

## PART FOUR

## FUNDS CONTROL AND REPORTING

## Chapter 14

## ALLOTMENT ACCOUNTING SYSTEM

## Section A--Documentation and Control

**14-1. System Controls.** This system:

- a. Applies to appropriations and funds other than those administered under operating budget procedures (see chapter 15 of this regulation) and Defense working capital funds (see DFAS-DE 7410.1-R).
- \*b. Provides controls to comply with statutory requirements stated DFAS-DE/AF Interim Guidance, Procedures for Administrative Control of Appropriation and Funds Made Available to the Department of the AF.
- c. Includes allotments, suballotments, obligation authorities, centrally managed allotments (CMA), centrally-maintained accounts for mortuary affairs, general, special and trust fund receipts, and deposit funds.

**14-2. General.** DoDFMR, vol 1, requires that A&F systems provide a controlled means of complying with legal and administrative limitations as well as provide financial control and accountability for all funds. The AFO/OPLOC is responsible for performing this function. The AFO/OPLOC must maintain a close relationship with Budget in the administrative control of funds.

a. AF Form 401, Budget Authorization/Allotment (figure 14-1) and AF Form 402, Obligation Authority/Sub-allotment (figure 14-2) or mechanized facsimiles are issued for allocations, suballocations, allotments, and suballotments (when authorized for applicable appropriations and funds). These fund authorizations are issued by SAF/FM through MAJCOM and Field Operating Agency (FOA) budget channels to the activities that incur commitments, obligations, and expenditures. These funding documents or their automated equivalent are issued to commanders (heads) of installations or organizational units having program responsibility. These documents are usually sent to the budget office of the installation being funded. Copies are furnished to the AFO/OPLOC per AFI 65-601, volume 1.

\*b. BAs represent the approved financial program on which the recipient can plan to accomplish a mission in an orderly manner. Each additional BA received for the applicable fiscal or program year shows the cumulative authorization for that year. BAs cannot be exceeded without prior approval of the issuing authority. BAs do not authorize the incurring of obligations and are not administrative subdivisions of funds within the meaning of DFAS-DE/AF Interim Guidance, Procedures for Administrative Control of Appropriation and Funds Made Available to the Department of the AF, however, the BA for the DoD Foreign Military Sales Trust Fund, 97-11X8242, creates an administrative subdivision of funds. See DFAS-DE 7070.3-R for FMS policies and procedures.

c. The Air Force uses allotments and suballotments, specific or centrally managed, to make funds available for commitment and obligation from an allocation or suballocation. A suballotment is a further breakdown of funds available for commitment and obligation from an allotment. The allotment and suballotment control the availability of funds within an appropriation.

## (1) A CMA:

(a) Is set up to finance activities only when it is impractical to administer specific allotments under normal operating procedures.

(b) Represents authority issued by the holder of an allocation permitting authorized individuals to incur obligations for specific purposes without prior certification of fund availability from the holder of the allocation.

(c) Is authorized only when approved by the Secretary of the Air Force. CMAs are listed in AFMAN 65-604.

## (2) A specific allotment:

(a) Designates a specific appropriation or subdivision.

(b) Limits the amount issued by MAJCOMs and operating agencies.

d. Total fund availability consists of direct obligation authority and the authorized reimbursements program, or reimbursements realized, whichever is less. Direct obligation authority and the authorized reimbursement program are included in both BA and allotment documents. Reimbursements realized consist of:

(1) Unfilled customer orders from federal government customers including nonappropriated fund instrumentalities.

(2) Filled customer orders earned from all customers.

## DFAS-DE 7010.1-R

- (3) FMS orders, if applicable, per DoDFMR, volume 15.
- (4) Cash (advance payment) received from non-federal government customers to finance obligations which must be incurred to fill specific orders.
- e. Incurring obligations against anticipated reimbursements (the reimbursement program) is prohibited. Even though allocated, allotted, or included in an OBA, reimbursements are not considered available for obligation unless:
  - (1) Valid orders (including written agreements) have been received.
  - (2) Goods or services have been furnished and there is entitlement (earned reimbursements).
  - (3) In the case of orders from outside the federal government, advance payment has been received.
- f. The following procedures apply if a new FY begins without passage of the appropriation act for that FY:
  - (1) HQ USAF will issue appropriate instructions if Congress has not passed a continuing resolution authority (CRA) to provide funding for existing Air Force programs until regular appropriations are passed for the new fiscal year.
    - \* (2) If Congress has passed a CRA, HQ USAF advises MAJCOMs (by message) to incur commitments and obligations for the continuance of essential functions. DFAS-DE/AF Interim Guidance, Procedures for Administrative Control of Appropriation and Funds Made Available to the Department of the AF, directs that all control policies and procedures applicable to subdivisions of regular appropriations will be followed for CRA funding. Therefore, allocation and allotment documents will be issued on the basis of the temporary warrants received by HQ USAF from the Treasury Department. However, the receipt of such warrants might be delayed. During this period, apply the procedures below:
      - (a) If SAF/FMPB sends allotment documents to funding activities, these activities will, in turn, issue allotment documents to subordinate activities.
        1. In addition to the direct authority issued by means of the allotment documents, reimbursable obligations are authorized to the extent that firm customer orders are received.
        2. For CFY accounts, record as allotments only the amounts shown on allotment documents received to date. Follow this procedure even though commitments, obligations, and expenditures resulting from both direct and reimbursable programs might exceed such allotments.
        3. For prior FY and PY accounts, normal procedures apply.
      - (b) If funding activities receive commitment and obligation limitations in letter form (as opposed to formal allocations), they will issue similar documents to subordinate activities. Treat these documents as normal distributions of funds.
        1. For CFY annual and multiple-year accounts, record allotments in the amount of the limitations furnished by funding activities.
        2. For prior FY annual and multiple-year accounts, normal reporting procedures apply.

