DRAFT RECLAMATION MANUAL RELEASE

Comments on this draft release must be submitted to Melissa Smith (mlsmith@usbr.gov) by September 21, 2020.

Background and Purpose of the Following Draft Directive and Standard (D&S), Administrative Controls System for the prevention of Antideficiency Act Violations, (BGT 02-01)

The Program and Budget Directives and Standards are in review to reflect a more comprehensive and up to date guidance for employees and stakeholders. This public release provides the public with an opportunity to comment on Administrative Controls Systems for the prevention of Antideficiency Act Violations (BGT 02-01). This D&S will make the program requirements better known and give greater assurance to stakeholders of the steps in place for funds control.

A team of representatives in the Financial Management community within Reclamation developed this draft D&S. This update to the D&S provides a more robust written documentation that shows mechanisms in place to help prevent Antideficiency Act violations.

The Reclamation Manual is used to clarify program responsibility and authority and to document internal Reclamation-wide methods of doing business. All requirements in the Reclamation Manual are mandatory.

See the following pages for the draft D&S.
Subject: Administrative Control of Funds System for the Prevention of Antideficiency Act (ADA) Violations

Purpose: The Department Manual (DM) Part 328, Chapter 1.9 – Approval of Bureau System of Administrative Control of Funds directive indicates each Bureau will develop its directives containing the basic funds control principles and concepts that are to be followed using the requirements of the DM Part 328. The benefit of this Reclamation Manual (RM) Directive and Standard (D&S) is to meet the requirement in the DM and provide measures to prevent violations of the ADA. The Administrative Control of Funds System includes requirements for the proper management of allotments and suballotments, management’s oversight, a fund control program, and managing changes in program requirements.


Approving Official: Director, Program and Budget (P&B)

Contact: P&B, Policy, Performance and Legislation Team, (94-31200); P&B, Policy, Integration and Execution Team, (94-31100)

1. Introduction. Bureaus and offices are required to establish an administrative control of funds system. The system appropriately restricts obligations and expenditures against each appropriation or fund to the amount available therein and, for appropriations required to be apportioned, restrict obligations and expenditures to the amount of approved apportionments or reapportionments made for such appropriation, and any allotment or suballotment. Administrative controls must include the proper accounting of allotments and suballotments, along with identification of oversight responsibilities, as well as fund control activities for continuous monitoring and management of changes in programs during the fiscal year. The ADA was enacted by Congress to prevent the incurring of obligations or the making of expenditures (outlays) in excess of amounts available in appropriations or fund group(s) following the intent of Congress in enacting authorizations. To ensure compliance with ADA and provide administrative controls for the prevention of ADA violations, this RM D&S:
A. provides requirements to appropriate staff and managers regarding their ADA responsibility to not create an obligation or make any expenditures in excess of an appropriation, statutory limitation, apportionment, reapportionment, allotment, suballotment, and any other administration subdivision;

B. outlines requirements to ensure Reclamation’s programs are executed, and funds expended in accordance with the intent of Congress in enacting authorizations; and

C. identifies processes to restrict obligations and expenditures against each appropriation or fund group to the amount available therein.

2. Applicability.

A. This D&S applies to all Reclamation employees that have any fiduciary responsibility for any Programs, Projects, and Activities (PPA) conducted, administered, or maintained by or on behalf of Reclamation for all funds except for the Working Capital Fund (WCF).

B. The Director, Mission Support Organization, is the designated manager for the Reclamation-wide (WCF). Responsibilities of the WCF Manager are in RM D&S, Working Capital Fund (WCF) Roles and Responsibilities, and Major Management Elements (FIN 15-10).

3. Allotments and Suballotments.

A. The Commissioner must ensure the allotment and suballotment of funds at the highest practical level, which is at the “account” (or Treasury symbol) level. In addition, within the limitations of apportionments approved by OMB, resources are allocated to the PPA at the levels specified in the Congressional table included in the report that accompanies the most recent Energy and Water appropriations act, which is incorporated by reference in each such act (and in other legislation regarding mandatory funding) and determine that the amounts distributed to PPA are within the amounts of apportioned funds and determining when transfers between PPA require submission of reprogramming to OMB and the Appropriations Committees.

B. The Director P&B approves all requests to OMB for apportionment and reapportionment of appropriated and other funds available to programs and projects and provides input to the Department’s Office of Budget (POB) for the following items.

   (1) Initial apportionment of estimates on unobligated carryover balances, revenues/reimbursements (offsetting collections), recoveries of prior year balances, and indefinite appropriations for each account. Refer to Appendix B.
(2) A Letter of Apportionment, which is due to OMB no later than 10 calendar days following approval of an Appropriation Act, is prepared by the P&B Office, based on the Appropriations Act, and submitted by POB to OMB for review and approval. Reapportionment follows the same course.

