

CHAPTER 5

FUND ACCOUNTING AND CONTROL PROCEDURES

5-1. General. This chapter contains the administrative control of funds system for Civil Works activities of the Corps of Engineers designed to comply with the requirements of subsection (g) of Section 3679, as amended, known as the Anti-Deficiency Act (31 U.S.C. 665) and instructions of the Bureau of the Budget. It prescribes a system designed to:

a. Control apportioned funds by restricting obligations or expenditures to the amount of apportionments.

b. Enable responsibility to be fixed for the creation of an obligation or for the making of any expenditure in excess of an apportionment or an allotment issued in subdivision thereof.

c. Provide for subdivision of apportionments allotments to field installations at the appropriation or statutory limitation level, where applicable, and the maintenance of allotment records thereof.

d. Provide for subdivision below apportionment control levels at the category, class and project level which are classed as work allowances and are necessary in effectively administering work programs. Also to provide for maintenance of necessary work allowance records to reflect current status. (ER 11-2-101 prescribes methods of establishment and approval of such work allowances.) These work allowance subdivisions are to be distinguished from allotments and apportionment control procedures established to control apportionments pursuant to be provisions of Section 3679, revised Statutes.

5-2. Appropriation Structure. As described more completely in ER 11-2-101, the appropriation structure generally provides for the following appropriations each covering certain project classes:

96X3112 Flood Control, Mississippi River and Tributaries  
96X3121 General Investigations, Corps of Engineers, Civil  
96X3122 Construction General, Corps of Engineers, Civil  
96X3123 Operation and Maintenance General, Corps of Engineers  
Civil  
96( ) 3124 General Expenses, Corps of Engineers, Civil, (19\_\_)  
96X3125 Flood Control and Coastal Emergencies  
96( ) 3138 U.S. Section, St. Lawrence River Joint Board of Engineers, Corps of Engineers, Civil  
96X8862 Rivers and Harbors Contributed Funds  
96X8869 Rivers and Harbors Advance Funds  
96X5066 Hydraulic Mining in California, Debris Fund  
96X5125 Maintenance and Operation of Dams and Other Improvements  
of Navigable Waters

From time to time, three-digit decimal limitation symbols may be applied to the foregoing appropriation symbols to cover certain specific statutory limitations established by the Congress. Definitions and instructions for their use will be furnished on advices of allotment or by separate correspondence in each specific instance.

5-3. 96X1902 Revolving Fund, Corps of Engineers. The Revolving Fund operates under the provisions of the Civil Appropriation Act, FY 1954 Public Law 153 83d Congress, approved 27 July 1953, and it is not required that allotment accounts for it be maintained for unobligated balances, undelivered orders, reimbursements or expired appropriations. Control of activities under the Revolving Fund is covered in ER 11-2-101 and in Chapter 7 of this regulation on Revolving Fund cost accounts . In this chapter, therefore, procedures for appropriation and allotment accounting refer to the General, Special and Trust Fund appropriations and are not applicable to the Revolving Fund unless specifically stated.

5-4. Policy of Appropriation Control. Appropriation control is maintained by accumulating in the general ledgers the total appropriations made by Congress. This is accomplished by the use of allotment accounts to support and control allotments received. The system of allotment accounts is designed to assist in control of funds in order to prevent the overobligation of appropriations as authorized by the Congress. The system also provides control data to prevent overobligation of approved appropriation apportionments.

5-5. Policy of Apportionment Control. Apportionment of appropriations is made by the Bureau of the Budget for obligations to be incurred for a Congressional appropriation and anticipated appropriation reimbursements, on a cumulative current fiscal year basis by quarters. To control obligations and reimbursements incurred within the Corps of Engineers to the amount of the quarterly apportionments, an authorization by appropriation on ENG Form 3010, Apportionment Schedule, is issued to each Division Engineer to cover project and activity obligations and appropriation reimbursements for the Division-wide activities under the appropriation. The Division Engineer in turn issues ENG Form 3010 to each District Engineer to cover the District activities under the appropriation. Procedures for issuance of such authorizations and for control of obligations and appropriation reimbursements are contained in paragraphs 5-29 and 5-31.

5-6. The Allotment System. Allotments of appropriated Civil funds will be made to the District Commander by the Chief of Engineers in bulk at the appropriation level. The amount of the allotment is available for obligation and expenditure for any item of work contained in an approved work allowance established or revised in accordance with ER 11-2-101. While the amount of the appropriation allotted usually covers the entire fiscal year, obligations will be controlled to stay within the quarterly apportionment limitation by utilizing procedures prescribed and referred to in paragraph 5-5 above.

5-7. Allotment Accounts. Allotment accounts are an integral part of the overall accounting system. They constitute the subsidiary accounts for the general ledger accounts for unobligated allotments, undelivered orders, appropriation reimbursement activity, and expended appropriations for the current fiscal year. An allotment ledger has been devised for this purpose and will be maintained at appropriation level to disclose the status of allotments of appropriated funds made by the Chief of Engineers at that level. A separate allotment ledger will be maintained at appropriation level for appropriation reimbursement activity. Allotment ledgers serve to insure \* compliance with the provisions of the Anti-Deficiency Act, 31 USC 1517, as amended, which prohibits expenditures or obligations for the future payment of money in excess of the amount appropriated by the Congress or apportioned by the Office of Management and Budget. Detailed operating procedures are contained in paragraph 5-24.

5-8. Work Allowance Ledgers. a. Since it is necessary to develop obligation and accrued expenditure data at the levels below the appropriation or allotment level to effectively administer work programs and to furnish necessary data to the Congress, Office of Management and Budget and the Chief of Engineers, work allowance ledgers will be maintained at the activity or project level to reflect the amount of the approved work allowance and the status of the allowance. These work allowance records establish targets for subdivisions or classifications below apportionment control levels and are, to be distinguished \* from allotment records established for the purpose of controlling apportionments and appropriations pursuant to the provisions of 31 USC 1517, as amended. For accounting convenience and proper utilization of accounting machine capabilities, summary totals of documents posted in detail to the work allowance ledgers are accumulated at this level and posted in total to the Allotment Ledgers. Detailed operating procedures are contained in paragraphs 5-25 and 5-31.

b. The amounts of work allowances to be posted to the work allowance ledgers will be the amounts approved as work allowances, or revisions made thereto, in accordance with the policies prescribed in ER 11-2-101, and paragraph 5-31 of this regulation. It is the responsibility of the District Commander (or through his delegated representative) to see that various PB Work Program documents are kept in a current revised and approved status. ENG Form 3007 will be used to document the approved amounts to be posted to the work allowance ledgers.

ER 37-2-10  
Change 61  
30 Apr 87

\* 5-8.5. Escrow Policy and Procedures.

a. Policy. Contributed or advanced funds and securities deposited in escrow pursuant to authority contained in ER 1140-2-301, are not available for obligation until withdrawn from the escrow account and deposited into the U.S. Treasury. This prohibition is absolute.

b. Procedures. Usually funds in escrow will be withdrawn by the District Commander for deposit into the Treasury in increments as needed for obligations of current portion of contractors\* earnings and S&A costs chargeable to contributed or advanced funds. The escrow ledger provides a means of determining availability of contributions or advances in escrow and of assuring that such funds will not be obligated while in escrow. A separate escrow ledger will be maintained for each escrow account identified with the applicable project. The work allowance ledger (para 5-25), retitled "Escrow Ledger" will be used for this purpose. Columns D, E, F, G, and J, described in paragraph 5-25b, will not be used. Amounts deposited in escrow will be entered in column K based on escrow agreement and of deposit. Funds withdrawn from escrow for deposit in the Treasury will be entered as a reduction in column K for the amount withdrawn, based on copy of document initiating the withdrawal. Releases of unused balances from escrow to local interests are posted as a reduction in column K based on approval of the Secretary of the Army. An escrow ledger will be maintained for the life of the escrow and not by fiscal year. The sum of the amounts of column K of active ledgers must equal the balance in the GL account 119, contributions or advances held in escrow, at all times.

c. Annual Repayment. The above procedures may be used as a tool to ensure by local interests in annual installments, where such procedures are specifically permitted in project authorizing act(s). This may result in additional interest if required in authorizing legislation. So long as sufficient appropriated funds are available to cover all obligations, the policy specified in paragraph a above need not delay orderly construction. Should sufficient appropriations not exist, prohibition above will be followed without deviation.

