

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 **January 2020** is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated content with relevant information and adopted required format changes.	Revision
1.0	This paragraph was substantively revised to add the Purpose paragraph and the required list of Authoritative Guidance information. The subparagraphs for Legal Requirement, Apportionment Level, and Funds Allocation were moved to the new 2.0 Definitions paragraph.	Revision/ Addition
2.0	Established the Definitions paragraph for the subparagraphs that were previously part of the 1.0 General paragraph.	Revision/ Addition
3.5	Added specific guidance for apportionments while under Continuing Resolution.	Addition
4.1.4	Added the Office of Management and Budget guidance on apportionment footnotes.	Addition
6.6	Added Apportionments guidance to record the sale and replacement of assets under section 21 of the Arms Export Control Act.	Addition

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CHAPTER 2

APPORTIONMENT/ REAPPORTIONMENT AND FUNDS DISTRIBUTION

*1.0 GENERAL

1.1 Purpose

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 the Office of Management and Budget (OMB).

1.2 Authoritative Guidance

The financial management and requirements prescribed by this chapter are in accordance with the applicable provisions of:

1.2.1. Title 2, United States Code, Section 683, ([2 U.S.C. § 683](#)), “Rescission of budget authority”

1.2.2. [2 U.S.C. § 684](#), “Proposed deferrals or budget authority”

1.2.3. [10 U.S.C. § 114](#) “Annual authorization of appropriations”

1.2.4. [10 U.S.C. § 2685](#), “Adjustment of or surcharge on selling prices in commissary stores to provide funds for construction and improvement of commissary store facilities”

1.2.5. [22 U.S.C. § 2761](#) “Sales from stocks”

1.2.6. [31 U.S.C. § 1512](#), “Apportionment and reserves”

1.2.7. [31 U.S.C. § 1513](#), “Officials controlling apportionments”

1.2.8. [31 U.S.C. § 1516](#), “Exemptions”

1.2.9. [31 U.S.C. § 1553](#), “Availability of appropriation accounts to pay obligations”

1.2.10. Public Law 90-629 Section 21, ([P.L. 90-629 § 21](#)), “Arms Export Control Act”

1.2.11. [OMB Circular No. A-11](#), “Preparation, Submission, and Execution of the Budget”

*2.0 DEFINITIONS

2.1 Legal Requirement

Apportionment is part of the government-wide system for the administrative control of funds. The legal requirement for apportionment is found in [31 U.S.C. §§ 1512 and 1513](#). Unless expressly exempted or automatically apportioned by OMB, all [Department of Defense \(DoD\)](#) 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.

2.2 Apportionment Level

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.

2.3 Funds Allocation

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.

3.0 REQUIREMENTS

3.1 Accounts Requiring Apportionment

All appropriations require apportionment, except appropriations and funds that are identified in the OMB Circular [No. A-11](#) as exempt, or those expressly exempted by OMB pursuant to their authority under 31 U.S.C. § 1516. 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 ([Sections 120.4 through 120.8](#)).

3.2 Accounts Requiring Reapportionment

[In accordance with the OMB Circular No. A-11](#), 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. [OUSD\(C\) generally apportions the accounts regardless of these thresholds to ensure the correct footnotes are on the apportionments for the fiscal year.](#) The unobligated balances brought forward

in unexpired accounts must also be reapportioned annually. Refer to OMB Circular No. A-11 (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 [subparagraph 3.4.1](#).

3.3 Funds Controlled and Distributed by OUSD(C)/PB

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 ([AECA](#)); reimbursable authority; 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/or the 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](#) (Reprogramming of DoD Appropriated Funds) to the FAD for the recipient appropriation.

3.4 Periodic Review/[Apportionment Process](#)

[3.4.1](#). 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.

[3.4.2](#). 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. [These footnotes are generally added to the unobligated balance roll forward apportionments](#). At a minimum, the review will include the following:

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

3.4.2.2. 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.

3.4.2.3. In accordance with OMB Circular No. A-11, all amounts will be rounded up on the SF 132 when compared to the SF 133. For example, \$1,253,248.22 will round up to \$1,253,249. A footnote shown in paragraph 4.1.3.2.6 needs to be added to the apportionment.

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

3.4.2.5. 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.

*3.5 Apportionments under Continuing Resolution

Specific guidance for apportionments while under Continuing Resolution (CR) that are impacted by supplemental funding:

3.5.1. All apportionments while under CR where funds are enacted as supplemental funding must contain two line 1100 amounts with two different line split indicators (“CR” and “E”).

3.5.2. All apportionments while under CR where funds are enacted as supplemental funding must contain two line 1134 amounts with two different line split indicators (“CR” and “E”).

3.5.3. “CR” denotes the lines impacted by the CR calculations (annualized CR amount and the delta between the annualized CR and the CR apportionment amount). “E” denotes the lines impacted by the enactment (the appropriation line and the delta between the 30 day auto apportionment amount and the enactment amount).

