

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

SUMMARY OF MAJOR CHANGES

All changes are 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 **June 2009** is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
1301	Replaced paragraph 130101, <i>Overview</i> ; added a new paragraph 130103, Authoritative Guidance; and changed the order of the paragraphs in this section.	Addition
130201	Revised the reference to clarify that it is the Department’s implementation of the United States Standard General Ledger (USSGL).	Revision
130202.C	Revised this subparagraph to align with Federal Accounting Standards Advisory Board Statement of Federal Financial Accounting Standards 7.	Revision
130204.A.1	Corrected the reference for emergency military procurement. The previous reference (section 11) was repealed and the exception was reenacted under Title 41, United States Code, section 6301.	Revision
130205	Added a statement to clarify that appropriation transfers only occur between appropriations.	Addition
130206.C	Combined subparagraphs 130206.C-D; and replaced the address and contact information for appropriation warrants with a reference to the U.S. Department of the Treasury source for the current information.	Revision
130207	Renamed this paragraph and corrected the terminology used to describe internal fund distributions (allotments and allocations) in this paragraph and throughout the chapter in accordance with the Office of Management and Budget Circular A-11. Corrected the accounting entry at subparagraph 130207.C.2 to correctly issue reimbursable authority from departmental-level to execution-level.	Revision

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
130208.D	Deleted the previous subparagraph 130208.D and renumbered the subsequent paragraph.	Deletion
130209.B	Deleted an obsolete reference to a journal voucher process.	Deletion
130303	Combined subparagraphs 130303.A-B into the paragraph level and modified language for clarity.	Revision
130304.A	Added the closing entry for internal fund distributions issued at the departmental-level.	Addition
All	Revised the accounting entries to the USSGL basic six-digit format.	Revision
All	Verified and corrected, where applicable, all references and hyperlinks.	Revision

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CHAPTER 13

RECEIPT AND DISTRIBUTION OF BUDGETARY RESOURCES
DEPARTMENTAL-LEVEL

*1301 GENERAL

130101. Overview

This volume prescribes the policy for budget execution and the availability and use of budgetary resources across the Department of Defense (DoD) as required by Congress, the Office of Management and Budget (OMB), the U.S. Department of the Treasury (Treasury), and the Office of the Secretary of Defense (OSD). Chapters 13, 14, and 15 prescribe the standards for the receipt and distribution of budgetary resources at three levels. This chapter prescribes the standards for the departmental-level. Chapter 14 prescribes the standards for the intermediate-level budgetary accounts. Chapter 15 prescribes the standards for execution-level budgetary accounts.

130102. Purpose

This chapter prescribes the standards for recording the receipt and subsequent distribution of budgetary resources in the departmental-level (department, headquarters, or OSD) budgetary accounts. Departmental-level accounting covers appropriation by Congress, apportionment and reappropriation by 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.

130103. Authoritative Guidance

Congress enacts appropriations acts annually that provide budget authority. OMB apportions the funds appropriated by Congress and issues implementing requirements in the OMB Circular A-11. Treasury is responsible for Government-wide reporting and issues requirements in the Treasury Financial Manual (TFM). The TFM Volume 1, Part 2 provides instructions for central accounting and reporting. Volume 14, Chapter 1 prescribes the requirements for the administrative control of funds in accordance with OMB Circular A-11, Appendix H, and identifies additional authorities in paragraph 010103.

1302 STANDARDS

*130201. Accounts

The accounts established for use by departmental-level accounting entities implement the *DoD United States Standard General Ledger (USSGL)* and the *DoD Standard Chart of Accounts (SCOA)* prescribed in Volume 1, Chapter 7. Both the budgetary and the proprietary accounting

entries for DoD USSGL accounts are specified in the *DoD USSGL Transaction Library* that can be accessed on the [Standard Financial Information Structure \(SFIS\)](#) resources web page. Budgetary accounts have been established for recording appropriations and other budget authority realized, apportionments, allotments, transfers, and contract authority transactions. Amounts of budgetary resources received are debited to specifically titled accounts for each of these resources and credited to accounts that recognize the availability status of the resources. The departmental-level accounting entity also issues fund allotments to subordinate commands. In addition, the special actions of restorations and withdrawals of budgetary resources are accomplished at departmental-level.

