

**BY ORDER OF THE
SECRETARY OF THE AIR FORCE**

**AIR FORCE INSTRUCTION 65-601,
VOLUME 2**



18 MAY 2012

Financial Management

**BUDGET MANAGEMENT FOR
OPERATIONS**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

ACCESSIBILITY: Publications and forms are available on the e-Publishing website at www.e-publishing.af.mil for downloading or ordering.

RELEASABILITY: There are no releasability restrictions on this publication.

OPR: SAF/FMBOO

Certified by: SAF/FMBO
(Brig Gen James F. Martin)

Supersedes: AFI65-601V2, 21 October
1994

Pages: 76

This instruction implements AFPD 65-6, *Budget*, and prescribes procedures for administering and executing the Air Force operating budget. It emphasizes operation and maintenance (O&M) and military personnel appropriation procedures, but covers some procedures related to other appropriations; budget and execution plan relationships to the accounting system; reporting; and data elements and codes used in financial management. It applies to individuals who perform financial management analysis and resource management at all levels, including Air Force Reserve and Air National Guard (ANG) units, except where noted otherwise. Refer recommended changes and questions about this publication to the office of primary responsibility (OPR) using the Air Force Form (AF) 847, *Recommendation for Change of Publication*; route AF 847s from the field through major command (MAJCOM) publications/forms managers. Ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with Air Force Manual (AFMAN) 33-363, *Management of Records*, and disposed of in accordance with the Air Force Records Disposition Schedule (RDS) maintained in the Air Force Records Information Management System (AFRIMS) located at <https://www.my.af.mil/afrims/afrims/afrims/rims.cfm>.

SUMMARY OF CHANGES

This instruction aligns with AFPD 65-6. The document has been rewritten almost in its entirety to capture changes to organizational symbols, regulatory instructions, processes and procedures

used in the financial management (FM) and oversight of the Air Force O&M appropriation by budget activity (BA).

Chapter 1—THE ROLE OF FINANCIAL MANAGEMENT ANALYSIS (FMA) (OR BUDGET) 5

- 1.1. Duties of FMA Offices at All Levels. 5
- 1.2. FMA Officer (or Budget Officer) Duties: 5
- 1.3. MAJCOM FMA Officer Duties: 6
- 1.4. Supervising Subordinate FMA Offices. 7
- 1.5. Installation FMA Officer Duties: 7
- 1.6. Releasing Budget Data Information Outside the Air Force. 9

Chapter 2—PREPARING AND EXECUTING THE EXECUTION PLAN (EP) 10

- 2.1. Issuing the Budget Call. 10
- 2.2. Balancing the Program. 10
- 2.3. Enhancing Flexibility and Credibility. 10
- 2.4. Reviewing the Execution Plan (MAJCOM). 10
- 2.5. Reviewing the Execution Plan (SAF/FMBO). 10
- 2.6. Issuing and Updating Funding Documents. 11
- 2.7. Executing the Annual Budget. 11
- 2.8. Reporting Monthly and Quarterly Status. 11
- 2.9. Closeout Procedures and Closeout Report. 11
- 2.10. Managing Air Force Resources. 12
- 2.11. Administering Management Control Points: 13
- 2.12. Establishing Review Committees. 14
- 2.13. Preparing Data for Review Authorities. 14
- 2.14. Briefing Committees: 15
- 2.15. Controlling and Executing the OBA. 15
- 2.16. Analysis of Prior Year Unobligated Balances (Fall-out/Fall-in). 16

Chapter 3—ISSUING AND DISTRIBUTING OPERATING BUDGET AUTHORITY (OBA) 18

- 3.1. Overview. 18
- 3.2. Controlling Yearend Spending. 18
- 3.3. Issuing OBA (SAF/FMB): 18

3.4.	Issuing OBAs (MAJCOMs).	18
3.5.	Distributing OBAs at Installation Level:	18
3.6.	Distributing Tenant OBAs.	19
Chapter 4—ADMINISTERING TARGETS, LIMITATIONS, AND OBA CONTROLS		20
4.1.	Complying With Targets and Limitations In OBAs:	20
4.2.	Administering Controls:	21
4.3.	Administering Targets and Limitations in Other Appropriations.	21
Chapter 5—LOADING THE OPERATING BUDGET AUTHORITY INTO THE GENERAL ACCOUNTING SYSTEM FOR OPERATIONS		22
5.1.	Using the OBA and OBAD.	22
5.2.	Computing Total Authority to Load.	22
5.3.	Relating OBAD Amounts and Computer Records.	22
5.4.	Distributing OBAD Authority.	23
5.5.	Loading Targets in the General Accounting System.	23
5.6.	Loading Targets in the Base Supply System.	26
Chapter 6—DATA ELEMENTS AND CODES		27
6.1.	Overview.	27
6.2.	Using Data Elements.	27
6.3.	Using the Account Structure.	27
Figure 6.1.	Data Elements Found In Financial Management Data Dictionary at Data Quality Service.	27
Chapter 7—USING THE OPERATING BUDGET AND ALLOTMENT LEDGERS		28
7.1.	Using Ledgers.	28
7.2.	Frequency.	28
7.3.	Loading Annual and Quarterly Authorities.	28
Chapter 8—ADMINISTERING, EXPENSING AND REPORTING MILITARY PERSONNEL COSTS		29
8.1.	Managing Military Personnel Expense Authority.	29
8.2.	Using Standard Rates for Military Personnel:	29
8.3.	Controlling Other Military Personnel Expenses.	29
8.4.	Administering and Reporting Military Personnel Expense Authority.	30
8.5.	Description of Costs Covered by Military Personnel Appropriation.	30
8.6.	Cost of Contingency Operations.	31

8.7.	Military Personnel Related Guidance:	31
Chapter 9—CIVILIAN MANPOWER REPORTING AND FUNDING		33
9.1.	Overview.	33
9.2.	Management of Civilian Resources.	33
9.3.	Responsibilities:	33
9.4.	References:	35
Table 9.1.	Workdays Per Month And Quarter For Fiscal Years 2011-2013.	36
Table 9.2.	Sample Manpower Utilization Data.	36
Chapter 10—RESOURCE MANAGEMENT SYSTEM (RMS)		38
10.1.	Overview.	38
10.2.	RMS Duties.	38
10.3.	Participatory Financial Management.	40
Table 10.1.	Sample FMB Membership List.	41
Table 10.2.	Sample FWG Membership List.	42
10.4.	Administering the Operating Budget and Execution Plan.	43
10.5.	Using Productivity and Related Programs.	45
Chapter 11—RESOURCE MANAGEMENT SYSTEM (RMS) TRAINING		47
11.1.	General Information.	47
11.2.	Initial RMS Training:	47
11.3.	Continuation and Refresher Training:	50
11.4.	Administration of the RMS Training Program:	50
Table 11.1.	RMS Training Documentation Format.	50
Attachment 1—GLOSSARY OF REFERENCES, ADOPTED FORMS, ABBREVIATIONS, ACRONYMS, AND TERMS		52
Attachment 2—BUDGETING AND ACCOUNTING SYSTEM FOR OPERATIONS		59
Attachment 3—BUDGET ACTIVITIES		63
Attachment 4—THE EXECUTION PLAN		64
Attachment 5—ACCOUNTING CLASSIFICATION CODES FOR MAJOR APPROPRIATIONS		66
Attachment 6—CIVILIAN MANPOWER FUNDING, EXECUTION AND REPORTING		70

Chapter 1

THE ROLE OF FINANCIAL MANAGEMENT ANALYSIS (FMA) (OR BUDGET)

1.1. Duties of FMA Offices at All Levels. FMA offices will:

- 1.1.1. Estimate the cost of Air Force programs, develop budget estimates and financial policies, guide and direct budget justification, and help commanders administer all available appropriated funds.
- 1.1.2. Work with other staff and operators to prepare and carry out the execution plan (EP). Help organizational managers justify and achieve their goals as financial managers in current and prior fiscal years.
- 1.1.3. Manage resources within approved budgets and limitations and identify resources by program element (PE), element of expense and responsibility center (RC) and cost center (CC) (RC/CC).
- 1.1.4. Work with organizational managers at each level of command to create budget requirements showing expected obligations for submission to the Secretary of Defense.
- 1.1.5. Critically review all budget and execution plans submitted to SAF/FMB. SAF/FMB and Air Staff offices will make sure the estimates are balanced and comply with guidance.
- 1.1.6. Emphasize proper financial management at the RC level. Communicate current budget concepts, policies, procedures and techniques to RC managers (RCM).
- 1.1.7. Use their experience, functional area data, and financial information to help commanders and organizational managers effectively accomplish their missions.

1.2. FMA Officer (or Budget Officer) Duties:

- 1.2.1. Helps to prepare, revise and carry out execution plans. The FMA also:
 - 1.2.1.1. Guides operating personnel on plans, assumptions and technical data.
 - 1.2.1.2. Explores ways to meet objectives within budgetary authority limits.
 - 1.2.1.3. Determines gaps and excesses from execution of operational and enterprise capabilities and provides decision support with solution parameters.
 - 1.2.1.4. Gives the commander technical advice on financial management.
- 1.2.2. Reviews and analyzes accounting data to help match available funds against programmed requirements.
 - 1.2.2.1. Revises execution plans to match revised missions, requirements and unprogrammed events.
 - 1.2.2.2. Determines initial requirements based upon bona fide need and uses funds to meet those requirements.
 - 1.2.2.3. Does not withdraw financial authority without regard to consequences.
- 1.2.3. Monitors the status of the appropriation reimbursement program through variance analysis comparing estimated reimbursement versus actual collections.

1.2.3.1. Conducts annual budget review reconciling collected tenant reimbursements to support agreement for all installation host-tenant agreements.

1.2.3.2. Prepares complete funding annexes to include PEs, fund expiration dates, methods of reimbursement and methods of recording obligations.

1.3. MAJCOM FMA Officer Duties:

1.3.1. Develops budgets and execution plans for appropriations according to instructions from higher authority and with the advice of appropriate staff.

1.3.2. Receives budget authorities.

1.3.3. Distributes the budget authorities (with staff participation).

1.3.4. Monitors reporting of funds transferred to lower levels.

1.3.5. Helps subordinate organizations with programs and funding.

1.3.6. Plans and continuously evaluates subordinate organizations' programs to determine:

1.3.6.1. Actual accomplishments versus planned programs.

1.3.6.2. Availability of resources to meet the rest of approved objectives.

1.3.6.3. Areas in which you need to reprogram to meet plans.

1.3.6.4. Effect on funding of proposed mission program changes and reprogramming actions.

1.3.7. Advises the staff on results of analyses and makes appropriate recommendations.

1.3.8. Adjusts the execution plan according to revised objectives, and when necessary, narrates to capabilities funded, capabilities not funded and associated risks and impacts.

1.3.9. Adjusts distribution of amounts within the approved execution plan to meet current requirements.

1.3.10. Monitors the status of the appropriation reimbursement program:

1.3.10.1. Reviews status of customer orders received, rate of unfilled orders and collection of reimbursements.

1.3.10.2. Recommends revisions to operating budget authorizations based on changes in the amount of customer orders anticipated.

1.3.10.3. Makes proper and timely adjustments for reimbursable orders initially financed under the "Direct Program."

1.3.10.4. Ensures all FMA offices and units reconcile and balance all direct and reimbursable unfilled customer orders (balance identifier (BID) "D") to obligations (BID "O") by 30 September of each fiscal year. See DoD FMR 7000.14-R, Volume 11A, *Reimbursable Operations, Policy and Procedures*, Chapters 3 and 18.

1.3.10.4.1. Ensures all unfilled customer orders and corresponding obligations are balanced monthly.

1.3.11. Conducts special studies pertaining to forecasts, projections or requirement estimates.

- 1.3.12. Advises the staff on the propriety of proposed uses of financial resources.
- 1.3.13. Advises, assists and trains base-level organizations.
- 1.3.14. Develops policies and procedures for use at MAJCOM and base-level to administer operating budgets and execution plans.
- 1.3.15. Develops emergency operating plans including reporting instructions and requirements for special programs.
- 1.3.16. Supplements Air Force instructions to address unique command issues.
- 1.3.17. Monitors preparation of financial management instructions at bases.
- 1.3.18. Reviews and coordinates on concurrent use and support agreements.
- 1.3.19. Reviews audit and Inspector General (IG) reports and corrects problems.
- 1.3.20. Advises and assists the Comptroller in developing and implementing a comprehensive Resource Management System (RMS) training program.

1.4. Supervising Subordinate FMA Offices. Command FMA offices will technically supervise and assist subordinate FMA offices.

- 1.4.1. Review estimates and status reports.
- 1.4.2. Ensure compliance with budget policies, procedures, objectives, instructions and directives.
- 1.4.3. Visit subordinate offices on request or provide personal help when needed (e.g., to respond to inspection reports or evaluate propriety of obligations).
- 1.4.4. Review and approve upward obligation adjustments using the Obligation Adjustment Reporting System (OARS).

1.5. Installation FMA Officer Duties:

- 1.5.1. Develops estimates of requirements for specific items or services with appropriate staff and operating organizations.
- 1.5.2. Assists RCMs as required, along with other appropriate staff offices, in estimating financial requirements.
- 1.5.3. Maintains the RC/CC code structure required to administer the budget properly with the accounting activity and other staff and operating organizations (Reference: FM Data Quality Service, POC: SAF/FMPS).
- 1.5.4. Provides budget services to tenant organizations when requested.
- 1.5.5. Receives annual and quarterly budget authorities per the approved annual operating program.
 - 1.5.5.1. Distributes budget authorities to operating organizations with help from the Financial Working Group (FWG) and approval of the Financial Management Board (FMB).
 - 1.5.5.2. Tells operating organizations about distribution as determined above.

1.5.6. Monitors how host and tenant organizations carry out annual and quarterly budget authorities (when requested per AFPD 25-2, *Support Agreements*).

1.5.6.1. Maintains continuous contact with operating organizations to be familiar with accomplishments and problems.

1.5.6.2. Periodically joins RCMs and resource advisors (RAs) in evaluations to determine:

1.5.6.2.1. Actual accomplishment compared to planned use of operating budget authority.

1.5.6.2.2. Availability of budget authority to provide a balanced application of resources to approved objectives.

1.5.6.2.3. Areas where reprogramming may be necessary.

1.5.6.3. Advises staff and operating organizations of analyses' results and make appropriate recommendations.

1.5.6.4. Examines proposed installation mission programming and reprogramming actions to:

1.5.6.4.1. Determine if sufficient budget authority can cover the proposed action.

1.5.6.4.2. Ensure the proposed action doesn't exceed the installation's budget authority or limitations.

1.5.6.5. Revises the budget or execution plan according to revised requirements and objectives, or according to instructions from higher authority with appropriate staff and operating organizations.

1.5.6.6. Prepares and submits justification to higher headquarters to increase or decrease requirements when necessary.

1.5.6.7. Estimates anticipated reimbursements along with appropriate staff and operating organizations.

1.5.6.8. Reviews, analyzes, and compares anticipated reimbursements to realized reimbursements.

1.5.6.9. Reviews status of undelivered reimbursable orders and actions to collect reimbursable orders.

1.5.6.9.1. Ensures all organizations reconcile and balance all direct and reimbursable unfilled customer orders (BID "D") to obligations (BID "O") by 30 September of each fiscal year. See DoD FMR 7000.14-R, Volume 11A, Chapters 3 and 18.

1.5.6.9.1.1. Ensures all unfilled customer orders and corresponding obligations are balanced monthly.

1.5.6.10. Requests adjustment to budget authority based on increases or decreases to anticipated reimbursements.

1.5.6.11. Adjusts between the reimbursable and direct program when necessary.

1.5.6.12. Advises on the propriety of proposed budget authority applications.

1.5.6.13. Adjusts the distribution to meet current requirements when notified of overruns by the accounting activity or changes requested by the appropriate operating organizations.

