



Defense Primer: DOD Transfer and Reprogramming Authorities

In provisions of the *United States Code* (U.S.C.) and annual authorization and appropriations acts, Congress provides the U.S. Department of Defense (DOD) limited authorities to obligate funds for purposes other than originally approved, or in a manner that otherwise diverges from congressional expectations. These authorities allow the department to *transfer* or *reprogram* funds. A transfer involves shifting funds from one appropriations account to another, while a reprogramming involves shifting funds within the same account. DOD uses the term *reprogramming action* to describe both types of transactions.

Background

At times, DOD faces unanticipated circumstances with budgetary implications. For example, responding to a geopolitical event or covering an inflationary price increase for a weapon system may create unforeseen costs for the department. Similarly, military recruitment shortfalls or favorable fluctuations in foreign exchange rates may lead to unexpected savings. To allow the department to respond to such situations, Congress routinely authorizes DOD to transfer or reprogram a limited amount of funds. (Congress may also respond to emergent developments by enacting supplemental appropriations or rescissions.)

10 U.S.C. §2214 generally covers transfers within DOD “whenever authority is provided in an appropriation Act to transfer amounts in working capital funds or to transfer amounts provided in appropriation Acts for military functions of the Department of Defense (other than military construction).” The statute limits the use of transfers to “a higher priority item, based on unforeseen military requirements,” and prohibits transfers for an item for which Congress has denied funds. The statute also requires the Secretary of Defense (SECDEF) to “promptly notify” Congress “of each transfer made under such authority.” Other notification requirements reside in specific appropriations provisions. In addition, through procedures developed by the congressional defense committees and DOD, the department’s *Financial Management Regulation* requires prior congressional approval of certain reprogramming actions, such as those in excess of dollar amount or percentage thresholds. Authorities and processes for military construction and intelligence-related funding reallocations are beyond the scope of this product.

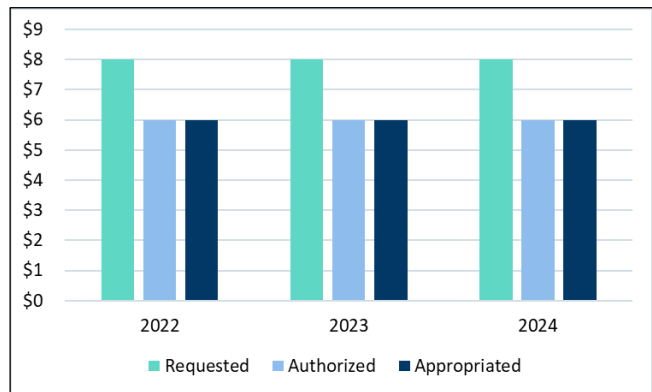
Types of Transfer Authorities

General Transfer Authority. The annual National Defense Authorization Act (NDAA) and Department of Defense Appropriations Act typically include recurring General Transfer Authority (GTA) provisions that permit DOD to transfer a limited amount of funds. For example, Section 8005 of the Department of Defense Appropriations

Act, 2024 (Division A of P.L. 118-47) allows the SECDEF, with the approval of the Office of Management and Budget, to transfer up to \$6 billion of “funds made available in this Act ... for military functions (except military construction) between such appropriations or funds or any subdivision.” Section 1001, “General Transfer Authority,” of the FY2024 NDAA (P.L. 118-31) is the related authorizing language. See **Figure 1**.

Figure 1. DOD General Transfer Authority (GTA) Limits, FY2022-FY2024

(in billions of dollars of budget authority)



Source: CRS analysis of provisions in annual President’s budget requests, National Defense Authorization Acts (NDAAs), and Department of Defense Appropriations Acts for selected fiscal years.

Specific Transfer Authority. Congress typically provides additional transfer authorities to DOD in other provisions of defense authorization and appropriations acts for specific purposes. For example, Congress provides authority for transfer accounts intended to receive and disburse allocations, such as the DOD’s Drug Interdiction and Counter-Drug Activities account. If Congress provides transfer authorities for specific purposes “in addition to any other transfer authority provided by law,” their use does not count toward GTA limits.

Types of Reprogramming Actions

The FMR defines reprogramming in part as a “realignment of budget authority from the purpose for which appropriated to finance another (usually emergent, unfunded) requirement.” DOD transfers and reprograms funds throughout the fiscal year. As part of the congressional notification and prior approval processes, the DOD Comptroller publishes implemented reprogramming actions on the budget execution portion of its website.

Some reprogramming actions are known as *prior-approval* (PA) reprogramming because they require prior congressional approval. If a reprogramming action meets

certain criteria—such as the use of GTA or the reallocation of funds in excess of dollar amount or percentage thresholds (see **Table 1**)—it must be approved by the chair and the ranking member of the House and Senate Committees on Armed Services and Appropriations before DOD can process it. Such thresholds are based on the combined value of transfers at a certain level of appropriation (e.g., the lesser of \$15 million or 20% of a line item in a procurement account).