\*

5-9. Administrative Control of Funds.

a. Responsibility.

(1) District/Division Commanders and the heads of other Corps activities are responsible for administrative control of funds and may delegate such control to one or more persons. If delegation is to more than one, responsibility and authority of each should be in writing. If it is to only one person, power to redelegate should also be included. We recommend delegation to the Comptroller with power to redelegate. The responsibility redelegated by the Comptroller would be to Chiefs of Divisions and Separate Offices of the District. A sample redelegation to the Chief, Engineering Division follows. Similar redelegations to chiefs of other divisions and separate offices would contain similar instructions, modified to fit the particular organization or functions.

TO: Chief, Engineering Division  
SUBJECT: Administrative Control of Funds

1. You are hereby delegated responsibility for management and control of all funds contained and approved in the current year operating budget (program to be charged to appropriated funds) for the Engineering Division, including any funds sub-allocated from other offices of the District. You are responsible for establishing those operational controls necessary to assure that you do not exceed obligation/expenditure limits assigned in your approved program of work. Funds management must take place before execution of the work.

\* 2. In the event trends indicate the need to exceed previously established funds limitations, you are responsible for notifying the Comptroller or Program Development Officer for decision to either acquire additional funds, or cease work. These actions must be taken in sufficient time to allow for the securing of additional funds or orderly cessation of work.

3. The Finance and Accounting Office will provide you with status reports on funds utilization. Also, prior to incurrance of contractual obligations, certification of funds availability must be obtained from the F&AO. For detailed instructions on administrative control of appropriated funds, see District Regulation No. 37-1-1, dated 1 July 1977.

(2) A positive procedure must exist to effect this control. The following are available to assist and support this function:

(a) Miscellaneous Obligation Document (MOD) for government costs each month in lieu of last month of each quarter.

(b) Manual Information commitment record. District personnel must utilize the Fund Status Report and reconcile informal record with the COEMIS produced report each update cycle.

(c) Schedule of Contract Awards which can be used by the FOA to determine if a contract flowing through the Finance Accounting Branch for certification prior to award has been programmed and scheduled. It will also show whether or not the proposed contract can be awarded ahead of schedule or must be delayed due to lack of apportionment.

(d) ENG Form 2101. Estimated Civil Works Fund Schedule, prepared for both obligations and expenditures showing a month-by-month schedule for each. When actuals reflect deviation from the schedule, the district becomes immediately aware if ahead or behind schedule. If ahead, the district may have to request additional apportionment in an earlier quarter or delay awards until the quarter for which originally scheduled.

(e) Program Document PB2b, a program schedule for all large construction projects and lists all planned design work by major features of the project. The schedule also indicates anticipation of construction by quarters.

(f) COEMIS Resource Allocation/Project Management (RA/PM) Subsystem which has a critical path method (CPM) network capability and interfaces with the F&A Subsystem. The activities on the CPM

\*

network are tied to cost accounts through the interface and allow the managers to review the I and J Nodes (which denote beginning (I) and ending (J)) as to early start, late start, or on-time starts, relate manpower and dollars to the CPM activity, and compare actual dollars provided through the interface.

\* Any, or all, of the above may be used separately or in combination. The objective is positive control of funds. The extent to which the procedures are implemented depends upon experience of the staff, effectiveness of the system, other self-Imposed constraints, and complexity of the workload.

\* (3) Authority to certify funds availability will be delegated to the Finance and Accounting Officer by the Installation Commander. This delegation will be by inclusion in FOA local regulation. The F&A Officer must redelegate this authority in writing to other F&A personnel who may certify in his/her name. The F&A Officer may also redelegate this authority, up to limits of bulk commitments issued to others such as Project Engineers, where such procedures are in effect. \*

b. Prevalidation of Obligations.

(1) Except as noted in subparagraph (2) below, three copies of every obligation document will be furnished the Chief, Finance and Accounting Branch, or his designated assistant for determination of the propriety and availability of funds prior to release to the vendor. If funds are available, a certificate to that effect will be placed on two copies. The certificate on copy No. 1 will be signed and the copy returned to the originator. The certificate on copy No. 2 will be initialled and it, together with the original, will be routed to the Finance Accounting Section for immediate entry in allotment ledgers and other action required by this regulation. If funds are not available, a statement to that effect will be made on one copy of the document and all copies returned to the originator.

\* (2) Where fund control over small purchases is exercised through the medium of administrative instructions or limitations, prevalidation of individual obligation documents issued thereunder is unnecessary (2 GAO 4520. 30). For obligation procedures for small purchases under imprest funds, see paragraph 3-10.

c. Legislative and Administrative Limitations.

(1) The applicable provisions of AR 37-20 and OCE Supplement 1 thereto will be followed without deviation.

\* (2) Reports of violation will be submitted to HQDA (DAEN-RM F-A) WASH DC 20314 in accordance with provisions of AR 37-20 and OCE Supplement 1 thereto.

(3) The following clarification has been issued by the Comptroller of the Army in regard to reportable violations of Section 3679. RS, on overrun of estimates for reimbursable work performed by Revolving Fund, Corps of Engineers, Civil. In instances where funds are obligated on an estimated basis in the project accounts to reimburse the Revolving Fund for actual charges incurred for maintenance and operation of equipment, financing of common inventories, etc., it has been determined by the Comptroller of the Army that if the actual charges exceed such estimates, no reportable violation of Section 3679, Revised Statutes, occurs until or unless such excess is billed against such project. The Comptroller of the Army has pointed out, however, that the practice of allowing or incurring costs in the Revolving Fund in excess of fund limitations imposed on any given project is considered contrary to sound management practices.

(4) While the above ruling allows each installation and activity time in which to obtain additional funds to cover the lack of project funds due to under-estimation of such charges as cited in subparagraph (3) above, it does not necessarily allow large amounts to remain unbilled in the Revolving Fund for a long period of time due to lack of project funds. Care should be exercised in the application of the ruling to maintain financial management on a sound basis. It is recognized, however, that reimbursable work on an estimated basis cannot always be performed in any given month to or within an exact amount.

(5) There is nothing contained in subparagraphs (3) and (4) above which should be construed as authorizing the commencement of work prior to the receipt of an allotment of funds. Neither should it be construed that work may continue beyond any month where the estimate for the previous month has been exceeded and funds were not available in the project to continue the reimbursable work. Whenever it becomes apparent that work requirements are in danger of exceeding project funds, work should be halted until additional funds are made available. Except as prescribed by paragraph 5-19a(1)(b), estimates for reimbursable work to be performed by the Revolving Fund for a given month must be made at the beginning of the month and must be realistic to cover the work for the estimated work to be performed, and the work performed must be within the scope of the work covered by the estimate.

(6) Obligations will not be created in excess of the quarterly sub-allocation of apportionment issued by the Division Engineer to the District even though (a) the overall OCE allocation to the Division for

that quarter is not thereby overobligated and (b) unissued Division allocation of apportionment was available for, but not suballocated to, the District.

\* d. Obligation Accounting.

(1) Citation of Fiscal Year Limited Appropriations on Contracts. The provisions of this section apply only to contracts that cite one year or multiple year appropriations that expire for obligations at a specified time. The provisions of AR 37-21, paras 2-10a(1) through (5), 55 Comp. Gen. 768 (B-132900), 61 Comp. Gen. 610 (B-195732), 31 U.S.C. 1502, PL 96-436 (Military only) and the guidance in the succeeding subparagraphs apply to contracts that cite these fiscal year limited appropriations, and exceptions thereto.