(3) The updating of Initial Apportionment Estimates is required annually near the end of November and includes updates for unobligated carryover balances. P&B staff provides this update to POB.

(4) The Activity Allotment Program form (DI 520) is prepared annually and submitted to the Department, ensuring the accuracy and consistency of accounts and amounts apportioned to each. For all accounts apportioned, POB submits DI 520s to obtain allotments. Refer to Appendix B.

(5) The apportionments, updates, etc., signed by the Department and OMB are adhered to and not exceeded.

(6) Preparing documentation for all apportionments and allotments of funds, budget activity distributions, monitoring obligations, and the movement of funds from one PPA to another (i.e., fund transfers) and ensuring that Congress is notified and does not object to a proposed reprogramming.

(7) Once apportioned, anticipated reimbursement is allotted when there is reasonable assurance that such items will be collected. The oversight of allotments containing estimated reimbursements or other anticipated amounts, ensuring appropriate funding adjustments are made, or other action taken, including reapportionment.

(8) Furthermore, even though these estimates have been apportioned and allotted, they will not be considered budgetary resources available for obligation unless they meet one of the following criteria: valid orders are received, entitlement is earned based on goods or services furnished; or in the case of orders from the public, advance payment is received, or such receipt is exempted by law.

4. Management Oversight. The senior executives, managers, and supervisors who oversee PPA funding allocated under their purview are responsible for ensuring the use of funds for the correct purpose, time, and amount in compliance with the ADA, appropriation acts, and Reclamation law. Senior executives, managers, and supervisors ensure:

A. Allotments and suballotments are not made for more than the amount of approved apportionments or reapportionments.

B. Obligations are incurred, or expenditures made only when funds are apportioned, reapportioned, allotted, sub-allotted, or otherwise authorized, as when operating under a Continu ing Resolution (CR).
C. Obligations or expenditures are not made for more than the amount available at the
time the obligation or expenditure occurs. Obligations against allotments or
suballotments involving reimbursements, transfers, income, etc. are restricted so as not
to exceed the amount received.

D. Obligations or expenditures are not incurred for more than available resources in
revolving funds, discretionary and mandatory funds, and trust funds, and may be
subject to apportionment by OMB.

E. Obligations are not incurred until the obligating document is cleared with the official
responsible for determining the availability of funds (i.e., certifying funds availability
in the Financial and Business Management System (FBMS)), unless written pre-
validation or certification of obligations is in effect to assure funds (i.e., emergency
authorization).

F. Each obligation and expenditure are identified correctly with a specific appropriation or
fund at the time the obligation is incurred and shall have supporting documentary
evidence (see 328 DM 1.5.G.(7)).

G. The Director P&B is notified immediately if a violation of the ADA is imminent or has
occurred.

H. The sequestered amounts from sequesterable accounts remain withheld and are not
obligated or otherwise disbursed.

5. **Fund Control Program.** The Director P&B has delegated authority to administer and
oversee the fund control program for all accounts other than Reclamation’s WCF in RM
**Delegations of Authority,** Paragraph 4.C.(2). Additional information on various fund
control elements is available in the Reclamation Program and Budget Handbook. The fund
control program includes oversight of the following elements.

A. **Rescission of Budget Authority.** The P&B Office oversees rescission actions and all
associated reporting and monitoring for the Department and OMB.

B. **Sequestered Funds.** Funds subject to sequestration are considered sequestered funds.
The P&B Office ensures sequestered funding amounts are entered in FBMS promptly
to avoid the obligation of dollars that are not available.

(1) Per Reclamation’s appropriation language and the FY 2012 Bureau of
Reclamation’s Sequestration Operating Plan still in effect at the time of this
publication, Reclamation’s Sequestration Operating Plan is to be executed at the
PPA level, reflective of the PPA lines set out in the Joint Explanatory Statement
of the Committee of Conference (with funding levels adjusted by PPA for the
Continuing Resolution) which accompanied the Consolidated Appropriations
Act, 2012, with regard to Reclamation’s Water and Related Resources account
Reclamation will implement any required sequestration by use of an overall strategy that makes use of three primary mitigation measures. First, we will use carryover funding within identified PPA’s, where it is legal and appropriate to do so. Second, we will make use of fund transfer authority provided to us under Section 201 of the FY 2012 Consolidated Appropriations Act with regard to Reclamation’s Water and Related Resources account, which provides us with some flexibility to transfer funds as needed when circumstances change, in order to match Reclamation’s most critical mission requirements to available funding. Third, we may detail some employees whose skill sets match the requirements of other projects with both capability and sufficient funding to use them effectively, if appropriate.

These flexibilities will be used in a way that does not create an imbalance in future years by entirely depleting reserves or carryover balances. Our use of them is consistent with the purpose of funding at the PPA level.

