

**CHAPTER 3:  
BUDGET EXECUTION TOPICS AND ACCOUNTING FOR  
APPROPRIATIONS**

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## **I. INTRODUCTION**

### **I.A. Purpose**

This chapter provides budget execution and accounting for appropriation guidance to include references, Department-wide definitions, and roles and responsibilities. This chapter supplements DOE Order 520.1B, “Financial Management and Chief Financial Officer Responsibilities,” and DOE Order 130.1A, “Budget Planning, Formulation, Execution and Departmental Performance Management.”

### **I.B. Applicability**

This chapter is applicable to all Departmental elements, including the National Nuclear Security Administration and the Power Marketing Administrations (except for the Bonneville Power Administration). This chapter does not apply to contractors.

## **II. BUDGET EXECUTION TOPICS**

### **II.A. Reprogramming**

#### **II.A.1. Requirements and Authority**

##### **II.A.1.i. General Requirements**

31 U.S.C. 1301 (the Purpose statute) generally prohibits expenditure of funds for purposes other than those for which they were appropriated.

The purpose of DOE funding is restricted by the statutory text of the appropriations act. Additionally, DOE appropriations typically require DOE to follow the specified programs, projects, and activities specified in the explanatory statement accompanying the appropriations act. Programs, projects, and activities are also subject to the apportionment requirements of Office of Management and Budget (OMB) Circular No. A-11.

##### **II.A.1.ii. Reprogramming Authority**

DOE’s reprogramming authority is contained in DOE’s annual appropriations acts and is subject to change. The appropriations acts specify reprogramming limits and Congressional notification requirements.

In cases where unforeseen events or conditions are deemed to require changes, reprogramming provides a mechanism to use funds within the same appropriations account for purposes other than the program, project, or activity specified in the explanatory statement accompanying the appropriations act.

**II.A.1.iii. Limitations**

Reprogramming cannot be used to initiate new programs; change programs, projects, or activities specifically denied, limited, or increased by Congress; reduce or eliminate funding for activities authorized in appropriations acts; or transfer funds from one appropriations account to another.

Because reprogramming actions cannot be used to eliminate a program, project, or activity (i.e., Congressional Control, or C-Parent), the reprogramming cannot be used to bring the balance of unobligated funds to zero. A minimal operational balance must remain in one or more of the appropriation year(s) for the Congressional Control after reprogramming. The specific amount required to provide for future operational requirements should be defined by the Departmental Element requesting the reprogramming action. The request should note the amount remaining the program, project, or activity and the planned operational use(s) of the remaining balance.

Additional limitations may be specified in individual appropriation acts.

**II.A.1.iv. Types of Reprogramming Actions**

Formal reprogramming actions are those that exceed the threshold established in the appropriations act for required Congressional notification.

Internal reprogramming actions do not require formal Congressional notification. For such actions, the appropriations act provides the Department the authority to make limited changes to certain programs, projects, and activities within the approved budget.

**II.A.1.v. Calculation of the Reprogramming Threshold**

The current reprogramming threshold is applied to the sum of reprogramming actions completed for a given program, project, or activity (i.e., Congressional Control, or C-Parent) for the same appropriations year, regardless of when any prior reprogramming actions were completed.

If the same funding source is cited in separate reprogramming actions, the total amount proposed for reprogramming determines whether the relevant reprogramming actions require Congressional notification.

## **II.A.2. Processing a Reprogramming Request**

### **II.A.2.i. Initial Consultation with CFO**

Budget Execution Officers should consult with the Office of the Chief Financial Officer (CFO) Funds Distribution and Control Team (FDCT) and CFO Budget Formulation for the timeline, process, and required information needed to complete a reprogramming action. The timeline, process, and required information will vary depending on the type of reprogramming action.

### **II.A.2.ii. CFO Review and Determination**

Per DOE Order 130.1A, CFO is responsible for determining whether a proposal for reprogramming is appropriate.

