VOLUME 3, CHAPTER 13: “RECEIPT AND DISTRIBUTION OF BUDGETARY RESOURCES – DEPARTMENTAL-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 November 2015 is archived.

<table>
<thead>
<tr>
<th>PARAGRAPH</th>
<th>EXPLANATION OF CHANGE/REVISION</th>
<th>PURPOSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>Removed detailed journal entries and referenced Volume 1, Chapter 7 and the DoD United States Standard General Ledger Transaction Library.</td>
<td>Revision</td>
</tr>
<tr>
<td>1.1</td>
<td>Added overview paragraph to explain recording, issuance, and distribution of budgetary authority among Component levels.</td>
<td>Addition</td>
</tr>
<tr>
<td>1.3</td>
<td>Updated Authoritative Guidance and removed memorandum reference that was incorporated in the Financial Management Regulation’s July 2019 version.</td>
<td>Revision</td>
</tr>
<tr>
<td>3.1</td>
<td>Edited for clarity and conciseness. Added two Internal Fund Distribution scenarios.</td>
<td>Addition/Revision</td>
</tr>
<tr>
<td>3.2.1.5.</td>
<td>Added clarifying information regarding contract authority.</td>
<td>Addition</td>
</tr>
<tr>
<td>3.5</td>
<td>Added two types of reprogramming actions and their definition.</td>
<td>Addition</td>
</tr>
</tbody>
</table>
Table of Contents

VOLUME 3, CHAPTER 13: “RECEIPT AND DISTRIBUTION OF BUDGETARY RESOURCES – DEPARTMENTAL-LEVEL” ................................................................. 1

1.0 GENERAL .......................................................................................................................... 3

*1.1 Overview ....................................................................................................................... 3
1.2 Purpose .......................................................................................................................... 3
*1.3 Authoritative Guidance ............................................................................................... 3

2.0 DEFINITIONS .................................................................................................................. 4

2.1 Departmental Level ....................................................................................................... 4
2.2 Intermediate Level ......................................................................................................... 4
2.3 Execution Level ............................................................................................................. 4

3.0 STANDARDS ................................................................................................................... 4

*3.1 Accounts ..................................................................................................................... 4
3.2 Appropriations ................................................................................................................ 4
3.3 Apportionments and Reapportionments ....................................................................... 8
3.4 Contract Authority – Other Budgetary Authorizations ................................................. 9
3.5 Transfer of Funds ......................................................................................................... 10
3.6 Reappropriations ......................................................................................................... 12
3.7 Internal Fund Distributions ........................................................................................ 13
3.8 Withdrawals and Expired Balances ........................................................................... 14
3.9 Indefinite Appropriations .............................................................................................. 14

4.0 OTHER ACCOUNT ADJUSTMENTS AND CLOSING .............................................. 15

4.1 Account Adjustments .................................................................................................. 15
4.2 Budget Execution Report Preparation ......................................................................... 15
4.3 Notification from Lower Levels .................................................................................. 15
4.4 Account Closing ........................................................................................................ 16
CHAPTER 13

RECEIPT AND DISTRIBUTION OF BUDGETARY RESOURCES
DEPARTMENTAL-LEVEL

1.0 GENERAL

*1.1 Overview

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.

1.2 Purpose

This chapter prescribes the standards for recording the receipt and subsequent distribution of budgetary resources in the departmental level (department, headquarters, or the Office of the Secretary of Defense (OSD) budgetary accounts. Departmental level accounting covers appropriation by Congress, apportionment and reapportionment by the Office of Management and Budget (OMB), and allotment to the intermediate or 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. Accounting at the departmental level also facilitates monitoring of lower levels and consolidating reports for higher levels. See Chapter 14 for intermediate level requirements, and Chapter 15 for execution level requirements.

*1.3 Authoritative Guidance

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


1.3.2. OMB Circular A-11, “Preparation, Submission, and Execution of the Budget.”


1.3.4. TFM United States Standard General Ledger (USSGL).

1.3.5. Department of Defense United States Standard General Ledger (DoD USSGL) Transaction Library.
1.3.6. DoD Standard Chart of Accounts (SCOA).