(2) When a contract is awarded it must include a citation to the appropriation(s) which is/are to be obligated. Once obligated, no new appropriation may be added to the contract except by supplemental agreement covering new work outside the basic contract scope. For example, a contract was awarded citing FY 83 General Expense funds, symbol 9633124. The three (3) denotes this fund is available for obligation in Fiscal Year 1983. Since it is a limited year appropriation, change orders, overruns, changed conditions and similar adjustments throughout the life of the contract must cite the same appropriation no matter when they occur. General Expense funds appropriated in FY 84 or FY 85 etc. may not be legally obligated under this contract for in scope price adjustments. The same principle applies to obligation authority received by reimbursable order. Limits applicable to the ordering appropriation govern. Statutory and Comptroller General Decision exceptions to this principle have been made in the case of contracts citing military construction appropriations and in certain cases involving discretionary cost increases to a cost-reimbursement contract.

(3) Comptroller General Decision B-195732 dated 23 September 1982, (61 Comp. Gen. 610) modifies the previous decision rendered on 11 June 1980, (59 Comp. Gen. 518) concerning the proper appropriation to charge for a cost overrun of a cost-plus-fixed fee (CPFF) contract. The principle established that a fiscal year limited appropriation may only be charged for contracts executed to meet bona fide needs of that year is not changed. However, where there are discretionary cost increases in a cost-reimbursement contract, the guidance is as follows:

Discretionary cost increases in a cost-reimbursement contract which exceed contractually stipulated ceilings, and which are not based on an antecedent liability, enforceable by the contractor, may be charged to either the funds current when the discretionary increases are granted or \*

ER 37-2-10  
Change 80  
25 Apr 94

the funds cited on the original contract, at the option of the Field Operating Activity (FOA) affected. Similar increases which do not exceed a contractually stipulated ceiling must be charged to the funds cited on the original contract.

\* e. (Rescinded)

5-10. Work for Other Corps Field Operating Activities (FOAs) and Federal Agencies. Guidelines relative to the authority for performing work for other Federal agencies are contained in ER 1140-2-302. To the greatest extent practicable, such work will be performed on a reimbursable basis, rather than by advance of funds. Reimbursable orders received by Corps FOAs will be processed in accordance with the instructions presented below.

a. Non-DOD/Civil Funded Reimbursable Orders.

(1) Reimbursable orders from non-DOD agencies will be processed in accordance with reimbursable procedures within the Civil module of the COEMIS F&A subsystem.

(2) Reimbursable orders from other Corps FOAs which cite civil funds will be processed in accordance with reimbursable procedures within the Civil module of the COEMIS F&A subsystem regardless of whether the work ordered will be performed by contract or in-house resources. Reimbursable orders from other Corps FOAs which cite civil funds will not be processed within the Revolving Fund module of the COEMIS F&A subsystem.

(3) Reimbursable orders from other Corps FOAs which cite the Corps\* Revolving Fund will be processed in accordance with reimbursable procedures within the Revolving Fund module of the COEMIS F&A subsystem.

b. DOD/Military Funded Reimbursable Orders.

(1) Corps FOAs with military accounting capability will use automatic reimbursement procedures within the Military module of the COEMIS F&A subsystem to process reimbursable orders from DOD activities and other Corps FOAs which cite military funds. Under no circumstances will Corps FOAs with military accounting capability process reimbursable orders which cite military funds within the Revolving Fund module of the COEMIS F&A subsystem.

\* (2) Corps FOAs without military accounting capability which receive reimbursable orders citing military funds from other Corps FOAs or DOD activities will use the Revolving Fund module of the COEMIS F&A subsystem for all costs except AE and/or construction contracts. Military contracts prepared and administered in connection with the order will cite the ordering FOA or DOD activity contract number, fund citation, fiscal station number and billing address. Contract payments and accounting therefor will be accomplished by the ordering FOA or DOD activity. \*

c. The reasoning behind the above procedures is that civil assigned employees accomplish the work where the reimbursable order is from an other than DoD agency, or cites civil funds. The manpower and object class 11 and 12 are reported within civil appropriations. When the order is from a DoD agency or cites military funds, personnel assigned to military functions are used and the manpower and object class 11 and 12 are included in the military reports.

d. When it is necessary to obtain an advance from another agency, a request, supported by a copy of the agreement or other instrument covering the furnishing of goods or services, will be submitted to CDR USACE (OAEN-RMB) WASH DC 20314-1000. As provided by 7 GAO 2050 and 7 GAO 4050, advances will be made available to the performing agency as either transfer appropriations or consolidated working funds. In either case, the advance of funds will be allotted by the Chief of Engineers/Commanding General to the District to perform the work. These allotments will be processed in the accounts in the same manner as allotments of any other funds. See also paragraph 4-9b concerning the treatment of receipt of checks covering allotments of consolidated working funds.

5-11 Work Performed by Other Federal Agencies. Work may be performed for the Corps of Engineers by other Federal agencies under authority of Section 601 of the Economy Act (31 USC 686) and similar provisions of law. Work by other agencies will be funded by the following means:

a. Reimbursable Orders. Issued to and accepted by the performing agency. This is the preferred method:

b. SF 1151 (Nonexpenditure Transfer Authorization). This method is used under general programs such as that directed by the Fish and Wildlife Coordination Act, and the cooperative stream gauging program under Department of Interior. In such cases, SF 1151 is issued by the Chief of Engineers to transfer funds to performing agencies. Some nonexpenditure transfers are also made with respect to specific district activities in which other Government agencies will participate. In such cases, the Chief of Engineers will advise the District in writing as to the purpose of the transfer and the amount transferred, and the District will charge the appropriate general ledger and cost accounts in that amount and will credit GI account 136.5.

- \* c. Advance Payments. This method of financing should be used only when the reimbursable method is impracticable (7 GAO 4050.20). Advances will be accomplished by payment of SF 1080 received from the billing agency. Prior approval of such advance payments will be obtained from HQDA (DAEN-ECB) WASH DC. 20314 except for advances made in conjunction with Comprehensive River Basin Studies which are consistent with program amounts In the Coordinated Budget.

5-12 Minor Completion Items. Projects under appropriation Construction General which are essentially complete physically, but which have relatively small amounts remaining in the approved work program may be designated as "Minor Completion Items" as provided in ER 11-2-240. Minor completion items will be appropriately coded and reported individually by project under the applicable class or sub-class on the monthly ENG Form 3011a. Subsequent transactions will continue to be posted in detail to the work allowance ledgers for the project.

5-13 Lapsed Appropriations.

a. General. Lapsed appropriations will be accounted for under the successor "M" (Merged) Accounts system in that. when a fiscal year appropriation is lapsed, the fiscal year digit is dropped and the letter "M" indicated in lieu thereof. All disbursing, collection, and adjustment transactions against lapsed appropriations will refer to the successor "M" Account. For example: the unpaid obligations for FY 1955 General Expense Appropriation, which became lapsed on 30 June 1957, will be recorded and reported under successor "M" Account 96M3124, and will be expended under that symbol.

- \* b. Additional Obligation and Increase Adjustment of Obligations in "M" Accounts. Prior to the recognition of an obligation not previously recorded and of increase adjustment, a determination will be made as to the sufficiency of funds not obligated or committed. In the event "M" accounts funds are not sufficient to cover the obligation or increase, adjustment authority will be obtained from HQDA (DAENECF-A) WASH DC 20314 before recording the obligation in "M" accounts. \*

5-14 Accrual Principle of Fund Control. To provide a relative basis for reconciliation of funds with cost, the accrual principle is employed. This provides that expenditures. will be recorded when goods and services are received and other assets acquired, whether or not payment has been made and whether or not invoices have been received. When obligations mature, they will be liquidated and the accrued expenditure recorded.

5-15 Accounting Control.

a. General. The successful operation of any accounting system is dependent upon:

(1) Adequate documentation of all transactions affecting the accounts.

(2) Positive and controlled flow of all documents to the accounting office.

(3) Current entry of documents in the several accounting records.

(4) Separation of duty assignments in the performance of organizational responsibilities to assure adequate internal controls. The procedures outlined in the following paragraphs are established for preparing, receiving, and controlling obligation documents, bureau vouchers, invoices, receiving reports, partial payment estimates, etc., in the Finance and Accounting Branch.

\* b. Disbursing Section. This section will:

(1) Maintain the Cash Receipts and Deposits Register and Cash Disbursement Register.

(2) Balance the Cash Receipts and Deposits Register and Cash Disbursement Register monthly, and prepare summary journal entries for posting to the general ledger.