4.0 PROCEDURES

4.1 Preparation of Apportionment and Reapportionment Requests

4.1.1. All requests will be created electronically using OMB’s web based apportionment module. Refer to OMB Circular No. A-11, [Exhibit 120B-120D](#), for an example SF 132. Apportionment requests will be submitted by the Military Services and the Enterprise Financial Transformation team 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, [with the exception of the Defense-wide Working Capital Funds](#), and provide [all submitted and prepared apportionments](#) to the responsible OUSD(C) analysts for approval prior to submission to OMB. All apportionments must be submitted in accordance with the following:

4.1.2. Timing and minimum requirements:

4.1.2.1. 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 6.4](#) for information about budgetary resources available to agencies pending OMB approval of an initial apportionment following newly enacted appropriations, and [paragraph 6.5](#) for information about apportionment requirements under continuing resolutions.

4.1.2.2. For all multi-year [and no 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.

4.1.2.3. 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 [subparagraph 4.1.3.1](#) 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.

4.1.3. 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, Section 120.13. The DoD uses, at a minimum, the following categories:

4.1.3.1. Category A, Quarterly apportionments as follows:

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

4.1.3.2. 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.

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

* 4.1.4. 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, (Sections 120.34 – 120.38) for additional information. “A” footnotes are legally binding while “B” footnotes are more explanatory in nature but do, in some cases, have references to the OMB Circular No. A-11.

4.1.4.1. The following footnote will be included at a minimum on all DoD apportionments:

“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.”

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

4.1.4.2.1. “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 “D or R” in the Line Split column of the SF 132 for recoveries on lines 1021 and 1033, as applicable.

4.1.4.2.2. “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 “D or R” 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. This is a section “B” footnote.

4.1.4.2.3. “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.”

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

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

4.1.4.2.6. In accordance with section 120.21 of OMB Circular No. A-11, one or more lines in the Budgetary Resources section may be rounded up. As a result, those rounded lines will not match the actuals reported on the SF 133. The Agency will ensure that its funds control system will only allot actuals.

4.1.4.3. For the first apportionment of the year while under a CR, include the following footnotes in the previously approved footnote tab and reference it in the previously approved column:

4.1.4.3.1. “Annualized appropriation provided by P.L. XXX-XX, as amended, calculations specified by OMB Bulletin XX-XX.”

4.1.4.3.2. “Amount on line 1134 has been adjusted pursuant to OMB Bulletin XX-XX.”

4.1.4.4. For an account that is under CR but is receiving supplemental funding, include the following footnotes in the previously approved footnote tab and reference them in the previously approved column:

4.1.4.4.1. “Amount on line 1134 line split CR has been adjusted pursuant to OMB Bulletin XX-XX.”

4.1.4.4.2. “Amount on line 1134 line split E has been adjusted pursuant to OMB Bulletin XX-XX.”

4.1.4.5. 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, Section 120.29, Exhibits 120O-120R.

4.2 Supporting Information

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 the SF 132.

4.3 File naming conventions

4.3.1. 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).

4.3.2. Examples of acceptable file names:

4.3.2.1. 25 OMA (21 2025 2020) (2).xlsx would represent Operation and Maintenance, Army's second FY 2025 submission.

4.3.2.2. 25 BRAC (97 X 0516) (2).xlsx would represent the Base Realignment and Closure account's second FY 2025 submission.

4.3.2.3. 25 APAF (57 2025 2027 3010) (2).xlsx would represent Aircraft Procurement, Air Force's second FY 2025 submission of the 2025/2027 POA.

5.0 COMPONENT NOTICE OF THE DOD COMPTROLLER AND OFFICE OF MANAGEMENT AND BUDGET ACTIONS

5.1 OUSD(C) Action

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.

5.2 OMB Action

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.

5.3 Notice to the DoD Component of OMB Action

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.

6.0 SPECIAL INSTRUCTIONS

6.1 North Atlantic Treaty Organization (NATO) Security Investment Program (NSIP)

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.

6.2 Surcharge Collections, Sales of Commissary Stores - Trust Revolving Fund

10 U.S.C. § 2685 permits obligation of anticipated proceeds from the adjustments or surcharges authorized by 10 U.S.C. § 2685. Prior to any such obligation of funds, the amounts must be apportioned as contract authority on the SF 132.

6.3 Letter Apportionments

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.

6.4 Interim Apportionment Authority for Initial Appropriations Act

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 (Section 120.41) to calculate the amount automatically apportioned. [This amount will be displayed on the previously approved column of the SF 132.](#) 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.

6.5 Apportionment Requirements under Continuing Resolution (CR)

[6.5.1.](#) 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.

[6.5.2.](#) 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).

[6.5.3.](#) 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.

[6.5.4.](#) 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.

*6.6 Apportionments and the Arms Export Control Act

6.6.1. Apportionments to record the sale and replacement of assets under section 21 of the AECA require specific actions.

