

**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 *February 2022* is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Administrative changes including format changes, internet hyperlink additions and corrections, and minor clarifying language in accordance with the Department of Defense Financial Management Regulation Revision Standard Operating Procedures.	Revision
1.3.6	Added Title 41, United States Code, section 6301, “Public Contracts.”	Addition
3.5.4.1	Added Below Threshold Reprogramming Action.	Addition
3.5.4.2	Added Prior Approval Reprogramming Action.	Addition

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## 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, structure themselves into three or more levels or echelons. The General Fund initially records direct appropriation budget authority at the departmental level (e.g., Headquarters) and then issues it to intermediate-level organizations (e.g., major commands), which distribute the budget authority to execution level (field level) organizations for program execution.

## 1.2 Purpose

This chapter prescribes the standards for recording how departments, headquarters, or the Office of the Secretary of Defense (OSD) receive and distribute budgetary resources. Departmental-level accounting includes Congress appropriating funds, the Office of Management and Budget (OMB) apportioning and reappportioning those funds and allotting them to the intermediate or execution level. Additionally, departmental-level budgetary accounts ensure that personnel properly record transfers between appropriation and fund accounts, as well as restorations and withdrawals of budgetary resources. This accounting also enables personnel to monitor lower levels and consolidate reports for higher levels. See ([Chapter 14, “Receipt and Distribution of Budgetary Resources – Intermediate-Level”](#)), for intermediate-level requirements, and ([Chapter 15, “Receipt and Distribution of Budgetary Resources – Execution Level”](#)), 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:

1.3.1. Title 31, United States Code, section 1304 “Judgments, awards, and compromise settlements,” ([31 U.S.C. § 1304](#)).

1.3.2. [31 U.S.C. § 1322](#), “Payments of unclaimed trust fund amounts and refund of amounts erroneously deposited.”

1.3.3. [31 U.S.C. §§ 1511 – 1517](#), “Appropriation Accounting.”

1.3.4. [31 U.S.C. § 1553](#), “Availability of appropriation accounts to pay obligations.”

1.3.5. [31 U.S.C. § 1555](#), “Closing of appropriation accounts available for indefinite periods.”

\* 1.3.6. [41 U.S.C. § 6301](#), “Authorization requirement.”

1.3.7. [OMB Circular A-11](#), “Preparation, Submission, and Execution of the Budget.”

1.3.8. 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

### 2.0.1. Departmental-Level

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

### 2.0.2. Intermediate-Level

Personnel record the receipt and distribution of budgetary resources using the intermediate-level accounts discussed in Chapter 14. For example, a Major Command within a Military Department receives the initial funding.

### 2.0.3. 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 Standard Chart of Accounts ([SCOA](#)) (see [Volume 1, Chapter 7](#), “Department of Defense Standard Chart of Accounts”), which includes the DoD Standard General Ledger accounts established for use at the department level.

3.1.2. [DoD U. S. Standard General Ledger \(USSGL\) Transaction Library](#), 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. Congress grants appropriations as legal authority to incur obligations and to make payments from the Treasury for specified purposes (see subparagraph 3.2.1.5 for an exception).

The most common form of budget authority is an appropriations act, which must expressly state the making of an appropriation; it cannot be inferred or implied. Various characteristics specific to periods of availability, phases of availability, and amounts determine the availability of appropriations for obligation.

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 Military 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. Congressionally Directed Spending. Congressionally directed spending occurs when Congress designates a portion of an appropriation for a particular purpose through 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. During the expired phase, appropriations are no longer available for new obligations but remain available to adjust and liquidate existing and valid obligations. The expired phase lasts for 5 years, although legislation can extend this period. Refer to [Chapter 10](#), “Accounting Requirements for Expired and Closed Accounts” for accounting requirements for expired accounts.

3.2.1.2.3. Canceled Phase. The canceled phase follows the expired phase. You cannot make payments from a canceled appropriation. On September 30 of the fifth fiscal year after the period of availability for obligation ends for a fixed appropriation account, you must close the account and cancel any remaining balance (whether obligated or unobligated) in the account. After you cancel an appropriation, you may pay any obligations or adjustments to

obligations that would have been properly chargeable to that appropriation from an unexpired appropriation that is available for the same purpose as the canceled 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 canceled 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/canceled accounts.