2.0 DEFINITIONS

2.1 Departmental Level

Involves recording receipt and distribution of budgetary resources at the department level, headquarters, or OSD level as discussed in this chapter.

2.2 Intermediate Level

Involves recording receipt and distribution of budgetary resources using the intermediate level accounts as discussed in Chapter 14. An example of the intermediate level would be a Command within a Military Department that has received the initial funding.

2.3 Execution Level

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

3.0 STANDARDS

*3.1 Accounts

3.1.1. DoD SCOA (see Volume 1, Chapter 7), which includes the DoD Standard General Ledger accounts established for use at the department level.

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

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 Appropriations

3.2.1. Appropriations represent legal authority granted by Congress to incur obligations (see subparagraph 3.2.1.5 for an exception), and to make payments from the Treasury for specified purposes. An appropriations act is the most common form of budget authority; and the making of an appropriation must be expressly stated and may not be inferred or made by implication. Appropriations are available for obligation based on varying characteristics specific to periods of availability, phases of availability, and amounts.

3.2.1.1. Period of Availability. The period of time in which budget authority is available to incur new obligations. Congress establishes the period of availability.
3.2.1.1.1. **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, most Operations and Maintenance (O&M) and Personnel appropriations.

3.2.1.1.2. **Multiple Year (Multi-Year) Authority.** Budget authority that is available for obligation for a specified period of time in excess of one fiscal year. Usually, the period covers two or more whole fiscal years, but it may cover a period that includes part of the second fiscal year. For example, Research, Development, Test, and Evaluation appropriations (2 years); Procurement appropriations (3 years); Shipbuilding and Conversion, Navy appropriation (5 years); Military construction appropriations (5 years).

3.2.1.1.3. Budget Authority that remains available for obligation indefinitely. See paragraph 3.9.

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

3.2.1.2. **Phases of Availability.** Annual and multi-year appropriations pass through three phases of availability.

3.2.1.2.1. **Current or Unexpired Phase.** The current or unexpired phase is the time period when the budget authority is available for incurring new obligations, making new grants, signing new contracts, and making disbursements to liquidate the obligations. The current or unexpired phase continues for the set period of availability. No-year authority remains current until fully obligated and disbursed, or returned to the general fund of the Treasury.

3.2.1.2.2. **Expired Phase.** The expired phase is the period of time when the appropriations are no longer available to incur new obligations, but are still available to adjust and liquidate existing and valid obligations. The appropriation remains in the expired phase for 5 years, although the expired period can be lengthened by legislation. See Chapter 10 for accounting requirements for expired accounts.

3.2.1.2.3. **Cancelled Phase.** The cancelled phase follows the expired phase. Payments cannot be made from a cancelled appropriation. On September 30 of the fifth fiscal year after the period of availability for obligation of a fixed appropriation account ends, the account must be closed and any remaining balance (whether obligated or unobligated) in the account must be cancelled and thereafter must not be available for obligation or expenditure for any purpose. After an appropriation is cancelled, 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 cancelled account if:

3.2.1.2.3.1. The obligation or obligation adjustment is not already chargeable to another unexpired account.
3.2.1.2.3.2. The payment of obligations against the cancelled appropriation from the unexpired appropriation does not exceed an amount equal to one percent of the total appropriation per 31 U.S.C. § 1553. See Chapter 10 for accounting requirements for closed/cancelled accounts.

3.2.1.3. Determination of Amount. Budget authority may be granted for varying amounts, based on the legislative language, which defines the budget authority purpose.

3.2.1.3.1. 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.

3.2.1.3.2. Indefinite Authority. Authority for which a specific sum is not stated, and instead specifies a variable factor that determines the amount, or a floor, for example, not less than a specified amount. An indefinite appropriation may appropriate all or part of the receipts from certain sources, the specific amount of which is determinable only at some future date, or it may appropriate such sums as may be necessary for a given purpose. See paragraph 3.9.

3.2.1.4. Reappropriations. Statutory authorities that extend the availability, whether for the same or different purposes, of all or part of the unobligated portion of budget authority that has expired or would otherwise expire. See paragraph 3.6.