If a reprogramming action is deemed appropriate, Budget Execution Officers should provide a reprogramming request approved by the Head of the Departmental Element (or designee for internal reprogramming actions) to FDCT. The reprogramming request must contain required information to complete the reprogramming action. Upon receipt, FDCT will coordinate the review of the reprogramming request within CFO. CFO may provide the request to the Office of General Counsel for legal review, if needed.

All reprogramming requests must be reviewed by the Director, Office of Budget within 30 days after the Budget Execution Officer provides the reprogramming request to FDCT.

The Director, Office of Budget is the final approver for internal reprogramming actions. External reprogramming requests require OMB approval and Congressional notification<sup>1</sup> (see II.A.2.iii.).

### **II.A.2.iii. OMB Approval and Congressional Notification for Formal Reprogramming Actions**

The Chief Financial Officer (CF-1) approves the transmittal of formal reprogramming actions to OMB within 30 days after all required information and materials are provided to FDCT, and questions answered for the reprogramming request.

After approval by the Chief Financial Officer, formal reprogramming actions must also then be approved by

OMB and provided to Congressional appropriation committees for a 30 day notification period. The CFO Office of Budget will coordinate OMB approval of the request and provide required Congressional notifications.

#### **II.A.2.iv. Discretionary Congressional Notification for Internal Reprogramming Actions**

While internal reprogramming actions do not require formal Congressional notification, CFO may determine that it is appropriate to notify OMB and Congress of internal reprogramming actions through less formal notification processes.

#### **II.A.2.v. Completing Reprogramming Actions**

FDCT will execute the reprogramming action in the Budget Formulation and Distribution System (BFADS) (or successor system) after a reprogramming action is approved (see II.A.2.ii), and the time since the statutorily required Congressional notification – currently set at 30 days - has passed. Approved reprogramming actions may result in reapportionment needs, in which case, FDCT will prepare and submit the requisite reapportionment request(s).

If the Congressional appropriations committees object to a proposed reprogramming action during the notification period, the reprogramming cannot move forward without explicit approval from the Chief Financial Officer (CF-1).

CF-30 will notify the program if the reprogramming action cannot be executed or if modification is needed.

### **II.B. Rescissions and Deferrals**

Rescission proposals and deferrals are subject to the requirements of Title X of the Congressional Budget and Impoundment Control Act of 1974 (Impoundment Control Act), which requires the President to transmit a special message to the Congress. Funds can only be withheld from obligation when the special message is provided to Congress in accordance with the statutory requirements and the procedures outlined in Section 112 of OMB Circular A-11.

Including a request to cancel appropriations in the President's Budget Request is not sufficient to meet the requirements of transmitting a special message under the provisions of the Impoundment Control Act.

**II.B.1. Definitions**

- II.B.1.i.** Rescission means enacted legislation that reduces the budget authority previously provided by law prior to the time when the authority would otherwise expire.
- II.B.1.ii.** Deferrals means any Executive action or inaction that temporarily withholds or effectively precludes the obligation or expenditure of budgetary resources with the intent of using the funds before they expire. Deferrals are permitted only to provide for contingencies; to achieve savings made possible by or through changes in requirements or greater efficiency of operations; or as specially provided by law. Deferrals are generally affected through the apportionment process.
- II.B.1.iii.** A cancellation proposal is a proposal by the President (including through the President's Budget Request) to reduce budgetary resources that does not meet the requirements of rescission or a deferral under the Impoundment Control Act. Any amounts proposed for cancellation cannot be withheld from obligation unless a separate rescission or deferral request is processed.

**II.B.2. Rescission Proposals or Deferral Requests to FDCT**

After DOE or OMB determines that a rescission or deferral is warranted, the program organization responsible for the affected program initiates a request to the FDCT by doing the following:

- Complete the documentation required by Section 112 of OMB Circular A-11.
- Draft a letter of transmittal to OMB, when required by CFO.
- Submit the proposed allotment changes to the FDCT.