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

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 serve as exceptions to the general rule that appropriations provide budget authority for incurring additional obligations. Contract authority itself does not constitute an appropriation; rather, it represents apportioned budget authority that can be legally obligated and used solely for the specific purpose, time, and amount defined by the statute related to that contract authority. It remains unfunded and is apportioned and allocated without a corresponding Treasury cash balance. Agencies must always replace or liquidate contract authority using subsequent or other budgetary resources and cash balances, typically within the Defense Working Capital Fund (DWCF), by offsetting collections credited to the DWCF. Furthermore, the subsequent liquidating appropriation does not grant the authority to incur obligations and, therefore, does not qualify as 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 regular fiscal year appropriations are enacted, whichever is sooner. See OMB Circular A-11, Section 123, for detailed 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. Congressional action provides evidence to fund programs. The Secretary of the Treasury issues an appropriation warrant, the official document 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, upon the enactment of an appropriation.

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 the 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, Congress does not issue warrants until it enacts the regular appropriation bill unless agencies are under a long-term or full-year CR. Agencies can also receive warrants under a CR if it covers specific mandatory federal payments or when it 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 the 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 adjust those amounts as necessary.

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, "Appropriation and Fund Status Reports"](#)). To obtain the necessary classification requirements, you must refer to the legal requirements and program/budget documents, such as the DD 1414, "Base for Reprogramming Action." Different purposes classify appropriations in various ways, generally based on time period limitations, spending limitations, authorized programs, activities, or objects, and the availability to incur obligations. An appropriation account symbol represents departmental-level appropriations and all other budgetary resources. You can find detailed information on reading and identifying account symbols in the [TFM, Volume 1, Part 2, Chapter 1500](#). Treasury lists specific accounts for each agency in its quarterly supplement to the TFM, titled "Federal Account Symbols and Titles."

3.2.3. Recording an Appropriation. Appropriations, until apportioned, are not available as a financing source or budgetary resource. They should be recognized in the 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 represents a plan approved by the OMB to allocate budgetary resources according to the statutory authority defined by 31 U.S.C. § 1513(b). This limits obligations for specified time periods, programs, activities, projects, objects, or any combination thereof. An apportionment is legally binding; thus, any obligations and expenditures (disbursements) that exceed it violate the Antideficiency Act (31 U.S.C. § 1517(a)(1), (b)) and require reporting. When changes are necessary for the previously approved apportionment for the current year, the responsible party should request a reapportionment. For instance, a reapportionment is appropriate when approved apportionments are no longer suitable due to increased amounts available for obligation or unforeseen events. The distribution of apportionments and reapportionments forms part of an overall financial plan for the year, which is based on a forecast of obligations to incur within an appropriation. The responsible department requests the apportioned amount using 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 includes two general sections for recording apportionments and reapportionments: Budgetary Resources and Application of Budgetary Resources. In the Budgetary Resources section, you record the actual and anticipated resources, along with any actual and anticipated reductions to those resources. In the Application of Budgetary Resources section, you document the intended use of those resources, whether by fiscal quarter, activity, project, object, or a combination of these. In some cases, agencies use letter apportionments, which are most often applied during 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 cannot be obligated until the amounts have been allotted in accordance to the OMB-approved funds control regulations. You must apportion and execute programs in accordance with all applicable laws. The authorization and appropriation act language describes the purpose of the programs and provides guidance for execution. The apportionment dictates how you execute the programs, and you must obligate or expend it against the fiscal year in which you incurred the expenses to reconcile it with the legal period of availability. In some



cases, apportionments may set aside all or a portion of the amounts available for obligation by deferring them or withholding them pending rescission.

3.3.5. If the SF 132s on hand regarding the latest appropriations enacted have not yet been processed, the amounts must be recorded as it is necessary to cover valid commitments and obligations at the end of the accounting period as apportioned and allocated. Enacted supplemental appropriation as fully apportioned must be recorded, even if it is not included on the year-end SF 132.

