

**VOLUME 3, CHAPTER 14: “RECEIPT AND DISTRIBUTION OF
BUDGETARY RESOURCES – INTERMEDIATE LEVEL”**

SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also denoted by **blue font**.

Substantive revisions are denoted by an asterisk (*) 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 **June 2018** is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
1.0 (1401)	Added Overview paragraph to General section.	Addition
	Revised Purpose paragraph to clarify that this chapter is applicable to direct budget authority received in the General Fund by intermediate level organizations with a funding structure that includes three or more component levels. Clarified what is not addressed in this chapter, including reimbursable budget authority.	Revision
	Added Title 31, United States Code, Section 1514 (31 U.S.C. § 1514), “Administrative division of apportionments” to the list of authoritative sources.	Addition
2.0 (1402)	Removed Definitions paragraph from General section in accordance with the Financial Management Regulation Standard Operating Procedure and created separate section for Definitions consistent with Chapters 13 and 15.	Revision
3.0 (1403)	Revised paragraph title and clarified that Intermediate Level accounting resources, including the DoD Standard General Ledger, Transaction Library and Internal Fund Distribution-Military Department General Fund accounting scenarios are located on the Standard Financial Information Structure resources website maintained by the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer.	Revision
	Revised paragraph to clarify that internal fund distribution controls are statutorily required in 31 U.S.C. § 1514, and implemented in Office of Management and Budget Circular A-11.	Revision
	Created a separate Accounting Entries paragraph and deleted reimbursable accounting entries not within the scope of this chapter.	Revision

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CHAPTER 14

RECEIPT AND DISTRIBUTION OF BUDGETARY RESOURCES
INTERMEDIATE LEVEL***1.0 GENERAL (1401)****1.1 Overview (140101)**

1.1.1. Some Department of Defense (DoD) Components, such as the Military Departments, are structured into three or more levels, or echelons. Direct appropriation budget authority in the General Fund is initially recorded at the Departmental level (e.g., Headquarters) and subsequently issued to intermediate level organizations (e.g., major commands), which, in turn, distributes the budget authority to execution level (field level) organizations for program execution.

1.1.2. Military Departments and DoD agencies composed of three or more levels must follow the procedures outlined throughout the chapter to ensure internal fund distribution accounts roll up in the Defense Departmental Reporting System to the appropriate United States Standard General Ledger (USSGL) accounts, and accurately report the total and status of budgetary resources. Paragraph **140301.C** references accounting scenarios that provide an overview of the appropriate general ledger accounts, and transaction codes that must be used to show the flow of funds from the department level to the execution level. This guidance provides accounting personnel with an understanding of how these budgetary and proprietary entries must be recorded from the time funds are issued until the funds have been closed.

1.2 Purpose (140102)

1.2.1. This chapter prescribes the standards for recording the receipt and subsequent distribution of direct budgetary resources (appropriations received in the General Fund) using the intermediate level budgetary accounts, which are applicable to intermediate level organizations in those DoD components with a funding structure that includes three or more component levels. The budgetary general ledger accounts in this chapter record the receipt of fund distributions (e.g., allotments or suballotments) issued within the same Treasury Account Symbol from Department level to intermediate level organizations, and the subsequent issuance down to execution level activities.

1.2.2. This chapter does not apply to Defense-wide appropriations issued directly from the Office of the Under Secretary of Defense (Comptroller), Program/Budget to Other Defense Organizations (a two tiered structure), without an intermediate level component. See Chapter 13 for departmental level and Chapter 15 for execution level internal fund distribution requirements. This chapter does not apply to reimbursable budget authority addressed in Volumes 11A and 11B.

1.3 Authoritative Guidance (140103)

The financial management policy and related requirements prescribed in this chapter are in accordance with the applicable provisions of the following authoritative sources:

1.3.1. Title 31, United States Code, Section 1514 ([31 U.S.C. § 1514](#)), “Administrative division of apportionments”;

1.3.2. The Office of Management and Budget ([OMB Circular A-11](#)), “Preparation, Submission, and Execution of the Budget”; and

1.3.3. The United States Department of Treasury Financial Manual, Volume 1, Part 2, Chapter 4700 ([1 TFM 2-4700](#)), “Federal Entity Reporting Requirements For The Financial Report Of The United States Government.”

*2.0 DEFINITIONS (1402)

2.1 Departmental Level (140201)

Involves recording receipt and distribution of budgetary resources at the department level, headquarters, or Office of the Secretary of Defense level as discussed in Chapter 13.