C. **Financial System of Record.** The Department’s FBMS is the system of record for managing appropriated PPA from allotment through execution. The Director P&B will ensure the accuracy of the fund balances entered in FBMS by:

1. Ensuring that the approved resource distributions are within the amounts of apportioned funds using a controlled budget load (e.g., loading the budget at the program/project/fund/budget activity and regional or directorate fund center level). The P&B Office is the only office authorized to perform budget changes in FBMS.

2. Ensuring that FBMS reflects the “Approved by Congress” levels as specified in the Appropriation Committee report or a spending plan submitted to Congress. For Water and Related Resources (W&RR) and the Loan Program, Congress specifies the levels on a program/project and budget activity (or fund group) basis.

3. Distributing the underfinancing and rescissions among the projects listed in the W&RR account, as well as reallocating prior year carryover (if necessary) for all programs, projects and activities in all accounts.

4. Ensuring reprogramming guidelines (e.g., limitations) are adhered to in this process, as provided in Appendix C of this document.

D. **Assignment of Costs.** Reclamation’s formulation of anticipated expenditures, charging of costs, and expense allocations follow Reclamation’s **Standard Process of Costing (SPOC) guide**, Programmatic Budget Structure(PBS), and project cost allocations as determined by law, final benefits analysis, D&S, and signed agreements.
1) **Programmatic Budget Structure.** The PBS is an internal guidance document for formulation of project and program budgets. It is linked to GPRA goals and provides Reclamation the means to implement an outcome-oriented, program-activity based, budgeting and reporting process. All managers and supervisors in Reclamation need to understand and utilize the PBS when placing program activities into the budget. Regional Budget Offices maintain oversight, ensuring activities are placed within the PBS properly.

2) **Standard Process of Costing.** Reclamation managers or their designees are held accountable for the costs of doing business within their particular programs/projects and need to know how to explain those costs to customers. By establishing a consistent set of principles, SPOC enables managers to convey the cost of doing business across Reclamation.

   (a) All employees should be familiar with SPOC and must understand how to charge costs appropriately.

   (b) Managers/Supervisors working with budget and finance, are responsible for the accurate charging of costs in accordance with SPOC guidance.

   (c) Regional and Directorate Budget and Finance Officers serve as Certifying Officers and subject matter experts and oversee, based on their expertise and fiduciary responsibility, the work breakdown structures, funds charged, and application of SPOC.

3) **Project Cost Allocations.** The allocation of costs ensures the correct beneficiary is paying their fair share of the cost of doing business. Project cost allocations are determined by law, a benefits analysis, D&S, or a signed basis of negotiation. Budget analysts and accountants ensure work breakdown structures are established correctly in FBMS for project cost allocations. Cost allocations are reviewed semi-annually in the regional/directorate Financial Management Office with the support of field budget analysts. Please see RM D&S *Project Cost Allocations (PEC 01-02)* for more information.

E. **Routine Monitoring of Fund Availability.** There are several fund monitoring activities that must be conducted monthly and daily to ensure fund availability, program accomplishments, and prevent any violations of the ADA. The financial management staff conducts routine monitoring and helps ensure the prevention of any potential ADA violations. The program/project and budget activity level are the levels of accountability for evaluating a potential ADA violation. For example, W&RR, Central Arizona Project, and the Resource Management and Development (RMD) budget activities must always be solvent.
(1) **Monthly Certification.** P&B Office provides monthly notification of fund balances to each regional/directorate budget officer for certification. Certification attests that an administrative review of the funding available in comparison to the obligations made is not in violation of the ADA. Regional and directorate budget officers and budget analysts must monitor and report obligations, expenditures, and disbursements in the accounting period in which they occur, along with monitoring any surplus or shortages.

(2) **Daily Monitoring of Residual Budget Authority.** During the fiscal year, the financial management offices monitor potential surpluses and shortages and proactively manage any potential adverse consequences. The Program, Project, and fund level balances are monitored daily via the FBMS Residual Budget Authority (RESBA) report. The P&B Office works with the appropriate regional/directorate budget officers regarding any concerns.

(3) **Status of Funds (SOF) Meetings.** Reclamation-wide SOF meetings are held by the P&B Office to provide oversight of the overall status of Reclamation funds, identify any surplus and shortage issues, potential carryover funding, and planned or projected fund transfers as necessary. Regions and directorates are represented at SOF meetings by budget officers, budget analysts, and additional staff as requested. Meetings are held monthly beginning at mid-year and continue more frequently until year-end. Regional/directorate budget officers ensure controls are in place for their respective areas to ensure funds are not obligated for any program, project, or activity (e.g., budget activity level) unless adequate budget authority exists.

6. **Change in Program Requirements.** Congress provides some flexibility to Reclamation to execute funds in the best way possible to accomplish the mission. Section 201 of the annual appropriation law provides the boundaries for accomplishing either Fund Transfers or Reprogramming actions when program requirements change.

