

SECTION 30 -- APPORTIONMENT PROCESS AND REQUIREMENTS FOR CERTAIN TYPES OF ACCOUNTS

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Summary of Changes

Guidance on apportionment of allocation (transfer appropriation) accounts has been moved from section 11.2.

30.1 Apportionment process.

The apportionment process is intended to:

- Prevent obligation of funds in a manner that would require deficiency or supplemental appropriations.
- Achieve the most effective and economical use of amounts made available.

Apportionments divide amounts available for obligation by specific time periods, activities, projects, objects, or a combination thereof. Reapportionments are made when changes to the previously approved apportionment are identified. For example, when approved, apportionments are no longer appropriate or applicable because of a change in the amounts available for obligation or the occurrence of unforeseen events.

Apportionments may also set aside all or a portion of the amounts available for obligation when such action is deemed appropriate by OMB. Amounts deferred through the apportionment process are those portions of the total amounts available for obligation that are specifically set aside as temporarily not available until released by OMB. Amounts withheld pending rescission are those portions that are set aside pending the enactment of legislation canceling the authority to obligate such funds. Further information on deferrals and rescissions may be found in sections 37 and 38.

Since budget authority, balances, and other budgetary resources are stated in terms of authority to incur obligations, the operation of the apportionment system and the fundamental controls described in this Circular are on an obligation basis. Thus, apportionments are generally based on obligations. However, OMB, at its option, may apportion accounts on some other basis that will provide effective controls. For example, apportionments may be made on a pre-obligation basis, such as "administrative commitments," which are made before firm obligations are incurred. When this occurs, continue to report obligations in the FACTS II system. In addition, report, in a footnote, amounts of "administrative commitments" against the amounts shown on the apportionment.

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30.2 Apportionment requirements and exemptions.

All accounts will be apportioned (using the SF 132 (see section 34.1) unless OMB determines otherwise) except:

- Accounts specifically exempted from apportionment by 31 U.S.C. 1511(b) or other laws.
- Accounts whose budgetary resources are available only for transfer to other accounts, whose resources have expired for obligational purposes, or whose resources have been fully obligated before the beginning of the fiscal year.
- The following types of accounts, which are exempt from apportionment (but not from the SF 133 reporting requirements) by the Director of OMB (unless the agency is notified that particular accounts will be apportioned) under authority granted to the Director by 31 U.S.C. 1516:

Management funds (see section 11.12 for definition of funds);

Payment of claims, judgments, refunds, and drawbacks;

Payment under private relief acts and other laws requiring payments to designated payees in the total amount provided in such acts;

Interest on, or retirement of, the public debt; and

Items determined by the President to be of a confidential nature for apportionment and budget execution purposes.

Unless notice is given (or has been given) that particular accounts are exempt, the following types of funds will be among those to be apportioned:

- Trust funds;
- Intra-governmental revolving funds (see section 11.12);
- Receipts made available by law for industrial and power operations; and
- Grants to the States under titles I, IV, X, XIV, XVI, XIX, or XX of the Social Security Act or under any other public assistance title in such Act.

All credit program, financing, and liquidating accounts will be apportioned.

30.3 Allocation (transfer appropriation) accounts.

The agency responsible for administering the parent appropriation will submit a consolidated SF 132 covering both the parent account and all allocations therefrom. (Receiving agencies will not prepare an SF 132 for transfer appropriation accounts unless required by OMB.) The approved apportionments for the parent account will be on a consolidated basis. So that the obligations incurred for the program as a whole

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can be kept within the approved apportionments, the agency administering the parent account will indicate to the receiving agency what portion of the consolidated apportionment is transferred. This applies to the amount transferred to the allocation account. In addition, the agency administering the parent account may suballot the amount, by time periods (akin to category A apportionments) or by activities or projects (akin to category B apportionments) to the receiving agency. Receiving agencies will be responsible for keeping obligations within the portion of the apportionment so specified, e.g., the amount transferred to the allocation account or the suballotment, as appropriate.

30.4 The canceled phase: one percent apportionment requirement.

Unless otherwise provided by OMB, a footnote should be appended to each apportionment containing appropriations realized as follows: "Pursuant to 31 U.S.C. 1553(b), not to exceed one percent of the total appropriations for this account is apportioned for the purpose of paying legitimate obligations related to canceled appropriations."