## Section B--Administrative Control of Appropriations

### 14-3. Governing Policy:

- \*a. The policy governing the control of funds and criteria to be used to determine when a violation occurs is in DFAS-DE/AF Interim Guidance, Procedures for Administrative Control of Appropriation and Funds Made Available to the Department of the AF. Conduct investigations and report violations per DFAS-DE/AF Interim Guidance, Procedures for Administrative Control of Appropriation and Funds Made Available to the Department of the AF.
- b. The recipient or holder (the commander or head of the funded installation or organization) of a funding document is responsible for ensuring that:
  - (1) Funds are used only for the purpose prescribed and that funding authority, including any limitation within, or on, that authority, is not exceeded; and that
  - (2) All obligations are properly recorded and all recorded obligations are valid.
- c. Air Force fund control policies and procedures must be complied with and the capabilities of existing systems and control techniques must be fully used. This will provide the capability to determine whether funds are available in the proper account before the certification of fund availability or incurrence of an obligation and, if not, alert management to the need to obtain additional funding.
- \*d. Persons who certify fund availability are appointed in writing per DoDFMR, Volume 5. Such persons should be made aware that, under law, no officer or employee may certify fund availability, incur an obligation, or expend funds in excess of available fund authority. See DFAS-DE/AF Interim Guidance, Procedures for Administrative Control of Appropriation and Funds Made Available to the Department of the AF. Certification of fund availability is by signature of an authorized person over the typed or stamped name, grade (if military), date, and title. Also, the accounting classification and the dollar amount certified must be shown.

**14-4. Subdivision of Funds.** Administrative subdivisions of funds (applicable at base level) are any subdivision of an appropriation which makes funds available in a specified amount for incurring obligations subject to limitations in the funding documents.

**14-5. Applicability of Procedures.** A&F procedures for administrative control of funds and detection of possible violation of the statute apply from the start of a commitment through the final stage of disbursement for which funds were appropriated.

### Section C--Records and Controls

**14-6. Fund Distribution.** The base budget office gives Accounts Control copies of each AF Forms 401 and 402 received. If the allotment is made at the appropriation level, or a higher level than the BA, Budget distributes the amounts of the total allotment to each budget account (or subdivision) for which a BA has been received, or as required for local management, provided specific limitations are not exceeded.

**14-7. Allotment Control Ledgers.** Accounts Control sets up an allotment ledger per DFAS-DE 7077.2-M for each budget account or subdivision (limitation); posts each AF Form 401 and 402 to the allotment ledgers; posts Budget's distribution of amounts in the allotment ledger; and makes sure that the total amount distributed equals the total allotment received.

a. The issuing activity numbers AF Forms 401 and 402 in sequence to provide an audit trail in the allotment ledger by document serial number. Accounts Control:

(1) Verifies balances in the accounting records to the balances shown on the latest funding document(s).

(2) Immediately posts any change in BA or allotment (made orally or by other means citing the document number if available) in the allotment ledger.

(a) The issuing authority confirms the change within a reasonable time, ordinarily within 1 month, by issuing AF Forms 401 or 402.

(b) The recipient base budget office documents all informal changes to Accounts Control and takes prompt follow-up action to get the formal written authorization.

(c) Accounts Control keeps a suspense control record of informal changes to check on timely receipt of BA and allotment documents from the base budget office.

b. Make sure that budget authorizations recorded in the allotment ledger for military construction appropriations always agree by budget program and BAAN to the funding documents, AF Forms 401 and 402.

**14-8. Monitoring Total Fund Availability.** For other than operating budget appropriations (see chapter 15) and Defense working capital funds (see chapter 24), monitor total fund availability using the current automated allotment ledger and other management tools of the automated A&F system. Pending change to the automated system, monitor direct and reimbursable fund availability using supplemental manual computations.

a. Monitor fund status for these appropriations and funds on a day-to day basis.

b. Make sure that total obligations do not exceed total actual authority (TAA). TAA is defined as direct obligation authority plus the lesser of reimbursements realized (unfilled customer orders, filled orders uncollected, and collections including advance payments) or the anticipated reimbursement program.

c. Realized reimbursements may be obtained from the allotment ledger or by using nonaddressable inquiry procedures in DFAS-DE 7077.2-M.

