

# Lesson 16

## **DISTRIBUTION OF FUNDING**

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# Acquisition and Distribution of Funding

- Accounts
- Glossary of Funding Terms
- Players
- Anti-Deficiency Act
- Distribution of Funding to USACE
- Allotments by CERM
- Work Allowances by CECW-I
- VTC Process for Adds
- Earmarks Issue
- Continuing Resolution Acts

# Accounts

- Accounts Receiving Annual Appropriations
  - 96 X 3112 Mississippi River and Tributaries
  - 96 X 3121 Investigations
  - 96 X 3122 Construction
  - 96 X 3123 Operation and Maintenance
  - 96 X 3124 Expenses
  - 96 X 3125 Flood Control and Coastal Emergencies
  - 96 X 3126 Regulatory Program
  - 96 X 3130 Formerly Utilized Sites Remedial Action Program
  - 96 2008 3132 Office of Assistant Secretary of the Army (Civil Works) (one year money)

# Accounts (Continued)

- Permanent Appropriation Accounts
  - 96 X 8333 Coastal Wetlands Trust Fund
  - 96 X 5125 Maintenance and Operation of Dams
  - 3 Small Permanent Appropriations
- Trust Funds
  - 96 X 8861 Inland Waterways Trust Fund (to Construction)
  - 96 X 8863 Harbor Maintenance Trust Fund (to Construction, O&M)
  - Sources of Funds are Dedicated Taxes
  - Funding in Other Accounts Is Derived from Trust Funds
  - Subject to Appropriations in Most Cases
- Contributed Funds (Cost Sharing)
- Bonneville Power Administration
- Revolving Fund
  - Breaks even thru billings
  - Funds PRIP – Project Replacement and Improvement Program

# Glossary of Funding Terms

- Funding = obligation authority = budget authority (BA). Types of BA include appropriations, borrowing authority, contract authority, and spending authority from offsetting collections
- Appropriation = provision of funding through a law
- Deferral = formal, temporary withholding of funding -- requested by President and goes into effect if no Congressional action
- Rescission = cancellation of appropriated funding – may be requested by President; may apply to CY or prior year approp.
- Apportionment = distribution of funding by OMB to various time periods or programs or objects
- Allotment = distribution of apportionment (to districts and SFOAs)
- Treasury Warrant = authority to withdraw funds from Treasury
- Obligation = promise to pay
- Expenditure = earnings including both billed (payable) and unbilled (accrued)
- Outlay = disbursement = liquidation of obligation = funds

# Players

- Office of Management and Budget -- Apportionment
- Department of the Treasury -- Warrants
- Resource Management Directorate – Funding Authorization Documents
- CW PID Account Managers – Work Allowances
- Business Line Managers and Remaining Item Proponents/Managers – Distribution of Remaining Item Funding
- RITS -- VTC Process
- MSCs, SFOAs, and Districts – All of Above

# Anti-Deficiency Act

- Determinants of Legal Availability of Funding
  - Purpose
    - “Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law” 31 USC 1301
    - From Act, legislative history, budget, Comptroller General
  - Time – 2 year, 1 year (ASA), no year (all other CW)
  - Amount – at appropriation, apportionment, and agency allotment (FAD) level (Not WA level)
- Augmentation of Funds
  - Violates purpose and amount
- Applies to Reimbursable Work, Too
  - Limits Travel with the Money
  - No Authority to Work Beyond Terms of MIPR / IAG
- Applies to Revolving Fund

# ADA -- Examples

- Change in account – in budget, not in budget
- Splitting OMA/Expenses
- PED and Construction
- Earmark in Law
- Statutory CAP
- Inland Waterways Trust Fund
- Over-obligation during CRA
- FCCE transfer for emergency
- Continuing contracts



# Distribution of Funding to USACE

- Apportionment / Reapportionment by OMB
  - Carry-in by Sep 10 -- 100% 1<sup>st</sup> quarter
  - Anticipated Collections (from Reimbursable, Trust Funds) by Sep 10 -- 35 / 25 / 25 / 15 quarterly
  - New Funding within 30 days -- 35 / 25 / 25 / 15 quarterly
  - May be waived for trust funds, permanent appropriations, revolving funds, and temporary CRAs
  - Trust Funds Are Apportioned; Payable = Receivable; Actual Payable  $\leq$  Balance; Monitoring Required
- Direct Funding -- Warrant by Treasury
- “Reimbursable” Funding -- MIPR or Interagency Agreement