A. **Fund Transfers.** When funds are moved between Projects and funds and the monetary value remains within the ceilings provided in Section 201 of the annual appropriation bill, it is considered a fund transfer. End of year cut off dates for fund transfers are provided by the P&B Office.

(1) **Fund Transfer Request.** The regional/directorate budget officer must request all fund transfers with justifications in writing, to the P&B Office. If fund transfers affect other regions, approval between budget officers is required as supporting documentation.

(2) **Limitations.** A fund transfer must occur under the provisions allowed within Section 201 of the annual appropriations bill. Calculations are prepared in the region and submitted to the P&B Office with the fund transfer request.
(3) **Approvals.** The P&B regional analyst reviews fund transfer requests and routes for approval to the Director P&B.

(4) **Exceptions.** Fund Transfers within the same budget activity and Project are approved by a P&B regional analyst and do not require approval by the Director of P&B.

(5) **Obligation Authority.** Once a fund transfer is approved, the P&B staff process the budget authority changes in FBMS which updates the funds available for obligation.

(6) **ADA Prevention.** Funds cannot be obligated or expended above Congressional limitations at the program, Project, and budget activity (PPA) level. Depending upon the funds available at a given time, this could mean transactions are on hold pending a fund transfer and will process after the fund transfer approval is obtained and FBMS changes are complete. The P&B Office notifies the regions when the funds are realigned in FBMS.

**B. Reprogramming of Funds.** A reprogramming action is required for any significant departure from a program as described in the budget justifications, Congressional action spending plan, or amounts above the limitations outlined in Section 201 of each Energy and Water Development appropriation bill. The requirements apply to the W&RR account. (see example in appendix C)

(1) **Reprogramming Request.** The reprogramming request is prepared in the region in coordination with the regional budget office and program manager to prepare the justification in writing. The reprogramming request is then approved by the budget officer, financial manager, regional/directorate director, and sent to the P&B Office.

(2) **Limitations.** Statutory provisions are included in each Energy and Water Development Appropriations Act (see Appendix C). Any transfers exceeding the limits or outside of the scope of Section 201 in the appropriations language should be considered as a reprogramming request. The requirements apply to the W&RR account.

(3) **Approvals.** The Director P&B reviews the requests and coordinates the approval of the Department, OMB, and Congressional appropriations committees. Any office can request briefings or additional information before approval.

(4) **Exceptions.** The reprogramming requirements do not apply to those appropriations which include only one line item in the appropriations act when funding adjustments stay within the line item (e.g., Policy and Administration, Central Valley Project Restoration Fund, California Bay-Delta Restoration) and permanent mandatory accounts which require no annual appropriation (e.g., Colorado River Dam Fund, Trust Funds, Lower Colorado River Basin...
Development Fund (revenues only), Upper Colorado River Basin Fund (revenues only), and Miscellaneous Appropriations).

(5) **Obligation Authority.** Once a reprogramming request is approved, the P&B budget analysts process the budget authority changes in FBMS, which updates the funds available for obligation.

(6) **ADA Prevention.** Funds cannot be obligated or expended above Congressional limitations at the program, project, and budget activity (PPA) level. Depending upon the funds available at a given time, this could mean transactions are on hold pending a reprogramming action and will process after the reprogramming approval is obtained and FBMS changes are complete. The P&B Office notifies the regions and directorates when the funds are realigned in FBMS.

7. **Violations of the ADA, Reporting, and Penalties.** The ADA consists of provisions of law that were passed by Congress to prevent the over expenditure and inappropriate use of appropriations. In general, if funding obligates for the wrong purpose, for an amount exceeding what is authorized, or if funds cited have expired, a violation may have occurred. Reclamation employees will contact their regional/directorate financial management office and the Director P&B if there are concerns regarding potential ADA violations. The Washington P&B Office must report any violation of the ADA as prescribed in DM Part 328 Ch. 1. Statutory violations can include either criminal or administrative penalties. Appendix D provides further details regarding the ADA, including non-statutory violations following DM Part 328.

8. **Lapse in Appropriations.** The P&B Office follows OMB circular A-11 or other direction provided by OMB if a lapse in appropriations occurs.

9. **Appendices.**
   
   A. Appendix A, Definitions
   
   B. Appendix B, Apportionment Status of Accounts
   
   C. Appendix C, Example of Reprogramming Requirements
   
   D. Appendix D, ADA Information
   
   E. Appendix E, Related References

10. **Definitions.** See Appendix A.

11. **Review Period.** The originating office will review this release every four years.
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Definitions

This appendix is a glossary of terms and acronyms used in the Reclamation Manual (RM) Directive and Standard (D&S), Administrative Control of Funds for the Prevention of Antideficiency Act (ADA) Violations (BGT 02-01), and its appendices.