3.2.1.5. Exceptions. Appropriations to liquidate contract authority are exceptions to the general rule that appropriations provide budget authority to incur additional obligations. Contract authority itself is not an appropriation. It is apportioned budget authority which can be legally obligated and may be used only for the purpose, time, and amount specified by statute relating to that contract authority. It is not funded and is apportioned and allocated without a supporting Treasury cash balance. Contract Authority must always be replaced or liquidated by subsequent or other budgetary resources and cash balances, more commonly within the Defense Working Capital Fund (DWCF), by offsetting collections credited to the DWCF. In addition, the subsequent liquidating appropriation does not grant authority to incur obligations and, therefore, is not budget authority. (See subparagraph 3.4.2 for additional information).

3.2.1.6. Continuing Resolution (CR). CRs are joint resolutions that provide continuing appropriations for a fiscal year. CRs are enacted when the Congress has not yet passed new appropriation bills and a program's appropriations are about to or have expired, or when the President has vetoed congressionally passed appropriations bills. CRs do not appropriate specific sums of money. A CR makes amounts available subject to the same terms and conditions specified in the enacted appropriations acts from the prior fiscal year. The CR may also establish additional terms and conditions. CRs make amounts available for obligation only until a time specified by the CR or until the enactment of regular fiscal year appropriations, whichever is sooner. See OMB Circular A-11, Section 123 for detail information on requirements, definitions, and formulas for calculating amounts available.

3.2.1.7. Funding Lapse or Gap. A lapse in an agency’s appropriations occurs when Congress fails to enact regular appropriations, a CR, or needed supplemental appropriations.
3.2.1.8. **Appropriation Warrants.** The evidence of Congressional action to fund programs. An appropriation warrant is the official document issued pursuant to law by the Secretary of the Treasury, upon enactment of an appropriation, that establishes the amount and period of availability of monies the agency is authorized to withdraw from the General Fund of the United States Government.

3.2.1.8.1. Warrants are processed using the Agency Transaction Module (ATM) within the Central Accounting Reporting System (CARS). The ATM provides access for Treasury to prepare and process warrant transactions. The Treasury processes warrants by submitting the FS Form 6200, “Department of the Treasury Appropriation Warrant,” through the ATM within CARS. The agency must provide additional information when the legislative language does not allocate amounts to specific accounts.

3.2.1.8.2. Under a CR, warrants are not issued until Congress enacts the regular appropriation bill, unless agencies are under a long term, or full year CR. Warrants may also be issued under a CR if the CR covers specific mandatory federal payments, or when the CR covers the entire year (see TFM Volume 1, Part 2, Chapter 2000). The Military Departments and the Washington Headquarters Services (for OSD/Defense Agencies) must request a warrant from Treasury for the annualized level of an amount appropriated by a CR. If a subsequent CR changes the annualized level, agencies must submit a new warrant request. When Congress enacts the regular appropriation bill, Treasury will make any necessary adjustments to those amounts.

3.2.2. **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 DD 1414, “Base for Reprogramming Action.” Appropriations are classified in different ways for different purposes, generally based on time period limitations, spending limitations, authorized programs, activities, or objects, and the availability to incur obligations. Departmental level appropriations, and all other budgetary resources, are represented by an appropriation account symbol. Detailed information on reading and identifying account symbols is contained in the TFM, Volume 1, Part 2, Chapter 1500. Specific accounts for each agency are listed in Treasury’s “Federal Account Symbols and Titles,” issued quarterly as a supplement to the TFM.

