

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

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 [May 2015](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
2.2 (020202)	Clarified exempt from apportionment transfer-only accounts.	Revision
2.3 (020203)	Added reference to proceeds from donations, contributions and sales of assets for replacement; and reference to reimbursable authority.	Addition
2.4 (020204)	Added a schedule for quarterly apportionment updates.	Addition
2.4 (020204)	Added explanation of potential timing differences between the SF 132 and the SF 133.	Addition
3.1 (020301)	Update preparation of apportionment and reapportionment roles and responsibilities.	Revision
3.1 (020301)	Updated the footnote requirements to match OMB updated language.	Revision
3.1 (020301)	Added requirement for line split for amounts automatically apportioned.	Addition
3.3 (020303)	Updated file naming convention.	Revision

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CHAPTER 2

APPORTIONMENT/ REAPPORTIONMENT AND FUNDS DISTRIBUTION

1.0 GENERAL (0201)

1.1 General (020101)

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, 123, and Appendix F).

1.2 Legal Requirement (020102)

Apportionment is part of the government-wide system for the administrative control of funds. The legal requirement for apportionment is found in Title 31 (Money and Finance) of the United States Code (U.S.C.), at sections 1512 (Apportionment and Reserves), and 1513 (Officials Controlling Apportionments). Unless expressly exempted or automatically apportioned by OMB, 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 the DoD.

1.3 Apportionment Level (020103)

The 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. For example, a TAFS for the Military Personnel, Army Appropriation 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 appropriation and authorization acts.

1.4 Funds Allocation (020104)

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.

2.0 REQUIREMENTS (0202)

2.1 Accounts Requiring Apportionment (020201)

All appropriations require apportionment, except appropriations and funds that are identified in the OMB Circular A-11 as exempt, or those expressly exempted by OMB pursuant to their authority under 31 U.S.C. 1516 (Exemptions). Contact OUSD(C), Program and Financial Control (P&FC) for a full list of accounts currently exempt from apportionment. Refer to [OMB Circular No. A-11](#) (Part 4, sections 120.4 through 120.8).

2.2 Accounts Requiring Reapportionment (020202)

All accounts which must be apportioned must also be reapportioned for *any upward adjustment of budgetary resources greater than \$400,000 or 2 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 120.48 through 120.51). Expired accounts are not apportioned. Transfer-only accounts are generally exempt from apportionment. OMB may require a written request to exempt these accounts from apportionment. These exemptions are processed through the OUSD(C), P&FC office. All accounts being reapportioned must be compared to the most current Report on Budget Execution and Budgetary Resources (SF 133), applying at a minimum, the standards in [paragraph 020204](#) below.

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

Initial distribution to the Military Services and Defense Agencies is the responsibility of OUSD(C)/PB for all funds appropriated by Congress; funds made available through above-threshold reprogrammings and transfers from other TAFS; legally authorized proceeds from donations, contributions, and sales of assets for replacement under the authority of section 21 of the Arms Export Control Act; reimbursable authority in accounts where it is not automatically apportioned; borrowing authority, contract authority, and for direct, non-reimbursable, collections. 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 realized and 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 chapter 6 of this Volume (Reprogramming of DoD Appropriated Funds) to the FAD for the recipient appropriation.

2.4 Periodic Review (020204)

Analysts responsible for monitoring the appropriation accounts will review apportioned amounts a minimum of four times per year and make any necessary adjustments. The review will occur using the SF 133s from the following months:

Quarter 1: December

Quarter 2: March

Quarter 3: June

Quarter 4: July The update will be included on the initial apportionment for the next fiscal year which includes the estimated, unobligated balance brought forward.

Necessary adjustments will be submitted to OMB to allow at least 10 business days processing time for any necessary reapportionments. Most accounts will not require quarterly updates if the required OMB footnotes are present on the apportionment. Refer to [section 02030](#). Reference [paragraph 020202](#) for the thresholds that apply to these quarterly review apportionments. At a minimum, the review will include the following:

2.4.1. Confirm unobligated balances forward, appropriations received, and permanent reductions to amounts reported on the SF 133. Coordinate with DFAS to resolve discrepancies.