2.2 Intermediate Level (140202)

Involves recording receipt and distribution of budgetary resources using the intermediate level accounts defined in sections [1403](#) and [1404](#). An example of the intermediate level would be a Command within a Military Department that has received the initial funding.

2.3 Execution Level (140203)

Involves recording receipt and distribution of budgetary resources using the execution level budgetary accounts discussed in Chapter 15.

*3.0 STANDARDS (1403)

3.1 Standard General Ledger Accounts and Transaction Entries (140301)

The Office of the Under Secretary of Defense (Comptroller)/Office of the Chief Financial Officer maintains the [Standard Financial Information Structure](#) resources web page that contains the:

3.1.1. DoD Standard Chart of Accounts (see Volume 1, Chapter 7), which includes the DoD Standard General Ledger accounts established for use at the intermediate level;

3.1.2. DoD USSGL Transaction Library, which includes the budgetary and proprietary accounting entries established for use at the intermediate level; and

3.1.3. DoD Accounting Scenarios include two Internal Fund Distribution scenarios, “TI-097 General Funds” and “Military Department General Funds,” that identify the posting logic and appropriate accounts for recording the issuance and closure of budgetary resources at all three levels (Departmental, Intermediate and Execution).

3.2 Internal Fund Distribution (140302)

3.2.1. A system of fund control is required by 31 U.S.C. § 1514(a), and OMB Circular A-11 defines the terms apportionment, allotments, suballotments, allowances, and allocations, while Section 150 and Appendix H implement fund control. Volume 14, Chapter 1 prescribes the requirements for the administrative control of funds within the DoD. Intermediate level budgetary accounts are used to record the receipt of funds issued from higher authority, and the subsequent issuance to execution level activities.

3.2.2. Any formal subdivision of funds must contain the same statutory and other limitations applicable to the original apportionment.

3.3 Accounting Entries (140303)

3.3.1. To record direct budgetary authority received from the departmental level by an intermediate level Component(s), or activity thereof, and available for allotment to execution level Component(s), or activities thereof, or suballotment to other intermediate level Component(s), or activities thereof:

Budgetary Entry

Dr 455000 Internal Fund Distributions Received

Cr 456000 Funds Available for Allotment

Proprietary Entry

Dr 101000 Fund Balance With Treasury

Cr 310100 Unexpended Appropriations – Appropriations Received

3.3.2. To record direct budgetary authority either allotted by an intermediate level Component(s) or activity thereof to an execution level Component(s) or activity thereof, or suballotted between two or more intermediate level Component(s), or activities thereof:

Budgetary Entry

Dr 456000 Funds Available for Allotment

Cr 457000 Allotments Issued

Proprietary Entry

Dr 310100 Unexpended Appropriations – Appropriations Received

Cr 101000 Fund Balance With Treasury

4.0 NOTIFICATION AND ACCOUNT CLOSING (1404)

4.1 Notification to Departmental Level (140401)

The intermediate level accounting activity must notify the departmental level accounting entity of direct program authority that is not distributed to the execution level (account 456000, *Funds Available for Allotment*).

4.2 Account Closing (140402)

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.

4.2.1. To close budgetary authority within the intermediate level upon expiration of the period of availability where distributions were issued to the execution level:

Budgetary Entry
Dr 457000 Allotments Issued
 Cr 456000 Funds Available for Allotment

Proprietary Entry
Dr 101000 Fund Balance With Treasury
 Cr 310100 Unexpended Appropriation – Appropriations Received

4.2.2. To close internal fund distributions received in the intermediate level that remains undistributed (withheld) upon expiration of the period of availability:

Budgetary Entry
Dr 456000 Funds Available for Allotment
 Cr 455000 Internal Fund Distributions Received

Proprietary Entry
Dr 310100 Unexpended Appropriation – Appropriations Received
 Cr 101000 Fund Balance With Treasury

4.2.3. To close direct budget authority issued through allotment or suballotment upon expiration of the period of availability:

Budgetary Entry
Dr 457000 Allotments Issued
 Cr 420100 Total Actual Resources – Collected

Proprietary Entry
None

4.2.4. To close internal fund distributions received at the intermediate level upon expiration of the period of availability:

Budgetary Entry

Dr 420100 Total Actual Resources – Collected

Cr 455000 Internal Funds Distribution Received

Proprietary Entry

None