1. **Allotment and Suballottment.** The formal administrative subdivision of an appropriation representing the authority delegated by the bureau or office head or any other authorized employee of the bureau or office to incur obligations within a specified amount pursuant to OMB apportionment/reapportionment or other statutory authority making funds available for obligations.

2. **Anticipated Reimbursements.** In transactions with the public, anticipated reimbursements are estimated collections comprising advances Reclamation expects to receive and reimbursements it expects to earn. In transactions between Government accounts, anticipated reimbursements consist of orders expected to be received but none have been accepted. Anticipated reimbursement authority is loaded in FBMS to allow for reimbursable activities to occur.

3. **Antideficiency Act.** As defined in the GAO Budget Glossary, the Antideficiency Act is a Federal law that:

   (a) prohibits the making of expenditures or the incurring of obligations in advance of an appropriation;
   
   (b) prohibits the incurring of obligations or the making of expenditures in excess of amounts available in appropriation or fund accounts unless specifically authorized by law (31 USC 1341(a));
   
   (c) prohibits the acceptance of voluntary or personal services unless authorized by law (31 U.S.C. § 1342);
   
   (d) requires the OMB, via delegation from the President, to apportion appropriated funds and other budgetary resources for all executive branch agencies (31 U.S.C. § 1512);
   
   (e) requires a system of administrative controls within each agency (see 31 U.S.C. § 1514 for the administrative divisions established);
   
   (f) prohibits incurring any obligation or making any expenditure in excess of an apportionment or reapportionment or in excess of other subdivisions established pursuant to sections 1513 and 1514 of title 31 of the United States Code (31 U.S.C. § 1517);
   
   (g) AND specifies penalties for deficiencies.

4. **Appropriation.** Appropriation means a provision of law (not necessarily in an appropriations act) authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority.
5. **Apportionment.** A plan, approved by the Office of Management and Budget (OMB), to spend resources provided by law. The law providing the resources may be a permanent law (mandatory appropriations), one of the 13 annual appropriations acts, a supplemental appropriation act, or a continuing resolution. Amounts apportioned become the budgetary resources.

6. **Budget Activity.** A specific and distinguishable line of work performed by a governmental unit to discharge a function or sub-function for which the governmental unit is responsible. Activities within most accounts identify the purposes, projects, or types of activities financed. (See also Program, Project, or Activity.) (GAO [https://www.gao.gov/assets/80/76911.pdf](https://www.gao.gov/assets/80/76911.pdf))

A. Reclamation manages budget activities at one of two levels. For the Water and Related Resources (W&RR) budget account (which includes the Upper and Lower Colorado River Basin Funds), budget activities are allocated in a table included in each year’s Appropriation Committee Reports within the two budget activity categories (also referred to as fund groups) Resource Management and Development (RMD) and Facility Operation, Maintenance, and Rehabilitation (OM&R). These budget activity categories are incorporated by reference in Section 201 of each appropriation act. They are defined (or limited) by Congress for a particular purpose with a specific amount of funding, and rules limiting transfers between them (see Section 201 of each appropriation act). The fund codes below identify as RMD or OM&R using varying digits for the second to the last digit of the fund code, represented below by the asterisk.

(1) Resource Management and Development (RMD) fund group

(a) Water and Energy Management and Development (*1)
(b) Land Management and Development (*2)
(c) Fish and Wildlife Management and Development (*3)

(2) Facility Operation, Maintenance, and Rehabilitation (OM&R) fund group

(a) Facility Operations (*4)
(b) Facility Maintenance and Rehabilitation (*5)

B. For non-W&RR funds, budget activities are controlled at the Treasury appropriation symbol level, since this is the lowest level defined in the act of Congress. For a complete list of treasury account symbols and fund codes, see RM D&S, Appropriations - Treasury Symbols, and Corresponding Funds (FIN 02-10).

7. **Budget Authority (BA).** The authority provided by law to incur financial obligations that results in outlays. Specific forms of budget authority include appropriations, borrowing authority, contract authority, and spending authority from offsetting collections.
8. **Budgetary Resource.** An amount available (in FBMS) to enter into new obligations and to liquidate them. Budgetary resources include any new budget authority (such as direct spending authority provided in existing statute and limitations), and unobligated balances of budget authority provided in previous years.

9. **Departmental Manual (DM).** Permanent policy documents approved by the Secretary or the Assistant Secretary - Policy, Management, and Budget. These include organization descriptions; delegations of authority; and policies, procedures, and standards for administrative, legal, legislative, informational, and program activities of the Department.

