired appropriation (this is a single cumulative amount). See Chapter 10 for accounting requirements for closed/canceled accounts.

3. Determination of Amount. Budget authority may be granted for varying amounts.

a. Definite Authority. Authority that is stated as a specific sum at the time it is granted. This includes authority stated as not to exceed a specified amount. Most DoD appropriations are for definite amounts of authority.

b. Indefinite Authority. Authority for which a specific sum is not stated, but is determined by other factors such as the receipts from a certain source or obligations incurred. For a more complete discussion of indefinite authority, see paragraph 130209.

4. Reappropriations. Reappropriations are statutory authorities that extend the obligating/paying authority for all or part of the unobligated balances of expiring and expired appropriations. See paragraph 130206 for the complete discussion of reappropriations.

5. Exceptions. Appropriations to liquidate contract authority are exceptions to the general rule that appropriations provide budget authority to incur additional obligations (see subparagraph 130204.B.).

6. Continuing Resolution. An appropriation, in the form of a joint resolution, that provides budget authority, specific activities, or both to continue operation when Congress and the President have not completed action on the regular appropriations acts by the beginning of the fiscal year.

7. Funding Lapse or Gap. A funding lapse or gap occurs when a previous budget authority expires and there exists no regular appropriations act or continuing resolution.

8. Appropriation Warrants. The evidence of law that establishes, by appropriation symbol, the individual amounts appropriated by Congress.

a. Financial Management Service (FMS) Form 6200, Department of the Treasury Appropriation Warrant (see [Treasury Financial Manual \(TFM\), Volume 1, Part 2, Chapter 2000, Appendix 1](#)), is a convenient source document for entries into the accounts. To ensure agreement with Treasury Department accounts, warrants must be recorded exactly as received even if they are thought to be in error. Corrections must be journalized and corrected warrants requested. However, amounts known to be enacted into law must be recorded for accounting period reports regardless of receipt of the warrant.

b. The Military Departments and Washington Headquarters Services (for the OSD/Defense Agencies) must request FMS Forms 6200 (see [TFM Volume 1, Part 2, Chapter 2000](#)) from the Treasury Department during the period of a continuing resolution for a specified period of time less than a full fiscal year, or if the continuing resolution is for a full fiscal year with designated appropriation amounts. When there is a separate appropriation act, the Treasury Department will prepare and distribute the FMS Forms 6200 without a request from the applicable DoD Components.

B. Classification of Appropriations. Departmental-level appropriations and all other budgetary resources must be classified by appropriation account, fiscal year program, and obligation/expenditure limitation, at the level required by OSD for appropriation and fund status reporting (see Volume 6A, Chapter 4). Needed classification requirements must be obtained from the legal requirements and program/budget documents such as the Department of Defense (DD) Form 1414, Base for Reprogramming Action.

* C. Recording an Appropriation. Record an appropriation realized as provided on the FMS Form 6200 (see [TFM Volume 1, Part 2, Chapter 2000, Appendix 1](#)).

D. The appropriation act itself may require withholding some of the appropriation; a rescission may be proposed, or the OMB may impose a deferral. Amounts not made available by apportionment must be recorded. Credit accounts 4395, *Authority Unavailable for Obligation Pursuant to Public Law - Temporary*; 4420, *Unapportioned Authority - Pending Rescission*; and 4430, *Unapportioned Authority - OMB Deferral* are established to accommodate these complexities. Debit entries reclassifying these credit balances must be recorded when evidence is received that the legal requirements have been met or the required administrative actions have been taken.

130203. Apportionments and Reapportionments

A. An apportionment or reapportionment is a distribution made by OMB of amounts available for obligation in an appropriation or fund account. Apportionments and reapportionments by the OMB are required before funds may be obligated, except in certain instances as specified in [OMB Circular No. A-11](#). The distribution of apportionments is part of an overall financial plan for the year that is based on a forecast of obligations to be incurred within an appropriation. The apportioned amount is in response to a departmental request made

on [Standard Form \(SF\) 132, Apportionment and Reapportionment Schedule](#). Apportionments divide amounts available for obligation by specific time periods (usually quarters), activities, projects, objects, or by combinations of these categories.