# Work Allowances by CECW-I

- Amount – Practice Thus Far
  - Line Items from Conference or Joint Explanatory Statement
    - Conference Amount
    - Reduction for Anticipated Savings and Slippage, if any (pro rata per sec. 503, P.L. 102-377)
    - Rescission within Same Act (rescission from prior Act is a separate action)
    - Amount Withheld
  - Projects within Line Items – CAP, DSS, DMDF, FPMS, PAS, “Paybacks,” O&M Pots – Incremental Allocations
- Form
  - Name
  - CWIS / AMSCO / PWI
  - Category, Class, and Subclass (CCS) per ER 37-2-10, App. 20-I
  - Amount
  - District / Division

# Allotments by CERM

- Direct Funding
  - PBAS – Program and Budget Allocation System
  - FAD – Funding Authorization Document
    - Issued to Districts and SFOAs
    - Amount for each is “rollup” of work allowances
  - Districts Allot Funding from FAD to Projects in CEFMS (Create Funding Register) in Accordance with Work Allowances – CEFMS should match P2
- “Reimbursable” Funding
  - Upon acceptance, PR&C is an obligation for the customer and an authorization to obligate for USACE
  - Loaded into CEFMS Also

# VTC Process for Adds

- Applicability
  - Earmarks That Are Questionable or Inconsistent WRT Policy and Have Unresolved Issues
  - Construction New Starts
  - WRDA-type General Provisions (except simple stuff)
- Purpose: Present Facts, Decide on Implementation Plan
- Process
  - Coordination of MSC Table
  - Coordination of Draft Fact Sheets
  - VTC for Fact Sheets with Issues Not Resolved at Staff Level

# Earmarks Issue

- Act versus Report
- Ceilings, Floors, Both, Neither
- OMB Definitions – adds, add-ons, carve-outs
- Veto Threat (must reduce 50 percent)
- Executive Order to Agencies To Ignore Report Language and Post Written Requests

# Year Long CRA, FY 2007 (P.L. 110-5)

- CRA Provisions
  - Sections 101 & 111 & 20301 -- Level = Regular FY 2006 plus  $\frac{1}{2}$  of Pay Raise, but specified for Construction and Expenses
  - Sections 101 & 112 & 20303-20308 -- Same conditions as previous Act, except for “earmarks” and “provisos”
  - Section 105 – Funds only projects or activities funded in FY 2006 through an allocation or reprogramming
  - Section 20302 -- Section 902 waiver for 1 year
- USACE Work Plan
  - Modeled after Section 113 requirement
  - Funding decision rules used, especially for Construction, e.g. budgeted work, continuing contracts, paybacks that could be used, orderly shutdown of unbudgetable
  - Line item breakouts of 4 traditional accounts

# FY 2008 CRA (P.L. 110-92)

- CRA -- Temporary Appropriations, Often Extended, to Avoid Funding Gap
  - Section 101 -- Continue “Rate for Operations”
  - Section 101 -- Same conditions as previous Act
  - Sections 101 & 104 – Funds only projects and activities funded in FY 2006 (or CAP projects funded in FY 2007) through an allocation or reprogramming
  - Section 108 -- Time limit for apportionment waived
  - Section 112 -- Acceleration to avoid furloughs
- Automatic Apportionment by OMB (Bulletin 07-05)
  - Annualized amount (previous year) excluding non-recurring (Supplemental) funding
  - Lower of percentage of year covered by CRA, or historical seasonal rate of obligations as percentage of annual obligations (period of record 1994-present)
  - Pro-rata to avoid furloughs in Regulatory and Expenses
- Distribution by USACE – “Paper FADs” without work allowances

# CRA Guidance

- Authority and conditions continued from previous FY
- Allotments to projects usually limited to lesser of House or Senate amounts to minimize reconciliation problems
- Allotments within project-based remaining items require concurrence of Program Manager
- Reconciliations are MSC responsibility



# BACKUP MATERIALS

- Sample Apportionments
- Category – Class – Subclass Codes
- Sample Work Allowance Table
- Executive Order on Earmarks
- FY 2008 CRA
- OMB Automatic Apportionment under FY 2008 CRA
- FY 2007 Year-Long CRA