3.2.3. **Recording an Appropriation.** Appropriations, until apportioned, are not available as a financing source or budgetary resource. They should be recognized in capital as "unexpended appropriations" (and among assets as "funds with Treasury") when made available for apportionment, even if a Treasury Warrant has not yet been received, or the amount has not been fully apportioned. Unexpended appropriations should be reduced for appropriations used and adjusted for other changes in budgetary resources, such as rescissions and transfers. The net increase or decrease in unexpended appropriations for the period should be recognized as a change in net position. See the *Federal Accounting Standards Advisory Board Handbook*, Statement of Federal Financial Accounting Standards 7, “Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting.”
3.3 Apportionments and Reapportionments

3.3.1. An apportionment is an OMB-approved plan to use budgetary resources, in accordance with the terms defined by the statutory authority of 31 U.S.C. § 1513(b); Executive Order 11541, which limits the obligations for specified time periods, programs, activities, projects, objects, or any combination thereof. An apportionment is legally binding, and obligations and expenditures (disbursements) that exceed an apportionment are a violation of, and are subject to reporting under, the Antideficiency Act (31 U.S.C. § 1517(a)(1), (b)). Reapportionments are made to make changes to the previously approved apportionment for the current year. For example, a reapportionment should be requested when approved apportionments are no longer appropriate or applicable because the amounts available for obligation have increased or unforeseen events have occurred. The distribution of apportionments and reapportionments 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 the OMB Standard Form (SF) 132, “Apportionment and Reapportionment Schedule,” in accordance with OMB Circular A-11, Appendix F.

3.3.2. The SF 132 contains two general sections to record apportionments and reapportionments: Budgetary Resources and Application of Budgetary Resources. Under Budgetary Resources, the actual and anticipated resources, as well as actual and anticipated reductions to those resources are recorded. Under the Application of Budgetary Resources, the intent for use of those resources, whether by fiscal quarter, activity, project, object, or a combination thereof, are recorded. In some cases, letter apportionments are used. Letter apportionments are most often used during the period of a CR, or for special circumstances such as transfers that occur near the end of a fiscal year.

3.3.3. Budgetary authority received and available for allotment, and anticipated reimbursements are also recorded on the SF 132. Apportioned, anticipated amounts should not be allotted unless there is a reasonable assurance that such items will be collected and deposited to the credit of the appropriation or fund account that incurred the obligation.

3.3.4. Apportionments should not be obligated until the amounts have been allotted in accordance with the OMB-approved funds control regulations; and programs must be apportioned and executed in accordance with all applicable laws. The authorization and appropriation act language describes the purpose of the programs, and includes guidance to execute the programs. The apportionment dictates how to execute the programs, and must be obligated or expended against the fiscal year in which they were incurred so that they can be reconciled to the legal period of availability. In some cases, apportionments may set aside all or a portion of the amounts available for obligation, through the process of being deferred, or if they are withheld pending rescission.

3.3.5. If SFs 132 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. An enacted supplemental appropriation must be recorded as fully apportioned even if it is not included on the year-end SF 132.
3.3.6. In the absence of an appropriation, the Congress may pass a resolution providing authority for agencies to continue current operations. CRs are subject to OMB apportionment in the same manner as appropriations. Within periods of CR 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 allotted 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 allotments must be recorded at the reduced amount. Increases are to be considered available for subsequent apportionment and must not be allotted until an approved SF 132 containing the increase is received. Normally, OMB will automatically apportion funds made available by a CR without requiring an SF 132.

3.3.7. 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. In accordance with OMB circular No. A-11 (Section 120), downward adjustments of any amount to budgetary resources (including anticipated amounts) do not need to be reapportioned, unless specifically required by OMB or, at the agency’s discretion. A reapportionment must be requested when approved apportionments are no longer appropriate or applicable because the amounts available for obligation have increased or unforeseen events have occurred.

3.3.8. Not all appropriations are apportioned. In such cases, the non-apportioned budgetary resources are reported as either withheld pending rescission, deferred, as an unapportioned balance of a revolving fund, or exempt from apportionment.

3.4 Contract Authority – Other Budgetary Authorizations

3.4.1. Congress finances federal programs and activities by providing budgetary authority, which allows agencies to enter into financial obligations that will result in immediate or future outlays of government funds. As defined by the Congressional Budget Act, budget authority includes other authorizations aside from appropriations, which are contract authority, borrowing authority, and spending authority from offsetting collections.

