Mandatory Reference: 621
File Name: 621mab_011603_cd30
Revision: 01/16/2003
Effective Date: 01/13/2003

Reobligation Policy
09/19/2002

Bureaus are asked to take a conscientious approach to deobligating funds with the understanding that, after taking out amounts necessary to fund upward adjustments, the Bureau for Policy and Program Coordination, Office of Resource Allocation (**PPC/RA**) will return 50 percent of each Bureau's remaining current year recoveries to the Bureau once the Office of the Chief Financial Officer (**M/CFO**) certifies these funds as available. Within 60 days of receiving the funds, Bureaus must return these recoveries to the deobligating operating unit unless their Assistant Administrator (**AA**) determines that there are overriding circumstances that result in the need to use the money for other purposes. In the case of a rescission or other pressing Administration or Agency initiative/requirement, the Administrator can decide to revoke this policy at any time. This policy covers funds deobligated beginning on 10/01/2002. Funds deobligated prior to 10/01/2002 have been reallocated for the FY 02 rescission.

Each quarter beginning 12/31/2002, M/CFO will provide a report to each Bureau detailing all the funds that were deobligated during the previous quarter. M/CFO will provide the report by the end of the quarter following the quarter in which the deobligations were made. This report will detail deobligations by fund account and Mission and be summarized by Bureau and Fund Account.

Quarterly due dates for funds deobligated after 10/01/2002 are as follows:

For funds deobligated through	Due date
09/30/2002	12/31/2002
12/31/2002	03/31/2003
03/31/2003	06/30/2003
06/30/2003	09/30/2003

M/CFO will notify PPC/RA via e-mail that the apportionment of these funds has been completed and will make these funds available in Phoenix to PPC/RA within three months of the end of each quarter. For fund accounts that do not require country obligation requests (i.e., Development Assistance (**DA**) and Child Survival and Health (**CSH**)), PPC/RA will issue allotments to the requesting office within five working days. For fund accounts that require country obligation requests (i.e., Economic Support Fund, (**ESF**), Freedom Support Act (**FSA**), and Support for Eastern European Democracy (**SEED**)), Bureaus can submit their Request for Obligation document to PPC/RA for processing. PPC/RA will issue allotments to the Bureaus within five working days of receipt from the requesting office of the approved Request for Obligation document. In both cases, Bureaus must issue Mission allowances within five

working days of receipt of the allotment. If an AA makes a determination that funds are not to be returned to a Mission, that decision is to be documented in a decision memo that will be retained in the Bureau.

Fund accounts that are designated for specific Bureaus (i.e., SEED, FSA, Office of Transition Initiatives (**OTI**), International Disaster Assistance (**IDA**), Development Credit Authority (**DCA**), etc.) will be returned in full to the originating Bureau.[1] It is expected that those Bureaus will return a minimum of 50 percent to the original operating unit. Earmarked funds will be returned in full to the Bureau. The Bureau must return 100 percent of those funds to the deobligating operating unit. To encourage Missions to take advantage of the leveraging that DCA activities offer, 100 percent of those funds designated for DCA will remain in the DCA account for the deobligating Mission's use for other DCA projects.

Deobligated funds from most FY 2002 appropriations will remain available for an additional four years from the date on which the availability of such funds would otherwise have expired. Deobligations from most pre-FY 2002 appropriations will remain available without time limit until they are expended.

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[1] Additional guidance will be issued later, based on the outcome of the Business Transformation Executive Committee's (BTEC's) assessment of the procedures for deobligating and reobligating field support funds.