Consistent with the requirements of Sections 112.6 and 112.7 of OMB Circular A-11, FDCT will prepare an apportionment request that reflects the amount deferred or the amount withheld pending rescission.

When a special message is transmitted to Congress, the amounts proposed for rescission or deferral may be temporarily withheld from obligation while the request is being considered in order to ensure funds availability once action on the deferral or rescission is finalized. Funds withheld from obligation will be placed in reserve by FDCT within the CFO funds distribution system and the allotment(s) will be revised accordingly. The funds are typically also withdrawn from the apportionment by OMB consistent with the apportionment requests required by subsections 112.6 and 112.7 of OMB Circular A-11.

### **II.B.3. Release of Funds**

Funds proposed for rescission must be released and made available for obligation if no action is taken by Congress within the timeframes specified by the Impoundment Control Act. For rescission requests, funds can only be withheld from obligation for a period of 45 legislative days (see subsection 112.15 for the relevant definition of legislative days). When funds must be released for obligation because of Congressional inaction on proposed rescissions, and the apportionment does not include a footnote automatically reapportioning the withheld funds, the FCDT must submit apportionment requests reflecting the release of the affected amounts to OMB before the end of the 45 day period.

Deferrals cannot last beyond the end of the fiscal year in which the special message proposing the deferral is transmitted to Congress.

### **II.C. Appropriation Transfers**

**II.C.1.** When permanently moving budgetary resources from one appropriation account to another within the same Agency (or to or from another Federal agency or activity), funds cannot be transferred between appropriation accounts unless the authority is specifically provided in law and transfer apportionment authority is provided by OMB. Transfer authority is granted to DOE by specific laws, such as:

**II.C.1.i.** 50 U.S.C. 2745, which allows the transfer of funds to other Federal Agencies and within Department of Energy pursuant to a DOE national security authorization. Funds transferred to another Federal Agency or within DOE must be for the same purposes and same time period. For funds transferred within DOE, not more than 5 percent of the funds authorized may be transferred to another national security authorization; the funds may only be transferred for national security programs that have a higher priority; and this authorization may not be used for items where Congress specifically denied funds. Prompt notification to the Congressional Defense Committees of any funds transferred under this authority is required.

**II.C.1.ii.** 42 U.S.C. 7269-7269b, which allows the transfer from funds from one appropriation to another only when authorized in an appropriation Act. Not more than 5 percent of the funds authorized may be transferred to another appropriation. This provision also allows unexpended balances of prior appropriations to be transferred from one Energy and Water Development appropriation to another for activities established through Energy and Water

Development appropriations. Those funds may be accounted for as one fund for the same time period as originally enacted.

### **II.C.2. Requests for Appropriations Transfers**

- II.C.2.i.** For an appropriation transfer, the cognizant Budget Execution Officer will coordinate with the FDCT to determine the type of action to be issued.
- II.C.2.ii.** Prior to submittal to OMB, FDCT will make the necessary adjustments in the Departmental funds distribution system and place the funds in reserve until approved.
- II.C.2.iii.** For an incoming appropriation transfer, the approved OMB reapportionment serves as budgetary resources and basis to adjust the allotment to the affected DOE programs.

### **II.D. Departmental Base Tables**

- II.D.1.** The base table is the controlling document that provides the basis for the allotments at a level of detail consistent with congressional requirements (i.e., tables within conference reports, etc.). The base table is updated on an as-needed basis and released quarterly to congressional committees and OMB.
- II.D.2.** The base table displays all obligation authority available to DOE (including the National Nuclear Security Administration) by Treasury Appropriation Fund Symbol (TAFS) and by program, project, and activity within each appropriation which represents congressional requirements. Obligations of funds must not exceed the total of the appropriation, apportionment, reapportionment, or allotment (31 U.S.C. 1341, 1514, and 1517).
- II.D.3. Establishing a Base Table**
  - II.D.3.i.** The base table includes new obligational authority (NOA) which is established upon enactment of appropriation legislation. Before the start of the fiscal year, the NOA portion of the base table is developed based on information from conference reports and appropriation legislation. In the absence of a conference report or legislation, the base table is developed using the latest and most conservative information available from Congress for the new fiscal year (i.e., the Continuing Resolution authority and OMB Bulletin).
  - II.D.3.ii.** The base table also includes carryover (UNOB); prior-year deobligations (PYD); anticipated authority (i.e.,



reimbursable work authority, anticipated collections, anticipated appropriation, etc.); and other ancillary processes such as rescissions, appropriation transfers, and reprogramming. The table is maintained within BFADS or successor funds distribution system.