2.4.2. Reasonable check of transfers to amounts reported on the most recent SF 133. Reconcile as necessary (possible timing differences). [These timing differences could be due to lag time in reporting on the SF 133](#). Refer to [OMB Circular No. A-11](#) (Appendix F) for proper reporting of expired and unexpired balances transferred.

2.4.3. Update recoveries ([both paid and unpaid](#)) and spending authority from offsetting collections to actual amounts reported on the most recent SF 133.

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

3.0 PROCEDURES (0203)

*3.1 Preparation of Apportionment and Reapportionment Requests (020301)

All requests will be created electronically using the [OMB's web based apportionment module](#). Refer to [OMB Circular No. A-11](#), Appendix A, for an example SF 132. Apportionment requests will be submitted by the Military Services to OUSD(C), P&FC, and will be validated in OMB's MAX system prior to submission. [OUSD\(C\), P&FC will prepare the defense-wide apportionments and provide them to the responsible OUSD\(C\) analysts for approval prior to submission to OMB](#). All apportionments must be submitted in accordance with the following:

3.1.1. Timing and minimum requirements:

3.1.1.1. For new appropriations, Components must submit requests within five calendar days after enactment of appropriations acts appropriating funds to the 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.

3.1.1.2. For all multi-year accounts that will be available for obligation in the following year, Components must submit an estimate of unobligated balances. Estimates will be based on unobligated balances on the July SF 133. Include anticipated reimbursements in this request as applicable.

3.1.1.3. Components will submit reapportionment requests at various times throughout the year as needed to reflect changes in resources. A reapportionment request is also necessary if amounts require redistribution among apportionment categories (refer to [section B](#) below). Refer to [paragraph 020204](#) for minimum review requirements to be performed with every reapportionment. Components must update collections and recoveries to actual amounts reflected on the SF 133 with each reapportionment.

3.1.2. Apportionment Categories:

Apportionments are identified by four categories (A, by time; B, by program, project, or activity (PPA); AB, a combination of PPA and time period and C future years (for multiyear/no year accounts) designated in [OMB Circular No. A-11](#), Part 4, Section 120.13. The DoD uses, at a minimum, the following categories:

3.1.2.1. Category A, Quarterly apportionments as follows:

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

3.1.2.2. Category B, PPA level apportionments will be reported on lines 6011 – 6110 for multiyear accounts. Accounts may be apportioned lump sum, by business area, or by PPA.

3.1.2.3. Defense Working Capital Funds (WCF) will identify apportionments for the Military Services/Defense Agencies business areas by listing them as separate Category B apportionments.

3.1.3. 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 SF 132 will facilitate faster processing at OMB. Refer to [OMB Circular No. A-11](#), (Part 4, sections 120.34 – 120.38) for additional information.

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

3.1.3.1.1. “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.” (Exception is the 3-year RDT&E royalty apportionments and no-year accounts)

3.1.3.1.2. “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.”

3.1.3.2. The following standard footnotes must be included if applicable to the apportionment:

3.1.3.2.1. “To the extent authorized by law, the amounts apportioned may be increased for actual recoveries of prior year obligations without further action from OMB.” Also include a “Y” in the Line Split column of the SF 132 for recoveries on lines 1021 and 1033, as applicable.

3.1.3.2.2. “Apportioned anticipated budgetary resources, once realized, do not need to be reapportioned unless the amount realized exceeds the conditions on the total amount apportioned (A-11 section 120.49). Also include a “Y” in the Line Split column of the SF 132 for spending authority on lines 1700, 1701 and 1740 (or 1800, 1801 and 1840), as applicable. (Please note this is a section “B” footnote.)

3.1.3.2.3. “To the extent authorized by law, the amounts apportioned may be increased or decreased up to five percent of the amount on lines 1000 for actual unobligated balances without further action from OMB.”

3.1.3.2.4. “Temporary FYXX sequestered amounts restored in FYXX.”

