

## Apportionment Process and Requirements for Certain Types of Accounts

### 30.1. Apportionment process.

The apportionment process is intended to prevent obligation of funds in an account in a manner that would require deficiency or supplemental appropriations and to 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 occur. 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 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.

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.

### 30.2. Apportionment requirements and exemptions.

All accounts will be apportioned 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; and
- the following types of accounts, which are exempt from apportionment 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 and other types of non-revolving intra-governmental funds (see section 11.7 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 11.7);
- 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. 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.”