B. The completed SF 132, showing the apportioned amounts, normally is the source document used to record apportionments and reapportionments. However, letter apportionments often are used during the period of a continuing resolution for unexpired unobligated balances brought forward, and for special circumstances such as transfers that occur near the end of a fiscal year.

C. Record budgetary authority received on the SF 132 and available for allotment and record anticipated reimbursements.

D. However, complexities must be accommodated. Some of the amounts apportioned may be withheld; some may be unavailable pursuant public law; and some may be subject to rescission.

1. The term “direct program” refers to the obligation authority specified in an appropriation act itself. The appropriation does not specify the amount of reimbursable work expected to be accomplished. Authority to accept a customer order for reimbursable work and use obligation authority provided through that acceptance must either be authorized specifically in the apportionment process or be of the type that becomes automatically apportioned and available upon acceptance of customer orders. For a more complete discussion of reimbursements, see Chapter 15 of this volume.

2. The reimbursable program specifically apportioned must be allocated subject to withholdings by the Office of the Secretary of Defense. Record anticipated reimbursable program authority apportioned but not available for use until realized.

E. Amounts apportioned through the current period of the fiscal year may be assumed to be allocable unless specific identification of withholding is made.

F. If SF 132s on hand are not yet processed with regard to the latest appropriations enacted, amounts necessary to cover valid commitments and obligations must be recorded at the end of the accounting period as apportioned and allocated. If an enacted supplemental appropriation is not included on the year-end SF 132, it nevertheless must be recorded as fully apportioned.

G. In the absence of an appropriation, the Congress may pass a resolution providing authority for agencies to continue current operations. Continuing resolutions are subject to OMB apportionment in the same manner as appropriations. Within periods of continuing resolution authority, the President’s budget estimates of the unobligated balances are brought forward on October 1, and the reimbursable program for each appropriation account must be recorded as apportioned and allocated to the extent that they remain within any amount specifically designated by the authority. If the estimates for each amount have been reduced from the President’s budget, apportionments and allocations must be recorded at the reduced

amount. Increases are to be considered available for subsequent apportionment and must not be allocated until an approved SF 132 containing the increase has been received.

H. If amounts actually becoming available are less than anticipated for indefinite budget authority, transfers, reimbursements, or recoveries; the difference will be deducted from amounts apportioned and not from amounts deferred or otherwise unapportioned unless specific provision is made for a different treatment on the approved apportionment form or reapportionment action is taken.

I. Not all appropriations are apportioned, therefore; record non-apportioned appropriations.

130204. Indefinite Contract Authority

A. Contract authority is statutory authority to incur obligations prior to an appropriation (or the realization of revenues) for the future payment of such obligations. (See subparagraph 130204.B.) Indefinite contract authority is that contract authority in which a specific amount of contract authority is not predetermined but, instead, is available as needed to cover the obligations incurred. Although indefinite contract authority is normally accounted for through a no-year appropriation account, contract authority must be apportioned each fiscal year. The major permanent indefinite authorities are as follows:

1. Emergency military procurement under section 11 of Title 41, United States Code (U.S.C.);

2. Inventory procurement in anticipation of succeeding fiscal year sales under [subsection 2210\(b\) of Title 10, U.S.C.](#); and

3. Procurement for foreign military sales under [section 2762 of Title 22, U.S.C.](#)

B. Contract liquidating authority is an appropriation or reappropriation enacted to pay the obligations incurred under contract authority. However, within the Department of Defense, the realization of revenue, rather than an appropriation, normally is used to liquidate unfunded contract authority.

C. Record the allocation of anticipated contract authority and the subsequent realization upon commitment or obligation action. Specifically, record anticipated indefinite contract authority; budget authority apportioned by OMB and available for allotment; allotment of apportioned contract authority; and the realization of contract authority that was previously anticipated (upon commitment or obligation).