1.5.7. Determines through analyses how changes, additions or revisions to Air Force programs affect financial requirements and advises the staff and operating organizations.

1.5.8. Coordinates and takes appropriate action on the budgetary implications of audit report estimated potential monetary benefits (PMB) data (See AFI 65-403, *Followup On Internal Air Force Audit Reports*).

1.5.9. Conducts special studies pertaining to forecasts, projections or estimates of requirements with current or future budgetary implications.

1.5.10. Implements prescribed Air Force and MAJCOM financial management training programs.

1.5.10.1. Develops and maintains an installation RMS training program. Ensures training program is tailored to the specific training requirements of host and tenant RCMs, CCMs and RAs.

1.5.10.2. Arranges for the availability of specialists who are proficient with local mission requirements to assist in RMS training. Utilize experts from primary resource management elements, such as, logistics readiness, financial management analysis, civil engineering, and contracting.

1.5.10.3. Uses positive instructional techniques.

1.5.10.4. Carefully plan, organize and present initial RMS training sessions according to mission requirements. Because each installation is different, local training programs must be as flexible as possible. See Chapter 11 for training requirements.

1.5.10.5. Gives initial training to RCMs within 90 days of assignment.

1.5.10.6. Starts initial training for resource advisors within 30 days after assignment and completes it within 90 days.

1.5.10.7. Offers continuation or refresher RMS training as needed throughout the year. Tailor RMS training to help resource advisors become more proficient with local budget processes.

1.6. Releasing Budget Data Information Outside the Air Force. The Comptroller, in coordination with Public Affairs Officer or Information Protection Office, at the appropriate level of command will prepare and coordinate the release of budget data outside the Air Force. Do not use or represent financial information relating to the status of Air Force appropriated funds, or to amounts contained in budget estimates, (internal or external) as the official Air Force status.

Chapter 2

PREPARING AND EXECUTING THE EXECUTION PLAN (EP)

2.1. Issuing the Budget Call. SAF/FMB will issue annual instructions for preparing and submitting the execution plan.

2.1.1. In the budget call, SAF/FMBO will provide:

2.1.1.1. Funding levels by program element (PE), element of expense code (EEIC) and emergency and special program code (ESP) (if applicable).

2.1.1.2. Special guidance and instructions.

2.1.2. MAJCOM, combatant commands (COCOM) and other operating agencies (OAC) may supplement the SAF/FMBO call with their own specific instructions.

2.2. Balancing the Program. Carefully distribute funding using the SAF/FMBO-provided bogey. Consolidate requirements from each RC to form the total requirement and a balanced program.

2.2.1. Commands must plan to operate within the funding level provided to carry out the new fiscal year's mission.

2.2.2. The final command plan must balance to the SAF/FMBO bogey provided and must comply with all guidance and instructions.

2.2.2.1. Subactivity Group (SAG) migrations lead to discrepancies between execution and programming of funds, resulting in reductions to Air Force total obligating authority (TOA) from Congressional marks.

2.3. Enhancing Flexibility and Credibility. Give commanders and managers at all levels considerable flexibility in distributing funding. Each manager should have the chance to plan using next year's tentative funding to best accomplish the organization's mission. If necessary, commanders should recommend program changes (e.g., flying hours, manpower authorizations, equipment authorizations or organization) for SAF/FMBO approval. Usually, the next higher level of review will approve credible distribution plans.

2.4. Reviewing the Execution Plan (MAJCOM). Installations and units complete their EPs on request and forward them to their MAJCOM. MAJCOMs will:

2.4.1. Review installation program and cost data.

2.4.2. Determine the validity of requirements as well as conformity to MAJCOM instructions.

2.4.3. Review and validate installation and unit submissions, consolidate the results and submit the command execution plan to SAF/FMBO.

2.5. Reviewing the Execution Plan (SAF/FMBO). SAF/FMBO will:

2.5.1. Correlate the total amounts approved for field commanders with the anticipated amounts appropriated by Congress. **Note:** Congress normally holds hearings on the President's Budget between February and April.

2.5.2. Adjust the EP using the latest program guidance.

2.5.3. Send the command distribution within 30 days of signed appropriation.

2.6. Issuing and Updating Funding Documents. SAF/FMB's intent, to the extent possible, is to distribute all command funding once the Department of Defense Appropriation Act is enacted. SAF/FMB utilizes the Automated Funds Management (AFM) system and Program Budget Automated System (PBAS) to provide commands the official authorization in the form of an Operating Budget Authority Document (OBAD) or Funding Authorization Document (FAD). Funding documents will be sent throughout the year as needed and may include additional information, such as, PE, EEIC and imposed legal limitations (floors and ceilings). SAF/FMB will provide narrative guidance for statutory/regulatory limitations and will explain reasons for significant changes to fund requests. MAJCOMs will:

2.6.1. Reprogram annual obligation authority within budget activity (BA) consistent with limitations stated in the OBAD. For example, you may reprogram quarterly direct obligation authority between BAs provided no quarterly program exceeds the corresponding annual BA authority.

2.6.2. Notify higher headquarters of significant changes in fund distribution along with an explanation on when and why plans changed.

2.7. Executing the Annual Budget. Air Force activities may begin incurring obligations when SAF/FMB issues budget authority. After Congress enacts the Department of Defense (DoD) Appropriation Act and SAF/FMB receives its allotment from the Office of the Secretary of Defense Comptroller, SAF/FMBO will issue OBADs to MAJCOMs. When Congress hasn't passed the new fiscal year's appropriation act by the start of the new fiscal year, SAF/FMB will provide interim guidance (usually based on Congressional passage of Continuing Resolution Authority, which allows DoD activities to spend money pending passage of the DoD Appropriations Act).

2.8. Reporting Monthly and Quarterly Status. SAF/FMB requires DFAS-CO to make available RCS: HAF-ACF(AR) 7801, *Status of Funds Data Base Transmission Report*, that shows current year-to-date expenses, obligations, commitments and prior year data (see DFAS-DE 7010.1-R, *General Accounting and Finance Systems at Base Level*, Chapter 29 and DFAS-DE 7077.2-M, *USAF Standard Base-Level General Accounting and Finance System*, Sections 75 and 76). Commands and wings may use programs, such as, Commander's Resource Integration System (CRIS) or Defense Enterprise Accounting and Management System (DEAMS) to develop their status of funds IAW with command and local guidance.

2.8.1. Commands and bases will analyze reports for lags or accelerations in planned programs. SAF/FMB may require explanations when commands are ahead of or behind schedule.

2.9. Closeout Procedures and Closeout Report. In managing Air Force funds, we want to:

2.9.1. Use available funds most effectively for recognized operational needs.

2.9.2. Ensure all obligations recorded by 30 September are valid, so the Air Force does not lose funds because of administrative errors or inflated obligation estimates. Valid obligations should be properly recorded in the accounting system no later than midnight to avoid unnecessary end of year funding shortfalls or potential certification violations.

2.9.3. Ensure the closeout procedure is successful.

2.9.4. **Closeout Procedures.** SAF/FMB issues yearend closeout instructions and guidance to MAJCOMs (and Field Operating Agencies (FOAs)). Usually, MAJCOMs will issue their own instructions covering standard closeout actions. Bases must create their own closeout checklist which includes all SAF/FMB, MAJCOM, DFAS and Contracting Squadron guidance, as well as any base specific areas that require emphasis during the closeout process. SAF/FMB has not established a single set of Air Force closeout procedures because each MAJCOM is different. MAJCOMs usually will:

2.9.4.1. Appoint a special closeout officer and request each base appoint a closeout point of contact.

2.9.4.2. Establish a schedule of events with specific deadline dates.

2.9.4.3. Provide the bases with additional guidance with regard to specific programs (e.g., Defense Working Capital Fund (DWCF), Medical and Military Family Housing) or request additional information and reports when needed.

2.9.4.4. Review previous year's closeout reports for lessons learned, especially concerning preventable fall-out/fall-in.

2.9.5. **Closeout Report.** An execution plan mainly shows how a user intends to accomplish a program and use the provided commitment and obligation authority. Analyze how well the user did in the closeout report. Provide:

2.9.5.1. Reasons for actual performance differing substantially from planned performance.

2.9.5.2. Reviews to compare actual fiscal year accomplishments to projections and measure the effective use of total operating budget authority (OBA).

2.9.5.3. Per paragraph 2.16, use the analysis of preventable fall-out/fall-in for lessons learned in preparing for the next fiscal year closeout.

2.10. Managing Air Force Resources. Command and base personnel need to know specific actions for administering the financial management program. Other chapters of this AFI cover certain technical procedures; e.g., computing expense and obligation authority or making inputs to FMA. Apply the following administrative procedures (not all-inclusive) for good management at command and base-level:

2.10.1. Fix responsibility when possible. The commander is ultimately responsible for formulating and executing the execution plan. Identify other managers with their specific financial management responsibilities (e.g., the civil engineer with facility, sustainment, restoration and modernization; the transportation officer with vehicle and transportation requirements). Identify corollary offices of responsibility (e.g., aircraft maintenance requirements based on the flying hours managed by operations). Establish a FWG and FMB to review EPs. Confirm responsibilities in writing.

2.10.2. Identify base programs and tasks.

2.10.3. Price approved programs by responsibility center, PE and budget activity.

2.10.4. Have the FWG review and FMB approve the priced program.

- 2.10.5. Write defensible and concise narrative justification for the EP to explain why you need the funds.
- 2.10.6. Evaluate and advise the commander and staff on the approved obligation authority. Highlight the funding level effects on base mission.
- 2.10.7. Present the recommended funding distribution to the FWG.
- 2.10.8. Present the FWGs recommended funding distribution to the FMB and commander for approval.
- 2.10.9. Use the FMBs and commander's assessment of priorities to distribute the expense and obligation authority to the responsibility centers.
- 2.10.10. Establish procedures, with the commander's guidance, to buy the highest priority goods and services within the available obligation authority.
- 2.10.11. Review and analyze reports that compare actual expenses and obligations with established targets.
- 2.10.12. Meet with RAs and RCMs frequently to discuss problems and propose solutions. Brief the FMB and commander on the status of funds, including reasons for variances between actual and planned performance.
- 2.10.13. Ensure FMA, RAs and RCMs immediately follow-up to correct fund imbalances.
- 2.10.14. Use Financial Management Suite (FMSuite) Open Document Analysis (ODA) to review Open Document Listings (ODL) and perform Tri-Annual Reviews (TAR).
- 2.10.14.1. Use of comment and attachment functions are mandatory for ODLs and TARs in FMSuite ODA. Using these features will ensure documentation is available for continuity purposes and provides the Air Force with auditable records. (Reference: SAF/FMP Policy Letter, 17 November 2009).
- 2.10.14.2. Review ODLs at least quarterly IAW DFAS-DE 7010.1-R, Paragraphs 18-9 and 19-5. **Note:** Certain documents may need to be reviewed on a more enhanced schedule. For example, FMA should consider reconciling AF Forms 616, *Fund Cite Authorization*, every month to ensure obligations are being posted (see DFAS-DE 7010-1-R, Chapter 17, Section A), as well as, DD Forms 448, *Military Interdepartmental Purchase Request*, IAW AFI 65-116, *Air Force Purchases Using Military Interdepartmental Purchase Requests (MIPRS)*, Chapter 3.
- 2.10.14.3. Perform TARs IAW DoD Financial Management Regulation (DoD FMR) 7000.14-R, Volume 3, *Budget Execution--Availability And Use Of Budgetary Resources*, Paragraph 0804 and DFAS 7220.4-I, *Tri-annual Review Program*.

2.11. Administering Management Control Points: There are three management control points, which include the responsibility center manager (RCM), cost center (CC), and resource advisor(RA). Duties are discussed further in Chapter 10.

- 2.11.1. The RCM normally heads an organization that plans, organizes, directs, and coordinates activities of subordinate organizations and functions (e.g., directorate and group and squadron commanders). RCMs are the principal level that manages financial resources.

Directs work by cost centers and appoints RAs (command, group or squadron organizational levels) to oversee and manage unit resources.

2.11.2. The cost center organizations, gathers and distributes cost data (e.g., flights). Regulates daily use of workhours, supplies, equipment, and services producing or doing things. Monitors relationship between resources used and products produced.

2.11.3. The RA participates actively in resource management at command and base level, including the planning, programming, budgeting, acquiring, consuming, storing, and disposing of resources and is directly responsible to the RCM. RAs provide oversight and training for cost center managers (CCM).

2.12. Establishing Review Committees. Achieve participatory management by establishing financial committees, (FWG and FMB), at each level of command to review estimates and create and carry out budgets. Designate required membership for each committee. MAJCOMs may waive establishing the FWG where, due to the organization's size, both committees would have essentially the same membership. (See paragraph 10.3)

2.12.1. The comptroller or the financial management analysis officer chairs the FWG and designates appropriate RAs and other members to comprise the FWG. The FWG:

2.12.1.1. Reviews program and cost factors, compares actuals with prior year costs, reviews justifications, periodically evaluates performance against estimates and submits a recommended execution plan to the FMB.

2.12.1.2. Maintains FWG minutes for higher authority review.

2.12.1.3. Meets when needed to support the FMB.

2.12.2. The FMB is the senior advisory committee. The commander or the deputy commander chairs the committee. Group commander level members and the comptroller (at installations), directors and special staffs (at commands) comprise the membership.

2.12.2.1. The FMB approves budgets, execution plans and revisions. The FMB also distributes the annual funding, establishes priorities and ensures consistency with programs and missions.

2.12.2.2. FMB approval represents the final, approved installation or command budget submitted to higher command and the final distribution of funds received from higher command.

2.12.2.3. The chairperson calls FMB meetings. The FMB retains minutes for review by higher authority.

2.13. Preparing Data for Review Authorities. Provide the material to the members of the FMB and FWG for their review prior to the formal session. The financial management analysis officer:

2.13.1. In formulating the budget, consolidates separate RC estimates for the appropriate committee review.

2.13.2. In distributing the approved execution plan, prepares a comparative analysis of financial authority requested and received, separately identifying fixed and variable requirements.

2.14. Briefing Committees:

2.14.1. The financial management analysis officer instructs personnel how to brief the FMB and FWG effectively. Briefing consists of:

2.14.1.1. Pertinent instructions in the "call" from higher headquarters.

2.14.1.2. Review of how the execution plan works.

2.14.1.3. Recommended distribution of suggested obligation authority (if the OBA has been received).

2.14.2. Emphasize these points in the briefing:

2.14.2.1. Don't overstate budget requirements (affects your credibility).

2.14.2.2. Be careful using prior year obligation data as it can be misleading (may include one-time costs). Usually future programs are different from current programs.

2.14.2.3. Base decisions on the requirements merit and not on the staff officer's enthusiasm (or dire predictions).

2.14.2.4. Check new program's current rates of execution. Consider other factors, such as, construction lead-time and hiring difficulties.

2.14.2.5. Highlight major programmatic changes affecting the execution plan (e.g., addition of a new program or wing).

2.14.3. Have program data (personnel strength, flying hours, construction programs, etc.) available for committee personnel for the period covered.

2.15. Controlling and Executing the OBA. Upon receiving OBA, the installation (FWG, FMB and commander) will establish a plan, phased by quarter for the fiscal year, which funds the highest priority requirements. Develop a well-defined, written plan supported by command policy and enforced by the local commander. Institute written management controls at the start of the year to prevent waste of resources. Common management controls include:

2.15.1. **Civilian Personnel Costs.** The commander establishes a corporate board to ensure civilian resources are used most efficiently and effectively. See Chapter 9 and Attachment 9 for additional details.