\* c. Examination Section. This section will maintain file of original paid bureau vouchers in numerical sequence. It will also maintain a record of payments to vendors, either by utilizing an extra copy of obligating document or by card file.

\* d. Finance Accounting Section. This section will:

(1) Maintain the registers for numerical control of numbered obligating instruments and journal entries.

(2) Maintain Accrued Expenditure Registers and Accounts Receivable Registers.

(3) Maintain Allotment Ledgers and Work Allowance Ledgers.

\*

1 Apr 69

(4) Prepare all bills except bills for all prebilled items and bills for all collections originating from data maintained in the cost records. Prepare bills for real estate outleases if so determined by the district engineer in accordance with par 4-2c(1).

(5) Maintain files of undelivered orders, accounts payable and accounts receivable.

(6) Balance the Accrued Expenditures Registers and the Accounts Receivable Registers, monthly and prepare summary journal entries for posting to the general ledger.

(7) Balance the Work Allowance Ledgers and the Allotment Ledgers and prepare monthly summary journal entries for posting to the general ledger. Balance the applicable subsidiary ledger balances with general ledger balances.

(8) Inventory the Accounts Payable file each month and balance it with the General Ledger and with the open items on the Accrued Expenditure Registers.

(9) Inventory the Accounts Receivable file each month and balance it with the General Ledger and with the open items on the Accounts Receivable Registers.

(10) Inventory the undelivered orders file each month and balance it with the allotment and work allowance ledgers. To reduce peak workloads, this operation may be phased throughout the month.

(11) (Reserved)

(12) Balance total current accrued expenditures with Cost Section records monthly.

e. Cost Accounting Section will: (1) Receive, review and process the receiving reports and bureau vouchers initiated by other elements of the District organization (paragraph 3-2) Prepare and process all other bureau vouchers generated by the activities of the District.

(2) Prepare bill. for all collections originating from data maintained in the cost records. Prepare bills for all prebilled items except that bills for real estate outleases may be prepared in other sections the Finance and Accounting Branch if so determined by the district engineer.

5-16 (Reserved)

5-17 (Reserved)

ER 37-2-10  
Change 43  
2 May 80

5-18 Reservation of Funds. It may be desirable, as a method for fund control, to establish memorandum accounts at project and activity level to reflect unreserved balances of work allowances. Under this method, ENG Form 3040, Commitment Ledger, could be applied by utilizing the "Fund Reservations" column. To keep the system on a broad and simplified basis, the amounts shown on approved PB series work programs for current fiscal year for Government Costs and Hired Labor Costs could be reserved at beginning of the fiscal year. Amounts of contracts being advertised could be reserved individually at the time of advertisement. Necessary reservation could also be made for estimated change orders and quantity variations. As work progressed during the fiscal year, review of the various PB series cost reports and local cost reports would be made to ascertain that actual program costs were consistent with the estimated reservations. As indicated by this review and by amounts of unreserved balances, the need for reprogramming of work and revision of approved programs or allowances could then be brought to the attention of the proper technical divisions of the District.

5-19 Obligation Documents and Method of Treatment.

a. Internal Transactions.

(1) Intradistrict Transactions.

\* (a) An obligation to cover anticipated billings from the Revolving Fund for labor, travel, transportation services, equipment usage, overhead and other estimated costs will be established on a miscellaneous obligation document (MOD) for each project at the beginning of each month. Individual billings received during the month will be recorded thereon as liquidations. After the final (actual or estimated) cost distribution from the Revolving Fund for the month has been recorded as an accrued expenditure in the allotment account and the amount liquidated on the obligation record, any unliquidated balance of the estimated MOD will be cancelled at the end of each month. \*

\* (b) Interim reports on obligations which may be prepared during a month will include estimated amounts of obligations for payrolls and other Revolving Fund charges \*

expected to be chargeable to the projects through the end of the month being reported regardless of whether the obligations have been recorded in the allotment accounts.

(2) Inter-District Services.

\* (a) Intra-Army Order for Reimbursable Work or Services, DA Form 2544 will be utilized when requesting inter-district services, including orders for reimbursable work or services to be performed by laboratories. An obligation will be recorded in the project account of the ordering district for the full amount of the order upon receipt of the signed acceptance copy of the order from the servicing district. Liquidation of the obligation will be made in accordance with paragraph 5-20. At the close of each fiscal year the obligations under annual appropriations under control of Chief of Engineers will be reduced by the serviced districts to cover only estimated actual obligations incurred by the servicing districts as of 30 September.

(b) Inter-district DA Forms 2544 will include in block six the ultimate six-digit ENG Form 3018b or seven-digit ENG Form 3018c report item code that will be used by the ordering district. This information will enable the performing district to properly identify the ultimate appropriation to be charged as well as to assure the proper categorization of costs of services rendered on its ENG Form 3018b or c, as appropriate. For example, the ordering district will ultimately report the work as ENG Form 3018b item code 120212 and will so indicate on the DA Form 2544. The performing district can then properly identify the ultimate appropriation as 96X3122, Construction General and code its ENG Form 3018b costs as 460211 to properly show the work as design engineering effort. \*

b. Prerequisites for Recording. The provisions of Department of Defense Directive 7220.6, 28 April 1955, as implemented by AR 37-21, will be followed in recording obligations.

c. Continuing Contracts. The amount to be initially obligated for continuing contracts will be the amount stated in the contract document as being available for initiation of the work; thereafter the amount of the recorded obligation will be increased or decreased only to the extent that such increase or decrease is supported by a formal notice to the contractor in accordance with the contract terms. Where a continuing contract is in the fiscal year of completion with funds on hand therefor, the contractor may be notified in writing that funds are available to complete the contract without specifying a dollar amount. At the time of such notification, obligation should be recorded to cover the previously unrecorded portion of the basic contract, change orders, and overruns placed. Thereafter, obligations for additional change orders, overruns, etc., will be recorded, as appropriate, on the same basis as for contracts which are not continuing contracts.

d. (Reserved.)

e. (Reserved.)

ER 37-2-10  
Change 36  
22 Mar 78

f. (Reserved.)

g. Rental Agreements - Nominal Consideration. When the consideration stated in a rental agreement is a nominal amount (\$1.00 - \$50.00) the full amount will be obligated against funds available upon execution of the agreement. When the consideration is more than \$50.00 the provisions of paragraph 2-7g(1) or (2), AR 37-21 will be followed--the selection of method depending upon availability of funds within the operating programs.

\* h. Travel. Under the option in para 2-20a(3), AR 37-21, estimated amounts for travel orders will be obligated at the time the orders are issued; all other provisions of para 2-20, AR 37-21 will be observed. \*

i. Miscellaneous Obligation Documents. Certain items, such as personal services, communication services, some intragovernment transactions, etc., are of such a nature that no specific document is readily available for recording as an obligation. When required, obligations of this type will be documented on a Miscellaneous Obligation Document, DA Form 3717 which will be numbered serially commencing with No. 1 at the beginning of each FY. In every instance it will be initiated by an individual who is in a position to make an accurate estimate of the amount of the obligation, signed and forwarded to the Finance and Accounting Branch for entry to the allotment ledger. This form, when prepared in accordance with the foregoing, constitutes the written administrative determination specified in AR 37-21.

j. Partial Payment Record. The "Partial Payment Record" section of DA Form 3717 will be maintained for each obligation document for which partial payments are made, except that notation of the partial payments may be made directly on the obligation document in lieu of using DA Form 3717 when it is more convenient to do so.

k. Undelivered Orders Files

(1) Files of "undelivered orders" documents will be maintained by projects. These files will include all "undelivered" purchase orders, uncompleted contracts, and other obligating documents, including the partial payment records referred to in i above. These files will be maintained by the Finance Accounting Section.

(2) When obligating documents are received by the Finance and Accounting Branch, one copy will be forwarded to the Finance Accounting Section and the other copy will be forwarded to the Examination Section. The Finance Accounting Section will use its copy to obligate funds and then file it in the undelivered order file by project. The Examination Section will file its copy alphabetically by vendor.

(3) Incoming invoices will be forwarded to the Examination Section to be time-stamped and filed in the alphabetic vendor\*s file.