### Section D--Allotments Other Than Air Force Funds

**14-9. Direct Allotments or Suballotments, DoD Funds.** DoD agencies, such as Army, Defense Logistics Agency (DLA), etc., allot and/or suballot funds to Air Force AFO/OPLOCs. Follow Air Force procedures for processing and recording transactions except for deviations required by the funding agency. Prepare status reports and other reports per Air Force procedures and funding agency instructions.

### Section E--Centrally Managed Allotments (CMA), Foreign Transaction (FT) Accounts, and Contingency Funds

## DFAS-DE 7010.1-R

**\*14-10. Centrally Managed Allotments.** The Secretary of the Air Force authorizes CMAs that permit authorized individuals to incur obligations against appropriations for specific purposes without prior certification of fund availability from the holder of the allocation. Each CMA requires annual review by the Secretary of the Air Force and an annual audit for adequacy of control systems to determine whether the CMA should be continued. See DFAS-DE/AF Interim Guidance, Procedures for Administrative Control of Appropriation and Funds Made Available to the Department of the AF, for further information. Bases report CMA disbursement and reimbursement transactions processed. Designated accountable stations establish and maintain prescribed accounting records for MAJCOMs or separate operating agencies responsible for administering CMAs AFI 65-601, volume 4. Detail procedures for document coding, processing, and reporting CMA transactions are in the applicable sections of this regulation.

**14-11. FT Accounts.** Post and process allotments and foreign currency transactions for FT accounts the same as dollar allotments. Funding procedures are in DoDFMR, Volume 5. Also see special processing procedures in DFAS-DE 7077.2-M (automated processing).

**14-12. Appropriation Contingencies, Defense (97\*0101.02).** On receipt of a budget authorization, AFO/OPLOCs set up internal controls to ensure the proper use of and accounting for these funds. Controls require, as a minimum, this supporting documentation for obligations and expenditures:

- a. Copies of the letter of approval or authority and authorization/allocation.
- b. A copy of each purchase order, contract, receiving document, vendor's invoice, paid voucher, or other appropriate supporting documentation.
- c. Certificates by authorized personnel that an expenditure was made for the specific purpose for which authorized, and did not exceed the amount authorized and allocated. Complete this certificate promptly after the expenditure.

### **Section F--Investment Equipment (57\*3080) Funding for Air National Guard, Air Force Reserve, and Other Air Force Satellites Using Standard Base Supply System (SBSS) at Computer Support Base**

**14-13. Satellite Financial Operating System Concept.** This concept requires the recording of supply transactions funded with the 57\*3080 appropriation at the computer support base (CSB). Funds to finance procurement of investment equipment for the satellite organizations are allotted to the CSB. The AFO/OPLOC at the CSB monitors and controls the funds. All the ANG ADSNs are exempt from this concept; they are allotted 57\*3080 funds by their US Property and Fiscal Officer (USPFO).

#### **14-14. System Concept of SBSS Materiel Acquisition Control Record (MACR):**

- a. The MACR system in the SBSS monitors and controls current and prior fiscal year (PFY) other procurement appropriations (57\*3080), issued to bases for purchase of investment equipment. This appropriation provides 3 years for initial obligation (unobligated balances are withdrawn 15 months after beginning of the FY) and 2 additional years for liquidation. Budget code Z identifies these equipment items. Other service stock fund (OSSF) activities, DLA, GSA, or commercial vendors are the sellers. See DFAS-DE 7077.10-M for the MACR concept and update procedures.
- b. The AFO/OPLOC keeps separate MACRs and detail records for the CSB and also for the satellite base accounts. The standard base supply system and materiel accounting system use a system designator code to identify CSB and satellite records.
- c. The MACR system maintains one allotment ledger per system designator. Ledgers for additional obligation authorities or allotments for the same system designator are maintained (processed) off-line. The base general accounting and finance system keeps fund control and accountability by budget program activity code.
- d. The MACR is updated by all transactions that affect commitments, UOO, AEU, and AEP financial data fields. The SBSS A&F programs determine fund availability before accepting any transaction which decreases the available balance.
- e. At month-end, the automated materiel system provides a major appropriation funded investment MACR status report and reconciliation list for each system designator. A&F reconciles the data to the accounting records and processes adjustments before preparing the status of funds data base-transmission report, RCS: HAF-ACF(AR)7801.

#### **14-15. Allotment of Satellite AFR Funds:**

- a. USAFR allots funds to the AFO/OPLOC of the SBSS CSB that provides support to the AFR satellite. These allotments cite OAC 62 and ADSN of the AFO/OPLOC at the CSB.
- b. The AFO/OPLOC host at the CSB is responsible for appropriation accounting and MAFR.

**14-16. Allotment of Satellite Air Force Funds.** The procedures are the same as for USAFR accounts.

**14-17. Transfer of Satellite Investment Accounts Between SBSS CSBs.** Withdraw the allotments from the AFO/OPLOC supporting the losing CSB and transfer to the AFO/OPLOC supporting the gaining CSB with supporting documents. Adjust the MAFR reports. DFAS-DE 7077.10-M gives detailed instructions on downloading and uploading satellite records.

**14-18. General Funds General Ledger Accounting for Satellite Investment Accounts.** Normal host-tenant relationship concept applies. See DFAS-DE 7077.10-M for accounting procedures and products.