3.3.6. In the absence of an appropriation, Congress can pass a resolution that authorizes agencies to continue their current operations. Agencies must adhere to OMB apportionment for CRs in the same way they do for appropriations. During periods of CR authority, the President's budget estimates of unobligated balances are carried forward on October 1, and each appropriation account's reimbursable program must be recorded as apportioned and allotted, provided it stays within any amount specifically designated by the authority. If the estimates for each amount decrease from the President's budget, agencies must record apportionments and allotments at the reduced amount. Agencies can consider increases available for subsequent apportionment, but they must not allot these increases until they receive an approved SF 132. Typically, OMB will automatically apportion funds made available by a CR without requiring an SF 132.

3.3.7. If actual amounts becoming available are less than anticipated for indefinite budget authority, agencies will deduct the difference from apportioned amounts rather than from deferred or unapportioned amounts, unless the approved apportionment form specifies a different treatment or agencies take reapportionment action. According to OMB Circular No. A-11 (Section 120), agencies do not need to reapportion downward adjustments of any amount to budgetary resources (including anticipated amounts) unless OMB specifically requires it or the agency chooses to do so. Agencies must request a reapportionment when approved apportionments are no longer appropriate or applicable due to increased amounts available for obligation or unforeseen events.

3.3.8. Not all appropriations receive apportionment. In such cases, agencies report the non-apportioned budgetary resources 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 allows an agency to incur obligations in advance of an appropriation. Congress grants contract authority through an authorizing statute, enabling agencies to incur obligations while anticipating the collection of receipts or offsetting collections that will be used to liquidate those obligations. Within the DoD, officials typically use revenue instead of an appropriation to liquidate unfunded contract authority. Contract authority can be

current or permanent, may have fiscal year limitations or not, and can be definite or indefinite in amount. According to 41 U.S.C. § 6301, an agency cannot make expenditures to liquidate obligations incurred through its contract authority until it specifically appropriates funds or those funds otherwise become available for payment of the obligations. Contract authority has a period of availability that corresponds to that of an appropriation. If it appears in an appropriation act without reference to a particular appropriation, its period of availability, unless specified otherwise, will align with 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 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](#), “Contract Payment Policy”). Working Capital Fund contract authority and guidance can be found in, [Volume 10, Chapter 19](#), “Payment Provisions for Grants and Other Instruments of Assistance,” and foreign military sales contract authority can be found in [Volume 15](#), “Security Cooperation Policy”.

### 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 legislation 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 separate. 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 the 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 are 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, "Appropriation Transfer Authorities"](#) 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 for purposes other than those originally specified by Congress at the time of appropriation or to reclassify funds of proper execution of funds. There are two types of reprogramming actions:

\* 3.5.4.1. Below Threshold Reprogramming Action. This action provides the DoD Components with the flexibility to realign, within congressional prescribed limits/limitations, and approved funding to satisfy unfunded requirements. Chapter 6, “Reprogramming of DoD Appropriated Funds” provides additional information on below-threshold reprogramming actions. Chapter 7, “Reprogramming of Military Construction and Family Housing Appropriated Funds” provides additional information on below-threshold reprogramming of Military Construction and Family Housing funds.

\* 3.5.4.2. Above Threshold Reprogramming Actions. This action refers to the process of reallocating funds for programs or projects when established congressional approval thresholds or limitations are exceeded, requiring prior approval from specific congressional committees. In addition, the Department uses internal reprogramming actions to transfer funds from various accounts that Congress has established with its own special transfer authority (e.g., Environmental Restoration) or to realign/transfer funds for proper execution of a congressionally approved program. Chapter 6, “Reprogramming of DoD Appropriated Funds” provides additional information on the different types of reprogramming actions. Chapter 7, “Reprogramming of Military Construction and Family Housing Appropriated Funds” provides additional information on Military Construction prior approval of reprogramming actions.

### 3.6 Reappropriations

3.6.1. Reappropriation Action. 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 effect 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), 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. Entities report reappropriations of unexpired balances or reappropriations of expired balances that cannot take effect until a fiscal year beyond the budget year as balance transfers in the year they become newly available for obligation. The ATM within CARS processes reappropriation transfers.