(4) Receiving reports will go first to the Property Accounting Section for necessary action.

(5) The Property Accounting Section will forward the receiving report stamped "property accounting" to the Examination Section for preparation of the voucher. This voucher preparation should not be confused with preparation of bureau vouchers, ENG Forms 3005 and 3006 as prescribed in paragraph 3-2a. The voucher preparation in Examination Section is the matching of the receiving report with pertinent obligating documents and invoices if received.

(6) The prepared vouchers will be forwarded to the Cost Accounting Section for costing. The first carbon of the bureau voucher will be used for posting.

(7) The Cost Accounting Section will forward the voucher to the Finance Accounting Section for full or partial liquidation of the obligation. The second carbon of the bureau voucher will be used for posting and will then be placed in the accounts payable file.

ER 37-2-10  
Change 19  
1 Dec 72

\* (8) The voucher (original bureau voucher, receiving report, obligating document, and invoice if received) will be returned to the Examination Section to be audited and scheduled for payment or held until the invoice is received. Such held vouchers will be audited and scheduled for payment when the invoice is received.

(9) The original payment document will be listed on Voucher and Schedule of Payments, SF 1166, which will be certified and if required, processed for the preparation of a bureau voucher adjustment as described in paragraph 3-5b. Normally the SF 1166 will be prepared in triplicate. Extra copies may be made to meet special requirements such as a SF 1166 on which transportation accounts are scheduled. For payments on transportation accounts an extra unsigned copy of the SF 1166 will be made for local records since the original will be sent to the General Accounting Office after completion of the site audit for the fiscal year.

(10) A copy of the SF 1166 will be placed in an Examination Section temporary unpaid vouchers file. The original and one copy of the SF 1166 along with the original supporting documents and copies of invoices to be returned to vendors for check identification will be forwarded to the disbursing section.

(11) After payment, the original SF 1166 will be retained by the Disbursing Section and filed by D.O. voucher number, pending audit by the General Accounting Office. The copy of the SF 1166 and the original supporting documents will be returned to the Finance Accounting Section for insertion of the Disbursing Officer\*s voucher number on the bureau voucher and notation of payment on the Accrued Expenditure Register. The original supporting documents will be forwarded to the Examination Section for recording payments to vendors and filing by bureau voucher number in the paid file. If obligating documents are used for recording payments to vendors, a cross reference will be made to the covering D.) voucher number.

\*

5-20. Obligations Liquidated. As a general rule, obligations are liquidated in the original amount when matured as accrued expenditures. The date obligations are liquidated or canceled may be indicated opposite the amount obligated on the work allowance ledger. Where an obligation is liquidated by more than one payment, the letters "PP" and date may be recorded opposite the original obligation when the first payment is made, and no further reference need be made on the work allowance ledger for the remaining partial payments. The above procedure is optional; however, in all cases, partial payments will be recorded on the partial payment record maintained in the undelivered orders files. In the case of partial payments, the amount of the bureau voucher will be posted both as a liquidated obligation and as an expenditure. The partial payment record will reflect the "undelivered order" balance and support the file of undelivered orders.

5-21. Accrued Expenditures. Accrued Expenditures are obligations or partial obligations which have matured, i.e., goods and materials received, services performed, pay earned, etc. Refunds of unexpended balances of trust funds will also be treated as accrued expenditures. Bureau voucher forms are the posting documents for accrued expenditures and will be posted to the work allowance ledgers in detail. (See Chapter 3 for processing of accrued expenditures.)

5-22. Register of Obligor Documents. In order to provide an effective control of obligator documents, all purchase orders, contracts and other comparable serially-numbered documents used in obligator funds will be entered on KEG Form 3158, Bureau Voucher or Obligor Document Number Register, which will be maintained in the Finance Accounting Section. It will consist of a separate listing of the serial numbers of each type of document without descriptive data, or reference to appropriations or funds chargeable. Upon receipt of the documents the numbers will be cancelled from the list and any open numbers at the end of the month will be investigated before the accounts are closed. Also, before closing the accounts, verification will be made that the last document issued and approved for availability of funds has been entered in the accounts.

5-23. Journal Entries. a. Preparation. Except where otherwise specified, all entries to General Ledger accounts will be made from Journal Entry, ENG Forms 3007 and 3007a. All entries between subsidiary cost accounts of the same project or within subsidiary cost accounts of the Revolving Fund, will be made on ENG Forms 3007 and 3009, as applicable. A numbering system for journal entries designed to meet the needs of individual offices will be used. It should provide numeric identification of month, fiscal year, and journal entry.

b. Register of Journal Entries. To provide control over assignments of journal entry numbers and to assure the receipt of all journal entries for recording in the General Ledger in the month of issuance, a register of journal entries will be maintained using ENG Form 3158. Where data requiring additional columns is desired, register of locally designed format may be used.

5-24. Allotment Ledger - Description and Operations. a. Ledger Forms. The following multiple-purpose machine accounting forms are headed " Q Allotment Ledger Q Work Allowance Ledger" and are provided for accumulating budgetary accounting data at allotment (appropriation) level. The nature of the data to be recorded will be identified by placing "X" in the appropriate block in the heading.

(1) ENG Form 2106 (Burroughs Sensimatic)

(2) ENG Form 3036 (National Cash Register 31 and Remington Rand 85)

Forms for use on other machines will be provided on request to the Chief of Engineers, ATTN: ENGAS-PF.

b. Detail Posting. A description of operations under each transaction using ENG Form 2106 (Burroughs Sensimatic) to demonstrate, is as follows:

(1) Column A - Date -- Enter date of posting.

(2) Column B - Proof -- Used for zero proof of pick-ups.

(3) Column C - Description -- Write the title of the document or brief description of the transaction being posted.

(4) Column D - Voucher Number -- Not applicable.

(5) Column E - Object Class - lot applicable.

(6) Column F - Disbursements -- Not applicable to Civil.

(7) Column G - Accrued Expenditures -- Enter the mount of change in Accrued Expenditures from Column G of the subsidiary Work Allowance Ledgers. Increases in this column increase the total in Column I and decrease the balance in Column L. Decreases in Accrued Expenditures have the opposite effect on the referenced columns.

(8) Column H - Undelivered Orders -- Enter the mount of change in Undelivered Orders outstanding from Column H of the subsidiary Work Allowance Ledgers. Increases in this column increase the total in Column I and decrease the balance in Column L. Decreases in Undelivered Orders have the opposite effect on the referenced columns.

(9) Column I - Cumulative Obligations -- This is the total of Columns G and H.

(10) Column J - Unobligated Commitments -- Not applicable to civil.

(11) Column K - Funds Authorized -- Enter advices of allotment end revocation received from the Chief of Engineers at appropriation level in this column. For allotment ledgers maintained for Appropriation Reimbursement Activity, ENG Forms 3007 pertinent to interagency reimbursable work order documents and documents authorizing other appropriation activity will be entered in this column. Increases in this column increase the balance in Column L. Decreases have the opposite effect.

(12) Column L - Unobligated or Uncommitted Balance -- This column reflects the unobligated balance of allotments, and is subsidiary to G.L. Account 131.21 Unobligated Allotments.

c. General Ledger Postings. The summary of entries for the month will be posted to the general ledger as of the end of the month by the use of Journal Entry, ENG Form 3007a as follows:

(1) Accrued Expenditures -- The net total of the accrued expenditure column for the month will be posted as a debit to Account 131.21 Unobligated Allotments and as a credit to Account 131.23 Expended Appropriations - Current Fiscal year.

(2) (Reserved)

(3) Obligations -- The net change in undelivered orders balance for the month, if an increase, will be posted as a debit to Account 131.21 Unobligated Allotments and as a credit to Account 131.22 Un-delivered Orders.

