

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 [December 2020](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Administrative updates in accordance with Department of Defense Financial Management Regulation (FMR) Revision Standard Operating Procedures.	Revision

Table of Contents

VOLUME 3, CHAPTER 14: “RECEIPT AND DISTRIBUTION OF BUDGETARY RESOURCES – INTERMEDIATE-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 Department-Level..... 4

 2.2 Intermediate-Level 4

 2.3 Execution-Level 4

3.0 STANDARDS 4

 3.1 Standard General Ledger Accounts and Transaction Entries..... 4

 3.2 Internal Fund Distribution 4

 3.3 Accounting Entry Examples..... 5

4.0 NOTIFICATION AND ACCOUNT CLOSING..... 5

 4.1 Notification to Department-Level 5

 4.2 Account Closing..... 5

CHAPTER 14

RECEIPT AND DISTRIBUTION OF BUDGETARY RESOURCES
INTERMEDIATE-LEVEL

1.0 GENERAL

1.1 Overview

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

1.1.2. Military Departments and DoD agencies composed of three or more levels must follow the chapter procedures 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. This chapter provides an understanding of how intermediate budgetary and proprietary entries must be recorded from the time funds are issued until closed.

1.2 Purpose

1.2.1. This chapter prescribes the standards for recording the receipt and subsequent distribution of direct budgetary resources using the intermediate-level budgetary accounts. The budgetary general ledger 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 a two-tiered structure such as Defense-wide appropriations issued from the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)), Program/Budget, to a Defense agency. Additionally, this chapter does not apply to reimbursable budget authority addressed in Volumes 11A and 11B.

1.3 Authoritative Guidance

The financial management policy and related requirements prescribed 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

2.1 Department-Level

Recording receipt and distribution of [direct](#) budgetary resources at the department-level, headquarters, or Office of the Secretary of Defense level as discussed in Chapter 13.

2.2 Intermediate-Level

Recording receipt and distribution of budgetary resources using the intermediate-level accounts. [See examples in sections 3.0 and 4.0.](#)

2.3 Execution-Level

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

3.0 STANDARDS

3.1 Standard General Ledger Accounts and Transaction Entries

The OUSD(C)/Office of the Chief Financial Officer maintains the [Standard Financial Information Structure](#) resources web page containing:

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

3.1.2. DoD USSGL Transaction Library [section](#) includes budgetary and proprietary accounting [transaction](#) entries, including [those](#) 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 ([department](#), [intermediate](#), and [execution](#)).

3.2 Internal Fund Distribution

3.2.1. OMB Circular A-11 defines the terms apportionment, allotments, suballotments, allowances, and allocations; [and](#) 31 U.S.C. § 1514(a) and [Circular A-11](#), Section 150 and Appendix H, require [a](#) system of funds control. Volume 14, Chapter 1 prescribes the DoD requirements for the administrative control of funds.

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

3.3 Accounting Entry Examples

3.3.1. To record direct budgetary authority received from the department-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 (FBwT)
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 FBwT

4.0 NOTIFICATION AND ACCOUNT CLOSING

4.1 Notification to Department-Level

The intermediate-level accounting activity must notify the department-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

After preparation of the prescribed budget execution reports, the following entries must be made, at the expiration of the period of availability (PoA) 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 PoA where distributions were issued to the execution-level:

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

Proprietary Entry
Dr 101000 FBwT
 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 PoA:

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

Proprietary Entry
Dr 310100 Unexpended Appropriation – Appropriations Received
 Cr 101000 FBwT

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

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 PoA:

Budgetary Entry
Dr 420100 Total Actual Resources – Collected
 Cr 455000 Internal Funds Distribution Received

Proprietary Entry
None