2.15.2. **Temporary Duty (TDY) Travel.** The commander designates key officials to approve TDY. Consider:

2.15.2.1. Need for TDY travel.

2.15.2.2. Screening requests for travel by privately owned automobile and other special authorizations.

2.15.2.3. Using military transportation when available.

2.15.2.4. Requiring military personnel and encouraging civilian personnel to use available government or contract quarters.

2.15.2.5. Reviewing the number of people involved and length of TDY.

2.15.2.6. Using video teleconferencing, teleconferences, and other electronic resources.

2.15.3. **Contract Services.** Tightly control use of contracts. The RCM reviews existing contracts periodically (once a year or more) to determine if contracts still fill a need. The FWG screens all contracts for need during execution plan preparation.

2.15.4. **Supplies.** Distribute reports from supply systems to RAs and CCMs. These reports show supply transactions and management indicators affecting materiel and financial resources. Monitor and analyze reports to ensure customers order only essential supplies in the quantities necessary to accomplish missions.

2.15.4.1. RAs, CCMs and RCMs must take appropriate management actions (including curtailing orders) to remain within authorized targets, when there are no additional funds.

2.15.4.2. Cancel supplies-on-order and turn in excess supplies on-hand when a valid need no longer exists (because of a mission change or other reasons).

2.15.4.3. Investigate financial management indicators (such as credit or noncredit turn-ins) that are abnormally high or low.

2.15.5. **Equipment.** Pay attention to equipment management. This ensures you apply limited financing to priority requirements.

2.15.6. **Utilities.** Establish an effective Civil Engineering Utilities Conservation Program.

2.15.7. **Staff Coordination.** Managers planning operational exercises, establishing new logistics ideas or initiating other special programs must coordinate with the financial management analysis office to ensure programming and support for the planned activities.

2.15.8. **Other.** Add controls when needed to manage such items as staff car use, purchase and rental of office equipment, base bus routes, use of ground vehicle fuels and rental of mobile equipment, etc.

2.16. Analysis of Prior Year Unobligated Balances (Fall-out/Fall-in).

2.16.1. Every year the Air Force risks losing billions of dollars over the future years defense program due to unexpended balances and historical under-execution. Many of these cuts are based on the deobligation of expired funds, referred to as fall-out. In some cases obligations are underestimated and result in a "fall-in" situation, which requires additional funds to cover the actual obligations. Historically, AF execution results in much more fall-out than fall-in but it is important to understand and learn from the causes of both. Quarterly, FMA must identify significant fall-out, determine the cause of the fall-out, and use the results for training fund holders, resource advisors, contracting officers, and any other responsible personnel. In research and lessons learned take the following into account:

2.16.1.1. Use the ODL and TAR in FMSuite ODA as tools to determine the validity of obligations.

2.16.1.2. Are there policies that result in obligations that subsequently may not be required?

2.16.1.3. Was the amount of a miscellaneous obligation based on reasonable assurance? Is the need for the reservation of funds well documented? Or was the amount established on remote or extreme possibilities?

2.16.1.4. Use the amount of fall-out/fall-in as historical data for improving the estimate on reoccurring obligations.

2.16.1.5. Was the obligation amount based solely to satisfy an available balance? Be especially aware and guard against this practice at fiscal year closeout.

2.16.1.6. Suspend and actively monitor miscellaneous obligations for the actual obligation or expense. As funding ages, unsupported obligations become more material with more adverse effects.

2.16.2. Not all fall-out/fall-in is preventable, but any time we can apply the lessons learned from expired year fall-out/fall-in to prevent its reoccurrence will save us from losing vital current year funding.

Chapter 3

ISSUING AND DISTRIBUTING OPERATING BUDGET AUTHORITY (OBA)

3.1. Overview. Apply this chapter in distributing Military Personnel (MILPERS) and Operation and Maintenance (O&M) Appropriation fund authorities. Refer to AFI 65-601, Volume 1, *Budget Guidance and Procedures*, for other appropriations. See AFPD 65-6 for Air Force policy on providing optimum funding flexibility at all levels and controlling OBA amounts so they don't exceed the authority received by the issuing activity. When issuing OBA, SAF/FMB and subordinate levels will identify restrictions imposed by the legislative and executive branches of the government and by the Office of the Secretary of Defense (OSD). Subordinate activities must ensure that the OBAs issued are consistent with the budget authority received with regard to funding classifications and limitations.

3.2. Controlling Yearend Spending. Don't spend financial resources at the end of a fiscal year merely because they are available. Identify and report unused financial resources (e.g., from savings, program slippages, or other causes) to higher headquarters for possible withdrawal. Notify your headquarters in time to permit using the funds for higher priority mission requirements.

3.3. Issuing OBA (SAF/FMB):

3.3.1. SAF/FMBO will issue O&M OBAs for the current fiscal year on OBADs at the budget activity level for direct funding authority.

3.3.2. SAF/FMBOP will issue a centrally managed OBA to OAC 48 for military personnel expenses.

3.3.2.1. DFAS-IN will automatically load authority into the Air Force accounting system and report on military personnel expenses incurred at actual rates.

3.3.2.2. Installations won't receive an OBAD for military personnel expenses but must report expenses through the database transfer report. (See Chapter 8 for information on military personnel expenses.)

3.3.3. Continue to comply with prior fiscal year OBADs, including any limitations. Prior year OBADs remain in effect as separate documents until the account cancels. Don't obligate unused prior year obligation authority to fund current year obligations; you may use it for prior year obligation adjustments if approved. (See DFAS-DE 7000.4-R, *Accounting for Obligations* and AFI 65-601, Volume 1, Chapter 6.)

3.4. Issuing OBAs (MAJCOMs). Upon receipt of an OBA from SAF/FMB, MAJCOMs will subdivide the OBA to installations. Include the same content as the OBAD received. Comply with objectives in paragraph's 2.2.2 and 3.1. MAJCOMs that centrally monitor reimbursable programs will structure installation OBADs.

3.5. Distributing OBAs at Installation Level:

3.5.1. Upon receipt of an OBA at installation level (the ultimate user), FMA distributes the OBA to maintain control on legal limitations, to ensure use according to the approved OBA and to provide for local management requirements. FMA loads the OBA distribution or

subdivision into the general accounting and finance system-base level (GAFS-BL). (See OBA loading in Chapter 5).

3.5.2. Installations sometimes fund subordinate units (e.g., a group, squadron or detachment) located on or near another installation. Issue funding on an AF Form 616. When the tenant is large or it's impractical to use AF Form 616, the parent command issues the host base an OBAD for the tenant's funding requirements.

3.6. Distributing Tenant OBAs. The installation distributes OBA received for tenant organization support in the same manner it distributes its own OBA. Follow responsibilities assigned in the host-tenant agreement.

3.6.1. When the tenant performs its own budget function, the tenant will distribute or load the budgeted amounts. If the tenant has no budget capability, the host FMA office will load the tenant's approved OBA.

3.6.2. The organization issuing the tenant's OBA will attach their requested distribution by program element, major RC and EEIC.

Chapter 4

ADMINISTERING TARGETS, LIMITATIONS, AND OBA CONTROLS

4.1. Complying With Targets and Limitations In OBAs:

4.1.1. Follow official policies on administrative control of OBAs in DoD FMR 7000.14-R, Volume 14, *Administrative Control Of Funds and Antideficiency Act Violations*, Chapter 1, and included on your OBAD. SAF/FMB will issue the total OBA consistent with classifications, authorities and constraints with the total OBA received from the Office of the Under Secretary of Defense (Comptroller) (OUSDC). Operating agencies below SAF/FMB level must ensure the same consistency between OBAs issued by them with those received from SAF/FMB.

4.1.1.1. All organizations must follow the rigid restrictions subject to DoD FMR 7000.14-R, Volume 14 and AFI 65-608, *Antideficiency Act Violations*.

4.1.1.2. All organizations must not exceed targets or advisory guides.

4.1.1.3. All activities must comply with two basic types of restrictions:

4.1.1.3.1. Limitations. These are subject to the fund control requirements of Title 31 of the United States Code (U.S.C.) and DoD FMR 7000.14-R, and include limitations imposed by statute and any absolute restriction imposed administratively that modifies or restricts the terms of fund authorizations. You must report any violation of these limitations.

4.1.1.3.2. Targets. Don't exceed a target without the issuing agency's prior approval. If you discover a target variance, notify the issuing authority in writing immediately.

4.1.2. Recipients who reissue OBAs to a lower level may not remove or add to restrictions in the documents they receive. Refer to the OBAD for specific information on legal limitations and targets.

4.1.2.1. Annual direct O&M authority by BA for a particular fiscal year is a legal limitation under Title 31 U.S.C.

4.1.2.1.1. You can reprogram quarterly authority between BAs during the first three quarters of the FY as long as you don't exceed the annual authority by BA.

4.1.2.1.2. During the 4th quarter, you may not exceed the total funding in each BA (it must equal the amount shown on the funding document received from higher headquarters).

4.1.2.2. The O&M reimbursable program is an annual program for the appropriation. Controls must be carefully followed to avoid obligating or expending in excess of the amount of appropriated funds available, plus the amount of reimbursements that ultimately will be earned and collected. See DoD FMR 7000.14-R, Volume 14, Chapter 1 and AFI 65-601, Volume 1, Chapter 5.

4.1.2.3. Activities may not exceed the total O&M authority for a particular fiscal year (it is a legal limitation under Title 31 U.S.C. on a cumulative quarterly basis).

4.1.2.4. Within the O&M total direct obligation authority, comply with the following legal limitations:

4.1.2.4.1. "A" Legal limitations.

4.1.2.4.2. "B" Air Force limitations.

4.1.2.4.3. "E" Earmarks (Congressional).

4.1.2.4.4. "OF" SAF/FM Flying Hour limitations.

4.1.2.4.5. "R" SAF/FM Readiness limitations.

4.1.2.4.6. Line item limitations.

4.1.2.4.7. Don't exceed any other limitation without prior approval from the issuing authority. **Note:** The issuer will identify these legal limitations on the OBAD.

4.2. Administering Controls:

4.2.1. SAF/FMB and MAJCOMs, as applicable, will issue each field activity an OBAD that identifies the O&M direct obligation authority.

4.2.2. The total O&M obligation authority is subject to precertification procedures. Comply with modified commitment accounting procedures for O&M appropriations in *Interim Guidance on Accounting for Commitments* (formerly DFAS-DE 7000.5-R and AFR 170-13) to preclude violating cumulative quarterly obligation authority shown on the OBAD.

4.2.3. Fund certifying officers in the installation financial management analysis offices must not certify availability of funds for more than cumulative quarterly obligation authority.

4.2.3.1. For certifying funds beyond the cumulative quarterly obligation authority, see *Interim Guidance on Accounting for Commitments*.

4.2.3.2. All personnel authorized to certify the availability of funds, to commit funds, to authorize or incur obligations, or to spend Air Force funds, must be familiar with *Interim Guidance on Procedures for Administrative Control of Appropriations and Funds Made Available to the Department of the Air Force* (formerly DFAS-DE 7200.1-R and AFR 177-16).

4.3. Administering Targets and Limitations in Other Appropriations. Air Force activities manage and control other appropriations by issuing funding authorizations, budget authorizations, allocations, suballocations, allotments and suballotments.

4.3.1. The issuer will clearly identify each specific limitation (imposed by the legislative and executive branches of the Federal Government, the Department of Defense and the Department of the Air Force) on the "Limitation" portion of the allocation document.

4.3.2. Recipients issuing funding authorizations, budget authorizations, suballocations, allotments or suballotments may not remove nor add to restrictions in the documents.

Chapter 5

LOADING THE OPERATING BUDGET AUTHORITY INTO THE GENERAL ACCOUNTING SYSTEM FOR OPERATIONS

5.1. Using the OBA and OBAD. Funds issuers use OBAs to transfer authority to incur obligations and expenses to subordinate units and provide the basis for fiscal control required by law. SAF/FMB:

5.1.1. Issues the OBA from SAF/FMB-held appropriations to each MAJCOM and FOA on an OBAD or FAD. The OBAD provides the annual operating budget authority and the phased quarterly obligation authority in three distinct categories; direct authority by BA, total direct program and total operating budget:

5.1.1.1. Direct authority by BA provides authority to incur expenses and obligations for each BA, subject to the restrictions and qualifications written on the document and in *Interim Guidance on Procedures for Administrative Control of Appropriations and Funds Made Available to the Department of the Air Force*. Each BA identifies financial resources as follows: O&M expense, other obligation and expense authority.

5.1.1.2. Total direct program provides the sum of all BAs identified by the same subdivisions as in direct authority by BA.

5.1.1.3. Total operating budget provides the sum of accepted reimbursable orders and direct authority.

5.1.2. Issues only direct obligation and expense authority.

5.1.3. Loads reimbursement authority IAW AFI 65-601, Volume 1, Chapter 5.

5.2. Computing Total Authority to Load. Usually, issuers will provide OBAD authorities in the same format as the general accounting system data base fund summary records (FSR). Activities receiving OBAs will:

5.2.1. Load expense and obligation authority to provide targets for tracking expenses and obligations plus provide limitations for appropriate fund control.

5.2.2. Prepare and load target distribution by RC/CC and EEIC.

5.3. Relating OBAD Amounts and Computer Records. The current fiscal year OBAD shows current year expense and obligation authority for O&M. Load detail fund targets into the general accounting system data base program summary records (PSR) for the current year and five prior years. **Note:** Keep in mind that obligation authority for prior year undelivered orders outstanding carryover is in the OBAD for the applicable prior fiscal year, not on the current fiscal year OBAD.

5.3.1. Fund Type Codes. DFAS-DE 7077.2-M lists all applicable fund type codes for the general accounting system. But, the examples for loading the OBA used in this chapter show only the two fund type codes pertaining to the (3400) appropriation: fund type L (direct obligation authority and total actual authority) plus fund type M (reimbursement authority).

5.3.2. Handling Current Year Authorities and Records. Load authority pertaining to current operating budget year and current fiscal year (COBY/CFY) in OBADs to COBY/CFY records. Examples for FY 11 are COBY=1 and CFY=1.

5.3.2.1. Combine direct and reimbursable authorities for each BA. Load by RC/CC and EEIC to fund type L records without sales code (SC) and to fund type L records with a SC when loading the obligation as an undelivered order outstanding with a corresponding reimbursable account entry (payroll-only excluded).

5.3.2.2. Load reimbursable authority by BA, RC/CC, EEIC and SC so that fund type M funding targets match earned reimbursements.

5.3.3. Handling Prior Year Authorities and Records. On the first day of the fiscal year, the general accounting system computer year end conversion procedures programmatically removes (from prior operating budget year and prior fiscal year (POBY/PFY) accounts) the PFY obligation authority obligated as undelivered orders outstanding on record as of the last day of the PFY.

5.3.3.1. Record this amount in the COBY/PFY accounts. Also establish and adjust all other POBY and PFY authorities by the yearend conversion program.

5.3.3.2. Combine recorded amounts manually to determine correctness of load for PFY authorities because of the split of PFY obligation authority, COBY/PFY and POBY/PFY. Make adjustments to the PFY as needed.

5.4. Distributing OBAD Authority. Upon receiving the OBAD, the FWG and the financial management analysis office recommend distributions of quarterly and annual authority for FMB approval. Objectives are to:

5.4.1. Establish OBA targets at the RCM level.

5.4.2. Target certain special activities (tenants and common expense accounts) at the six-digit RC/CC.

5.4.3. Establish targets at organization points where management makes decisions.

5.4.4. Align amounts with the squadron or comparable level RC (usual practice). Targeting at the fifth or sixth digit level of the RC/CC rarely assists in managing funds and produces much unnecessary work.