3.4.2. Contract authority permits an agency to incur obligations in advance of an appropriation. Congress provides contract authority in an authorizing statute to allow agencies to incur obligations in anticipation of the collection of receipts or offsetting collections that will be used to liquidate the obligations. However, within DoD, the realization of revenue, rather than an appropriation, normally is used to liquidate unfunded contract authority. Contract authority may be current or permanent, with or without fiscal year limitation, and definite or indefinite in amount. In accordance with 41 U.S.C. § 6301, an agency may not make expenditures to liquidate obligations incurred by its contract authority until funds are specifically appropriated or otherwise become available for payment of the obligations. Contract authority has a period of availability corresponding to that of an appropriation. Unless otherwise specified, if it appears in an appropriation act in connection with a particular appropriation, its period of availability will be the
same as that for the appropriation. If it appears in an appropriation act without reference to a particular appropriation, its period of availability, unless otherwise specified, will be the fiscal year covered by the appropriation act.

3.4.2.1. **Definite.** Definite contract authority represents the amount of new authority prescribed by law and effective during the reporting fiscal year. Authority is considered definite when the language provides a ceiling, that it is not to exceed a specified amount.

3.4.2.2. **Indefinite.** Indefinite contract authority represents the amount of new obligations incurred in the reporting fiscal year covered by contract authority. Indefinite contract authority is contract authority in which a specific amount of contract authority is not predetermined but 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.

3.4.2.3. **Current.** Current authority requires congressional appropriations action on the request for new budget authority for the year involved.

3.4.2.4. **Permanent.** Permanent authority becomes available pursuant to standing provisions of law without further appropriations action by the Congress after transmittal of the budget for the year involved. Permanent indefinite authority is open ended as to both period of availability and amount. Examples include 31 U.S.C. § 1304, Payment of Certain Judgments Against the United States, and 31 U.S.C. § 1322(b)(2), Refunding Amounts Erroneously Collected and Deposited in the Treasury. Guidance on emergency military procurement can be found in 41 U.S.C. § 6301 and the Federal Acquisition Regulation (also see Volume 10 for contract policy). Working Capital Fund contract authority and guidance can be found in Chapter 19, and foreign military sales contract authority can be found in Volume 15.

3.5  **Transfer of Funds**

When authorized by law, budgetary authority may be withdrawn from one appropriation account and credited to another, or to a working fund. Depending on the circumstances, the transfer may be recorded as an expenditure transfer, which means a transfer that involves an outlay, or as a nonexpenditure transfer, which means a transfer that doesn't involve an outlay. Transfers may be the result of planned reorganizations, the need for funding authorizations by Congress in lieu of appropriations, a situation where the purpose of the funding has changed, or when unobligated balances are the result of legislations that changed the purpose for which the balances are available. 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.

3.5.1. **Anticipated Transfers.** 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
An 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 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.

3.5.2. Expenditure Transfers. Expenditure transfers are typically made when the transfer benefits the transferring account. An expenditure transfer is recorded as an obligation and an outlay in the transferring account, and as an offsetting collection or offsetting receipt in the receiving account. An example of this type of transfer is a rental payment to General Services Administration’s Federal Buildings Fund. Since expenditure transfers are treated as payments and collections, they are not applicable to departmental level accounting entities. These transactions include the following:

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

3.5.2.2. All transfers between Treasury budgetary and nonbudgetary accounts such as general fund accounts and deposit accounts.

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

3.5.3. Nonexpenditure Transfers. A nonexpenditure transfer is recorded as a decrease in budget authority or unobligated balances in the transferring account, and as an increase either in budgetary authority or unobligated balances in the gaining account. The transferring account for a nonexpenditure transfer reports a transfer out of budget authority. The receiving account reports a transfer in. Nonexpenditure transfers are processed using the ATM within CARS. Additional guidance on the CARS ATM application can be found in the TFM, Volume 1, Part 2, Chapter 2000. The SF 1151, Nonexpenditure Transfer Authorization, is used to document transfers. See Chapter 3 for more detailed information about appropriation transfer authorities.

