

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

SUMMARY OF MAJOR CHANGES

All changes are 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 [May 2015](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
1401	Added paragraph 140103, Definitions.	Addition
140102	Added a new paragraph and hyperlink to the Deputy Chief Financial Officer (DCFO) memorandum “Accounting for Internal Funds Distributions; Interpretation Guidance for General Fund Appropriations,” dated August 3, 2016 describing general ledger accounts, and transaction codes that must be used to show the flow of funds from the department level to the execution level.	Addition
140302.B	Updated general ledger accounts used to close budgetary authority within the intermediate level upon expiration.	Revision
All	Verified and corrected, where applicable, all references and hyperlinks.	Revision

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CHAPTER 14

RECEIPT AND DISTRIBUTION OF BUDGETARY RESOURCES
INTERMEDIATE LEVEL

*1401 GENERAL

140101. Purpose

This chapter prescribes the standards for recording the receipt and subsequent distribution of budgetary resources [using the intermediate level budgetary accounts, which are applicable to components with a funding structure that includes three \(or more\) component levels](#). The intermediate level budgetary accounts are used to record the receipt of fund distributions (allotments, suballotments, or allocations) issued from higher authority, [e.g. the Assistant Secretary of the Air Force \(Financial Management and Comptroller\)](#), and the subsequent issuance to execution level activities. Only those Department of Defense (DoD) Components with a funding structure that includes three (or more) levels are required to use the intermediate level accounts covered by this chapter. For example, the Military Departments are structured [organizationally](#) into three (or more) levels, [or echelons](#), but [the Other Defense Organizations](#) receive Defense-wide appropriations directly from the Office of the Under Secretary of Defense (Comptroller), [Program/Budget in a two tiered structure, without an intermediate level component](#). See Chapter 13 for departmental level and Chapter 15 for execution level requirements.

*140102. Authoritative Guidance

The Office of Management and Budget ([OMB Circular A-11](#)) provides an overview of the budget process and specific requirements for preparation and submission of the budget. The U.S. Department of the Treasury (Treasury) is responsible for Government-wide reporting and issues requirements in the [Treasury Financial Manual](#). Volume 14, Chapter 1 prescribes the requirements for the administrative control of funds in accordance with OMB Circular A-11, Appendix H, and identifies additional authorities in paragraph 010103. [The DoD United States Standard General Ledger \(USSGL\) Transaction Library](#) provides the appropriate accounts, as well as, posting logic, used to record the issuance and closure of budgetary resources.

The [Accounting for Internal Funds Distribution](#)¹ memorandum provides 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. Military Departments and DoD agencies must ensure they are following the procedures outlined in this memorandum regarding the internal funds distribution accounts rolling up to Treasury account 411900. The guidance provided within the memorandum will also help military and civilian accounting personnel understand how these entries must be recorded from a budgetary and proprietary aspect, as well as, understand which accounts must be used from the issuance of funds until the funds have been closed.

¹ The Deputy Chief Financial Officer (DCFO) memorandum “Accounting for Internal Funds Distributions; Interpretation Guidance for General Fund Appropriations,” dated August 3, 2016.

140103. Definitions

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

Intermediate Level: Involves recording receipt and distribution of budgetary resources using the intermediate level accounts. An example of the intermediate level would be a Command within a Military Department that has received the initial funding.

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

1402 STANDARDS

140201. Accounts

The accounts established for use at the intermediate level implement the DoD (USSGL) and the DoD Standard Chart of Accounts prescribed in Volume 1, Chapter 7. Both the budgetary and proprietary accounting entries for the DoD USSGL accounts are specified in the DoD USSGL Transaction Library that can be accessed on the [Office of the Deputy Chief Financial Officer *Standard Financial Information Structure*](#) resources web page.

140202. Internal Fund Distributions

A. Budgetary authority is formally distributed by [apportionment](#), allotments, suballotments, [allowances](#), and allocations. The OMB Circular A-11, Appendix H, defines these terms and a specific subdivision hierarchy (see Volume 14, Chapter 1). The intermediate level budgetary accounts are used to record the receipt of funds issued from higher authority, and the subsequent issuance to execution level activities.

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

C. Accounting Entries

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

2. To record the receipt of reimbursable authority (from the departmental level) by the performing entity (intermediate level):

Budgetary Entry

Dr 421000 Anticipated Reimbursements and Other Income

Cr 459000 Apportionments – Anticipated Resources – Programs

Subject to Apportionment

Proprietary Entry

None

3. 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. To record the issuance of reimbursable authority (from the intermediate level) to the performing entity (the execution level):

Budgetary Entry

Dr 459000 Apportionments – Anticipated Resources – Programs Subject

to Apportionment

Cr 421000 Anticipated Reimbursements and Other Income

Proprietary Entry

None

1403 NOTIFICATION AND ACCOUNT CLOSING

140301. Notification to Departmental Level

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*).

*140302. Account Closing

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. 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

B. 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

C. 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

D. 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