D. Contract authority retains its separate identity at departmental-level through the use of specifically designated accounts. Additionally, the date and number of the establishing public law must be entered into the records.

E. More specific guidance on accounting for each of the permanent indefinite contract authorities may be found as indicated below:

1. Emergency military procurement is covered in section 11 of Title 41, U.S.C.

* 2. Working Capital Fund contract authority is covered in Chapter 19.

3. Foreign military sales contract authority is covered in Volume 15.

130205. Transfer of Funds

When specifically authorized by law, all or part of the budget authority in one account may be transferred to another account. These transfers must be made on an expenditure or nonexpenditure basis, as appropriate.

A. Expenditure Transfers Between Appropriations. Expenditure transfers are made when the transfer benefits the transferring account. Since they are treated as payments and collections, expenditure transfers are not applicable to departmental-level accounting entities. These transactions include the following:

1. Withdrawals and credits between accounts not specifically defined as nonexpenditure transactions;

2. All transfers between United States Treasury budgetary and nonbudgetary accounts such as general fund accounts and deposit accounts; and

3. Adjustments to correct errors in expenditure transactions. (Obligations must be transferred also, when appropriate.)

B. Appropriation Transfers

1. Appropriation transfers are distributions of one agency's budgetary resources to another. Transfers between appropriations must be authorized by law and represent a redistribution of unobligated balances of budget authority between appropriation accounts for the benefit of the gaining appropriation account. For purposes of this paragraph, they will not include transfers for establishment of transfer appropriation accounts for the benefit of the transferring account.

2. Appropriation transfers can be anticipated and recorded as such or they can occur without being previously recorded as anticipated. An anticipated appropriation transfer does not provide any obligation authority. These transfers often are anticipated during apportionment development. Approved anticipated transfers are treated as authority available for apportionment, and prior year authority and current year authority are kept separate. Agreement between the transferring and receiving appropriation accounts must be maintained. Accordingly, anticipated and accomplished transfers must be recorded and reported in the transferring and

receiving appropriation accounts in the same accounting period. Obligation authority is available only after the transfer is accomplished and the OMB apportions the transferred funds. Once the transfer is accomplished, the appropriation making the transfer no longer has budgetary and proprietary control of the funds. Budgetary and proprietary responsibility now lies with the appropriation receiving the transfer.

* 3. [SF 1151, Nonexpenditure Transfer Authorization](#), is used to document transfers. Chapter 3 contains additional information about appropriation transfers. A nonexpenditure transfer is a redistribution of either unobligated balances of budget authority provided in a previous year or budget authority provided in the current year between appropriations or funds for the benefit of the gaining appropriation or fund **that does not involve an outlay**. Transfers of obligated balances and sometimes reappropriations also require nonexpenditure transfers. **Nonexpenditure transfers of funds may be received from another appropriation or fund or may be made to another appropriation or fund when appropriate and authorized. A nonexpenditure transfer of funds received from another appropriation or fund increases the amount of available budgetary resources. A nonexpenditure transfer of funds made to another appropriation or fund decreases the amount of available budgetary resources.**

C. Anticipation of Appropriation Transfer. Record in the transferring agency the transfer-out of current-year authority or from prior year balances that were anticipated. And record in the receiving agency the anticipated transfer-in of current-year authority or from prior year balances.

D. Actual Appropriation Transfer. Record in the transferring agency the transfer-out of current-year or prior-year anticipated appropriations. And record in the receiving agency the transfer-in of current-year or prior-year anticipated appropriations.

130206. Reappropriations

A. General. A reappropriation is statutory authority to restore or extend the obligational availability, whether for the same or different purpose, of all or part of the unobligated balance of budget authority that has expired or would otherwise expire in an annual or multiple year appropriation. Reappropriation transactions require nonexpenditure transfer of the funds involved from the expired or otherwise expiring account to the designated current account. Reappropriations that provide funds to a fiscal year for which they were not previously available constitute new budget authority in the receiving account.