130202. Appropriations

A. Appropriations are statutory authorities to incur obligations (see subparagraph 130204.B for an exception) and make payments from the Treasury for specified purposes. The making of an appropriation must be stated expressly. An appropriation may not be inferred or made by implication. An authorization act is a statute, passed annually by Congress, which authorizes the appropriation of funds for programs and activities. An authorization act does not provide budget authority. That authority stems from the appropriations act. Authorization acts frequently contain restrictions or limitations on the obligation of appropriated funds. An appropriations act is the most common form of budget authority. Budget authority has the following characteristics:

1. Period of Availability. Budget authority may be made available for obligation for varying periods.

a. 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, operations and maintenance (O&M) and personnel appropriations.

b. Multiple Year (Multi-Year) Authority. Budget authority that is available for obligation for a specified period of time in excess of one fiscal year. For example, Research, Development, Test, and Evaluation appropriations (2 years); Procurement appropriations (3 years); Shipbuilding and Conversion, Navy appropriation (5 years); and Military Construction appropriations (5 years).

c. No-Year Authority. Budget authority that remains available for obligation for an indefinite period of time. See paragraph 130209.

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

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

a. Current or Unexpired Phase. The current or unexpired phase is the time period when the appropriations are available for incurring new obligations.

b. Expired Phase. The expired phase is the period of time when the appropriations are no longer allowed to incur new obligations but still available to liquidate valid obligations incurred during the unexpired phase. Adjustments, such as contract changes, may be made to increase or decrease valid obligations that were made before the appropriations expired. Normally, this phase lasts for five years except when a law specifically lengthens this phase. See Chapter 10 for accounting requirements for expired accounts.

c. Cancelled Phase. The cancelled phase follows the expired phase. Payments cannot be made from a cancelled **appropriation** for legitimately incurred obligations that have not been paid at the time the **appropriation** is cancelled. 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:

(1) The obligation or obligation adjustment is not already chargeable to another unexpired account and

(2) The payment of obligations against the cancelled appropriation from the unexpired appropriation does not exceed one percent of the unexpired appropriation (this is a single cumulative amount). See Chapter 10 for accounting requirements for closed/cancelled accounts.

3. Determination of Amount. Budget authority may be granted for varying amounts.

a. 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.

b. Indefinite Authority. Authority for which a specific sum is not stated, but is determined by other factors such as the receipts from a certain source or obligations incurred. See paragraph 130209.

4. Reappropriations. Reappropriations are statutory authorities that extend the obligating/paying authority for all or part of the unobligated balances of expiring and expired appropriations. See paragraph 130206.

5. Exceptions. Appropriations to liquidate contract authority are exceptions to the general rule that appropriations provide budget authority to incur additional obligations (see subparagraph 130204.B.).

6. Continuing Resolution. An appropriation, in the form of a joint resolution, that provides budget authority, specific activities, or both to continue operation when Congress and the President have not completed action on the regular appropriations acts by the beginning of the fiscal year.

7. Funding Lapse or Gap. A funding lapse or gap occurs when a previous budget authority expires **without the enactment of a** regular appropriations act or continuing resolution.

8. Appropriation Warrants. The evidence of law that establishes, by appropriation symbol, the individual amounts appropriated by Congress.

a. **Treasury prepares and issues the** Financial Management Service (FMS) Form 6200, *Department of the Treasury Appropriation Warrant (Treasury Warrant)* (see TFM Volume 1, Part 2, Chapter 2000). To ensure agreement with Treasury accounts, warrants must be recorded exactly as received even if they are thought to be in error. Corrections must be journalized and corrected warrants requested. However, amounts known to be enacted into law must be recorded for accounting period reports regardless of receipt of the warrant.

b. **Treasury will not issue a warrant under a continuing resolution (with the exception of a full-year continuing resolution) unless an agency explicitly requests one** (see TFM Volume 1, Part 2, Chapter 2000). The Military Departments and Washington Headquarters Services (for the OSD/Defense Agencies) must request **Treasury Warrants** during the period of a continuing resolution for a specified period of time less than a full fiscal year, or if the continuing resolution is for a full fiscal year with designated appropriation amounts. When there is a separate appropriation act, Treasury will prepare and distribute **warrants** without a request from the applicable DoD Components.

B. 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 Department of Defense (DD) Form 1414, Base for Reprogramming Action.

* C. 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*.