5.4.5. Load targets at the RC/CC level required to maintain program element identification and to support other command directed action.

5.5. Loading Targets in the General Accounting System. An AF Form 1269, *Request for Load or Change in Fund Targets*, (or a mechanized equivalent (e.g., Automated AF Form 1269 or Budget Tools used with WinGAMPs) is used to load annual and quarterly OBA targets into GAFS-BL for all appropriations.

5.5.1. Financial management analysis offices will load Continuing Resolution Authority or Initial Distribution using the AF Form 1269 or a mechanized equivalent. If changes need to be made after Initial Distribution has been loaded, then resource advisors will prepare and forward an AF Form 1269 (or mechanized equivalent) to the installation financial management analysis office for review.

5.5.1.1. The person who prepares the form will add the date and their name, organization and contact information in the "Remarks" section of the form. Have the budget analyst who checks the form include the date and their name, organization and contact information in the "FMA Approved By" block to show FMA review and approval. Once the FMA technician verifies the AF Form 1269 (or mechanized equivalent) is valid and correct, the FMA technician will transmit quarterly and annual obligation authority fund targets into GAFS-BL.

5.5.1.2. FMA technicians will cross-check their target load submissions with the Daily Audit Listing for accuracy. Local Funds Control Analysts and budget technicians will ensure GAFS-BL is balanced with the final funding document of the month prior to the end of month database transfer.

5.5.1.3. FMA offices must maintain OBADs, FADs, original AF Forms 1269 (or substitute method) and Daily Audit Listings on file for one prior fiscal year and the current the fiscal year. For all other prior fiscal years, the OBAD and FAD will be the source of record for what has been loaded in GAFS-BL and must balance. In conjunction with the OBAD and FAD, analysts may use Selective Transaction History in CRIS as a means to provide auditable records of how funding was loaded into GAFS-BL (i.e., data elements to include, but not limited to: Document ID, appropriation data, etc.), as well as who loaded the funding into GAFS-BL (e.g., Remote ID).

5.5.2. A mandatory 12-digit funding document number will also be used when loading targets into GAFS-BL. The ultimate objective is establishing a process to trace funds loaded into GAFS-BL, back to the OBAD generated from the AFM system and the FAD from PBAS. This Funding Document Number (FDN) construct applies to all funding documents regardless of appropriation. The use of FDNs and transaction identifiers provides audit capability for allotment transactions supporting Budget Authorization/Allocation or OBADs and FADs issued by the MAJCOMs. It will also ensure effective audit trails exist between the funding authority systems, GAFS-BL and GAFS-R.

5.5.2.1. Mandatory 12-digit funding document number construct:

5.5.2.1.1. For funding authorizations utilizing the AFM system, the document sequence will be a combination of the register and document numbers, and will also identify direct or reimbursable authority. The FMSuite advance call out notification will no longer be used as authority to load funds. The example below details how to create the FDN sequence:

5.5.2.1.1.1. Register Number 645318 and Document Number 91, on the AFM OBAD becomes: 00645318091D for direct authority, and will be loaded into GAFS-BL with the target. For reimbursements, replace the "D" with an "R" (the preceding characters will not change). The two zeros at the beginning of the register number and the single leading zero on the document number are place holders to accommodate the increasing volume of register/documents numbers over time.

5.5.2.1.2. For funding authorizations utilizing PBAS, start with the fiscal year (beginning of fiscal year for multi-year), then the fund code and finally the last 5 digits of the Authority Change Number (document number) from the FAD. AFMAN

65-604, *Appropriation Symbols And Budget Codes*, provides a list of all AF fund codes. The examples below detail how to create the document sequence for other appropriations:

5.5.2.1.2.1. Single Year Funds: Authority Change Number 0100-11-000A-00001 and Appropriation Number 97 2011/2011 0100.6092 2011 becomes FDN 20112T00001D. For reimbursements, replace the “D” with an “R”.

5.5.2.1.2.2. No year funds: Authority Change Number 0833-X-000A-00009 and Appropriation Number 97 X/2001 0833.0200 2001 becomes FDN XXXX5N00009D (use 4 X’s versus a number to denote no year). For reimbursements, replace the “D” with an “R”.

5.5.2.1.2.3. Multi-year funds: Authority Change Number 0500-09-000A-00001 and Appropriation Number 97 2009/2013 0500.0200 2011 becomes FDN 20098400001D (use first year of appropriation for the first 4 digits of the FDN). For reimbursements, you replace the “D” with an “R”.

5.5.2.1.3. **EXCEPTIONS:** There are two exceptions to the application of the new FDN construct, when there is a bona-fide emergency and funding documentation cannot be accomplished immediately and when funds are realigned for mission requirements.

5.5.2.1.3.1. In accordance with AFI 65-601, Volume 1, when urgent funding adjustments are required, you may need to use interim methods (email, phone, etc.) to initiate the process. Continue to maintain funds control discipline in these situations, ensure activities don’t inadvertently violate DoD FMR 7000.14-R, Volume 14. In these rare cases, use EMERGENCY as your FDN. The issuing activity will issue a formal funding document, reflecting the adjustments within 5 workdays or at the next document issue cycle, whichever occurs first. Once a document is received, the FDN should be entered right away and reverse the emergency FDN transactions.

5.5.2.1.3.2. After the AFM or PBAS target has been posted, and when/if movement of funds is required for mission accomplishment, a transaction construct must be used to identify the movement of funds (this provides an audit trail between target loads from funding documents and target moves per mission requirements). When funds are moved, the first seven characters of the transaction identification will be REALIGN, and will be entered into the same field (replacing the document number). You may use any characters after the mandatory seven for local tracking purposes. Do not use “reprogram.”

5.5.2.1.4. Other Procedures. Use the following guidance to create FDNs for Continuing Resolutions (CR), Automatic Apportionments (O&M Reimbursements) and Procurement/Investment Reimbursements:

5.5.2.1.4.1. CR is used upon receipt of a Continuing Resolution document. The FDN for CR will have “CR” replacing the two leading zeros (CR645318091D). Upon receipt of the CR reversal document, remove CR using this document number (CR639418031D).

5.5.2.1.4.2. Automatic Apportionment (O&M Reimbursements): Reimbursement Document Number (can be MIPR, MORD, etc), but the 12th position must be "R." There can be other letters/numbers after the "R," as long as the "R" is in the 12th position. The 12th position of containing an "R" is the only criteria for reimbursements. Example: Reimbursable document received N0003811MP01005. Funding Document Number: N0003811MP0R1005.

5.5.2.1.4.3. Procurement/Investment Reimbursements: The Reimbursement Document Number is already constructed in the upper right hand corner of the funding document. Use this number as the FDN when loading targets in BQ. The 12th digit of the document number must show an "R" denoting a reimbursable document.

5.5.3. **Optional procedures.** Use local or command forms instead of the AF Form 1269 to satisfy unique requirements. (See DFAS-DE 7077.10-M, *SBS(GV) Standard Base Supply System User's Manual*, and DFAS-DE 7077.2-M for AF Form 1269 instructions.)

5.6. Loading Targets in the Base Supply System. Load detailed fund targets into the Expeditionary Combat Support System (ECSS) (formerly known as the standard base supply system) and Standard Materiel Accounting System (SMAS) by organization cost center records (OCCR) and project fund manager records (PFMR). Do this for purchases of supplies and equipment from DWCF for the current operating year.

5.6.1. Use AF Form 1269 (or mechanized equivalent) to properly monitor and control requests establishing or changing supply and equipment fund targets loaded in OCCRs and PFMRs. This is the source document to establish, increase or decrease PFMR and OCCR fund targets that authorize purchases from the DWCF. Use local or command forms instead of AF Form 1269 when needed to satisfy unique requirements.

5.6.2. As mentioned in Paragraph 5.5, the person who prepares the form will add their name, organization and contact information in the "Remarks" section of the form.

5.6.2.1. The FMA technician will ensure the AF Form 1269 (or mechanized equivalent) is valid and correct prior to inputting the target loads into ECSS or SMAS. Have the analyst who checks the form sign in the "FMA Approved By" block to show FMA review and approval. Once the supply targets have been loaded into either ECSS or SMAS, ensure the supply systems balance with GAFS-BL.

5.6.2.2. The FMA office must follow filing procedures provided in Paragraphs [5.5.1.2](#) and [5.5.1.3](#).

5.6.3. Use the automated SMAS and ECSS to control and monitor supply and equipment fund targets.

5.6.3.1. SMAS accumulates and provides financial data for all medical and dental supply and equipment accounts.

5.6.3.2. SMAS establishes and maintains PFMR and OCCR fund targets for purchases of all medical/dental supplies and equipment.

Chapter 6

DATA ELEMENTS AND CODES

6.1. Overview. This chapter provides source references for data elements and account codes used in budget and financial management.

6.2. Using Data Elements. See [Figure 6.1](#) for data elements commonly used in budget and financial management.

6.2.1. Use these codes, as appropriate, to program, budget, and account for appropriations used by Air Force activities.

6.2.2. Each command or operating agency provides subordinate units with the data elements authorized for use in budgeting and accounting for funds they administer.

6.2.3. At base level, the financial management analysis office ensures proper use of those data elements authorized by the funding command or operating agency.

6.2.4. Only valid RC/CCs found in the Financial Management Data Dictionary (FMDD) at the Data Quality (DQS) website may be used. If current RC/CCs do not meet mission needs, please re-route all requests for additions or modifications through the MAJCOM Data Panel representative for consideration of inclusion in the FMDD.

6.2.5. See AFMAN 65-604 for annual appropriation symbols, budget codes and descriptions.

6.3. Using the Account Structure. See [Attachment 5](#) for examples of typical accounting classification account structures. These examples will help you determine the accounting classification (sometimes called a fund cite) required on commitment and obligating documents.

6.3.1. Air Force tenant organizations should follow the same instructions as found in 6.2.4. for the use of RC/CCs.

Figure 6.1. Data Elements Found In Financial Management Data Dictionary at Data Quality Service.

https://afdd2008.afbudsys.disa.mil/DataDictionary/ElementChoice	
Account Balance Indicator	Emergency and Special Program Code
Accounting Action Code	Fund Code
Accounting and Disbursing Station Number	Fund Type Code
Accounting Post Code	Major Force Program
Air Force Panel Codes	Operating Agency Code
Appropriation Symbol Year Designator	Operating Budget Account Number
Basic Symbol	Program Element Code
Budget Activity	Responsibility Center/Cost Center
Budget Program Activity Code	Sales Code
Buyer Side Code (see Attachment 5, Figure A5.1.)	Subactivity Group
Departmental	Type Vendor Code
Department of Defense Expense Element	Vendor Type Code
Element of Expense Investment Code	

Chapter 7

USING THE OPERATING BUDGET AND ALLOTMENT LEDGERS

7.1. Using Ledgers. Use operating budget and allotment ledgers to summarize accounting records to provide the fund's status as of the current date or as of the previous end-of-month. There are two separate products: (1) operating budget ledger (OBL) for operating budget accounts (fund types L and M); (2) allotment ledger for other appropriations and other reimbursement accounts (all fund types except L and M). The OBL/AL may be obtained from the following sources: (1) GAFS-BL (BQ) (reference DFAS-DE 7077.2-M), (2) Commanders Resource Integration System (CRIS) or (3) DFAS Online Report Viewing.

7.1.1. These ledgers provide detailed, special and summary data on various accounts or types of funds at a specific point in time. FMA will determine the detail volume, the summation amount and the number of accounts from all squadrons and agencies they support.

7.1.1.1. Use amounts shown on the ledger to analyze obligation and expense accounts and to verify fund availability when online inquiries are not available.

7.1.2. The ledgers provide accounting indicative data, including FSR and PSR addresses. Use this information when preparing budget target loads and when analyzing expense and obligation rates.

7.2. Frequency. Resource advisors or FMA will obtain a report when required or requested.

7.3. Loading Annual and Quarterly Authorities. Load targets correctly into the accounting system. No target may be loaded or adjusted without first receiving an Operating Budget Authorization Document (OBAD).

7.3.1. Load annual and quarterly obligation authority targets to current fiscal year (CFY) or current operating budget year (COBY) as indicated on the OBAD.

7.3.2. FMA Offices establish certification and reprogramming levels. These levels are BA, PE, EEIC, or imposed limitation (floors, ceilings and fences).

7.3.3. The ledgers show budget authorities on a cumulative basis and compare them with actual obligations to determine the amount available for obligation by fiscal year (FY).

Chapter 8

ADMINISTERING, EXPENSING AND REPORTING MILITARY PERSONNEL COSTS

8.1. Managing Military Personnel Expense Authority. The Air Force uses centrally managed allotment (CMA) procedures to manage the military personnel appropriation. Responsibilities:

8.1.1. **SAF/FMBOP.** Authorizes funding for military personnel to support Air Force missions. SAF/FMBOP doesn't distribute funding to any lower level of command, but permits disbursing officers throughout the Air Force to make authorized payments against the CMA. Use this authority to incur authorized expenses for assigned military personnel.

8.1.1.1. Serves as focal point for administration of financial expense authority associated with military personnel programs.

8.1.1.2. Manages the CMA.

8.1.1.3. Coordinates military personnel information with personnel and financial management activities at HQ USAF and with other DoD components.

8.1.1.4. Ensures consistency of funding allocations with planned military personnel programs.

8.1.1.5. Verifies the reliability of reported expense for military personnel by analyzing rate variance between expenses at standard rates and actual entitlements.

8.1.1.6. Monitors differences between budgeted and actual expense authority for military personnel, and recommends corrective actions to the Personnel Budget Review Committee (PBRC), if required.

8.1.2. **Base-Level Comptroller and Force Support Squadrons.** Initiate authorizations to pay entitlements based on the military member's validated status.

8.1.3. **DFAS-IN and Air Force Financial Services Center.** Pay the member's entitlements based on their validated status and statutory entitlements. **Note:** Pay and allowances are statutory entitlements automatically incurred until the member separates.

8.2. Using Standard Rates for Military Personnel:

8.2.1. Use standard rates to compute and record military personnel costs.

8.3. Controlling Other Military Personnel Expenses. SAF/FMBOP centrally controls expense authority for PCS movements, subsistence and other miscellaneous personnel costs, and the reimbursement program.

8.3.1. **PCS Expenses.** Base the PCS travel and transportation program on Air Staff-approved programs, policies and actions that result in military PCSs. Duties:

8.3.1.1. SAF/FMBOP maintains fund control by establishing administrative limitations with AF/A1PP and Air Force Personnel Center (AFPC) on the number of PCS moves by type of move -- accession, training, separation, operational, rotational and unit moves.

8.3.1.2. AFPC directs most PCS travel assignment actions.

8.3.1.3. AFPC controls the number of MAJCOM-directed intra-command PCSs by establishing move quotas allocated by specific numbers and types.

8.3.1.4. When PCS orders are authenticated, all authorized expenses shall be recorded to the current year in which the orders are issued. (Reference AFI 65-601, Volume 1, Paragraph 12.5.16)

8.3.2. Subsistence and Basic Allowance for Housing (BAH). As authorized by base-level, DFAS-IN pays basic allowance for subsistence (BAS) and BAH centrally through the Air Force's military pay system. HQ AF Services Agency (AFSVA) provides monthly subsistence-in-kind (SIK) contractual costs to SAF/FMBOP for obligation purposes.

8.3.3. Reimbursement Authority:

8.3.3.1. SAF/FMBOP obtains reimbursement program authority to cover anticipated earnings from:

8.3.3.1.1. Other government agencies (for military personnel assigned on a full-time basis for the benefit of those agencies).