(4) Funds Authorized -- Summary general ledger postings will not be made from this column. Allotments and revocations will be posted directly to the general ledger accounts as they are received. Appropriation Reimbursement Activity applicable to this column will be posted directly to the general ledger accounts from ENG Form 3007 (para 5-31).

d. Trial Balance. At the end of the month, after posting from the allotment ledger to the general ledger a trial balance of the individual Work Allowance Ledgers will, be taken. The unobligated allotment column will agree with Account 131.21 Unobligated Allotments. The undelivered orders column will agree with Account 131.22 Undelivered Orders.

e. Fiscal Year Opening Procedures. At the beginning of each fiscal year, a new allotment ledger will be established for each appropriation,

with opening balances as follows. Separate ledgers will be established for appropriation reimbursement activity, as applicable:

	<u>Allotment Ledger Column</u>	<u>Source of Posting</u>
H	Undelivered Orders	f# or H## Undelivered Orders, end of prior fiscal year
I	Cumulative Obligations	No posting; Total is mechanically computed by posting to Undelivered Orders column
K	Funds Authorized	i# or H plus L## Unexpended Balance, end of prior fiscal year. (Unobligated Balance plus Undelivered Orders.)
L	Uncommitted or Unobligated Balance	L## No posting. Balance is mechanically computed by entries in various columns. Balance must agree with balance at end of prior fiscal year.

\* # Source is columnar data on Report on Status of Appropriations and Work Allowances (Reports Control Symbol DAEN-ECF-9) for September.

## Source is columnar data on Allotment Ledger as of 30 September. \*

5-25 Work Allowance Ledger - Description and Operations. a. Ledger Forms. The multiple-purpose machine accounting forms (ENG Forms 2106 and 3036) are provided for accumulating budgetary accounting data at project, class or activity level at which work programs are authorized as prescribed in ER 37-2-15. The nature of the data to be recorded as Work Allowances will be identified by placing "X" in the appropriate block in the heading of the forms. \*

b. Detail Posting. Operations under each transactions column, using ENG Form 2106 (Burroughs Sensimatic) to demonstrate, is as follows:

(1) Column A - Date -- Enter date of posting.

(2) Column B - Proof -- Used for zero proof of pick-ups.

(3) Column C - Description -- Write the title and serial number of obligation documents, or a brief description of the transaction being posted.

(4) Column D - Voucher Number -- Enter the number assigned to the bureau voucher or bill being posted.

1 Apr 69

(5) Column E - Object Class -- Not applicable.

(6) Column F - Disbursements -- Not applicable to Civil.

(7) Column G - Accrued Expenditures -- Enter the amount of the accrued expenditure as indicated on the bureau voucher or bureau voucher adjustment document. Enter refunds to appropriations as negative or reverse entries. Normal (Add) postings to this column serve to decrease the balance in Column L and to increase the total in Column I.

(8) Column H - Undelivered Orders -- The amounts or individual obligations stated on contracts, purchase orders, miscellaneous obligation documents, etc., will be entered and added, and cancellations of or reductions in obligations will be entered and subtracted in this column. Also, the amount of each obligation previously entered is re-entered and subtracted in this column when the related bureau voucher is posted to the Accrued Expenditures Column. The amount of each partial payment will be entered in this column (as a liquidation) and in the Accrued Expenditures Column, as well as in the partial payment records as described in paragraph 5-19. Increases in this column increase the total in Column I and decrease the balance in Column L.

(9) Column I - Cumulative Obligations -- This is the total of Columns C and H.

(10) Column J - Unobligated commitments -- Not applicable to civil.

(11) Column K - Funds Authorized -- For distribution of allotted funds, enter amounts of work programs approved or otherwise authorized in various current year work program schedules established for each appropriation as prescribed in ER 11-2-101. As prescribed in para 5-8, ENG Forms 3007 will be used to document these amounts. For appropriation reimbursement activity, ERG Forms 3007 will be used to enter amounts applicable to interagency reimbursable work order documents and documents authorizing other appropriation reimbursement activity, as described in para 5-31.

(12) Column L - Unobligated or Uncommitted Balance -- This column reflects the unobligated balance of work allowance.

c. Summary Posting to Allotment Ledger. The amounts of change in Columns G and H will be computed and posted to the Allotment Ledger from posting run totals normally accumulated automatically by accounting machines.

d. Trial Balance. A trial balance of the individual Work Allowance Ledgers will be taken monthly by appropriation. The Undelivered Orders and the Unobligated Balances will agree with the balances reflected in the Allotment Ledger for the appropriation.

e. Fiscal Year Opening Procedures. At the beginning of each fiscal year, a new Work Allowance Ledger will be established for each project, class, or activity at which work programs are authorized or prescribed  
 \* in ER 11-2-101, ER 11-2-240 and ER 11-2-320.

<u>Work Allowance Ledger Column</u>	<u>Source of Posting</u>
H Undelivered Orders	(f)# or H## Undelivered Orders, end of prior fiscal year
I Cumulative Obligations	No posting; total is mechanically computed by posting to Undelivered Orders column
K Funds Authorized	(i)# or H plus I plus L## Unexpended Balance, end of prior fiscal year (Unobligated Balance plus Undelivered Orders)
L Uncommitted or Unobligated Balance	L## No posting, balance is mechanically computed by entries in various columns; balance must agree with balance at end of prior fiscal year

#Source is columnar data on Report on Status of Appropriations and Work Allowances (Reports Control Symbol DAEN-ECF-9) for September.

##Source is columnar data on Work Allowance Ledger as of 30 September.

ER 37-2-10  
Change 9  
27 Jul 70

5-26 (Reserved)

5-27 Object Classification. a. Codes. The object classes are coded as follows:

	11	Personnel Compensation
	12	Personnel benefits
	13	Benefits for former personnel
	21	Travel and transportation of persons
	22	Transportation of things
	23	Rent, communications, and utilities
	24	Printing and reproduction
	25	Other contractual services
	251	Services performed by other agencies
*	252	Payroll expenditures
*	253	Services rendered by the revolving fund
*	26	Supplies and materials
	31	Equipment
	32	Lands and structures
	33	Investments and loans
	41	Grants, subsidies and contributions
	42	Insurance claims and indemnities
	43	Interest and dividends
	44	Refunds

Except as provided below, all transactions will be initially coded by objective classification prescribed by BOB Circular A-12. However, object class 25, "Other contractual services" for civil functions activities for the Corps of Engineers will be further classified on billing documents and will be recorded under the appropriation charged for budget purposes as follows:

	25	Other contractual services
	251	Services performed by other agencies
*	252	Payroll expenditures
*	253	Services rendered by the Revolving Fund

\* Object class 252 is used by central payroll offices to record accrued expenditures for payrolls which they process. Object class 251 is used when billings are received from other than Corps installations and will have no effect on object class 11 amounts. The methods utilized in determining amounts applicable to object classification 253 are included in para 4-2g of this regulation. \*

b. (Reserved)

b. Records. Object classes will be noted on obligation documents and on the bureau vouchers liquidating the obligation. Appropriation refunds and reimbursements will be coded in accordance with paragraph 4-2g. There will be maintained as a separate memorandum record a breakdown of each Accrued Expenditure Register, and, except for the Revolving Fund, of the Accounts Receivable Register by object class for each appropriation. This record will be detailed as necessary to supply data needed for budgetary and other reports. For the purpose of submitting reports on an obligation basis, the breakdown of expenditures will be converted to an obligation basis by classifying and subtracting the undelivered orders balance at the end of the previous fiscal year and classifying and adding the undelivered orders balance at the end of the current fiscal year or other period of the applicable report. In addition to reflecting the net change of undelivered orders, for the revolving fund sales to other districts revolving fund should be subtracted from accrued expenditures to compute total obligations. Instructions for preparation of the report on obligations for each appropriation and fund are in paragraph 20-5d and APP 20-II. In this regard, care should be exercised to establish this breakdown as of 30 September from the undelivered orders file before October transactions affect the contents of the file.

5-28 Review of Unpaid Obligating Documents. Periodically, all the unpaid obligating documents (undelivered orders and accounts payable) including those for the Revolving Fund, as well as other appropriations, will be examined to determine that the amounts represented thereby are properly stated and are supported by documentary evidence as required by Section 1311, Public Law 663, 83 Congress, as implemented by AR 37-21. To insure the validity of obligating documents at the end of a fiscal year, a complete (100%) examination will be made beginning no earlier than 1 August and completed no later than closing of books as of 30 September. The files of undelivered orders and accounts payable will be balanced with pertinent balances in the ledgers (para 5-15d).

5-29 Apportionment Control.