3.6.5. Unobligated Balances. Normally, the organization withdraws unobligated balances in the losing accounts from operating activities. However, when the operating activity includes 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, the organization does not need to make a formal withdrawal. In this case, local entries can be made to ensure that transactions, records, and reports refer to the gaining account instead of 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, “Administrative Control of Funds”](#) 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 record the receipt of suballotments, allocations, or suballocations from higher authority and then issue them to execution-level activities. The DoD SCOA prescribes the definitions and uses for accounts 454000 through 458000, which can be found 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 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 suballotments/allocations/suballocations distribute one agency's budgetary resources to another agency. The accounts separately identify these distributions to

ensure that the recipient agency responds to the issuing agency. These distributions can include nonexpenditure transfers, which establish transfer appropriation accounts, or subdivisions of one DoD Component's funds to another DoD Component for direct citation. From a consolidated standpoint, both the issuing and receiving agencies must record the distribution in the same accounting period. Typically, interagency distributions occur between different levels of command within a major command/claimant. Refer to Chapter 15 for execution level policy.

### 3.8 Withdrawals and Expired Balances

3.8.1. Administrative action withdraws unobligated amounts from obligation availability, rather than law. When a previously withdrawn unobligated amount becomes available for obligation and outlay again, we consider it a restoration. Withdrawals do not include amounts from expired accounts or amounts rescinded by Congress. Title 31 U.S.C § 1555 authorizes the withdrawal of funds only when an account closes, and it does not allow for 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, agencies can use the unobligated balance of an expired fund only to adjust obligations that they initially incurred during the fiscal year (or years) for which the appropriation account was available. They cannot use the unobligated balance of an expired fund to create new obligations. Normally, at the end of the five-year period, agencies must transfer any remaining unobligated balance and unliquidated obligations to account 4350, *Canceled Authority*. They cannot restore canceled amounts.

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 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 refer to appropriations of a current or permanent nature where a definite amount is not stated and will be determined based on stipulated subsequent events. One type of indefinite appropriation available for the Department is the collection of receipts. For instance, the receipts under the Federal Account Symbol and Title 5095.001, *Sale of Hunting and Fishing Permits, Military Reservations*, are permanently appropriated for the Army to spend under appropriation account 21X5095, *Wildlife Conservation, Military Reservations, Army*. The authorized amount may include all or a portion of the receipts from a receipt account, but these funds cannot be accessed until the Treasury issues a warrant, or the authorized amount may be specified as the amount obligated for a specific 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 availability period, 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 using the accounting transactions detailed in Chapter 15 to return the funds to the previous and original fund holder. Similarly, the departmental-level must close the fund distribution accounts for allotments that remain undistributed and unobligated before performing post-closing accounting entries.

4.1.2. Cancel the anticipated appropriation transfers to or from other accounts by the end of the fiscal year in which they are expected.

4.1.3. Eliminate unrealized anticipated indefinite appropriations.

4.1.4. Cancel the anticipated reimbursements in no-year, expiring annual, and multi-year accounts by 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. The departmental-level (headquarters) must recognize an adjustment to undistributed allotments of realized transfers that remain at the intermediate-level and unobligated balances of realized transfers that remain at the execution level. This transaction reverses the accounts from the original issuance of budgetary authority. The intermediate and execution levels must notify the departmental-level accounting entity about the undistributed and unobligated funds, as described in paragraph 4.3. The DoD SCOA, located on the SFIS resources web page, prescribes the definitions and use for accounts 454000 through 458000.

##### 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, “Financial Reports, Roles and Responsibilities”](#). Undistributed allotments of direct program authority (account 456000) and the direct unobligated balances remaining in expiring allotted funds (account 461000) at the intermediate and execution levels (Chapters 14 and 15, respectively) must be reversed and report them to the departmental-level for financial reporting.

#### 4.4 Account Closing

After the end-of-year reporting, the Treasury requires the accounting team to make post-closing entries to certain accounts. The team uses closing transactions to establish beginning balances for accounts that lack posting activity during the fiscal year and to zero out account balances that recorded current year activity. The DoD USSGL Transaction Library provides detailed descriptions of these entries, following the overarching guidance of the [USSGL Supplement to the TFM](#). The Headquarters/OSD Level must close the fund distribution accounts for any undistributed and unobligated allotments before the accounting team performs post-closing entries. You can find additional details on departmental-level transactions 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.