3.5.3.1. Estimates. A transfer of estimates is a proposal to stop funding an activity through one budget account, and begin funding it through another account. It does not involve a transfer of budgetary resources between the accounts. This type of transfer typically relates to the transfer of funding of an activity from one account to another, the consolidation of funding for related activities from two or more accounts into one single account, or the separation of funding for an activity from one account between two or more accounts. When a transfer for the budget year results in a significant increase to or decrease from the amount of budgetary authority for the past or current year, footnotes must be included to explain the transfer after the program and financing schedule.

3.5.3.2. Allocation. An allocation is a delegation, authorized by law, by one agency to another, of its authority to obligate budget authority and outlay funds. Allocation
accounts involve both an appropriation, and a recipient of budgetary resources, through an allocation nonexpenditure transfer.

3.5.4. Reprogramming. Reprogramming involves the shifting of funds within an appropriation for purposes other than those contemplated at the time of appropriation. There are two types of reprogramming actions:

3.5.4.1. Below Threshold Reprogramming Action. This action provides DoD Components with the discretionary flexibility to realign, within prescribed limits, and congressionally approved funding to satisfy unforeseen, higher priority requirements. Chapter 6 provides more information on below threshold reprogramming actions.

3.5.4.2. Prior Approval Reprogramming Action. This action requires prior notification and approval of Congressional Committees prior to implementation and may allow for the shifting of budgetary resources between two treasury accounts. Chapter 7 provides definitions, procedures, and criteria for prior approval reprogramming actions.

A transfer is distinguished from a reprogramming in that a reprogramming involves the shifting of budgetary resources within a Treasury account whereas a transfer involves the shifting of budgetary resource between two Treasury accounts. However, the shifting of budgetary resources within a single Treasury account should be considered a transfer if the action moves budgetary resources between separate statutory appropriations.

3.6 Reappropriations

3.6.1. Reappropriation Action. A reappropriation is a congressional action to continue the availability, whether for the same or different purposes, of all or part of the unobligated portion of current budget authority that has expired or would otherwise expire.

3.6.2. Recording Reappropriations. Reappropriations of expired balances that are newly available for obligation in the current or budget year are recorded as new budget authority in the year they are newly available, in the full amount of the potential extension. Likewise, reappropriations of amounts that would expire before the legislation takes affect are treated as new budget authority. If the available balance in a losing appropriation is not sufficient to cover the transfer, the reappropriation may be delayed, effected in part or, 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.

3.6.3. Reappropriation Warrants. Reappropriations that provide funds to a fiscal year for which they were not previously available constitute new budget authority in the receiving account, and therefore require a Treasury Warrant. The warrant request letter must state the amount to be warranted and the statutory authority for the reappropriation. The TFM Volume 1, Part 2, Chapter 2000 identifies the address for submission and other contact information. Warrants are processed
using the ATM within the CARS. Additional information on the ATM can be found on the Treasury, *CARS Frequently Asked Questions* site.

3.6.4. **Reappropriation Balance Transfers.** Reappropriations of unexpired balances or reappropriations of expired balances that cannot take effect until a fiscal year beyond the budget year are reported as balance transfers in the year they are newly available for obligation. Reappropriation transfers are processed using the ATM within CARS.

3.6.5. **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.

3.7 **Internal Fund Distributions**

3.7.1. **Apportionments** are subdivided and formally distributed by allotment, suballotment, allocation, and suballocation. See Volume 14, Chapter 1 for detailed information on the subdivision levels and requirements in accordance with OMB Circular A-11, Appendix H. The departmental level accounting entity distributes funds to an operating agency or other intermediate level accounting entity.

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

3.7.3. The intermediate level budgetary accounts are used to record the receipt of suballocations, allocations, or suballocations from higher authority, and the subsequent issuance to execution level activities. Definitions and use for accounts 454000 through 458000 are prescribed in the DoD SCOA located on the Standard Financial Information Structure (SFIS) resources web page.

3.7.4. The formal distribution of funds must be in writing. See Volume 14, Chapter 1, paragraph 010206 for the required information; and expedited communication methods used in emergencies. The format is determined by the departmental level accounting entity issuing the funds.