10. **Documentary Evidence.** One of the following: A binding agreement in writing between the parties thereto, including Government agencies, in a manner and form and for the purpose authorized by law, executed before the expiration of the period of availability for obligation of the appropriation or fund concerned for specific goods to be delivered, real property to be purchased or leased, or work or services to be performed; a valid loan agreement, showing the amount of the loan to be made and the terms of repayment thereof; an order required by law to be placed with a Government agency; an order issued pursuant to a low authorizing purchases without advertising when necessitated by public exigency or for perishable subsistence supplies or with specific monetary limitations; a grant or subsidy payable from appropriations made for payment of or contributions toward, sums required to be paid in specific amounts fixed by law or in accord with formulae prescribed by law or pursuant to agreement authorized by, or plans approved in accord with and authorized by, law; a liability which may result from pending legislation; a liability of employment or services of persons or expenses of travel in accord with law, and services performed by public utilities; or any other legal liability of the United States against an appropriation or fund legally available therefore.

11. **Expenditure.** The actual spending of money; an outlay.

12. **Financial and Business Management System or FBMS.** An integrated suite of software applications utilized by all of the Department that streamlines financing and administrative functions.

13. **Fund Group.** A grouping of fund codes that are aggregated for evaluation when considering fund transfer ceilings or limitations. For example, Resource Management and Development Group and the Operations, Maintenance, and Rehabilitation Group as defined in Budget Activity above.

14. **Fund Transfers.** The shifting or transfer of funds within an appropriation account from one region, project, or budget activity to another. Reclamation is provided the authority for a fund transfer in Section 201 of the annual appropriations bill.

15. **Obligation.** A binding agreement that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally.
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16. **Office of Management and Budget or OMB.** Oversee and coordinate the Administration’s procurement, financial management, information, and regulatory policies.

17. **Programmatic Budget Structure.** Guidance on the placement of functions and operations of program/project activities within the major programmatic components and budget activity. Reclamation’s Programmatic Budget Structure can be found here: https://www.usbr.gov/budget/documents/Programmatic%20Budget%20Structure%202006.pdf

18. **Program/Project (Functional Area)/Budget Activity Level (PPA).**

   A. For discretionary accounts, the PPA is determined by the detail tables provided by the Appropriations Committees in the reports accompanying the annual appropriations bills. Bureaus and offices may delineate PPAs below this level. At a minimum, bureau, and office PPAs must be in alignment with the detailed tables from the Committees. (definition provided by the Bureau of Reclamation Sequestration Plan)

   B. In conjunction with the rules outlined in Section 201 of the appropriations act, PPA is the level at which Reclamation is held accountable for ADA violations. Using the Central Arizona Project as an example, the overall authorized and apportioned amounts in Water and Related Resources RMD accounts (as discussed in the definition for Budget Activity) is the amount of funding authority considered when assessing whether or not there has been a violation of the “amount” principle of the ADA. There are two additional exceptions provided in Section 201 that allow for 1.) a recharacterization of funds from OM&R to RMD and/or 2.) Reclamation can request a reprogramming action from Congress.

20. **Reapportionment.** A revision approved by OMB of amounts previously available for obligation in an appropriation or fund account. This approved revision would ordinarily cover the same period, activities, projects, or programs covered in the original apportionment.

21. **Reclamation Manual (RM).** The RM consists of a series of Policies along with Directives and Standards. Collectively, these releases assign program responsibility and establish and document Reclamation-wide methods of doing business. All requirements in the RM are mandatory.

22. **Reprogramming of Funds.** The shifting of funds within an appropriation account, generally from one budget activity, project, or program to another, for purposes other than those outlined in the budget justifications and expressed as Congressional intent in the appropriation act. Reprogramming funds require approval from OMB, the Department, and notification to Congress.

23. **Rescission** *(OMB Circular A-11, Section 112.2)*. The cancellation of budget authority before the time when the authority would otherwise be available for obligation. The process
begins when the President proposes a rescission to the Congress for fiscal or policy reasons, or when Congress enacts such a cut for its purposes. A rescission of budget authority occurs only when enacted into law.

24. **Sequestration.** The cancellation of budgetary resources. The Statutory Pay-As-You-Go Act of 2010 requires such cancellations if revenue or direct spending legislation is enacted that, in total, increases projected deficits or reduces projected surpluses relative to the baseline. Under the most recent Bipartisan Budget Act of 2019, Public Law (PL) 116-37, selected mandatory programs would be subject to annual across-the-board cancellations through 2029 (extended from the previous date of 2024). The Balanced Budget and Emergency Deficit Control Act, PL 99-177, requires such cancellations if discretionary appropriations exceed the statutory limits on discretionary spending.

Apportionment Status of Accounts

1. **Accounts Apportioned and/or for which DI 520’s are Prepared.** The first two digits of the fund could be subject to change each year. 14X is for funding issued in 2014.