\* a. General. As required by 31 USC 1517 and by the Office of Management and Budget instructions, obligations against appropriations must be restricted to the amount apportioned. The apportionment includes apportionment for appropriation reimbursement activities (reimbursable-other - project reimbursable) and allotted funds.

(1) Total Apportionment. Total apportionment, CFY (Accounting Element (A/E) 019) must equal current quarter cumulative total apportionment for the total allotted apportionment (A/E 020) plus the total appropriation reimbursement activity apportionment (A/E 021). \*

ER 37-2-10  
Change 59  
31 Oct 86

\* (2) Unused Apportionment Balances. Unused balances of apportionment are separated for allotted funds (A/E 025) and appropriation reimbursement activity (A/E 023). The unused balance for allotted funds apportionment will equal the total direct apportionment minus net obligations for allotted funds, plus appropriation reimbursement - other billings. The unused balance appropriation reimbursement activity will equal total reimbursement activity minus net obligations for "Z" projects minus appropriation reimbursement - other billings. These unused balances for apportionment will not be exceeded with transactions for net obligation fund certifications of the work allowances.

(3) Obligations. The sum total of obligations incurred during a period for allotted funds activity and for appropriation reimbursement - non-CE activities may not exceed the total amount apportioned for the related appropriation for the same period. Obligations for allotted funds activity should not be incurred in excess of the funds allotted at appropriation level. Obligations for work between CE activities ("Q" projects) will not require or affect the apportionment or decrease the reimbursable target when orders are accepted. The unused apportionment balance for both allotted funds (A/E 025) and reimbursable orders received for, non-CE activities (A/E 023) will be decreased at the time of obligation.

b. Authorizations. Apportionments are given by the Office of Management and Budget to the Chief of Engineers by appropriation with quarterly limitations. In order to control amounts of obligations incurred by quarters, the Chief of Engineers will allocate the apportionment by appropriation by quarters to the respective Division Commanders who will in turn suballocate the amounts to his respective Districts on the same basis. The Division/District Budget Officers will determine the amounts of allotted and reimbursable apportionment to distribute as COEMIS apportionment controls by quarters based on District needs. This flexibility is available for quarterly distributions. The CFY total distribution must equal the total reimbursable target for appropriation reimbursement apportionment and the apportionment for allotted funds. ENG Form. 3010 (Apportionment Schedule) will be used for this purpose. Apportionment schedules will show in total the current fiscal year programmed target for appropriation reimbursement activity. This amount will be included in, but not separately identified by quarters on, the ENG Form 3010. Quarterly apportionments will be distributed between allotted funds activity and appropriation reimbursement activity as follows:

(1) Appropriation reimbursement activity. The Total CFY Target for Reimbursable Activity (lower right side of ENG Form 3010) when issued will include an amount to cover the unobligated balance of the total "Z" \*

- \* projects which becomes known as the Reimbursable Orders Accepted in Prior Year Brought Forward. Corps of Engineers Management Information System (COEMIS) will be changed to automatically decrease this target (A/E 028) with the amount of the unobligated balance brought forward for "Z" projects on 1 October. The ENG Form 3010 footnote will be changed to explain that this balance is included in the total reimbursable program target and will be reversed on 1 October. The remaining balance will be used to control CFY reimbursable orders accepted and DS/DL billings for appropriation reimbursement-other (reimbursements to projects).

(a) The total program amount for the appropriation reimbursement target will be included in the total apportionment for the CFY that is separated by quarters on the left side of the ENG Form 3010 for allotted funds plus reimbursable funds. The total CFY apportionment minus the total CFY appropriation reimbursement target/apportionment equals the total allotted funds apportionment, CFY.

(b) Total appropriation reimbursable target, CFY (A/E 026) and the unused balance of appropriation reimbursement target, CFY (A/E 028) will not be used as apportionment control; although, A/E 028 will prevent acceptance of more reimbursable orders than is available in the CFY apportionment. A/E 028 must not reflect a negative balance. \*

- \* (2) Allotted funds activity. The distribution of the current fiscal year apportionment for allotted funds activity, applicable to each quarter, will initially be determined by subtracting the amount for appropriation reimbursement activity distributed as described above, from the quarterly amounts apportioned at appropriation level to the end of each quarter, as shown on ENG Form 3010.

- \* (3) Districts may adjust the initial distribution between allotted funds activity and appropriation reimbursement activity as necessary within the Appropriation Reimbursement Activity target and not to exceed the current quarterly cumulative apportionment limitation. It is emphasized however that obligations for allotted funds activity should not be incurred in excess of funds allotted at appropriation level.

c. Records. Each district or other office receiving allotments will establish necessary apportionment records to control their operations. The format described on page 5-22b will be added by typewriter or rubber stamp to the top of each allotment ledger sheet prescribed at appropriation level by paragraph 5-7:

ER 37-2-10  
Change 59  
31 Oct 86

	Carry over of Undelivered Orders and Distribution of Current FY Apportionments	Cumulative Obligations Target
1 Oct 19_ Unde- livered Orders	\$	
1st Q	\$	\$
2nd Q	\$	\$
3rd Q	\$	\$
4th Q	\$	\$

1 Apr 69

Both columns. of the above format will be completed on the basis of the distribution of the apportionment made in accordance with the preceding paragraph , and the carry forward of undelivered orders from the prior fiscal year as shown in the allotment ledger. No monetary entries will be made in the transaction. portion of the allotment ledger on the beats of the Apportionment Schedule ENG Form 3010. As posting affecting obligations are made to the allotment ledger, a visual comparison between the actual cumulative obligations incurred end the cumulative obligations target will be made to assure that obligations are being kept within the distributed amount. Distributions between project fund activity and appropriation reimbursement activity will be adjusted as necessary as provided above.

d. (Reserved)

e. Reapportionment Requests. Should the rate of obligations indicate need for additional apportionment and it is impossible for the Division Engineer to reallocate between Districts of the Division within the allocation of apportionment, the Chief of Engineers, ATTN: ENGEC-B will be contacted immediately for additional allocation of apportionment, or for advice of action in case additional allocation of apportionment from that level is unavailable.

5-30 Application of Appropriated Funds. Appropriated funds will be applied as follows:

a. Except as otherwise provided by law, sums appropriated for the various branches of the Government for expenditure in public service will be applied solely to the objects for which they are respectively made and for no others (R. S. 3678, 31 U. S. C. 628).

b. Annual (fiscal year) appropriations are available for obligation in the fiscal year designated and for expenditure end obligation adjustment for two fiscal years following the fiscal year appropriated. 96()3124 General Expenses, Corps of Engineers, Civil, is an example of a civil activities appropriation in this category. Any voucher or claim against such appropriation. submitted for payment after the appropriation lapses for expenditure purposes will be certified and paid in the normal manner citing the lapsed appropriation substituting K in the appropriation accounting classification for the fiscal year designation. Funds for payments in excess of unliquidated obligations certified under Section 1311, PL 663, as of 30 June reports for lapsed appropriations will be requested from the Chief of Engineers ATTN: ENGEC-B.

1 Apr 69

5-31 Appropriation Reimbursement Activity.

a. The "Appropriation Reimbursement Activity" expression is established to distinguish between reimbursable work performed for others which when collected must be accounted for as an appropriation reimbursement from that which, when collected, must be accounted for as an appropriation refund as defined in pare 4-2f. In addition to interagency reimbursable work, Appropriation Reimbursement Activity includes all other income which upon collection must be accounted for as appropriation reimbursements. Work performed for others which is classified as a "Claims Receivable" (pars 4-1) is specifically excluded from Appropriation Reimbursement Activity even though it is known that collection, if and when effected, would be accounted for as an appropriation reimbursement. In such cases accounting applicable to Appropriation Reimbursement Activity - Other Appropriation Reimbursement Activity will commence at such time as the Claims Receivable is reclassified as Accounts Receivable, as prescribed in pare 4-11.

b. Apportionments including amounts applicable to Appropriation Reimbursement Activity will be made by the Chief of Engineers to Division Engineers who will suballocate to District Engineers (See par 5-29).

c. Appropriation Reimbursement Activity falls generally within two classifications as follows:

(1) Reimbursable Work. Reimbursable work performed f or other government agencies which when collected must be accounted for as an appropriation reimbursement.