Table 1. Congressional Adjustments to DOD Reprogramming Thresholds, by Appropriation
(in millions of dollars of budget authority and percentages)

FY	MILPERS	O&M	Procurement	RDT&E
2003	\$10	\$15	\$20	\$10
2005	\$10	\$15	\$20 or 20% ^a	\$10 or 20% ^a
2018	\$10	\$20	\$20 or 20% ^a	\$10 or 20% ^a
2019	\$10	\$15	\$20 or 20% ^a	\$10 or 20% ^a
2020	\$10	\$10	\$10 or 20% ^a	\$10 or 20% ^a
2024	\$15	\$15	\$15 or 20% ^a	\$15 or 20% ^a

Source: CRS analysis of explanatory statements accompanying Department of Defense Appropriations Acts for selected fiscal years.

Notes: Bolded figures indicate change from previous threshold. MILPERS is military personnel; O&M is operation and maintenance; RDT&E is research, development, test, and evaluation.

a. Whichever is less.

DOD sometimes uses the terms *above threshold reprogramming* (ATR) and *below threshold reprogramming* (BTR) to describe transactions valued above or below congressional approval thresholds.

In addition to PA reprogramming actions, DOD also publishes budget execution documentation on other types of reprogramming actions, including *internal reprogramming* actions (IR; used to process transfer account transactions and other needs) and *letter reprogramming* actions (LTR; used to process congressionally directed transactions).

Process

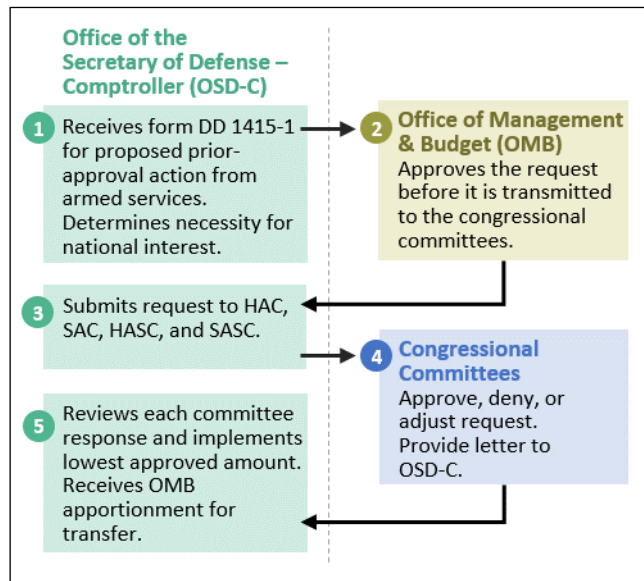
For prior congressional approval of reprogramming actions, the DOD Comptroller typically submits a form (i.e., Form 1415-1) as needed for specific requirements, usually on a monthly basis; or, as part of a single request for multiple actions (known as an *omnibus* reprogramming action), due prior to June 30 each year. Typically, committee leaders approve, deny, or adjust the requested amounts before DOD transfers or reprograms funds. See **Figure 2**.

Commission Recommendations

In March 2024, the Commission on Planning, Programming, Budgeting, and Execution Reform recommended for Congress to increase BTR thresholds to \$25 million for RDT&E, \$40 million for procurement, \$30 million for O&M, and \$15 million to MILPERS “to relieve pressure on the congressional reprogramming process and enable the Department to respond to emerging threats and opportunities on a timelier basis.” Longer term, the

commission recommended that Congress allow DOD to reprogram between 0.1% and 1.5% of funds within an account, depending on the appropriation type, with quarterly reports to the congressional defense committees.

Figure 2. DOD Process for Obtaining Prior Congressional Approval of Reprogramming Actions



Source: CRS based on DOD 7000.14-R FMR, Vol. 3, Ch. 6.

Potential Issues for Congress

- To what degree does DOD view requirements related to prior congressional approval of reprogramming actions as legally or practically binding?
- What level of effort is necessary for Congress to monitor and/or approve DOD reprogramming actions? How can such activities affect department schedules?
- How might increasing dollar amount and/or percentage reprogramming thresholds affect the balance of congressional oversight and DOD budgetary flexibility?
- How often does DOD reach transfer authority limits? Does reaching or not reaching such limits indicate a need for more or less transfer authority?
- What are examples of opportunity costs in DOD transferring and reprogramming funds?

Selected References

- 10 U.S.C. §2214, *Transfer of funds: procedure and limitations*
- DOD 7000.14-R, *Financial Management Regulation (FMR)*, Volume 3, Chapter 6, September 2015
- CRS Report R46421, *DOD Transfer and Reprogramming Authorities: Background, Status, and Issues for Congress*

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