130203. Apportionments and Reapportionments

A. An apportionment or reapportionment is an OMB distribution of amounts available for obligation in an appropriation or fund account. OMB apportionments and reapportionments are required before funds may be obligated, except in certain instances as specified in OMB Circular A-11. The distribution of apportionments 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 Standard Form (SF) 132, Apportionment and Reapportionment Schedule in accordance with the OMB Circular A-11, [Appendix F](#). Apportionments divide amounts available for obligation by specific time periods (usually quarters), activities, projects, objects, or by combinations of these categories.

B. The completed SF 132, showing the apportioned amounts, normally is the source document used to record apportionments and reapportionments. However, letter apportionments often are used during the period of a continuing resolution for unexpired unobligated balances brought forward, and for special circumstances such as transfers that occur near the end of a fiscal year.

C. Record budgetary authority received and available for allotment and anticipated reimbursements on the SF 132.

D. Complexities must be accommodated. Some of the amounts apportioned may be withheld; some amounts may be unavailable pursuant to public law; and some amounts may be subject to rescission.

1. The term “direct program” refers to the obligation authority specified in an appropriation act itself. The appropriation does not specify the amount of reimbursable work expected to be accomplished. Authority to accept a customer order for reimbursable work and use of obligation authority provided through that acceptance must either be authorized specifically in the apportionment process or be of the type that becomes automatically apportioned and available upon acceptance of customer orders. [For additional information on reimbursements, see Chapter 15, section 1502.](#)

2. The reimbursable program specifically apportioned must be [allotted](#) subject to withholdings by OSD. Record anticipated reimbursable program authority apportioned but not available for use until realized.

E. Amounts apportioned through the current period of the fiscal year may be assumed to be allocable unless specific identification of withholding is made.

F. 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.](#)

G. In the absence of an appropriation, the Congress may pass a resolution providing authority for agencies to continue current operations. Continuing resolutions are subject to OMB apportionment in the same manner as appropriations. Within periods of continuing resolution 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.

H. 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.

I. Not all appropriations are apportioned, therefore; record non-apportioned appropriations.

130204. Indefinite Contract Authority

A. Contract authority is statutory authority to incur obligations prior to an appropriation (or the realization of revenues) for the future payment of such obligations. (See subparagraph 130204.B.) 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. The major permanent indefinite authorities are:

* 1. **Exception for the Secretary of Defense** (emergency military procurement) under Title 41, United States Code, **section 6301 (41 U.S.C. § 6301)**.

2. **Inventory procurement by supply management activities financed using defense working capital funds** in anticipation of succeeding fiscal year sales under **10 U.S.C. § 2210(b)**, and capital asset requirements under **10 USC § 2208(k)** for commercial, industrial, and supply management activities financed using defense working capital funds.

3. **Procurement for foreign military sales** under **22 U.S.C. § 2762**.

B. Contract liquidating authority is an appropriation or reapportionment enacted to pay the obligations incurred under contract authority. However, within DoD, the realization of revenue, rather than an appropriation, normally is used to liquidate unfunded contract authority.

C. Record the [allotment](#) of anticipated contract authority and the subsequent realization upon commitment or obligation action. Specifically, record anticipated indefinite contract authority; budget authority apportioned by OMB and available for allotment; allotment of apportioned contract authority; and the realization of contract authority that was previously anticipated (upon commitment or obligation).

D. Contract authority retains its separate identity at departmental-level through the use of specifically designated accounts. Additionally, the date and number of the establishing public law must be entered into the records.

E. More specific guidance on accounting for each of the permanent indefinite contract authorities may be found as [follows](#):

1. Emergency military procurement is covered in [41 USC § 6301 and the Federal Acquisition Regulation \(also see Volume 10 for contract policy\)](#).
2. Working Capital Fund contract authority is covered in Chapter 19.
3. Foreign military sales contract authority is covered in Volume 15.

*130205. Transfer of Funds

When specifically authorized by law, all or part of the budget authority in one account may be transferred to another account. These transfers must be made on an expenditure or nonexpenditure basis, as appropriate. [Transfers only occur between appropriations.](#)

A. Expenditure Transfers Between Appropriations. Expenditure transfers are made when the transfer benefits the transferring account. Since they are treated as payments and collections, expenditure transfers are not applicable to departmental-level accounting entities. These transactions include the following:

1. Withdrawals and credits between accounts not specifically defined as nonexpenditure transactions.
2. All transfers between Treasury budgetary and nonbudgetary accounts such as general fund accounts and deposit accounts.
3. Adjustments to correct errors in expenditure transactions. (Obligations must be transferred, when appropriate.)