### **III. ACCOUNTING FOR APPROPRIATIONS**

#### **III.A. Appropriation Warrant**

The appropriation warrant is the document issued (pursuant to law<sup>21</sup>) by the Secretary of the Treasury that records the authority of the federal agency to use the amount of funds as specified in an appropriation act by Congress<sup>3,2</sup>. Volume I, Part 2, Chapter 2000 of the Treasury Financial Manual (I TFM 2-2000) and OMB Circular A-11 provide further discussion of warrants.

Treasury does not issue warrants for appropriations provided under a continuing resolution. DOE is not issued a warrant until Congress enacts an appropriation bill or a full-year continuing resolution. The procedures for processing warrants are listed below:

- III.A.1.** When appropriation legislation or a full-year continuing resolution is passed, Treasury prepares a warrant for the full amount of budget authority provided by the appropriation. After the passage of a DOE appropriation bill by Congress, Treasury records the appropriation warrant in Treasury's Central Accounting Reporting System (CARS) where the Department can access the warrant.
- III.A.2.** The warrant is received by the CFO Office of Finance and Accounting, where it is compared with the appropriation language to verify that the documents are in agreement. The CFO Office of Finance and Accounting also coordinates a review with FDCT to confirm that the warrant amounts are in agreement with the appropriation language and congressional requirements.
- III.A.3.** The CFO Office of Finance and Accounting records the warrant in the Standard Accounting and Reporting System (STARS) in the appropriate TAFS.
- III.A.4.** The CFO Office of Finance and Accounting, when closing warrants, certifies the cancelling and closing of the associated account balances that are then returned to Treasury.
- III.A.5.** During a short-term continuing resolution DOE uses "Awaiting a Warrant" accounts to record transactions; further accounting entries are made when the warrant is issued. Treasury's

Bureau of the Fiscal Service provides guidance to account for appropriations provided by continuing resolutions.

### **III.B. Recording Transactions**

All Government transactions are identified with applicable fund types which are classified through the assignment of account symbols by Treasury. These account symbols are available as a supplement to the Treasury Financial Manual (TFM), titled *Federal Account Symbols and Titles* (FAST Book).

**III.B.1.** STARS serves as the Department's funds control system of record. Funds distribution actions that are executed in BFADS and affect the availability of budgetary resources are reflected in STARS through system interfaces. Accounting transactions that affect the availability of budgetary resources (e.g., obligations or deobligations of funds apportioned in prior years) are also reflected in BFADS through system interfaces.

**III.B.2.** STARS provides for recording all financial transactions affecting appropriations; apportionments; reapportionments; allotments; most agency restrictions; obligations and expenditures; and anticipated, earned, and collected reimbursements. This information is recorded using appropriate fields within the DOE Accounting Flex Field (AFF).

**III.B.3.** The FDCT is responsible and has established procedures for ensuring that funds distribution transactions in BFADS related to appropriations, apportionments, reapportionments, and allotments are properly recorded and reconciled in STARS. Reconciliations of appropriations, apportionments, and allotments shall be performed at least monthly through SF-132 and SF-133 reviews and shall verify that funds made available for obligation in STARS do not exceed the authorized amounts reflected on the Advice of Allotments documents.

**III.B.3.i.** Each allotment recipient is responsible for establishing processes and procedures to ensure that its management of funds executed through the BFADS system is correctly recorded and reconciled in STARS and are in accordance with appropriation and apportionment restrictions.