B. Use of SF 1151. A SF 1151, annotated “REAPPROPRIATION” in the top right-hand corner, must be used to accomplish the reappropriation when a current year law extends the availability of part or all of a:

1. Current year appropriation;
2. Prior year unexpired appropriation; or

3. Prior year expired or expiring appropriation when the unobligated balance has not been withdrawn previously to the surplus fund of the Treasury.

* C. Use of FMS Form 6200. The FMS Form 6200 (see TFM Volume 1, Part 2, Chapter 2000, Appendix 1) must be used when a current year law extends the availability of part or all of a prior year expired appropriation when an unobligated balance is available at fiscal year-end for reappropriation in a subsequent fiscal year.

* D. Obtaining Appropriation Warrants. A FMS Form 6200 (see TFM Volume 1, Part 2, Chapter 2000) must be requested from the Treasury Department for reappropriations. The letter of request must state the amount to be warranted and the statutory authority for the reappropriation. The address for this request letter is:

Budget Reports Division
Financial and Budget Reports Directorate
Government Accounting
Financial Management Service
Department of the Treasury
3700 East-West Highway
Hyattsville, MD 20782
Telephone (202) 874-9950
Fax (202-874-9944

E. Timing of Actions

1. Necessary steps to initiate the source documents and record the reappropriation in the gaining and losing accounts normally must be undertaken in the month following the effective date of the legislation providing for the reappropriation.

2. If the available balance in a losing appropriation is not sufficient to cover prompt transfer, the reappropriation may be delayed, effected in part or, for good cause, not made at all. Decisions to delay or not make a reappropriation transfer require written notification to the Under Secretary of Defense (Comptroller) (USD(C)), within five working days of the determination. The notification must set forth the circumstances requiring the delay or nonperformance of the reappropriation transfer.

F. Withdrawal of Unobligated Balances. Normally, unobligated balances in the losing accounts will be withdrawn from operating activities. However, formal withdrawal is not necessary when the operating activity has both the gaining and losing accounts, and the intent of the reappropriation is to extend the availability of funds for the same purposes as the losing account. In this case, local entries may be made to ensure that transactions, records, and reports cite the gaining account rather than the losing account.

G. Recording Reappropriations. Reappropriations are recorded as other new budget authority.

130207. Allocations

A. Allocations are distributions of apportionments or funds that do not require apportionment by the departmental-level accounting entity to an operating agency or other intermediate-level accounting entity.

B. Allocations carry the same legal and other limitations as apportionments.

* C. Accounting Entries

1. Record the allocation of obligational authority from department levels to intermediate levels as follows:

Budgetary Entry

DR 4510 Apportionments

CR 4540 Internal Fund Distributions Issued

Proprietary Entry

DR 3101 Unexpended Appropriations – Appropriations Received

CR 1010 Fund Balance With Treasury

NOTE: The intermediate-level budgetary accounts are used to record the receipt of allocations or suballocations from higher authority, and the subsequent issuance of allotments to installation-level activities. Definitions for accounts 4540 through 4580 are prescribed in Volume 1, Chapter 7, Figure 7-3. For Non-Department of Defense reporting, accounts 4540 through 4580 must be reported with account 4510, *Apportionments*.

2. Record the issuance of reimbursable authority from department levels to intermediate or execution levels (Performing Entity) as follows:

Budgetary Entry

Dr 4590 Apportionments – Anticipated Resources

Cr 4210 Anticipated Reimbursements and Other Income

Proprietary Entry

None

* D. Since an oral allocation generally has no validity, allocations must be in writing. The format is determined by the departmental-level accounting entity issuing the allocation. However, see Volume 14, Chapter 1, subparagraph 010206.C.4 for use of expedited means of communication in emergencies.

E. Interagency allocations are distributions of one agency's budgetary resources to another. They are separately identified in the accounts to ensure that the recipient agency is responsive to the allocating agency. Such allocations can be nonexpenditure transfers, which establish transfer appropriation accounts, or subdivisions of one DoD Component's funds

to another DoD Component to cite directly. From a consolidated standpoint, it is important that the issuing and receiving agencies record the allocation in the same accounting period. Interagency allocations normally occur between different levels of command within a major command/claimant.