3.1.3.2.5. “Temporary funding sequestered at X.X% in the amount of \$XXX,XXX. Funds are sequestered from X.”

3.1.3.3. For the first apportionment of the year include the following footnote in the previously approved footnote tab and as A1 in the previously approved column:

3.1.3.3.1. “Not shown on this apportionment are the funds that were automatically apportioned via OMB Circular A-11 section 120.41”

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

3.1.3.4.1. “For any subsequent extensions of the Continuing Appropriations Act, (20XX), 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.”

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

3.1.3.5. Allocation Transfers to Other Agencies (Parent/Child transfers). Allocation transfers to other agencies for execution of funds on behalf of the DoD will be reflected on all apportionment/reapportionment requests. Refer to the example at [OMB Circular No. A-11](#), Part 4, Section 120, Exhibits 120O and 120P.

3.2 Supporting Information (020302)

Each apportionment request will be accompanied by a written explanation of the requested apportionment action (footnotes will suffice for most requests) and a pdf copy of the most recent SF 133 to validate the updated amounts on lines 1021, 1700, 1701, 1800 and 1801.

3.3 File naming conventions (020303)

Components will save MAX-validated SF 132 Apportionment Requests using 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 4 or 8-position period of availability (POA), the four-position account number, and a sequence number in parenthesis (filenames and sequence numbers may be changed by OUSD(C), P&FC when necessary). Examples of acceptable file names:

3.3.1. [19 OMA \(21 2019 2020\) \(2\)](#).xlsx would represent Operation and Maintenance, Army’s [second](#) FY 19 submission.

3.3.2. [19 BRAC \(97 X 0516\) \(2\)](#).xlsx would represent the Base Realignment and Closure account’s [second](#) FY 19 submission.

3.3.3. [19 APAF \(57 2019 2021 3010\) \(2\)](#).xlsx would represent Aircraft Procurement, Air Force’s [second](#) FY 19 submission of the [2019/2021](#) POA.

4.0 COMPONENT NOTICE OF THE DOD COMPTROLLER AND OFFICE OF MANAGEMENT AND BUDGET ACTIONS (0204)

4.1 OUSD(C) Action (020401)

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

4.2 OMB Action (020402)

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. In regard to reapportionment, OMB will generally respond within 10 business days after receipt of the request. This is accomplished via email notification.

4.3 Notice to the DoD Component of OMB Action (020403)

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

5.0 SPECIAL INSTRUCTIONS (0205)

5.1 North Atlantic Treaty Organization (NATO) Security Investment Program (NSIP) (020501)

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.

5.2 Surcharge Collections, Sales of Commissary Stores - Trust Revolving Fund (020502)

Title 10 U.S.C. 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 the SF 132.

5.3 Letter Apportionments (020503)

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.

5.4 Interim Apportionment Authority for Initial Appropriations Act (020504)

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 120.41.) 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.

5.5 Apportionment Requirements under Continuing Resolution (CR) (020505)

When an appropriations act for a fiscal year has not been signed by October 1, Congress may pass a resolution appropriating funds to allow for the continuation of government operations for a specified period of time or until an appropriations act provides 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 appropriations act is finally passed. Each CR must be signed into law by the President before becoming effective.

5.5.1. OUSD(C), P&FC will calculate annualized appropriations and automatic apportionment while under CR, based on the CR language and guidance in the OMB bulletin issued with the first CR. The OUSD(C), P&FC will provide appropriations and adjustments for reporting in the AR1002 and SF 133, and available funds under CR to all Components, along with guidance to be followed while under CR. All OUSD(C), 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 SF 133 in accordance with [OMB Circular No. A-11](#) (Appendix F).

5.5.2. Pursuant to written exceptions from OMB, DoD reimbursements generally are automatically apportioned during the period of a CR, to the extent that orders are received. The 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.

5.5.3. 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 request will be included in the CR guidance.

6.0 RESCISSONS AND DEFERRALS (0206)

6.1 Rescissions and Deferrals – General (020601)

6.1.1. 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).

6.1.2. 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, section 112.3).

6.1.3. 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.

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