**III.B.3.ii.** The CFO Office of Finance and Accounting prepares Standard Form 133 "Report on Budget Execution and Budgetary Resources" every month, including those months that the Department is not required to report to the Department of Treasury's Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS).

This review serves as another internal control process for the reconciliation of budgetary resources.

### **III.C. Transactions between Appropriations and Fund Accounts**

Transactions between Appropriations and Fund Accounts accounted for either on a non-expenditure or an expenditure basis.

#### **III.C.1. Non-Expenditure Transactions**

Non-expenditure transactions are transactions in which both the withdrawal and the credit occur at the funds balance with Treasury level within the Treasury reporting. The transactions are not recorded or reported as obligations, expenditures, or reimbursements. They are documented on SF-1151, "Non-Expenditure Transfer Authorization," and processed directly to Treasury without being reported on SF-224, "Statement of Transactions."

These types of transactions include transfer appropriations where a part or all of an appropriation or fund is transferred between agencies. The receiving agency will establish the amount transferred in a transfer appropriation account and will report all transactions on an SF-133, "Report on Budget Execution and Budgetary Resources." No transfer appropriation shall be processed without the approval of OMB through CFO and no approval of transfer apportionment is possible without existing authority for the transfer. Detailed guidance for non-expenditure transactions can be found in I TFM 2-2000.

#### **III.C.2. Expenditure Transactions**

Expenditure transactions are limited to transactions between two or more different appropriation, fund, or receipt accounts. Both the withdrawal from one account and the credit to another account should be reported to and recorded by Treasury. Detailed guidance for expenditure transactions is in I TFM 2-2500.

## **IV. REFERENCES**

- IV.A.** CFO Act, Public Law (P.L.) 101-576 requires agencies to integrate budget and financial information.
- IV.B.** Public Law 101-510 (31 U.S.C. 1551-1557); the National Defense Authorization Act for Fiscal Year 1991; and OMB Circular A-11 all prescribe rules for determining the availability of appropriation and fund balances and establish procedures for closing appropriation and fund accounts. Specifically, appropriation accounts available for obligation for a definite period must be closed on September 30<sup>th</sup> of the fifth fiscal year after the account's availability ends. Any remaining balances in the account must be canceled and will be unavailable for obligation or

adjustment for any purpose.

**IV.C.** Additional information on administrative control of funds can be found in Chapter 2 of the DOE Financial Management Handbook.

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<sup>1</sup> Appropriate formal reprogramming actions require OMB review and an additional 30 day Congressional notification period separate from the 30 day review of CFO.

<sup>2</sup> 31 U.S.C. 321

<sup>3</sup> Treasury Financial Manual (TFM) Glossary

**SUBJECT: LIMITED CHANGE TO CHAPTER 3, BUDGET EXECUTION TOPICS AND ACCOUNTING FOR APPROPRIATIONS**

1. EXPLANATION OF CHANGES. These changes provide clarification for reprogramming actions.
2. LOCATIONS OF CHANGES: Substantive limited changes made throughout the document are summarized at the beginning of the chart.

Page	Section	Section Title	Summary
3-2	II.A.1.i.	General Requirements	Added that program, projects, and activities are also subject to apportionment requirements of OMB Circular No. A-11.
3-3	II.A.1.iii.	Limitations	Clarifies that program, project, or activity Congressional Control points cannot be zeroed out and a minimal operational balance should remain in the account in a reprogramming action. The specific operational amount should be defined by the Departmental Element.
3-3	II.A.1.v.	Calculation of the Reprogramming Threshold	Added how the reprogramming threshold for Congressional notification is calculated.
3-4, 3-12	II.A.2.ii.	CFO Review and Determination	Clarifies in footnote 1 that formal reprogramming actions requires OMB review and Congressional notification separate from the 30 day review of CFO.
3-5	II.A.2.v.	Completing Reprogramming Actions	Clarifies that reprogramming actions may result in a reapportionment and the Funds Distribution Control Team will prepare and submit the reapportionment request.