(2) Other Appropriation Reimbursenent Activity. Includes all collections not included in (1) above which must be accounted for as appropriation reimbursements. (e.g. sales of assets; sales of utility services; damages to locks; etc).

d. Upon receipt of an Apportionment Schedule from the Division Engineer, Districts will:

(1) Establish a separate "Allotment Ledger-Appropriation Reimbursement Activity" for each appropriation f or which a schedule including such activity is received.

(2) Each district or other office receiving an apportionment schedule including Appropriation Reimbursment Activity will establish necessary apportionment records to control their operations. The format described below will be added by typewriter or rubber stamp to the top of each allotment ledger sheet for Appropriation Reimbursment

Activity:

	Carryover of Undelivered Orders and Distribution of Current FY Apportionments	Cumulative Obligations Target
* 1 Oct 19_ Unde livered Orders	\$	
1st Q	\$	\$
2nd Q	\$	\$
3rd Q	\$	\$
4th Q	\$	\$

(3) The two columns in the above format will be completed in the manner described for allotted funds activity in paragraph 5-29c.

e. Work pertinent to Appropriation Reimbursement Activity will be authorized at District level as follows:

(1) Reimbursable Work.

(a) Reimbursable work will be authorized prior to commencement of the work. Upon receipt of an interagency work order type document by the Finance and Accounting Officer authorizing the performance of Appropriation Reimbursement Activity-Reimbursable Work, the authorizing documents will be used for accounting purposes as follows:

1 A Work Allowance Ledger will be established for each Reimbursable Work Order.

2 A Journal Entry, ENG Form 3007, will be prepared reflecting the dollar value of the work authorized. The Journal Entry will be posted to the Funds Authorized column of the Work Allowance Ledger, and summarized to the related Allotment Ledger - Appropriation Reimbursement Activity. The Journal Entry will also be posted to the General Ledger as a debit to Account 131.27, Unbilled Reimbursable Orders and a credit to Account 131.21, Unobligated Allotment.

(b) Subsequent accounting for orders placed, goods received, and disbursement made, will be same as for appropriated funds.

(c) Accounts receivable bills issued will be recorded in the Accounts Receivable Register in the usual manner. The portion of the end of the month Summary Journal Entry, ENG Form 3007a pertinent to G.L. account 117.2 Work in Progress for Others - Appropriation

ER 37-2-10  
Change 11  
18 Feb 71

Reimbursement Activity will be used to debit G.L. account 131.25, Reimbursements to Appropriations - Current Year (Dr), and credit to G. L. account 131.27, Unbilled Reimbursable Orders. This is in addition to the requirement for debiting G.L. account 113.4, Appropriation Reimbursements and crediting G.L. account 117.2, Work in Progress for Others - Appropriation Reimbursement Activity.

(d) Separate subsidiary cost accounts will be maintained at appropriation level for Appropriation Reimbursement Activity - Reimbursable Work. Such activity which can be separately identified from project activity will be initially recorded in the 38.2, 238.2 or 638.2, Work in Progress for Others - Reimbursable Activity cost account. Such activity, which because it is interrelated with project activity cannot be separately identified and is therefore initially costed to the project feature or other accounts, will be transferred at least monthly from the projects costs to Reimbursable Activity costs. (This will be accomplished by crediting the applicable feature account and debiting the 38.2, 238.2 or 638.2, Work in Progress, Reimbursable Activity account). Upon issuance of an accounts receivable billing pertinent to the reimbursable activity, the 38.2, 238.2 or 638.2, Work in Progress, Reimbursable Activity cost account will be credited.

(e) Upon completion of a reimbursable work project, an adjustment will generally be required to recognize the difference between the estimated cost of the project as contained in the authorizing document and the actual cost of the work performed. This adjustment will be made concurrently with the rendering of the final accounts receivable billing to the customer. The amount of the adjustment will be stated in a form similar to that contained in the authorizing document. The adjustment document will be referenced as a change to the authorizing document, i.e., the adjustment document will be posted as a decrease to the "Funds Authorized" column of the Work Allowance Ledger and summarized to the related Allotment Ledger-Appropriation Reimbursement Activity. Also, a Journal Entry, ENG Form 3007 will be prepared in the amount of the adjustment and posted direct to the General Ledger as a debit to account 131.21, Unobligated Allotment and as a credit to account 131.27, Unbilled Reimbursable Orders. Upon completion of these actions, the adjustment document will be attached to and filed with the authorizing document.

(f) Economy Act reimbursable work orders (section 601 of the Economy Act), citing an annual appropriation of the ordering agency will be accepted in the amount which it is estimated will be obligated for performance of the work prior to the end of the fiscal year. Any unobligated balance of such orders which remains at the end of the fiscal year will be canceled prior to closing the accounts for the fiscal year. The cancellation will be posted (negative amount) in the Funds Authorized column of the applicable work allowance, ledger, and summarised to the related Allotment Ledger-Appropriation Reimbursement Activity. Journal Entry, ENG Form 3007, will be prepared in the amount of the cancellation and posted direct to the General Ledger as a debit to Account 131.21, Unobligated Allotment and a credit to Account 131.27 Unbilled Reimbursable Orders. The ordering agency will be notified of the amount of the order which has been obligated so that necessary adjustment of obligations may be made prior to closing their accounts for the fiscal year of the appropriation. A citation of the funds to be used to effect reimbursement for obligations to be incurred during the new fiscal year will be obtained as an amendment to the original order prior to incurrence of additional obligations under this order. Upon receipt of the necessary fund citation, the estimated amount of obligations to be incurred during the new fiscal year for the reimbursable work order will be established in the accounts for the new fiscal year.

(2) Other Appropriation Reimbursement Activity. (a) Other Appropriation Reimbursement Activity is Authorized by sales contracts contracts or other documents which generate collections that must be accounted for as appropriation reimbursements. The sales contract or other authorizing document will be used to accomplish the following:

1. A Work Allowance Ledger - Other Appropriation Reimbursement Activity will be established. Districts are authorized to establish a single Work Allowance Ledger - Other Appropriation Reimbursement Activity, for each appropriation, or separate ledgers may be established within each appropriation to distinguish between such activities as: sales of assets; sales of utility services; damages to locks; etc., if such detailed information is needed.

2. A Journal Entry, ENG Form 3007, will be prepared from the sales or "other" type document and posted as an increase to the "Funds Authorized" column of the applicable Work Allowance Ledger - Other Appropriation Reimbursement Activity, and summarized to the related Allotment Ledger - Appropriation Reimbursement Activity. The Journal Entry will also be posted direct to the General Ledger as a debit to Account 131.25, Reimbursements to Appropriations, and as a credit to Account 131.21, Unobligated Allotment.

1 Apr 69

3 An Account Receivable bill will be prepared and issued to the buyer of the goods and services in the usual manner. ENG Form 3006a, prepared in support of the receivable billing, will be posted to the Accounts Receivable Register for the appropriation involved. (Dr. 113,4, Cr. 107.-, 163, or other applicable account.) The ENG Form 3006a will also be posted as a decrease in the Accrued Expenditure column of the work allowance, ledger receiving credit for the sale or other action, and as an increase in the Accrued Expenditures column of the work allowance ledger for "Other Appropriation Reimbursement Activity".

4 Accounting for items 2 and 3 above will all be performed during the same accounting period. Accordingly, the work allowance ledgers for "Other Appropriation Reimbursement Activity" will reflect a zero unobligated balance at the end of each accounting period.

(b) Subsidiary cost accounts will not be maintained in connection with "Other Appropriation Reimbursement Activity".

(3) Account Receivable bills pertinent to appropriation reimbursements will not be posted to Work Allowance or Allotment Ledgers.

f. The total dollar amount of interagency orders accepted, and "other appropriation reimbursement activity" authorized, is not limited by the annual apportionment received for an appropriation. Cumulative current fiscal year reimbursable obligations may be incurred within the annual reimbursable program target for the appropriation, not to exceed the current quarterly cumulative apportionment limitation. Local procedures will be developed to assure that quarterly apportionment limitations are not exceeded.