8.3.3.1.2. The foreign military sales (FMS) program.

8.3.3.1.3. Non-DoD federal agencies and nonfederal organizations to whom the Air Force provides military personnel services.

8.3.3.1.4. DWCF activities (OUSD Comptroller provides rates).

8.3.3.2. DFAS-IN develops, consolidates and reports reimbursable expenses (earnings), based on field site reported data and the RCS: HAF-ACF (M) 7184 (DT) report IAW DFAS-DE 7010.1-R, Chapter 29.

8.4. Administering and Reporting Military Personnel Expense Authority. SAF/FMBOP, DFAS-IN are mainly responsible for administering and monitoring military personnel appropriation expenses.

8.5. Description of Costs Covered by Military Personnel Appropriation.

8.5.1. Use the military personnel appropriation (3500) for pay, allowances and other costs for officers, enlisted and cadets on active duty. The appropriation consists of six primary financial programs, each with several projects. It does not include personnel costs of the Air Force Reserve and Air National Guard unless they are mobilized to active duty under Title 10. Record costs IAW AFMAN 65-604.

8.5.1.1. Budget Activity 01. Officer pay and allowances are recorded under P51* and P52* shreds. Pay and allowances include base pay, retired pay accrual, basic allowance for housing, social security tax, specials pays, basic allowance for subsistence and other pays as authorized by law.

8.5.1.2. Budget Activity 02. Enlisted pay and allowances (except those costs accounted for in Budget Activity 04) are recorded under P53* and P54*shreds. Pay and allowances include base pay, retired pay accrual, basic allowance for housing, social security tax, special pays and other pays as authorized by law.

8.5.1.3. Budget Activity 03. US Air Force Academy cadets pay and allowances are recorded under P55*. Pay and allowances include base pay, subsistence and social security taxes.

8.5.1.4. Budget Activity 04. Subsistence of enlisted personnel is recorded under P56*. Subsistence includes BAS, family subsistence supplemental allowance and subsistence-in-kind.

8.5.1.5. Budget Activity 05. PCS travel, per diem and other moving expenses are recorded under P57**** and P58****. PCS travel includes accession, training, operational, rotational, separation, organized unit, emergency evacuation, special and other moves as detailed in AFMAN 65-604.

8.5.1.6. Budget Activity 06. Other Military Personnel Costs are recorded under P59*. These costs include apprehension of Air Force deserters, absentees, and military prisoners; interest on uniformed services savings deposit program; death gratuities; unemployment compensation; survivor benefits; extra hazard reimbursement for service members' group life insurance; education benefits (Montgomery GI Bill); adoption expenses; senior reserve officers training corps (ROTC) and junior ROTC.

8.5.1.7. Air Reserve Component personnel brought on active duty to fulfill active duty Air Force requirements will receive normal pay, allowances, special pays and entitlements paid by the 57*3500 appropriation. Charge travel and per diem costs to the O&M-type funds of the Air Force organization being supported. See AFI 65-601, Volume 1, Paragraph 12.9 for details.

8.6. Cost of Contingency Operations. The Air Force pay and accounting system does not have the capability to capture and report military personnel costs associated with specific contingencies (i.e., ESP code). In instances where contingency cost reporting is required, AF/AIMS will provide man-day data from the Command Man-Day Allocation System (CMAS) to SAF/FMBOP. SAF/FMBOP will apply current standard rates to compute Air Reserve Component (ARC) 57*3500 contingency costs. When available, SAF/FMBOP will use actual expense data for incremental active duty costs associated with contingency operations. In lieu of this data, SAF/FMBOP will use standard rates to project and expense incremental active duty personnel costs.

8.7. Military Personnel Related Guidance:

8.7.1. See AFI 36-2110, *Assignments*, for PCS procedures.

8.7.2. See AFI 65-503, *US Air Force Cost and Planning Factors*, for personnel standard rates.

8.7.3. See AFI 65-601, Volume 1 for more information on specific costs covered by the military personnel appropriation.

8.7.4. See AFI 65-601, Volume 3, *The Air Force Budget Corporate Process*, for review and approval procedures.

8.7.5. See AFMAN 65-604 for accounting codes.

8.7.6. See AFMAN 65-116, *Defense Joint Military Pay System Active Component (DJMS-AC) FSO Procedures*, for application of entitlements.

8.7.7. See DFAS-DE 7010.1-R for CMA accounting procedures.

8.7.8. See DoD FMR 7000.14-R, Volume 7A, *Military Pay Policy and Procedures – Active Duty and Reserve Pay*, for entitlement procedures.

Chapter 9

CIVILIAN MANPOWER REPORTING AND FUNDING

9.1. Overview. This chapter applies to organizations that pay Air Force civilian employees from these appropriations and funds: (See [Attachment 6](#) for additional details.)

- 9.1.1. Operation and Maintenance, Air Force.
- 9.1.2. Research, Development, Test and Evaluation, Air Force.
- 9.1.3. Defense Working Capital Fund.
- 9.1.4. Operation and Maintenance, Air Force Reserve.
- 9.1.5. Operation and Maintenance, Air National Guard.

9.2. Management of Civilian Resources. The responsibility for civilian resource management is assigned through the Air Force chain of command from the Secretary of the Air Force to MAJCOM commanders, to subordinate commanders and down to first-level supervisors. MAJCOMs, field-operating agencies, direct reporting units, installation commanders, tenant commanders, and heads of activities will establish a corporate board to ensure that civilian resources are used most efficiently and effectively. Usually, the corporate board is co-chaired by FM and A1 and includes staff representatives from civilian personnel, financial management and manpower functional areas.

- 9.2.1. Purpose of the civilian personnel corporate board.
 - 9.2.1.1. Meet at least quarterly or more regularly as needed to review the organization's civilian personnel operating budget, on-board strength and workyear execution.
 - 9.2.1.2. Review the Civilian Employment Plan (CEP) to monitor the organizational employment levels. The ultimate goal in civilian employment planning is to maintain a 100% fill rate within budget constraints. Congressional scrutiny of under executed workyears results in loss of funding and ultimately loss of authorizations.
 - 9.2.1.3. Analyze the impact of civilian pay expenditures against budgetary targets and workyear execution and develop strategies to fully execute the civilian personnel program.
 - 9.2.1.4. Establish policies associated with funding overhires, use of a summer hire program, the annual awards associated with performance appraisals, overtime use, other cash awards, etc.

9.3. Responsibilities:

9.3.1. Base level Financial Management Analysis Office:

- 9.3.1.1. Ensures completeness and accuracy of civilian payroll data and the summary DD-COMP (AR) 1092, Civilian Manpower and Funding Report. The 1092 provides monthly accounting of all types of pay and types of hours worked per employee type.
 - 9.3.1.1.1. Corrects accounting errors in the bi-weekly payroll before the final file is processed.

- 9.3.1.1.2. Ensure all manual payroll corrections and journal vouchers also include the applicable hours worked.
- 9.3.1.2. Ensure managers at the lowest level are providing civilian personnel with accurate accounting data to support the pay of new/transferring employees.
 - 9.3.1.2.1. The AF IMT 3821, Employee Accounting Data - Defense Civilian Pay System – Base Level, must be provided to the civilian pay Customer Service Representative (CSR) to process with each new employee’s position build or change in organization.
- 9.3.1.3. Review changes to the Unit Manning Document (UMD) regularly to assess workforce requirements to funding.
 - 9.3.1.3.1. Build accounting records as required to support new UMD authorizations.
 - 9.3.1.3.2. Ensure Personnel position builds are based on a valid/funded UMD position.
 - 9.3.1.3.3. Reconcile payroll data at the PE/UMD position level for accuracy at least monthly. Employees should be paid in same PE that is authorized on the UMD.
- 9.3.1.4. Identify reimbursable positions in each organization, track the source of reimbursement and provide data to MAJCOM FMA as required.
 - 9.3.1.4.1. Ensure reimbursements earned are collected and applied to the civilian pay budget.
- 9.3.1.5. Coordinate the development of the Civilian Employment Plan (CEP) with personnel. Develop a plan to fund the CEP within budget authority.
- 9.3.1.6. Brief leadership as required on civilian personnel funding issues.
- 9.3.2. **MAJCOM Financial Management Analysis Office (FMA). FMA:**
 - 9.3.2.1. Ensures completeness and accuracy of civilian payroll data and the summary DD-COMP(AR)1092, Civilian Manpower and Funding Report.
 - 9.3.2.1.1. Contacts base level FMA to track status of correcting payroll errors.
 - 9.3.2.1.2. Report significant system issues with DFAS and 1092 Report accuracy to SAF/FMBOP.
 - 9.3.2.1.3. Use the 1092 Report to develop PE level work year cost data to provide to SAF/FMBOP in the yearly reprice data call.
 - 9.3.2.2. Review changes to the Unit Manning Document (UMD) regularly to assess workforce requirements to funding.
 - 9.3.2.2.1. Ensure authorizations added to the UMD are funded in the Future Year Defense Plan (FYDP). Authorizations funded on the UMD but not in the FYDP are a MAJCOM bill.
 - 9.3.2.2.2. Reconcile UMD authorizations to FYDP before base level requirements are finalized.

- 9.3.2.2.3. Authorizations not funded in the FYDP may require a functional transfer from another MAJCOM.
- 9.3.2.3. Reconcile payroll data at the PE/UMD position level and contact wing organizations to correct mismatches. Employees should be paid in same PE that is authorized on the UMD.
- 9.3.2.4. Request the number of reimbursable positions at each base level organization by PE and ensure reimbursements are being earned and properly recorded.
- 9.3.2.4.1. Provide number of reimbursable positions by PE to SAF/FMBOP in the yearly reprice data call.
- 9.3.2.5. Coordinate the development of the Civilian Employment Plan (CEP) with personnel. Develop a plan to fund the CEP within budget authority.
- 9.3.2.6. Brief leadership as required on civilian personnel funding issues.

9.4. References:

- 9.4.1. OMB Circular A-11, *Preparation, Submission, and Execution of the Budget* (establishes the basic requirement for the accumulating and reporting detailed civilian personnel expenses and manpower utilization data).
- 9.4.2. *Defense Civilian Pay System New Users Guide* available at <https://dfas4dod.dfas.mil/systems/dcps/consolid/dcpsmanuals.htm>.
- 9.4.3. DFAS-DE 7077.3-M, *Civilian Pay Accounting Interface System (CPAIS): Software User Manual*.
- 9.4.4. AFI 36-502, *Managing Civilian Personnel Resources*.
- 9.4.5. AFPD 36-5, *Civilian Personnel Resource Management*.

Table 9.1. Workdays Per Month And Quarter For Fiscal Years 2011-2013.

	FY 11	FY 12	FY 13
October	21	21	23
November	22	22	22
December	23	22	21
1st Quarter	66	65	66
January	21	22	23
February	20	21	20
March	23	22	21
2nd Quarter	64	65	64
April	21	21	22
May	22	23	23
June	22	21	20
3rd Quarter	65	65	65
July	21	22	23
August	23	23	22
September	22	20	21
4th Quarter	66	65	66
# of Compensable Days	261	260	261
# of Compensable Hours (1 Full Workyear)	2,088	2,080	2,088

Table 9.2. Sample Manpower Utilization Data.

Month	Hour s	Day s	W/hour s	W/day s	W/month s	Workqrt s	W/year s	
October	201 1	168	21	16,800	2,100	100	32.31	8.08
November	201 1	176	22	17,600	2,200	100	33.85	8.46
December	201 1	176	22	17,600	2,200	100	33.85	8.46
1st Quarter	201 2	520	65	52,000	6,500	300	100.00	25.00
January	201 2	176	22	17,600	2,200	100	33.85	8.46
February	201 2	168	21	16,800	2,100	100	32.31	8.08
March	201	176	22	17,600	2,200	100	33.85	8.46

	2							
	201							
2nd Quarter	2	520	65	52,000	6,500	300	100.00	25.00
	201							
April	2	168	21	16,800	2,100	100	32.31	8.08
	201							
May	2	184	23	18,400	2,300	100	35.38	8.85
	201							
June	2	168	21	16,800	2,100	100	32.31	8.08
	201							
3rd Quarter	2	520	65	52,000	6,500	300	100.00	25.00
	201							
July	2	176	22	17,600	2,200	100	33.85	8.46
	201							
August	2	184	23	18,400	2,300	100	35.38	8.85
	201							
September	2	160	20	16,000	2,000	100	30.77	7.69
	201							
4th Quarter	2	520	65	52,000	6,500	300	100.00	25.00
	201							
Fiscal Year	2	2080	260	208,000	26,000	1,200	400	100

Note: These are sample FY 2012 manpower utilization data and assume an organization composed of 100 civilian employees. The assumption is, for simplicity, that no losses or accessions occurred and each employee is in a pay status throughout the FY. Rounding may cause minor variances.

Chapter 10

RESOURCE MANAGEMENT SYSTEM (RMS)

10.1. Overview. This chapter shows how to start and maintain a resource management system (RMS) for the O&M Appropriation. The procedures apply mainly to base-level operations but may also apply to other operating locations.

10.1.1. The term "resource management system" doesn't refer to a single separate program. The Air Force's RMS:

10.1.1.1. Involves various systems focusing on outputs and resources used, on managers effectively using resources, on measuring actual performance compared to planned performance and on using execution plans and accounting to enhance management control at each organizational level.

10.1.1.2. The program is based on the DoD planning, programming and budgeting and execution (PPBE).

10.1.1.3. The RMS provides a way to establish priorities, choose policies and act to get the desired results and required resources at an acceptable cost, in accordance with applicable regulations.

10.1.2. RMS elements include the execution plan, management and accounting systems, participatory and committee management, resource management teams and resource management training.

10.2. RMS Duties. Air Force managers oversee activities that cost money. Oversight involves more than legal accountability. HQ USAF and MAJCOMs make many decisions about using resources (e.g., flying hour allocations and manpower authorizations). Although base-level resource managers don't control initial allocation of all their resources, they must effectively manage these resources.

10.2.1. **Commanders.** Financial management is inherent to command. Commanders:

10.2.1.1. Review, validate and balance the execution plan to ensure successful financial management.

10.2.1.2. Actively review financial programs for each of the responsibility centers reporting directly to them.

10.2.1.3. Improve resource management by inquiring about program conditions, reviewing causes, weighing alternatives and directing action.

10.2.1.4. Ensure RMS success by allocating sufficient resources to RMS training and Resource Management Team efforts.

10.2.2. **Comptrollers.** The comptroller supports the organization's mission and the Air Force by providing sound financial management and unbiased decision support to the commander and staff. The comptroller:

10.2.2.1. Promotes responsible and proper financial management throughout the organization to ensure the economical and efficient use of resources consistent with statutory and regulatory requirements.

10.2.2.2. Applies policies and procedures enabling the organization to carry out accounting, budget and cost functions.

10.2.2.3. Is the chief personnel manager of the comptroller organization and, at base-level, is usually the commander of a comptroller squadron and wing staff agencies.

10.2.3. Responsibility Center Managers (RCM). The RCM plans, directs and coordinates subordinate organizations' activities (e.g., group or squadron commander). The RCM:

10.2.3.1. Reviews resource requirements of subordinate units.

10.2.3.2. Integrates requirements into an RC operating budget.

10.2.3.3. Justifies requirements before the commander's review authorities.

10.2.3.4. Determines the proper distribution of the approved RC execution plan.

10.2.3.5. Analyzes subordinate organizations' plans and performance at least monthly. Identifies imbalances in resource distribution and their causes and makes sure that resource consumption contributes effectively to mission accomplishment. Analyzes alternative actions and balances programs.