   A. American Recovery and Reinvestment Act Funds – 1409/100681
   B. American Recovery and Reinvestment Act Management and Oversight – 1409/120681
   C. California Bay-Delta Restoration Account – 14X0687
   D. Central Valley Project Restoration Fund – 14X5173
   E. Colorado River Development Fund – 14X5656
   F. Loan Financing Account – 14X4547
   G. Loan Program consisting of the following accounts:
      (1) Loan Program Account (General Fund) – 14X0685
      (2) Loan Program Account (Reclamation Fund) – 14X5685
   H. Lower Colorado River Basin Development Fund – 14X4079
   I. Operation and Maintenance of Quarters, OYP – 14X5053
   J. Operation, Maintenance & Replacement of Project Works, North Platte Project – 14X5058
   K. Policy and Administration – 14X5065
   L. Reclamation Trust Funds – 14X8070
   M. Recreation Enhancement Fee Program – 14X5109
   N. San Gabriel Basin Restoration Fund – 14X5483
   O. San Joaquin River Restoration Fund – 14X5537
   P. Upper Colorado River Basin Fund – 14X4081
   Q. Water & Related Resources, consisting of the following accounts:
      (1) Water & Related Resources (General Fund) – 14X0680
(2) Water & Related Resources (Reclamation Fund) – 14X5430

R. Working Capital Fund – 14X4524

S. Taos Settlement Fund – 14X2638

T. Reclamation Water Settlements Fund – 14X5593

U. Loan Program, Liquidating Account – 14X0667

V. Payments to Farmers’ Irrigation District, North Platte Project – 14X5059

W. Payments to Local Units, Klamath Recreation Area – 14X5103

2. Accounts Exempt from Apportionment.

A. Dutch John Fund – 14X5455

B. Refunds & Returns, Reclamation Fund – 14X5067
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Reprogramming Requirements

Excerpt from PUBLIC LAW 115-224 – September 21, 2018. Generally, this provision is included in each year’s appropriation bill. However, it is best to check the most current appropriations bill to ensure thresholds, percentages, and flexibilities allowed below are currently available.

Sec. 201.
(a) None of the funds provided in title II of this Act for Water and Related Resources, or provided by previous or subsequent appropriations Acts to the agencies or entities funded in title II of this Act for Water and Related Resources that remain available for obligation or expenditure in fiscal year 2019, shall be available for obligation or expenditure through a reprogramming of funds that--
   (1) initiates or creates a new program, project, or activity;
   (2) eliminates a program, project, or activity;
   (3) increases funds for any program, project, or activity for which funds have been denied or restricted by this Act, unless prior approval is received from the Committees on Appropriations of the House of Representatives and the Senate;
   (4) restarts or resumes any program, project or activity for which funds are not provided in this Act, unless prior approval is received from the Committees on Appropriations of the House of Representatives and the Senate;
   (5) transfers funds in excess of the following limits, unless prior approval is received from the Committees on Appropriations of the House of Representatives and the Senate:
      (A) 15 percent for any program, project or activity for which $2,000,000 or more is available at the beginning of the fiscal year;
      or
      (B) $400,000 for any program, project or activity for which less than $2,000,000 is available at the beginning of the fiscal year;
   (6) transfers more than $500,000 from either the Facilities Operation, Maintenance, and Rehabilitation category or the Resources Management and Development category to any program, project, or activity in the other category, unless prior approval is received from the Committees on Appropriations of the House of Representatives and the Senate; or
   (7) transfers, where necessary to discharge legal obligations of the Bureau of Reclamation, more than $5,000,000 to provide adequate funds for settled contractor claims, increased contractor earnings due to accelerated rates of operations, and real estate deficiency judgments, unless prior approval is received from the Committees on Appropriations of the House of Representatives and the Senate.

(b) Subsection (a)(5) shall not apply to any transfer of funds within the Facilities Operation, Maintenance, and Rehabilitation category.
(c) For purposes of this section, the term transfer means any movement of funds into or out of a program, project, or activity.

(d) The Bureau of Reclamation shall submit reports on a quarterly basis to the Committees on Appropriations of the House of Representatives and the Senate detailing all the funds reprogrammed between programs, projects, activities, or categories of funding. The first quarterly report shall be submitted not later than 60 days after the date of enactment of this Act.
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1. **Resources.**


   D. **Principles of Federal Appropriations Law.** Also known as the Red Book, the Principles of Federal Appropriation Law is the Government Accountability Office’s (GAO) multi-volume treatise concerning federal fiscal law. The Red Book provides text discussion regarding specific legal authorities to illustrate legal principles, their application, and exceptions. These references include GAO decisions and opinions, judicial decisions, statutory provisions, and other relevant sources. Per the GAO website: “Our current Red Book consists of Chapters 1-3 (of the 4th Edition) and Chapters 5-15 (of the 3rd Edition). As we update these chapters, we will also update this table of contents and provide new links. We will no longer publish a separate Annual Update.”

