



UNDER SECRETARY OF DEFENSE
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COMPTROLLER

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
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UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
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COMBATANT COMMANDER, U.S. SPECIAL OPERATIONS
COMMAND
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTOR, WASHINGTON HEADQUARTERS SERVICES
DIRECTOR, INTELLIGENCE COMMUNITY STAFF
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Below Threshold Reprogramming Authority Policy

This memorandum implements changes to the Department's below threshold reprogramming (BTR) authority provided in the Statement of the Managers accompanying the FY 2003 Consolidated Appropriations Resolution for the following appropriations:

- Research, Development, Test, and Evaluation (RDT&E): from \$4 million to \$10 million.
- Procurement: from \$10 million to \$20 million.

Any movement of funds between appropriations or between legal subdivisions requires legislative transfer authority. A BTR is established for each appropriation and allows funds to be reprogrammed within each appropriation without obtaining congressional prior approval to finance cost increases to existing programs, with some exceptions. The attached Summary of Reprogramming Requirements lists these exceptions and provides an overview of the reprogramming requirements.

This policy will be incorporated into the DoD 7000.14-R, the Department of Defense Financial Management Regulation (DoDFMR), Volume 3, Chapter 6, in the next revision.


Dov S. Zakheim

Attachment:
As stated

Summary of Reprogramming Requirements
Effective for FY 2003 and Subsequent Year Funds

DD 1415-1 Prior Approval (PA) Reprogramming Actions

1. Affects a congressional special interest item (unless the funds will be used for the same purpose; then an Internal Reprogramming (IR) is used). Exception: RDT&E, DW Missile Defense Agency may use below threshold authority if movement is < \$10 million.
2. Involves the use of general transfer authority (GTA) (unless the funds will be used for the same purpose; then an IR is used).
3. Exceeds thresholds.
 - a. Military Personnel: Increase of \$10 million or more in a budget activity.
 - b. Operation and Maintenance: Increase of \$15 million or more in a budget activity.
Exception is the Defense Health Program Operation and Maintenance; PA is required for cumulative transfers in excess of \$25 million into the Private Sector Care activity group.
 - c. Procurement appropriations:
 - (1) Increase: \$20 million or more in a procurement line item;
 - (2) Decrease: The greater of \$20 million or 20 percent of the appropriated amount.
 - d. RDT&E appropriations:
 - (1) Increase: \$10 million or more in an existing program element;
 - (2) Decrease: The greater of \$10 million or 20 percent of the appropriated amount.
4. New Starts.
 - a. New procurement program, procurement subprogram, or modification estimated to cost \$20 million or more within the first 3 years. Exceptions are safety programs and safety modifications costing less than \$20 million.
 - b. New RDT&E program, RDT&E project, or RDT&E subproject estimated to cost \$10 million or more within the first 3 years.
5. New Line Items (Fiscal Year 2003 and subsequent years).
 - a. Establishes new procurement line item, subprogram, or modification of \$20 million or more.
 - b. Establishes new RDT&E program element, project, or subproject of \$10 million or more.
6. Terminations.
 - a. Eliminates a procurement program, subprogram, or modification of \$20 million or more.
 - b. Eliminates an RDT&E program element, project or subproject of \$10 million or more.
 - c. Eliminates an RDT&E program element, project, or subproject that is equal to the total amount of the program element, regardless of amount.

DD Form 1415-3 Internal Reprogramming (IR) Actions

1. Realigns funds to a different line item or appropriation for proper execution of the same requirement (no change in purpose) (can involve GTA) (may involve congressional special interest items).
2. Transfer of funds from the transfer accounts - Foreign Currency, Environmental Restoration, Drug Interdiction, Overseas Contingency Operations Transfer Fund, etc.
3. Documents transfers identifying specific line items when a letter notification is being used to satisfy congressional or specific transfer notification requirements.

Summary of Reprogramming Requirements (Continued)

Notification Letters (in advance of initiating)

1. New programs or line items not otherwise requiring prior approval action.
2. New procurement programs, including modifications, costing less than \$20 million for the entire effort.
3. New development programs costing less than \$10 million for the entire effort.
4. Safety programs and safety modifications costing less than \$20 million for the entire effort can be initiated in advance of the congressional notification.
5. Program termination of programs falling within the below threshold reprogramming amounts (procurement programs or subprograms costing less than \$20 million; RDT&E programs, projects, or subprojects costing less than \$10 million) as long as the procurement line item or program element is not eliminated.
6. Specific line items to satisfy specific transfer notification requirements.
7. A 30-day notification to the Defense Committees is required. The Component may implement reprogramming action 30-days after notification unless an objection from a committee.

Below Threshold Reprogramming (BTR) Authority Ground Rules

1. A BTR is established for each appropriation and allows funds to be reprogrammed internal to the appropriation without obtaining congressional prior approval to finance cost increases to existing programs, with some exceptions. Any movement of funds between appropriations or between legal subdivisions within an appropriation is a "transfer" and requires transfer authority.
2. The BTR shall not exceed the established thresholds. Each threshold reflects aggregate levels of reprogramming activity within Procurement line items, and within RDT&E program elements.
3. The BTR shall not decrease congressional special interest items.
4. The BTR shall not increase lines specifically reduced by congressional action. You may use below threshold reprogramming authority to restore non-specific reductions to these items, however, but only to the original level of the budget request or the level determined in the account tables, whichever is less.
5. No BTR decrease may exceed the greater of the above thresholds or 20 percent of the appropriated level for each Procurement line item or RDT&E program element.

This summary and all implemented reprogramming actions are posted to the Comptroller's Public Web Site and can be viewed 24/7 at www.dod.mil/comptroller/execution/reprogramming.