10.2.3.6. Understands and complies with *Interim Guidance on Procedures for Administrative Control of Appropriations and Funds Made Available to the Department of the Air Force*.

10.2.3.7. Appoints resource advisors and provides FMA with the most current appointment letter.

10.2.3.7.1. RA selection is important. Consider these qualities in selecting an RA. The RA should have:

10.2.3.7.1.1. A working knowledge of the organization's mission, the mix of resources required to do the mission and the historical cost record.

10.2.3.7.1.2. A knowledge of the accounting system for operations, the procurement system and the supply system, with particular concentration on data entry, flows and reports produced.

10.2.3.7.1.3. An ability to distinguish between apparent and real causes.

10.2.3.7.1.4. An ability to deal successfully with personnel in subordinate, lateral and higher level organizations.

10.2.3.7.1.5. A questioning nature with mature judgment, usually resulting from experience.

10.2.3.7.1.6. Sufficient time to do all necessary resource management requirements for their unit. Preferably, RAs should be able to fulfill their resource management duties for at least one year.

10.2.4. Cost Center Managers (CCM). The cost center is the basic production organization (e.g., flights). The CCM regulates the consumption of workhours, supplies,

equipment and services in producing things and doing tasks. CCMs shift resources to or from the various production tasks within the CC to ensure the proper mix or to provide the emphasis required. The CCM:

10.2.4.1. Starts building the execution plan.

10.2.4.2. Determines the validity of the execution plan as a whole and develops resource requirements and narrative justifications.

10.2.4.3. Fosters daily awareness of the relationship between resources used and products produced and realigns resources as approved by superiors.

10.2.5. Resource Advisors (RA). RCMs appoint RAs. A CC manager may also appoint an RA if the size of the CC warrants (e.g., staff agency's). RAs:

10.2.5.1. Monitor and help prepare estimates for resources.

10.2.5.2. Help develop obligation and expense targets.

10.2.5.3. Monitor the use of resources in daily operations.

10.2.5.4. Provide RMS training to CCMs.

10.2.5.5. Represent the RCM in the Financial Working Group.

10.2.5.6. Assist the comptroller during fiscal year-end closeout.

10.2.5.7. Serve as the primary point of contact with comptroller personnel and other RAs on resource management matters pertaining to their responsibility center.

10.2.5.8. Know the details of the organization's cost, program and fiscal requirements; understand the relationship between output and cost.

10.2.5.9. Understand the use of management reports produced by the accounting system for operations and the materiel management system.

10.2.5.10. Interpret these management reports and recommend necessary management actions to the RC or CC manager.

10.3. Participatory Financial Management. A corporate organizational approach which combines efforts of the commander and supporting staff is the most effective, efficient way to set priorities or to reduce, defer or eliminate programs. To provide collective resource management action, each base-level organization must establish and maintain a financial management structure, consisting of a Financial Management Board (FMB) and a Financial Working Group (FWG). Small organizations, where the FMB and FWG composition would essentially be the same, may form a single committee. **Note:** MAJCOMs may require approval before combining the FWG and FMB; see Paragraph 2.12.

10.3.1. The Financial Management Board. The senior or host commander at each base, field operating agency or direct reporting unit establishes the FMB. The FMB determines program priorities and ensures effective allocation of resources.

10.3.1.1. Top level managers, with membership tailored to the type of organization structure involved, comprise the FMB. The list below shows the composition of a typical wing or base FMB. The FMB chairperson may choose additional or reduced voting, as well as, advisory non-voting membership.

Table 10.1. Sample FMB Membership List.

Staff	Position
Commander	Chairperson
Operations Group Commander	Member
Maintenance Group Commander	Member
Mission Support Group Commander	Member
Medical Group Commander	Member
Comptroller	Advisor
FMA Officer	Recorder

10.3.1.2. The chairperson convenes the FMB at least quarterly. The recorder prepares minutes of meetings, files the original in the FMA office and provides copies to FMB and FWG members. Note: Minutes only need to be available for review for one prior year and the current fiscal year.

10.3.1.3. RCMs, directly subordinate to FMB members, attend meetings as technical advisers when appropriate. They provide impact data during deliberation on FMBs recommendations.

10.3.1.4. The FMB reviews, approves or disapproves recommendations made by the FWG to ensure balanced valid financial programs and to consider all known or anticipated program requirements. The FMB must review, revise as necessary, and approve all appropriated fund execution plans.

10.3.1.4.1. The FMBs composition places the base-level financial management emphasis on line managers who head major RCs directly related to the accomplishment of the base mission. FMB decisions cover the base's overall programs.

10.3.1.4.2. These decisions evolve from reviewing, evaluating and approving the execution plans or revisions. FMB recommends distribution of execution plan targets to base organizations and identifies unfunded requirements and other actions affecting the financial operations of the base.

10.3.1.5. The FMB members:

10.3.1.5.1. Review requirements for approved programs and activities to ensure balanced financial support throughout.

10.3.1.5.2. Review and approve the distribution of annual obligation targets. You can delegate this authority to another body; e.g., FWG. The FWG reviews and approves programs for deferring, reducing, eliminating or moving to the execution plans unfunded portion.

10.3.1.5.3. Evaluate and list in priority sequence all unfunded requirements.

10.3.1.5.4. Review and approve investment equipment (57*3080 Appropriation) items for purchase (unless they delegated this authority to a separate committee).

10.3.2. The Financial Working Group. Both line and staff RA and RCMs serve as FWG members. The FWG manages commodities and resources integral to the operating activities of the base or unit. RAs/RCMs on the FWG participate in developing all-inclusive budgets

and execution plans for organizations/programs and monitor the daily use of resources in their RCs.

10.3.2.1. RAs or RCMs from the functions listed below compose the typical FWG membership. Any additional or reduced voting and advisory non-voting is at the chairperson's discretion, based on local management requirements.

Table 10.2. Sample FWG Membership List.

Staff	Position
FMA Officer	Chairperson
Operations Group RA	Member
Maintenance Group RA	Member
Mission Support Group RA	Member
Medical Group RA	Member
Civil Engineering	Advisor
Contracting	Advisor

10.3.2.2. Convene FWG meetings as necessary, to support the FMB. Hold meetings at least once a quarter for effective financial management. The chairperson (or recorder) prepares minutes of meetings, files the original in the FMA office and provides copies to FWG members. **Note:** Minutes only need to be available for review for one prior year and the current fiscal year.

10.3.2.3. The FWG develops requirements and revisions for the base or unit execution plan. The FWG reviews all appropriated fund execution plans and makes recommendations to the FMB for final approval. FWG members:

10.3.2.3.1. Integrate support requirements from organization's prioritized list of financial requirements with a balanced mission program.

10.3.2.3.2. Analyze the FWG's execution plan thoroughly and impartially to achieve high credibility.

10.3.2.3.3. Act as the commanders agents, as well as the parent activities representatives during the review.

10.3.2.4. The FWG identifies unfunded requirements, recommends priorities and presents them to the FMB for approval.

10.3.2.5. The FWG recommends for FMB approval adjustments of execution plan targets between RCs to correct imbalances in resources distribution imbalances.

10.3.2.6. The FWG members:

10.3.2.6.1. Help develop requirements for base operating budgets and other appropriated funds.

10.3.2.6.2. Represent their organizations on matters concerning distributing quarterly and annual operating budget authority to the RC level.

10.3.2.6.3. Offer technical guidance to base activities on using their primary responsibility resources.

10.3.2.6.4. Monitor execution plan execution by reviewing obligation data to ensure quarterly and annual programs are valid and adequate.

10.3.2.6.5. Recommend reprogramming or other management action to the FMB when needed.

10.4. Administering the Operating Budget and Execution Plan. Base-level managers must play an active role in preparing and administering their portion of the budget. There are many unique requirements, budgeting methods, cost factors and other variable elements involved in preparing budget and execution plans. Each base or unit must involve operating managers in execution plan formulation, justification, review and execution.

10.4.1. Distributing the Approved Operating Budget Authority. Upon receiving the OBA from higher headquarters, the FWG and FMB distribute the funded amounts to RC managers.

10.4.1.1. After analyzing the OBA, the FWG submits proposed targets to the FMB for each RC receiving funding.

10.4.1.2. The execution plan lists amounts by PE, EEIC and ESP (if applicable); data can be summarized at different levels of detail depending on the audience.

10.4.1.3. The RC considers EEIC amounts as targets and distributes the OBA in this manner, (unless higher headquarters placed specific limitations on any EEIC amount). RCMs usually don't impose additional restraints other than those on the base's OBA.

10.4.2. Establishing and Maintaining Targets. Targets translate mission requirements into the dollar value required to do that mission. See [Chapter 5](#) and *Interim Guidance on Procedures for Administrative Control of Appropriations and Funds Made Available to the Department of the Air Force* for targets, limitations and processing targets.

10.4.2.1. Targets' purposes are to:

10.4.2.1.1. Serve as guides for consuming resources, stated in the dollar value terms of the targets established.

10.4.2.1.2. Provide the measure to determine planning effectiveness.

10.4.2.1.3. Provide the control mechanism to meet alternatives specified in execution plans.

10.4.2.1.4. Establish the process of periodic reviews to identify resource overages and shortages. This permits resource redistribution to greatest need areas.

10.4.2.2. Targets apply at:

10.4.2.2.1. Management decision levels selected by the command or base.

10.4.2.2.2. The level that has the most significant impact on resource consumption -- usually the second or third RC levels.

10.4.2.3. Established targets (base-wide and at the major RC level) usually remain stable for at least one quarter, unless modified by mission changes. View EEIC amounts in their proper perspective (within a program element at command level and within RC targets at base level).

10.4.2.3.1. EEIC amounts are execution planning guides. They aren't statutory or administrative limitations on obligations. Don't use amounts as mandatory goals, but they may be subject to limitations, such as ceilings, floors, fences, etc.

10.4.2.3.2. Don't chase obligations with associated targets -- that is, don't increase a target solely to prevent exceeding that target.

10.4.2.4. RCMs principal financial concerns:

10.4.2.4.1. Ensure actual obligations are in line with their quarterly and annual operating budget authority totals.

10.4.2.4.2. Examine validity of obligations to determine if appropriate for output production and mission accomplishment.

10.4.2.5. Base financial analysts (comptroller personnel) principal concern is ensuring basewide obligations don't exceed the annual total of the base's operating budget and legal or administrative limitations on the base OBAD or FAD.

10.4.2.5.1. Financial analysts monitor the actual expenses and obligations of each RC versus their execution plan totals.

10.4.2.5.2. Financial analysts normally do not control each RCMs obligations by EEIC. Unless there are mission or OBA changes, financial committees shouldn't adjust RC operating budget authority targets more frequently than quarterly.

10.4.2.6. Time targets:

10.4.2.6.1. Use annual targets as long-range planning guides and the total available funds for the fiscal year. Make sure managers create proper plans to obligate available funds and don't exceed targets without prior approval from the FMA office.

10.4.2.6.2. The quarterly obligation authority represents the funds available for cumulative gross commitments. Quarterly obligation authority is cumulative from the beginning of the fiscal year.

10.4.3. **Reprogramming Authority.** There are two significant levels of base reprogramming authority or flexibility between RCs and within RCs.

10.4.3.1. Within a BA, the commander may designate a reprogramming threshold below which there is no need to convene the FMB for approval if the involved RCs agree.

10.4.3.1.1. FMA officers **may reprogram** quarterly operating budget authority without prior FMB approval if:

10.4.3.1.1.1. They act during the first three quarters of each fiscal year.

10.4.3.1.1.2. Involved RCMs approve it.

10.4.3.1.1.3. Reprogramming actions are reviewed at the next FWG/FMB meetings. The FMB must approve such a policy during the first meeting of each fiscal year.

10.4.3.1.2. Financial management analysis officers may approve routine transfers of quarterly operating budget authority to and from higher headquarters. Review transfers at the next FWG/FMB meetings.

10.4.3.2. An RCM may have full authority to make EEIC adjustments internal to the budget totals, including redistribution of subordinate cost center amounts provided it is within the limitations stated on the operating budget authority documents. In some instances, major command or local management impose administrative restrictions to this reprogramming flexibility, but usually limit restrictions to specific funding areas. The RCM:

10.4.3.2.1. Must coordinate with FMA before changing the quarterly or annual target amounts.

10.4.3.2.2. May determine the EEIC mix and CC distribution best suited to accomplish their mission unless FMB approves restrictions to the contrary.

10.5. Using Productivity and Related Programs. The ability to reprogram and retain resources motivates innovative managers to save through improved management practices. When managers save money through their own initiative (by economizing or doing a job more efficiently) then, if possible, make these savings available for the organization's unfunded requirements. This gives an incentive for every manager to save funds while completing their mission.

10.5.1. Retaining and reprogramming funds isn't always possible because the Air Force's overall mission comes first. Overriding requirements may dictate using resources saved for purposes outside the jurisdiction of the manager, base, or command producing the savings. We want to create a financial and management environment that encourages and rewards improved efficiency.

10.5.2. Formal and informal programs provide managers chances to get financial help for carrying out cost-saving ideas. Informal programs usually include items that don't fit established criteria and result mainly in cost avoidances or operation efficiencies. Established formal Air Force programs include:

10.5.2.1. **Productivity Investment Funding (PIF).** See AFI 38-301, *Productivity Enhancing Capital Investment Program*.

10.5.2.2. **Fast Payback Capital Investment Program (FASCAP).** See AFI 38-301.

10.5.2.3. **Value Engineering (VE).** See AFI 63-101, *Acquisition and Sustainment Life Cycle Management*.

10.5.2.4. **Innovative Development Through Employee Awareness (IDEA) Program.** See AFI 38-401, *The Air Force Innovative Development Through Employee Awareness (Idea) Program*.

10.5.2.5. **Management Engineering Program (MEP).** See AFMAN 38-208, Volumes 1, *Air Force Management Engineering Program (MEP) - Processes*.

10.5.2.6. **Energy Management.** See AFD 90-17, *Energy Management* and AFI 90-1701, *Energy Management*

10.5.2.7. **Productivity Enhancing Capital Investment Program (PECI).** See AFI 38-301.

10.5.3. **Air Force Audit Agency's (AFAA) Statement of Potential Monetary Benefits.** Audit reports include potential monetary benefits data.

10.5.3.1. Management may concur or non-concur with the auditor's estimate of monetary benefits identified in each audit report. The AFAA reports this data to higher headquarters through the RCS: DD-IG(SA) 1574 report.

10.5.3.2. Use potential monetary benefits to identify ways to use resources more effectively. The FMA officer must be aware of these potential monetary savings because the reports often lead to budget adjustments. See AFI 65-403.

Chapter 11

RESOURCE MANAGEMENT SYSTEM (RMS) TRAINING

11.1. General Information. This chapter outlines the responsibilities of persons and organizations involved in base-level RMS training. The guidance covers training frequency, program administration, basic content and the target group.

11.1.1. Each Air Force manager must manage his resources efficiently. To fulfill this duty, all managers require accurate and timely information designed to their needs. For example, managers require information to develop execution plan requirements and to monitor actual expenses and obligations against established targets.

11.1.2. A system or program must provide this information and procedures to each organizational level.

11.2. Initial RMS Training:

11.2.1. Initial training must offer an overview of basic Air Force financial management policies and an understanding of local unique programs and procedures. Newly assigned RCMs, CCMs, and RAs must be familiar with their duties and responsibilities. The initial training provides:

11.2.1.1. A financial processes overview.

11.2.1.2. An understanding of their responsibilities to their organization and the Comptroller.

11.2.1.3. A knowledge of available management reports.

11.2.1.4. An understanding of the functions and key resource manager's assigned duties.

11.2.1.5. An overview of procurement and supply procedures.

11.2.2. Provide new RCMs with initial RMS training not later than 90 days after assignment of financial management responsibility.