2. **Statutory Violations.** Obligations that violate the ADA are those obligations that exceed budgetary resources/authority at Congressionally approved levels. Statutory Violations can occur if:

   A. Obligations or expenditures are authorized or incurred in excess of the amount of funds available at the formal subdivision of funds level. Incurring an obligation or disbursement in excess of a target (vice a formal subdivision of funds) does not in itself create a violation of the ADA; however if exceeding a target causes the governing formal fund subdivision or limitation to be breached, then a potential violation of the ADA arises.

   B. Funding authority is issued in excess of the amount available and the excess is obligated or expended.

   C. Special or recurring statutory limitations or restrictions on the amounts (i.e. a ceiling) for which an appropriation or fund may be used are violated.

   D. Limitations on the purposes for which an appropriation or fund may be used are violated.
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E. Obligations are incurred in advance of funds being available.

F. Obligating, expending, or authorizing funds required to be sequestered.

G. A potential violation may occur if an obligation is created or authorized against, or an obligation or expenditure is made or authorized from, an account that is expired or canceled. Policy and Administration funding is two-year funding. Other Reclamation funding is generally no-year funding and not subject to the time limitation.

3. **Non-statutory Violations.** Obligations that exceed administratively set levels of funding, below the level specified in appropriation committee reports, can be considered non-statutory violations if adjustments are not coordinated in advance. The senior executives, managers, and supervisors who oversee programs and projects with funds allocated under their purview can establish administrative levels of funding.

4. **Penalties.** Penalties for ADA violations can include administrative discipline ranging from a letter of reprimand to removal from office, or criminal penalties with fines up to $5,000 or no more than two years in prison.
Related References

1. **A Glossary of Terms Used in the Federal Budget Process.** GAO-05-734SP: Published: Sep 1, 2005. (Supersedes AFMD-2.1.1.) was the primary source for the definitions used in this document. Also known as the Government Accountability Office (GAO) Budget Glossary.

2. **Budget and Accounting Act of 1921, as amended (31 USC 1101, 1104-1108, 3324).** Grants the President authority to prepare budgets for the Government requiring a uniform budgetary practice for all Executive agencies. The Act offers guidance on the required content of budget submissions to Congress. Section 3324 governs the advance of public money.

3. **Supplemental Appropriations Act of 1950 (31 USC 1501-1502).** Requires documentary evidence for Government obligations, but most importantly defines an obligation and the availability of funds to make outlays for such obligations.

4. **Budget and Accounting Procedures Act of 1950 (31 USC 1112, 1531, 3511, 3512, 3524).** Requires all agencies to report and maintain standard accounting systems on fiscal, budget, and program information. Section 1531 outlines procedures for transfers between agencies.

5. **Antideficiency Act, as Amended (31 USC 1341, 1342, 1349-51, 1511-1519).** Accomplishes two functions. First, it requires that an agency's funds are apportioned to prevent spending the entire appropriation in the first few months. Second, it prohibits any Federal employee from entering into contracts that exceed the enacted appropriation for a given year or purchase services and/or merchandise before appropriations are enacted.

6. **Congressional Budget and Impoundment Control Act of 1974 (Pub. L. 93-344; 2 USC 681-688).** Establishes Senate and House committees on the budget as well as the Congressional Budget Office but is highlighted by creating the budgetary timetable for any fiscal year. Additional elements change the end of a fiscal year to September 30 and state that it will not be in order for either House of Congress to consider any bill which provides new advance spending authority unless provided for in appropriation Acts.

7. **Federal Managers' Integrity Act of 1982 (Pub. L. 97-255, 31 U.S.C. 3512).** Amends the Accounting and Auditing Act of 1950 to require Federal agencies to establish internal accounting and administrative controls to prevent waste or misuse of agency funds or property and assure the accountability of assets.

9. **Office of Management and Budget (OMB) Circular A–11.** Preparation, Submission, and Execution of the Budget (as updated in each successive year). Circular A-11 provides instruction on budget execution. Information is provided on how to request apportionments, report progress in carrying out spending plans, and how to meet other budget execution requirements. For Table of Contents visit this link: [OMB Circular A–11 TOC](#).

10. **Departmental Manual Part 328, Administrative Control of Funds** (visit Series 08 in link). Offers guidance on budget execution and control of budgetary resources, as well as investigation and reporting requirements for the Antideficiency Act. Chapters 1–3 require each bureau to develop its own directives establishing basic funds control principles and policies to:

A. fix responsibility for the creation of any obligation or the making of any expenditure in excess of an appropriation, statutory limitation, apportionment, reapportionment, allotment or suballotment, and any other administration subdivision pursuant to provisions of the Antideficiency Act;

B. ensure that programs are executed, and funds expended in accordance with the intent of Congress in enacting authorizations;

C. restrict obligations and expenditures against each appropriation or fund to the amount available;

D. require appropriations to be apportioned; and

E. restrict obligations and expenditures to the amount of approved apportionments or reapportionments made for each appropriation, and any allotment or suballotment.