6.6.2. Direct Budget Plan. This plan includes those items of materiel to be purchased for delivery to service inventory and those procurement programs that support the acquisition of materiel for United States Forces. Financing for the direct budget plan is derived from new budget authority provided by the Congress and the transfer of resources from other appropriations. A portion of DoD materiel acquisition costs may also be funded by offsetting collections from materiel sold for replacement under the authority of section 21 of the AECA, codified at 22 U.S.C. § 2761. Such collections represent proceeds providing direct resources and there is no specified time limit for the replacement under this authority. However, the replacement may require prior congressional approval.

6.6.3. Reimbursable Budget Plan. This plan includes those items of materiel to be purchased for delivery to and used by customers. Financing for reimbursable budget plan is derived from:

6.6.3.1. Customer orders received for items (not stocked by or purchased for procuring service use) to be purchased for direct delivery to a customer. (Direct citation of customer funds for procurement against this type of order is encouraged where common components and/or common assembly with service production of similar items are not involved.)

6.6.3.2. Customer orders received, or to be received, for items common to the procuring service and customer for direct delivery to the customer.

6.6.3.3. Where the materiel item is to be made available from on-order quantities under an existing contract of a Military Department, the sales transactions will be reflected as reimbursable transactions. The quantities and costs of the replacement procurement will be included in the reimbursable program.

6.6.3.4. Where the materiel item is to be made available directly from a contract awarded after the date of the sales agreement and the contract includes a particular quantity of the item to fulfill the sales agreement, the transaction will be reflected as a direct cite transaction.

6.6.4. Treatment of Proceeds from Materiel Sales under AECA Authority

6.6.4.1. Treatment of Proceeds from Materiel Sales, when Materiel Sold will be Replaced. In accordance with section 83.5 of OMB Circular No. A-11, proceeds that will be used for replacement assets are considered offsetting collections, which provide direct resources that, when used for replacement assets, will be reported as direct obligations. The proceeds will be credited as collections to the account funding the replacement in the period of availability with the latest expiration date at the time of collection. This may be a no-year account if one exists and the collections may be made in a later fiscal year than that in which the sale was made. Proceeds will be reported as spending authority providing direct resources in the SF133. They will be apportioned as discretionary collections in the “Budgetary Resources” section of the SF132 and included in direct resources in the “Application of Budgetary Resources” section. Proceeds will

be reported as direct program in the AR(M) 1002. Accordingly, obligations for the replacement assets will be reported as direct obligations.

6.6.4.2. Sale for Replacement with Like Items. Replacement of materiel using proceeds from sale is authorized under section 21 of the AECA without further congressional approval, so long as the item sold will be replaced with an item of the identical type, model, and series or a modified version of the same basic model. For an item of ammunition, replacement with any round that provides the same warfighting mission capability is authorized, provided the round to be purchased has been previously approved by the Congress for procurement, and the inventory objective presented to the Congress is not exceeded. Obligations to replace the assets will be recognized as direct obligations.

6.6.3.3. Sale for Replacement with Dissimilar or Modified Items Requiring Congressional Approval. In this situation, an item of materiel sold will require replacement to compensate DoD inventories for the resultant loss of capability or readiness. Because of one or more circumstances, the replacement item will not be identical to the item sold. It must, however, be a later series or modified version of the same basic model or an acceptable substitute item. Replacement requires prior approval by the Congress, which is requested on a DD1415-1, Reprogramming Action- Prior Approval, as provided for in Volume 3, Chapter 6. The approval does not, however, involve or result in any actual reprogramming action. Submission of the DD1415-1 is the method by which DoD obtains the required congressional approval, so the request must be included on a separate 1415-1 form, or as a separate section on the 1415-1 from when other items for reprogramming are being submitted for consideration. No reprogramming or transfer of funds will occur, and obligations to replace the assets will be recognized and accounted for as direct obligations, rather than as reimbursements to annual procurement appropriations.

6.6.3.4. Proceeds from Materiel Sales with No Intention to Replace. Pursuant to 10 U.S.C. § 114(c)(2)(B), all other proceeds for items not replaced will be deposited into Miscellaneous Receipts of the United States Treasury.

7.0 RESCISSIONS AND DEFERRALS

7.1 Statutory and General Guidance

Available budgetary resources may be withheld from obligation or expenditure through impoundment, either permanently (rescission) or temporarily (deferral) under conditions set forth in 31 U.S.C. § 1512 and the Congressional Budget and Impoundment Control Act (2 U.S.C. §§ 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 (Section 112).

7.2 Reapportionment

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 (Section 112.3).

7.3 Deferrals

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.

7.4 Other Apportionment Actions

Refer to OMB Circular No. A-11 (Sections 112.14 – 112.16) for guidance to apportionment actions to be taken when rescission proposals and deferrals are enacted, released, or disapproved.