11.2.2.1. Start RAs initial training within 30 days after assignment and complete it within 90 days after assignment.

11.2.2.2. The comptroller or designee must give initial RMS training to all RCMs (e.g., group or squadron commanders) and their respective RAs.

11.2.2.3. RAs possessing an Air Force Specialty Code (AFSC) of 6F0X* or 65F* or the equivalent financial management civilian series code (e.g., 0501, 0560, etc.) are not required to do initial RMS training. Resource advisors who do not have FM specific AFSCs or equivalent financial management civilian series codes (e.g., 0501, 0560, etc.) require initial RMS training.

11.2.3. RAs train CCMs with assistance from the comptroller personnel.

11.2.3.1. MAJCOM and base-level management should control the content and presentation method of RMS training so it can cover areas unique to the command and base.

11.2.4. The following includes a minimum list of subjects comptrollers will use in their initial RMS training with RCMs and RAs:

11.2.4.1. RMS functions and responsibilities of:

11.2.4.1.1. Center, Wing, or Base commander.

11.2.4.1.2. Responsibility center managers.

11.2.4.1.3. Cost center managers.

11.2.4.1.4. Resource advisors.

11.2.4.1.5. Comptroller organization.

11.2.4.2. Functions and responsibilities of the Financial Management Board (FMB).

11.2.4.3. Functions and responsibilities of the Financial Working Group (FWG).

11.2.4.4. Formulation of the execution plan.

11.2.4.5. Execution of the execution plan:

11.2.4.5.1. Operating Budget Authority (OBA).

11.2.4.5.2. Annual and quarterly targets.

11.2.4.5.3. Legal and administrative limitations.

11.2.4.5.4. Disposition of savings.

11.2.4.5.5. Year-end closeout procedures.

11.2.4.5.6. Unfunded requirements.

11.2.4.5.7. Flexibility within the OBA.

11.2.4.5.8. Reimbursements and refunds.

11.2.4.5.9. Management reports.

11.2.4.5.10. Accounting system for operations.

11.2.4.5.11. Supplies and equipment.

11.2.4.5.12. Investment equipment procedures.

11.2.4.5.13. Base and medical supply system procedures.

11.2.4.5.14. Procedures for local purchase of materiel items.

11.2.4.5.15. Resource Management Team (RMT).

11.2.4.5.16. Fall-out review.

11.2.4.5.17. ODL and Tri-Annual reviews using FMSuite ODA.

11.2.4.5.18. Propriety of funds and Anti-Deficiency Act (ADA).

11.2.4.5.19. Travel obligations to include orders, advances, debts and accruals.

11.2.4.5.20. MAJCOM Comptrollers ensure Financial Managers include MORD guidance.

11.2.4.6. FM Systems Access and Training Prerequisites. (Reference SAF/FM Policy Letter, 30 April 2009).

11.2.4.6.1. Examples of financial management systems include, but are not limited to: general accounting and finance system-base level (GAFS-BL), defense enterprise accounting and management system (DEAMS), automated business services system (ABSS), automated funds management (AFM), FMSuite and FMSuite ODA, commander's resource integration system (CRIS), and wide area workflow (WAWF). Defense travel system (DTS) is not included in this policy.

11.2.4.6.2. Individuals must complete and maintain currency in one of the five training options prior to receiving access to FM systems: In-residence AFSC awarding courses (3-level or Basic Financial Management Officer Course (BFMOC)), Online Enlisted Journeyman Course, Financial Management Staff Officer Course (FMSOC), Officer, Basic or Advanced Comptroller Contingency Familiarization Course or FM Body of Knowledge Basic Course. Currency expires after five years from date of completion.

11.2.5. There are many resources available to assist in conducting RMS training. Incorporating the following material will expand and enhance the trainees' comprehension of the RMS.

11.2.5.1. FM Online: <https://fmonline.ousdc.osd.mil/>

11.2.5.1.1. FM Online provides current information and articles on topics of interest for the FM community.

11.2.5.1.2. Access FM myLearn through FM Online for a comprehensive e-catalog of FM training (e.g., Fiscal Law) and professional development.

11.2.5.2. FM Distributed Learning Center: <https://fm.csd.disa.mil/kc/login/login.asp>

11.2.5.2.1. Includes a comprehensive catalog of FM training (e.g., Financial Management Body of Knowledge (can be used for FM systems access)).

11.2.5.2.2. Have newly appointed resource advisors take each of the Financial Management Principles (Basic) online courses, as well as, Financial Management Concepts online courses (under Budget Formulation and Execution) as part of their initial training.

11.2.5.3. AFMAN 23-110, *USAF Supply Manual*, Volume 2, Part 13 - Standard Base Supply Customer's Procedures.

11.2.6. There is no single method to do RMS training. Use a mix of methods. The following is a list of proven methods:

11.2.6.1. **Financial Management Committee Presentation.** Suited to establish, review and discuss policies and procedures. Devote small segments of the committee meetings to clarify or review specialized subjects.

11.2.6.2. **Classroom and Group Presentation.** Best suited for initial RMS training. Prepare training packages requiring little revision for slide or video presentation.

11.2.6.3. **Individual One-on-One Sessions.** Use this to train new financial managers and to address specific individual needs. This method is the most flexible.

11.2.6.4. **Written Material.** Use written training aids, pamphlets, handouts, DLS courses, checklists, newsletters and budget policy letters for RMS training.

11.3. Continuation and Refresher Training:

11.3.1. Comptrollers will provide RAs with refresher training, after satisfactory completion of initial basic and specialized training. Design training for specific persons or small groups such as the FWG.

11.3.1.1. Provide personnel training for maintaining proficiency and keeping abreast of current management policies on effective use of resources.

11.3.1.2. Frequently hold continuation and refresher training, tailored to local needs, to keep resource management personnel current on budget and accounting policies, procedures and instructions.

11.3.2. RAs provide continuation and refresher training of CCMs.

11.3.2.1. The RA may request comptroller help in the refresher training of CC managers.

11.3.3. The required training, the number of people, and training environment determines if the continuation and refresher training is formal (training sessions or FWG meetings). Informal training is casual (training through one-on-one contact or during visits to Responsibility Centers by the unit resource management team).

11.4. Administration of the RMS Training Program:

11.4.1. Comptrollers must properly document initial RMS training to ensure complete coverage of necessary information for all personnel requiring training, while preventing unnecessary duplication.

11.4.1.1. FMA offices will maintain initial training documentation for RC managers and RAs, as well as maintain training certificates for all FM system access users outlined in Paragraphs 11.2.4.6 to 11.2.4.6.2. Keep all training documentation on hand for one prior fiscal year and the current fiscal year, but keep FM system access training certificates on-hand for five years or until the FM system user has updated their training requirement.

11.4.1.2. The RA's organizations keep CC managers training documentation.

11.4.1.3. Keep training documentation current. Record initial training and FM system access training by using the format in Table 11.1. Use automated or manual record keeping systems.

Table 11.1. RMS Training Documentation Format.

Rank / Name	Unit	RCM, RA or FM System User	Date RCM/RA Assigned / Appointed	Day Initial Training Started (RAs)	Day Completed Initial Training (RCMs / RAs)	FM System Access (Name System[s])	FM System Access Training	FM System Access Training Date
Col Jay Ackers	435 MSG	RCM	1 Jul 10	N/A	15 Aug 10	N/A	N/A	N/A

Mr Bill Jacob	435 MSS	RA	8 Jul 10	15 Jul 10	05 Oct 10	ABSS, WAWF, etc.	FM BoK	10 Jul 10
SSgt Vee Ewel	435 MSS	FM System User	N/A	N/A	N/A	ABSS, WAWF, etc.	FM BoK	15 Jul 10
Note: Follow training requirements for RCMs and RA stated in this chapter. FM system access currency expires after five years from date of completion.								

11.4.2. SAF/FMB advocates training letters and certificates to document proof of initial RMS training and FM System Access.

JAMIE M. MORIN
Assistant Secretary of the Air Force
(Financial Management and Comptroller)

Attachment 1**GLOSSARY OF REFERENCES, ADOPTED FORMS, ABBREVIATIONS, ACRONYMS,
AND TERMS*****References***

Title 31 U.S.C.

OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*, 18 August 2011

DoD 7045.7-H, *Future Years Defense Program Structure*, April 2004

DoD FMR 7000.14-R, Volume 2A, *Budget Formulation and Presentation*, current edition

DoD FMR 7000.14-R, Volume 3, *Budget Execution – Availability and Use of Budgetary Resources*, current edition

DoD FMR 7000.14-R, Volume 6A, *Reporting Policies and Procedures*, current edition

DoD FMR 7000.14-R, Volume 7A, *Military Pay Policy and Procedures – Active Duty and Reserve Pay*, current edition

DoD FMR 7000.14-R, Volume 11A, *Reimbursable Operations, Policy and Procedures*, current edition

DoD FMR 7000.14-R, Volume 14, *Administrative Control of Funds*, current edition

Defense Civilian Pay System New Users Manual, February 2009

DFAS 7010.3-M, *Procedures for Travel Accounting Operations*, 25 August 2011

DFAS 7220.4-I, *Tri-annual Review Program*, 30 March 2010

DFAS-DE 7000.4-R, *Accounting for Obligations*, September 2006

DFAS-DE 7010.1-R, *General Accounting and Finance Systems at Base Level*, 15 February 1991

DFAS-DE 7077.2-M, *USAF Standard Base-Level General Accounting and Finance System*, 01 September 2011

DFAS-DE 7077.3-M, *Civilian Pay Accounting Interface System (CPAIS) Software User Manual*, 01 February 2012

DFAS-DE 7077.9-M, *USAF Standard Command Online Accounting and Reporting System Software Center User Manual*, 01 Jun 2001

DFAS-DE 7077.10-M, *SBS(GV) Standard Base Supply System User's Manual*, 01 October 2004

Interim Guidance for Administrative Control of Appropriations and Funds Made Available to the Air Force (formerly DFAS-DE 7200.1-R and AFR 177-16), September 1999

Interim Guidance on Accounting for Commitments (formerly DFAS-DE 7000.5-R and AFR 170-13), October 2003

AFI 36-2110, *Assignments*, 22 September 2009

AFI 36-502, *Managing Civilian Personnel Resources*, 30 March 1994

AFI 38-301, *Productivity Enhancing Capital Investment Programs*, 20 November 2009

AFI 38-401, *The Air Force Innovative Development Through Employee Awareness (Idea) Program*, 21 November 2007

AFI 63-101, *Acquisition and Sustainment Life Cycle Management*, 08 April 2009

AFI 65-116, *Air Force Purchases Using Military Interdepartmental Purchase Requests (MIPRS)*, 29 September 2008

AFI 65-403, *Followup on Internal Air Force Audit Reports*, 02 June 1994

AFI 65-503, *US Air Force Cost and Planning Factors*, 04 February 1994

AFI 65-601, Volume 1, *Budget Guidance and Procedures*, 03 March 2005

AFI 65-601, Volume 3, *The Air Force Budget Corporate Process*, 08 August 2011

AFI 65-608, *Antideficiency Act Violations*, 18 March 2005

AFI 90-1701, *Energy Management*, 16 July 2009

AFMAN 23-110, *USAF Supply Manual*, 01 April 2009

AFMAN 38-208, Volumes 1, *Air Force Management Engineering Program (MEP) – Processes*, 29 March 2002

AFMAN 65-604, *Appropriation Symbols and Budget Codes*, 01 October 2011

AFMAN 65-116, *Defense Joint Military Pay System Active Component (DJMS-AC) FSO Procedures*, 01 April 2007

AFPD 90-17, *Energy Management*, 29 November 2011

AFPD 25-2, *Support Agreements*, 01 November 2001

AFPD 36-5, *Civilian Personnel Resource Management*, 30 November 1993

AFPD 65-6, *Budget*, 01 May 1998

Joint DFAS and SAF/FMP Email Memorandum, *Implementation of the Trading Partner Buyer Side Code (BSC)*, Effective FY 2010, 13 November 2009

SAF/FM Policy Letter, *Financial Management Systems Access*, 30 April 2009

SAF/FMP Policy Letter, *Mandatory Use of the FMSuite Open Document Analysis (ODA) and Tri-Annual Comment and Attachment Functionality*, 17 November 2009

Air Education and Training Command (AETC) DLS:

<https://aetc.csd.disa.mil/kc/login/login.asp>

Financial Management Data Dictionary at the Data Quality Service (FMDD/DQS) (formerly the Air Force Data Dictionary):

<https://afdd2008.afbudsys.disa.mil/DataDictionary/ElementChoice>

FM Distributed Learning System (DLS): <https://fm.csd.disa.mil/kc/login/login.asp>

FM Online: <https://fmonline.ousdc.osd.mil/>

Adopted Forms

Air Force Form 616, *Fund Cite Authorization*

Air Force Form 847, *Recommendation for Change of Publication*
Air Force Form 1269, *Request for Load or Change in Fund Targets*
DD Form 448, *Military Interdepartmental Purchase Request*

Abbreviations and Acronyms

AEP—Accrued Expenditures Paid
AEU—Accrued Expenditures Unpaid
AFM—Automated Funds Management
BA—Budget Activity
BID—Balance Identifier
BPAC—Budget Program Activity Code
CC—Cost Center
CCM—Cost Center Manager
CFY—Current Fiscal Year
COA—Central Operating Agency
COBY—Current Operating Budget Year
COCOM—Combatant Command
CRA—Continuing Resolution Authority
CRIS—Commanders Resource Integration System
DWCF—Defense Working Capital Fund
DEAMS—Defense Enterprise Accounting and Management System
DFAS—Defense Finance and Accounting Service
DFAS-CO—Defense Finance and Accounting Service, Columbus
DFAS-DE—Defense Finance and Accounting Service - Denver Center (now supported by DFAS-Columbus and DFAS-Indianapolis)
DoD—Department of Defense
EEIC—Element of Expense/Investment Code
EP—Execution Plan
ESP—Emergency and Special Program
FAD—Funding Authorization Document
FASCAP—Fast Payback Capital Investment Program
FC—Fund Code or Functional Category
FDN—Funding Document Number

FMA—Financial Management Analysis
FMB—Financial Management Board
FMS—Foreign Military Sales
FMSuite ODA—Financial Management Suite Open Document Analysis
FOA—Field Operating Agency
FSR—Fund Summary Record
FWG—Financial Working Group
FY—Fiscal Year
FYDP—Future Years Defense Program
GAFS—BL—General Accounting and Finance System-Base Level
GPC—Government Purchase Card
IG—Inspector General
IWIMS—Interim Work Information Management System
MAJCOM—Major Command
MCP—Military Construction Program
MEP—Management Engineering Program
MFH—Military Family Housing
MILPERS—Military Personnel
MIPR—Military Interdepartmental Purchase Request
MPC—Materiel Program Code
OAC—Operating Agency Code
OARS—Obligation Adjustment Reporting System
OBA—Operating Budget Authority
OBAD—Operating Budget Authority Document
OBAN—Operating Budget Account Number
OBL—Operating Budget Ledger
OCCR—Organization Cost Center Record
ODL—Open Document Listing
O&M—Operation and Maintenance
OLVIMS—On-Line Vehicle Interactive Management System
OMB—Office of Management and Budget
OPR—Office of Primary Responsibility

OSD—Office of the Secretary of Defense
OUSD(C)—Office of the Under Secretary of Defense (Comptroller)
PB—President's Budget
PBAS—Program Budget Automated System
PCS—Permanent Change of Station
PE—Program Element
PECIP—Productivity Enhancement Capital Investment Project
PFMR—Project Fund Management Record
PFY—Prior Fiscal Year
PIF—Productivity Investment Program
PMB—Potential Monetary Benefit
POBY—Prior Operating Budget Year
PPBE—Planning, Programming, Budgeting and Execution
PSR—Program Summary Record
RA—Resource Advisor
RC—Responsibility Center
RCM—Responsibility Center Manager
RC/CC—Responsibility Center/Cost Center
RCS—Reports Control Symbol
RDT&E—Research, Development, Test and Evaluation
RMS—Resource Management System
RMT—Resource Management Team
SAG—Subactivity Group
TAA—Total Actual Authority
TAR—Triannual Review
TDY—Temporary Duty
TOA—Total Obligation Authority
UOO—Undelivered Orders Outstanding
VCO—Vehicle Control Officer

Terms

Note: The purpose of this glossary is to help the reader understand the terms used in this publication. It is not intended to encompass all pertinent terms. Joint Publication 1—02,

Department of Defense Dictionary of Military and Associated Terms and AFDD 1-2, Air Force Glossary contain standardized terms and definition for Department of Defense and Air Force use.