130208. Withdrawals and Restorations

A. Congressionally enacted appropriations for the Department usually are available for a fixed period of one or more fiscal years. Authority to incur new obligations expires at the end of the period of availability. Upon expiration, an appropriation may have obligations – paid, obligations – unpaid, or an unobligated balance.

B. Expired balances retain their fiscal year identity for the following five fiscal years. During this five year period, the unobligated balance of an expired fund is available only for adjustments to obligations initially incurred during the fiscal year (or years) for which the appropriation account was available. The unobligated balance of an expired fund may not be used to create new obligations. Normally, at the end of the five year period, any remaining unobligated balance and unliquidated obligations must be transferred to account 4350, *Canceled Authority*.

C. The following definitions are for the specific terms applicable to withdrawals and restorations.

1. Withdrawal. Unobligated amounts that are withdrawn by administrative action (rather than by law) from obligation availability. A withdrawal excludes amounts of expired accounts and amounts rescinded by the Congress.

2. Restoration. A previously withdrawn unobligated amount that is again made available for obligation and outlay.

D. Withdrawn amounts are credited to account 4391, *Adjustments to Indefinite No-Year Authority*, and debited to account 4510, *Apportionments*. Restorations are accounted for by contra entries to the withdrawal (i.e., debit account 4391, *Adjustments to Indefinite No-Year Authority*, and credit account 4510, *Apportionments*).

E. The balance in account 4650, *Allotments - Expired Authority*, is not a fund balance (i.e., cash) account available in the Treasury. Transfers into the account (withdrawals) and transfers out (restorations) do not, in and of themselves, affect the cash position of the U.S. Treasury. Expired authority is an available budgetary resource for the specific purpose of ensuring that valid obligations of expired and lapsed appropriation accounts can be met without recourse to individual appropriation action by the Congress.

130209. Indefinite Appropriations

A. Indefinite appropriations are appropriations of a current or permanent nature in which a definite amount is not stated, but is to be determined otherwise on the basis of

stipulated subsequent events. One type of indefinite appropriation for the Department is available receipts. For example, the receipts under the Federal Account Symbol and Title 215095, *Sale of Hunting and Fishing Permits, Military Reservations*, are, by permanent appropriation, available for expenditure under appropriation account 21X5095, *Wildlife Conservation, etc., Military Reservations, Army*. The amount authorized may be all or a portion of the receipts under a receipt account, but they may not be available until a warrant is issued by the Treasury Department or the amount authorized may be specified as the amount actually obligated for a specified purpose.

* B. Amounts of indefinite appropriations derived from available receipts anticipated for the fiscal year should be recorded from journal vouchers that are based upon responsible officials' current estimates of receipts for the fiscal year. Indefinite appropriation amounts realized must be reported monthly to the Department of the Treasury (see Volume 6A, Chapter 3). These amounts are warranted by the Treasury Department on a FMS Form 6200 (see [TFM Volume 1, Part 2, Chapter 2000, Appendix 1](#)) at the end of the fiscal year. However, since these indefinite appropriations have been recorded on the basis of statements of transactions, the warrants will be used merely to confirm the amounts recorded.

C. Anticipated amounts of indefinite appropriations derived from available receipts must be reported as anticipated budgetary resources until the amounts are realized. The budget authority generated will increase the uncommitted or unobligated balance reported on the [SF 133, Report on Budget Execution](#); however, such balances should not be recorded in the accounts as currently available for obligation until receipts are realized.

130210. Reprogramming

The practice of reprogramming departmental funds covered in appropriation acts is a necessary, desirable and timely device for achieving flexibility in the execution of Defense programs. Specific guidance on the procedures for reprogramming of DoD appropriated funds is contained in Chapters 6 and 7.

1303 ACCOUNT ADJUSTMENTS AND ACCOUNT CLOSING PROCEDURES

130301. Adjustments to Expiring and Nonexpiring Accounts

A. Cancel appropriation transfers anticipated to be made to or from other accounts. Anticipated appropriation transfers must be canceled as of the end of the fiscal year in which anticipated.