B. Appropriation Transfers

1. Appropriation transfers are distributions of one Federal agency's budgetary resources to another. 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. For purposes of this paragraph, they will not include transfers for establishment of transfer appropriation accounts for the benefit of the transferring account.

2. 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. 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. The SF 1151, Nonexpenditure Transfer Authorization, is used to document transfers. See Chapter 3 for more detailed information about appropriation transfer authorities. A nonexpenditure transfer is a redistribution of either unobligated balances of budget authority provided in a previous year or budget authority provided in the current year between appropriations or funds for the benefit of the gaining appropriation or fund that does not involve an outlay. Transfers of obligated balances and sometimes reappropriations also require nonexpenditure transfers. Nonexpenditure transfers of funds may be received from another appropriation or fund or may be made to another appropriation or fund when appropriate and authorized. A nonexpenditure transfer of funds received from another appropriation or fund increases the amount of available budgetary resources. A nonexpenditure transfer of funds made to another appropriation or fund decreases the amount of available budgetary resources.

C. Anticipation of Appropriation Transfer. Record in the transferring agency the transfer-out of current year authority or from prior year balances that were anticipated. Also record in the receiving agency the anticipated transfer-in of current year authority or from prior year balances.

D. Actual Appropriation Transfer. Record in the transferring agency the transfer-out of current year or prior year anticipated appropriations. And record in the receiving agency the transfer-in of current year or prior year anticipated appropriations.

130206. Reappropriations

A. Definition. A reappropriation is statutory authority to restore or extend the obligational availability, whether for the same or different purpose, of all or part of the unobligated balance of budget authority that has expired or would otherwise expire in an annual or multi-year appropriation. Reappropriation transactions require nonexpenditure transfer of the funds involved from the expired or otherwise expiring account to the designated current account. Reappropriations that provide funds to a fiscal year for which they were not previously available constitute new budget authority in the receiving account.

B. Reappropriation Form. An SF 1151, annotated “REAPPROPRIATION” in the top right-hand corner, must be used to accomplish the reappropriation when a current year law extends the availability of part or all of a:

1. Current year appropriation;
2. Prior year unexpired appropriation; or
3. Prior year expired or expiring appropriation when the unobligated balance has not been withdrawn previously to the surplus fund of the Treasury.

* C. Appropriation Warrants. Treasury prepares and issues the warrants when a current year law extends the availability of part or all of a prior year expired appropriation when an unobligated balance is available at fiscal year-end for reappropriation in a subsequent fiscal year. DoD must request Treasury Warrants in order to obtain an appropriation warrant for reappropriations. The 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.

D. Recording Reappropriations. Reappropriations are recorded as other new budget authority. The necessary steps must be taken to initiate the source documents and record the reappropriation in the gaining and losing accounts; normally, in the month following the effective date of the legislation providing for the reappropriation. If the available balance in a losing appropriation is not sufficient to cover prompt transfer, the reappropriation may be delayed, effected in part or, for good cause, 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.

E. 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.

*130207. Internal Fund Distributions

A. 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.

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

C. Accounting Entries

1. Record the direct budgetary authority issued from departmental-level to the intermediate-level as follows:

Budgetary Entry

Dr 451000 Apportionments

Cr 454000 Internal Fund Distributions Issued

Proprietary Entry

Dr 310100 Unexpended Appropriations – Appropriations Received

Cr 101000 Fund Balance With Treasury

NOTE: The intermediate-level budgetary accounts are used to record the receipt of suballotments, 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 SFIS resources web page.

2. Record the amount of reimbursable authority allotted from departmental-level to intermediate- or execution-level, as determined by the organizational funding structure:

Budgetary Entry

Dr 459000 Apportionments – Anticipated Resources – Programs Subject to Apportionment

Cr 421000 Anticipated Reimbursements and Other Income

Proprietary Entry

None

D. 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.

E. Interagency [suballotments/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.

130208. Withdrawals and Restorations

A. Congressionally enacted appropriations for the Department usually are available for a fixed period of one or more fiscal years. Authority to incur new obligations expires at the end of the period of availability. Upon expiration, an appropriation may have obligations – paid, obligations – unpaid, or an unobligated balance.

