

Department of the Interior Departmental Manual

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Series: Budget

Part 328: Administrative Control of Funds

Chapter 3: Deferrals & Rescissions-Appportionment Actions- Deferral & Rescission Reports

Originating Office: Office of Budget

This chapter has been given a new release number. * No text changes were made.
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3.1 Purpose. The purpose of these instructions is to ensure that when funds are deferred or proposed for rescission; an Apportionment and Reapportionment Schedule (SF 132) is sent to the Office of Management and Budget, and that proper documentation is prepared and submitted to Congress.

3.2 Scope. The instructions in this part apply to all organizations, including the head of each bureau and office, and any other organization receiving funds, allotments, apportionments, etc., subject to the Antideficiency Act. (31 U.S.C. 1514 and 1517).

3.3 Apportionment Actions. Apportionment actions, including the establishment of reserves, must be consistent with the provisions of the Congressional Budget and Impoundment Control Act of 1974. Responsible officials should be particularly cognizant of the need to expedite the preparation and submission of apportionment and reapportionment requests when funds being withheld must be released immediately as a result of (a) the expiration of the 45 legislative days of continuous session without completion of action on a proposed rescission by both Houses, or (b) the passage of an appropriation bill disapproving a deferral.

3.4 Submission of Deferral and/or Rescission Reports. Each special or supplementary message to the Congress consists of (a) a Presidential transmittal letter; (b) rescission, deferral, or supplementary, reports; and (c) in the case of proposed rescissions, appropriate legislative language.

A. For each proposed rescission or deferral, responsible officials are to submit an original and two copies of the following material to the Office of Budget, as appropriate: rescission reports and proposed legislative language on each proposed rescission; deferral reports on each deferral; and, supplementary reports and revisions of previous rescission or deferral reports--with proposed legislative language, where necessary.

B. To comply with these requirements, each bureau should provide clear, descriptive, and specialized statements in its rescission and deferral reports. These reports will be the

essence of the President's special messages to the Congress and should clearly set forth the following information needed to support the proposed action: the amount of budget authority proposed for rescission or being deferred; the affected account and specific project or Governmental functions involved; the reasons why the budget authority should be rescinded or deferred; the estimated fiscal, economic, and budgetary effects of the proposed action; the effect of the proposed action on the objects, purposes, and programs for which budget authority is provided; and any other relevant facts, circumstances, and considerations pertaining thereto.

C. In the case of deferrals, the report (special report message) must also specify the period of time the budget authority is to be deferred and any legal authority invoked to justify the deferral.

3.5 Timing. For deferrals and proposed rescissions identified in connection with the apportionment process, submit the appropriate rescission, deferral, or supplementary reports when related apportionment or reappropriation schedules are submitted. These reports will be reviewed by the Office of Management and Budget (OMB) in conjunction with the normal review of apportionment requests to assure that explanations are clear, comprehensive, and accurate, as well as consistent with final OMB action.

3.6 Reports. For those deferrals and proposed rescissions not identified in connection with the apportionment process (e.g., bureau deferrals), bureaus are requested to furnish rescission and deferral reports expeditiously to the Director, Office of Budget for proposed submission to OMB.

A. Actions required to be reported to the Congress via special message, and also reflected in the apportionment process include:

- (1) Reserves for contingencies; and
- (2) Revolving fund balances being held restrictively.

B. Actions required to be reported to the Congress via special message, but not reflected in the apportionment process include bureau deferrals resulting from decisions to obligate funds at a significantly slower pace than intended by the Congress.

C. Actions not required to be reported to the Congress and not reflected in the apportionment process include routine financial management-type actions (normal internal management actions that affect the timing of obligations).

D. It is important in all cases to determine which actions are to be reported, considering as the primary criteria the intent of the Congress in providing the funds.

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