

CHAPTER 9

APPROPRIATION REIMBURSEMENT ACTIVITY

9-1 General. General policy and budgeting and funding procedures for appropriation reimbursement activity are provided by AR 37-108 and ER 37-3-7. This chapter provides accounting treatment for amounts included in allotments (or Approved Operating Budgets (AOB) for O&MA) to finance funded reimbursement activity, orders received (both funded and automatic), reimbursements earned, and reimbursements collected.

9-2 Financing Orders Received.

a. General. Obligational authority to finance performance of orders received is provided through receipt and acceptance of the orders themselves. The following may be used to document reimbursable orders received, in addition to those specifically provided by AR 37-108:

- * DD Form 448 Military Interdepartmental Purchase Request
- DD Form 1144 Interservice Supply Support Agreement
- Any other document which incorporates all the essentials of an order received, as defined in AR 37-108.

b. Funded Reimbursement Activity. Upon receipt of an allotment (or current fund availability in AOB) which includes an amount to finance funded reimbursement activity, such amount will be reserved to preclude its being obligated prior to receipt of applicable orders. The amount reserved will be accounted for as Dr 1020 (for AOB Dr 4301.1) Cr 4502. The reservation will also be recorded in the allotment accounting records.

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9-3 Accounting for Appropriation Reimbursement Activity. Orders received, unfilled orders, earned reimbursements and collections will be accounted for in general ledger accounts 4731, 4732, 4733 and 3018 and subsidiary appropriation reimbursement ledgers.

a. Appropriation Reimbursements Ledger. The appropriation reimbursements ledger will be maintained in the format illustrated in AR 37-108. This ledger will be maintained at the levels prescribed in AR 37-108 except that for no-year appropriations, separate accounts will be maintained by program year. Additional subsidiary ledger accounts will be maintained as required for reporting purposes. Amounts of all the following kinds of transactions will be recorded in the appropriation reimbursements ledger as well as in registers and ledgers as provided in succeeding paragraphs:

- (1) Orders received and amendments and adjustments therein.
- (2) Reserves for receipt of funded reimbursement orders, and adjustments therein.
- (3) Earned reimbursements.
- (4) Reimbursements collected.
- (5) Accounts receivable transferred for collection, that have been generated in connection with orders received.

b. Orders Received. Orders received will be vouchered on ENG Form 3007, as Dr 4732, Cr 4731. For funded reimbursement orders, collateral entry will be Dr 4502, Cr 4501. For automatic orders, collateral entry will be Dr 1020, Cr 4501. All orders received and amendments and adjustments therein, and all transactions affecting the reserve for receipt of funded reimbursement orders will be posted to the Funds Receipts and Disbursements Register and the funds authorized column of the allotment ledger.

* c. Reimbursements Earned. Reimbursements earned will include amounts billed. ENG Form 3006a will be used to voucher the receivable and the reimbursement earned, and entered in the Accounts Receivable Register as DR 1100, CR 1801, 6051 or 6799 as appropriate; collateral entry DR 4733, CR 4732. Reimbursements earned to the end of the fiscal year will include accumulated unbilled costs to date on work in process. In that case ENG Form 3007 will be entered directly in the general ledger to debit account 4733 and credit 4732 with the amount of the unbilled earnings. *

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In vouchering adjustments upon final billing, care will be taken to assure that reimbursements earned in the current fiscal year do not duplicate amounts recorded as earned in the preceding fiscal year. (See also par e below for reimbursements earned in connection with property disposal operations.)

d. Reimbursements Collected. Collection documents will be annotated to show the effect on general ledger accounts and entered in the Funds Receipts and Disbursements Register as follows:

Dr	1000	Disbursing Officer*s Cash
	Cr	1100 Accounts Receivable
Dr	3018	Appropriation Reimbursements Collected
	Cr	1020 Funds with Treasury

e. Expenses of Property Disposal operations. The transfer of receivables (par 4-272e, AR 37-108) will be accomplished only by accounting entries without preparation or submission of a bill. The quarterly reports of Expenses (Costs) for Disposal of Scrap, Salvage, Excess, Surplus, Foreign Excess Personal Property and Timber and Lumber Products (RCS CSCAA-123(R-1)), will be the basis for entries by the transferring office. The applicable amounts transferred will be shown in the Status of Reimbursements (RCS CSCAA-112(R-3) in accordance with para 15-265d(8), AR 37-108. Accounting entries to establish the reimbursement earned and the receivable, and to transfer the receivable will be vouchered on ENG Form 3007 and posted to the general ledger and applicable appropriation reimbursement ledgers, as follows:

(1) Entries to be made as of the end of each month:

Dr	4733	Reimbursements Earned
	Cr	4732 Unfilled Orders
Dr	1100	Accounts Receivable
	Cr	6051 Sales

(2) Entries to be made in October, January, April and as of June:

Dr	3052	Transfers of Accounts Receivable
	Cr	1100 Accounts Receivable

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f. Orders received account in annual appropriation. Orders received in an annual appropriation will be adjusted at the end of the fiscal year to the amount of orders completed or filled, i.e., reimbursements earned, (See para g(1) below). The unfilled portion of "orders received" at the end of the fiscal year will be transferred to the next fiscal year as orders received in the succeeding annual appropriation.

g. Year-end adjusting and closing of Orders Received accounts. At the end of the fiscal year, after making adjustments in reimbursements earned in accordance with para c above, adjusting and closing entries will be made by use of ENG Form 3007.

(1) Adjusting entry. The following entry will be posted to the Funds Receipts and Disbursements Register and the allotment ledger in the amount of the unfilled orders which have been financed by expiring annual appropriations of the performing agency:

DR 4731 Orders Received
 Cr 4732 Unfilled Orders
DR 4501 Uncommitted Allotments
 Cr 1020 Funds With Treasury (for automatic orders)
 Cr 4502 Reserve for Receipt of Orders (for funded orders)

* NOTE: The unfilled orders received in the above reversing entry should be recorded on 1 Oct as "orders received" under the annual appropriation for the current fiscal year.

(2) Closing entry. Entry will be posted direct to the general ledger to debit account 4731 and credit account 4733 in the amount to close out the latter account.

As a result of (1) and (2) above, the balances in accounts 4731 and 4732 should be identical, and should represent unfilled orders financed with no-year appropriations.

h. Annual closing of Reserve for Receipt of Orders account.
* As of 30 Sept each fiscal year, balances in account 4502 pertaining to expiring annual appropriations will, be closed by journal entry debiting account 4502 and crediting account 1020. This journal entry will be posted to the Funds Receipts and Disbursement Register and applicable allotment and appropriation reimbursements ledgers.
* The effect of this entry will be a reduction of allotments and reserve and will be so reflected in items 4 and 5, Part I of the CSCFA-216 report. Any subsequent adjustments of prior year funded reimbursement orders will be given the same general ledger treatment as *

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automatic reimbursement orders; however, separate identity of the adjustments (funded or automatic) will be maintained in appropriation reimbursement ledgers and the CSCAA-112 report. Balances as of 30 Sept in account 4502 for no-year appropriations. will be retained in that account and the allotment ledgers and will be included in items 3 and 5, Part 1 of subsequent CSCFA-216 reports.