3.7.5. Interagency suballocations/allocations/suballocations 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 issuing agency. Such distributions 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 distribution in the same accounting period. Interagency distributions normally occur between different levels of command within a major command/claimant. See Chapter 15, subparagraph 150302.D for execution level policy.
3.8 Withdrawals and Expired Balances

3.8.1. Withdrawals represent unobligated amounts that are withdrawn by administrative action (rather than by law) from obligation availability. A previously withdrawn unobligated amount that is again made available for obligation and outlay is considered a restoration. A withdrawal excludes amounts of expired accounts and amounts rescinded by the Congress. Title 31 U.S.C § 1555 authorizes the withdrawal of funds, only upon the closing of an account, and not the withdrawal of budget authority from open accounts.

3.8.2. 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, Cancelled Authority. Cancelled amounts may not be restored.

3.8.3. The balance in account 465000, 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 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. Other account transactions that are related to 465000 have corresponding proprietary transactions that impact 101000, Fund Balance with Treasury.

3.9 Indefinite Appropriations

3.9.1. Indefinite appropriations are appropriations of a current or permanent nature in which a definite amount is not stated but is to be determined 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 5095.001, Sale of Hunting and Fishing Permits, Military Reservations, are, by permanent appropriation, available for expenditure for the Army under appropriation account 21X5095, Wildlife Conservation, 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 Treasury or the amount authorized may be specified as the amount actually obligated for a specified purpose.

3.9.2. 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 (OMB Circular A-11, Appendix F). However, such balances should not be recorded in the accounts as currently available for obligation until receipts are realized.
4.0 OTHER ACCOUNT ADJUSTMENTS AND CLOSING

4.1 Account Adjustments

4.1.1. At the end of the period of availability, all budget authority that remains undistributed to the execution level and all allotments received within the execution level that remain unobligated, must be returned to the departmental level for financial statement reporting. Specifically, the recipient of an allotment, suballotment, allocation or suballocation must pre-close all unobligated funds utilizing the accounting transactions, that are detailed in Chapter 15, to return the funds to the previous and original fund holder. Similarly, allotments issued at the departmental level that remain undistributed and unobligated must close the fund distribution accounts within the departmental level prior to performing post-closing accounting entries.

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

4.1.3. Eliminate unrealized anticipated indefinite appropriations.

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

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

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

4.1.7. Recognize at the departmental level (headquarters) an adjustment to undistributed allotments of realized transfers remaining at the intermediate level and unobligated balances of realized transfers remaining at the execution level. This transaction reverses the accounts in the original issuance of budgetary authority. The intermediate and execution levels must notify the departmental level accounting entity of undistributed and unobligated funds as described in paragraph 4.3. Definitions and use for accounts 454000 through 458000 are prescribed in the DoD SCOA located on the SFIS resources web page.

4.2 Budget Execution Report Preparation

After completion of the account adjustments identified in paragraph 4.1, budget execution reports must be prepared as specified in Volume 6A, Chapter 4.

4.3 Notification from Lower Levels

The departmental level accounting entity must be informed by the intermediate and execution levels of the following adjustments and account balances as specified in Volume 6A, Chapter 2. Undistributed allotments of direct program authority (account 456000) and direct unobligated balances remaining in expiring allotted funds (account 461000) must be reversed at
the intermediate and execution levels (Chapters 14 and 15, respectively) and reported to the departmental level for financial reporting.

4.4 Account Closing

Following the end of year reporting, Treasury requires post-closing entries to be made to certain accounts. Closing transactions are used to establish beginning balances for accounts that do not have posting activity during the fiscal year and to zero out account balances used to record current year activity. These entries are described in detail in the DoD USSGL Transaction Library, based on the overarching guidance of USSGL Supplement to the TFM. Allotments issued at the Headquarters/OSD Level that remain undistributed and unobligated must close the fund distribution accounts within the Headquarters/OSD Level prior to performing post-closing accounting entries. Additional detail on departmental level transactions can be found in the Accounting for Internal Funds Distribution; Interpretation Guidance for General Fund Appropriations.

4.4.1. 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.

4.4.2. Reimbursable Program. No closing entries must be made for the reimbursable program at the departmental level. The adjusting entry is specified in paragraph 4.1.