B. Eliminate unrealized anticipated indefinite appropriations.

C. Cancel anticipated reimbursements in no-year, expiring annual, and multiple year accounts as of the end of the fiscal year.

D. Record the cancellation of expired authority and withdraw funds.

E. Reduce appropriations realized by the amount of budgetary resources withheld pursuant to public law.

* F. The entry to recognize unallotted allocations of realized transfers held at the intermediate level and unobligated allotments of realized transfers held at the installation level is as follows:

Budgetary Entry

Dr 4540 Internal Fund Distributions Issued

Cr 4510 Apportionments

Proprietary Entry

Dr 1010 Fund Balance With Treasury

Cr 3101 Unexpended Appropriation – Appropriations Received

NOTE: The intermediate levels and the installation levels must inform the departmental-level accounting entity of the unallotted allocations and unobligated allotments as described in paragraph 130303.B. Definitions for accounts 4540 through 4580 are prescribed in Volume 1, Chapter 7, Figure 7-3. For Non-Department of Defense reporting, accounts 4540 through 4580 must be reported with account 4510, *Apportionments*.

130302. Budget Execution Report Preparation

After completion of the adjustments identified above, budget execution reports must be prepared as specified in Volume 6A, Chapter 4.

130303. Notification From Lower Levels

The departmental-level accounting entity must be informed by the intermediate and installation levels of the following adjustments and account balances as specified in Volume 6A, Chapter 2.

A. Installation-Level Notification To Be Provided. Uncommitted and unobligated balances remaining in expiring accounts for direct authority (account 4610, *Allotments – Realized Resources*).

B. Intermediate-Level Notification To Be Provided. Unallotted allocations of direct program authority to the installation level (account 4560, *Funds Available for Allotment*). Definitions for accounts 4540 through 4580 are prescribed in Volume 1, Chapter 7, Figure 7-3. For Non-Department of Defense reporting, accounts 4540 through 4580 must be reported with account 4510, *Apportionments*.

130304. Closing Procedures

After preparation of the prescribed budget execution reports, the following entries must be made, at the expiration of the period of availability for obligation, to close expended amounts

to the authorizing account for the expenditures and to withdraw any remaining program authority.

A. Direct Funds. Record unobligated budget authority for unexpired annual or multi-year appropriations; close unobligated balances to expired authority; reduce appropriations realized by the amount of rescinded appropriations; close transfers accomplished to other appropriations or funds; and close appropriation transfers realized from other appropriations or funds.

B. Reimbursable Program Closing Entries. No closing entries must be made for the reimbursable program at the departmental level. An adjusting entry, specified in paragraph 130301.C, eliminates any departmental-level reimbursable program account balance.

130305. Adjustments to Expired Authority

Account 4650, *Expired Authority*, represents the unobligated balance in an appropriation at the time of its expiration. Expired authority, prior to cancellation of an appropriation, authorizes a DoD Component to adjust upward previously under recorded obligations or to record obligations initially that should have been recorded (but were not) against an expired appropriation before its expiration. Adjust obligations upward through use of expired budget authority. Obligation, expenditure, and closing of expired authority is recorded in the same manner as current year direct program appropriation accounts.

*130306. Canceled Authority

[Section 1552 of title 31, U.S.C.](#) requires any balance remaining in an account in excess of 5 years to be canceled. Account 4350, *Canceled Authority*, represents the amount of canceled authority (includes both unobligated and obligated but unpaid). Payment of obligations incurred in a canceled appropriation must be made from a current appropriation available for the same general purpose as the one from which the payables were canceled. The total of payments from a current appropriations for obligations and payables of a canceled appropriation should not exceed [one of the amounts specified in Chapter 10, subparagraph 100201.F](#).

A. Transfer expired authority at the time of cancellation of an appropriation.

B. Allocate budget authority at the departmental level from a current appropriation to pay obligations applicable to a canceled appropriation. Record an obligation and accounts payable in an unexpired appropriation for a valid bill related to a canceled appropriation.