B. 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*.

C. The following definitions are for the specific terms applicable to withdrawals and restorations.

1. Withdrawal. Unobligated amounts that are withdrawn by administrative action (rather than by law) from obligation availability. A withdrawal excludes amounts of expired accounts and amounts rescinded by the Congress.

2. Restoration. A previously withdrawn unobligated amount that is again made available for obligation and outlay.

D. 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. **Note:** [Other account transactions that are related to 465000 have corresponding proprietary transactions that impact 101000, Fund Balance With Treasury.](#)

130209. Indefinite Appropriations

A. 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, etc., 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.

B. Indefinite appropriation amounts realized must be reported monthly to Treasury in accordance with Volume 6A, Chapter 3. These amounts are warranted by Treasury on the FMS Form 6200 (see TFM Volume 1, Part 2, Chapter 2000) at the end of the fiscal year.

C. 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.

130210. Reprogramming

The practice of reprogramming departmental funds covered in appropriation acts is a necessary, desirable, and timely device for achieving flexibility in the execution of Defense programs. See Chapters 6 and 7 for specific guidance on reprogramming of DoD appropriated funds.

1303 ACCOUNT ADJUSTMENTS AND CLOSING

130301. Adjustments to Expiring and Nonexpiring Accounts

A. 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.

B. Eliminate unrealized anticipated indefinite appropriations.

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

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

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

F. 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 (as noted in subparagraph 130207.C):

Budgetary Entry

Dr 454000 Internal Fund Distributions Issued
Cr 451000 Apportionments

Proprietary Entry

Dr 101000 Fund Balance With Treasury
Cr 310100 Unexpended Appropriation – Appropriations Received

NOTE: The intermediate and execution-levels must notify the departmental-level accounting entity of undistributed and unobligated funds as described in paragraph 130303. Definitions and use for accounts 454000 through 458000 are prescribed in the DoD SCOA located on the SFIS resources web page.

130302. Budget Execution Report Preparation

After completion of the account adjustments identified in paragraph 130301, budget execution reports must be prepared as specified in Volume 6A, Chapter 4.

*130303. 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 (461000) must be reversed at the intermediate and execution-levels (Chapters 14 and 15, respectively) and reported to the departmental-level for financial reporting.

130304. Account Closing

After preparation of the prescribed budget execution reports, the following entries must be made at the expiration of the period of availability for obligation to close expended amounts to the authorizing account for the expenditures and to withdraw any remaining program authority.

* A. 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. To close internal fund distributions issued at the departmental-level upon expiration of the period of availability:

Budgetary Entry

Dr 454000 Internal Fund Distributions Issued

Cr 420100 Total Actual Resources-Collected

B. Reimbursable Program. No closing entries must be made for the reimbursable program at the departmental-level. The adjusting entry, specified in paragraph 130301.C, eliminates any departmental-level reimbursable program account balance.

130305. Adjustments to Expired Authority

Account 465000, *Allotments – Expired Authority*, represents the unobligated balance in an appropriation at the time of its expiration. Expired authority, prior to cancellation of an appropriation, authorizes a DoD Component to adjust upward previously under recorded obligations or to record obligations initially that should have been recorded (but were not) against an expired appropriation before its expiration. Adjust obligations upward through use of expired budget authority. Obligation, expenditure, and closing of expired authority are recorded in the same manner as current year direct program appropriation accounts.

130306. Cancelled Authority

31 U.S.C. § 1552 requires any balance remaining in an account in excess of 5 years to be cancelled. Account 435000, *Cancelled Authority*, represents the amount of cancelled authority (includes both unobligated and obligated but unpaid). Payment of obligations incurred in a cancelled appropriation must be made from a current appropriation available for the same general purpose as the one from which the payables were cancelled. The total of payments from a current appropriation for obligations and payables of a cancelled appropriation is subject to the limitations specified in Chapter 10, subparagraph 100303.D.

A. Transfer expired authority at the time of cancellation of an appropriation.

B. Allocate budget authority at the departmental-level from a current appropriation to pay obligations applicable to a cancelled appropriation. Record an obligation and accounts payable in an unexpired appropriation for a valid bill related to a cancelled appropriation.