Automated Supply and Equipment Systems—The General Support, Systems Support, and

Medical—Dental, Repairable Support divisions of the Defense Working Capital Fund provide data for processing periodically during the month and at month end into the general accounting system. Periodic processing between systems provides current supply and equipment expense data to DFAS-Defense Accounting Office and updates the status of funds for base-level resource managers and Budget. Accounting system management reports and automated materiel system reports provide the RCM and CCMs with the information necessary to monitor their execution plan execution.

Civilian Payroll System—Provides biweekly expense and disbursement data output from this system to interface with the accounting system. Civilian payroll transactions affect either accrued expense unpaid (AEU) or accrued expense paid (AEP). The ensuing pay cycle accumulates expense data and establishes necessary accruals. Output is the RCS: DD-COMP (AR) 1092 report. (See Chapter 9 and DFAS-DE 7077.2-M on support system.)

DoD Functional Categories—These 16 categories are a method of arranging data in the conventional budget structure or the FYDP. Functional category descriptions are in DFAS-DE Regulations.

Element of Expense and Investment Code (EEIC)—These represent the final breakout in the budget structure. The number varies with the major command (MAJCOM), depending on the number of sub-elements required for local management. This part of the budget structure is quite similar to the Office of Management and Budget (OMB) object classification. Air Force EEICs and DoD elements of expense are in the Financial Management Data Dictionary.

Interim Work Information Management System (IWIMS)—The general accounting and finance system and IWIMS are independent systems that exchange data. IWIMS receives daily accounting transactions affecting civil engineering. IWIMS, in turn, passes data back to the general accounting and finance system at the end of each month for civil engineering material cost distribution data. Additionally, the IWIMS produces a monthly Schedule of Reimbursements and Refunds Report that reflects reimbursable and refund costs applicable to each BCE reimbursable/refundable customer. This data is used by DFAS to record reimbursements or refunds to the proper accounts. DFAS requires special coding to identify obligation and expense transactions entered into the accounting system that also apply to Civil Engineering/IWIMS. See DFAS-DE 7077.2-M, Section 53 for more detailed information on IWIMS processing.

Material Management Reports—There are many reports produced by the expeditionary combat support system that provide budget personnel and resource managers detailed information on the operating budget authority set aside for purchases from the Defense Working Capital Fund. Most often used are the RC/CC Summary List, Project Fund Management Report, PFMR/ OCCR Update and Reconciliation Report, Consolidated Fund Management Report and Obligated Due-Out Listing.

Military Personnel Expense System—This system records the expenses of military personnel at standard rates by program element and element of expense. Use assigned strength as of the

first calendar day of each month as the basis to compute military personnel expense for that month. (See [Chapter 8](#) and DFAS-DE 7077.2-M for information on this system.)

Online Vehicle Interactive Management System (OLVIMS)—A system to improve management effectiveness in base motor vehicle maintenance and operation and to interface with portions of the standard accounting and finance and base supply systems. The general accounting and finance system and OLVIMS exchange information daily between themselves. The accounting system extracts vehicle maintenance and operation costs and passes these costs to OLVIMS to make cost distribution and identify reimbursements and refunds. See DFAS-DE 7077.2M, Section 54 for more detailed information on OLVIMS processing.

Organization Cost Center Record (OCCR) System—The OCCR system provides for current day as well as fiscal year-to-date materiel obligation and expense data recorded at the cost center level for EEICs 600, 602, 609, 628, 644 and 645. The system provides cost center level management products showing the net value (issues less turn-ins) of materiel issued by EEIC, value of obligated due-outs by EEIC and fund availability targets by EEIC.

Project Funds Management Record (PFMR)/Organization Cost Center Record (OCCR) Directory—This program provides a directory of PFMR and OCCR indicative data for use by FMA, supply, RCMs, RAs, CCMs and all other financial management personnel in identifying coded financial data to the applicable organization(s).

Program Element (PE)—PEs describe all forces, activities and support required to accomplish the Air Force mission with associated costs.

Project Funds Management Record (PFMR) System—A system to provide monitorship and control over each RCM's execution plan programmed for purchase of expensed materiel by CCMs from the General Support Division, and Reparable Support Division of the Defense Working Capital Fund. The expeditionary combat support system provides management products informing each responsibility center manager and Budget of the status of operating budget authority fund availability, as well as fiscal year-to-date data concerning expensed materiel buys and on-order (due-outs) by current and prior year. The PFMR is a control record for one or more organization cost center records (OCCRs). The OCCR to PFMR system is a relationship similar to the relationship between the cost center and responsibility center.

Standard Material Accounting System—A variety of reports produced for the medical function provide valuable financial data for the budget function. The system accumulates and provides financial data for all base and tenant medical dental stock-funded and non-stock-funded supplies and equipment. This data mainly concerns financial transactions within fund code 2X but, transactions occur frequently within other BAs and involve mainly buys with EEIC 604 and 624.

Total Actual Authority (TAA)—TAA is TOA, or direct authority plus reimbursements earned (filled plus unfilled customer orders), whichever is less.

Total Obligation Authority (TOA)—TOA is direct obligation authority plus accepted reimbursable orders.

Attachment 2

BUDGETING AND ACCOUNTING SYSTEM FOR OPERATIONS

A2.1. The System's Purpose and Content:

A2.1.1. **The Future Year Defense Program (FYDP).** The FYDP summarizes resources (forces, personnel and TOA for each appropriation) programmed for DoD—categorized by programs and related to the budget's appropriation structure. See DoD 7045.7-H, *Future Years Defense Program Structure*, and DoD FMR 7000.14-R, Volume 2A, *Budget Formulation and Presentation*.

A2.1.1.1. The FYDP projects all data except forces for 5 years; forces extend an additional 3 years.

A2.1.1.2. Carefully cost out the FYDP. Link plans and programs to desired program budget estimate levels and to approved program levels of budget authorities.

A2.1.2. **Budgeting and Accounting Systems.** The budgeting system defines the requirement for future consumption of resources; the accounting system records the resources used. The accounting system for operations covers funds made available from the Operation and Maintenance (O&M), Military Personnel, Other Procurement, Military Construction Program (MCP) and Military Family Housing appropriations. This instruction emphasizes O&M and Military Personnel. (See Attachment 3 for details on the O&M Budget Activity Structure.)

A2.1.3. **Using Information.** The accounting system for operations:

A2.1.3.1. Allows analysts and managers to evaluate financial and program progress, determine budget requirements, and justify total resource requirements.

A2.1.3.2. Applies elements of the FYDP (BAs and PEs) to all organizations (responsibility centers/cost centers) (RC/CCs) that accumulate operating costs by Air Force EEICs.

A2.1.3.3. Provides obligation and expense information to formulate budgets and monitor actual execution against quarterly and annual budget targets. It also provides adequate fiscal controls and accounting techniques to properly account for appropriated funds.

A2.2. Support and Cost System Integration:

A2.2.1. **Transaction Data.** The main transaction data comes from DFAS-Defense Accounting Office direct entry of information from obligation and commitment documents. (Examples are travel orders, purchase requests and orders for goods and services, and other Air Force contract and procurement documents.) Other automated support systems provide the remaining information.

A2.2.2. **Support Systems Interface.** Three major support systems (Civilian Payroll, Military Personnel Expense and Automated Supply and Equipment) interface with the general accounting system.

A2.2.2.1. See Chapter 8 and Chapter 9 for military personnel expense and civilian payroll procedures.

A2.2.2.2. The General Support, Medical-Dental, and Reparable Support divisions of the Defense Working Capital Fund provide update data that are processed periodically during the month and at month-end into the general accounting system. DFAS updates the status of funds for base resource managers and budget using current supply and equipment expense data generated by the periodic processing. RCMs, RAs and CCMs use the accounting system management reports and automated materiel system reports to monitor the execution of their execution plan.

A2.2.3. **Cost System Interface.** The general accounting and finance system is the principal financial data source for input to the Interim Work Information Management System (IWIMS) and Vehicle Integrated Management System (VIMS). With minor modifications, the general accounting and finance system processes these systems' financial transactions. This single source of financial data for the cost system allows us to pass data back to the accounting system for reimbursement or to distribute material costs.

A2.3. Management Application of the Accounting System for Operations:

A2.3.1. **Management Controls.** Other directives and instructions show how to manage resources and administer the budget in specific functional areas. The accounting system provides management control data that allows RC/CC managers and comptroller personnel to do financial analysis.

A2.3.2. **Undelivered Orders Outstanding (UOO).** Usually, base services contracts are performed over a fairly long time period and it isn't appropriate to record them as expenses when the contract is awarded.

A2.3.2.1. Charge the contract to an "undelivered orders" account and record it as an obligation -- not as an expense.

A2.3.2.2. Upon completing the job, (the vendor provides the services or you get documentation showing incremental completion), charge the amount to expense and reduce the undelivered orders accounts.

A2.3.2.3. The sum of current fiscal year expense incurred (accrued expenditures paid and unpaid) and current fiscal year undelivered orders will always equal current year obligations.

A2.3.3. **Project Fund Management Records (PFMR).** Materiel requirements and associated financing are part of the base's available O&M fund authority. These are some management control techniques you use for the mechanized supply system.

A2.3.4. Establish the quarterly phased dollar programs that apply to Expeditionary Combat Support System operations and the Standard Materiel Management System in the PFMRs. After the FMB approves the FWG recommended target distributions, resource advisors furnish the financial management analysis office internal operating budget targets within each PFMR by organization code and cost center code, if applicable.

A2.3.4.1. Load targets into the Expeditionary Combat Support System.

A2.3.4.2. Load targets by cost center code into the Standard Materiel Management System.

A2.3.4.3. The total targets for all organization cost center records (OCCRs) can't exceed the total amount of the responsibility center approved target for the organization PFMR.

A2.3.5. FMA summarizes the recommended distributions based on (1) the total supply and equipment approvals, and (2) the receipt of recommended organization and cost center distributions from resource advisors. FMA will enter the data into the applicable supply system. FMA should inform resource advisors if changes are made to the recommended distribution before final processing.

A2.3.6. Establish separate PFMRs for the host and each Air Force tenant and additional PFMRs as necessary. (See Accounting and Finance and Supply directives).

A2.3.6.1. Establish PFMRs by fund code, operating agency code (OAC), OBAN, budget project (for Military Family Housing) and budget activity (for O&M), at the RC/CC levels specified in MAJCOM instructions.

A2.3.6.2. Use one combined PFMR for both supplies and equipment.

A2.3.7. Reimbursable Program:

A2.3.7.1. Reimbursable Authority. Reimbursable authority is available only when a customer order has been received. DoD Components must not authorize or incur an obligation or make a disbursement against anticipated reimbursements. Such actions must be delayed until the applicable customer order is received from Federal Government activities or funds are collected from public activities or those Federal activities not paying with an appropriation or any other form of budget authority. See DoD FMR 7000.14-R, Volume 3, Chapter 15 and Volume 14, Chapter 1 and AFI 65-601, Volume 1, Chapter 5 for further details.

A2.3.7.1.1. For procurement and RDT&E appropriations, SAF/FMB transmits annual reimbursable authority (anticipated reimbursements) to the Commands.

A2.3.7.1.2. For O&M, reimbursable authority is auto-apportioned. The Office of Management and Budget automatically apportions reimbursement authority at departmental level. In this case, reimbursable authority equals earned reimbursements plus customer orders. See AFI 65-601, Volume 1, Chapter 5 for more details.

A2.3.7.1.3. MAJCOMs/FOAs won't allot anticipated reimbursement unless they have reasonable assurance that the reimbursements will be collected. Even when reimbursements are apportioned or allotted, these estimates don't become budgetary resources available for obligations unless two conditions have been met:

A2.3.7.1.3.1. Valid orders, including written agreements, have been received from and obligated by Federal Government-funded customers.

A2.3.7.1.3.2. Advance payment has been collected, in the case of orders from the public or those Federal activities not paying with an appropriation or any other form of budget authority.

A2.3.7.2. Credit appropriation reimbursements to the EEIC that most nearly identifies the nature of the materiel or service that originally provided it, except for transactions related to IWIMS, OLVIMS or any other management or cost system.

A2.3.7.2.1. Use selected EEICs only when reporting the appropriation reimbursement transaction through a cost or management system.

A2.3.7.2.2. Identify the sale of services or materiel to a specific EEIC. Only use EEIC 59900 if you can't identify the sale of services or materiel to a specific EEIC, and the sale isn't reported through a management or cost system. Use EEIC 59900 to record advance payments/collections receive from public activities or those Federal activities not paying with an appropriation or any other form of budget authority. Use MPC 9910 (advances received) in last 4 positions of the BPAC for Procurement and RDT&E accounts for the same purpose of recording advance payments/collections.

A2.3.8. Program Element Predominancy Rule. Identify military and civilian personnel costs to the DoD program element (PE) as authorized in the unit authorization file extract.

A2.3.8.1. Identify other expenses, excluding EEIC series 2XX and 1XX, to the appropriate DoD PE when you can do so with reasonable effort; otherwise, identify these costs to the RC/CC representing a predominant PE. (Validate through FMDD DQS)

A2.3.8.2. Select the predominant PE based mainly on the manning authorizations assigned to a specific organization.

A2.3.8.3. The most common users of the predominancy rule are weapon system maintenance activities who use common bench stocks for work on various aircraft.

A2.3.8.4. Try to identify costs to the proper PE. Doing otherwise distorts aircraft maintenance cost factors developed by SAF/FMC because of inconsistencies in factors for like aircraft. These discrepancies make it more difficult to defend budget estimate submissions to OSD and Congress, and can lead to a loss in funding to the Air Force.

A2.4. Summary:

A2.4.1. **FYDP Relationship.** Use the accounting system for operations to identify and code the costs of Air Force missions, budget activities and PEs to meet FYDP requirements. Use element of expense codes to identify the cost of operating base-level organizations and RC/CCs. By linking these data elements, the Air Force relates all operating costs to a major Air Force mission programmed in the FYDP.

A2.4.2. **System Structure.** The accounting system for operations is structured along organizational lines because organizations manage and use resources. The operating reports available to management show consumption by type of resource (i.e., EEIC).

A2.4.3. **System Differences.** The system focuses on the basic difference between resource acquisition and resource consumption. The differences involve the time of purchase and receipt of goods and services and the amounts of obligations and expenses:

A2.4.3.1. Appropriation accounting is concerned with resource acquisition or obligation authority.

A2.4.3.2. Accrual (expense) accounting reports the costs of resources used during the period.

Attachment 3**BUDGET ACTIVITIES****A3.1. Budget Activities:**

A3.2. Budget Activity (BA) Structure. The BA is the major budget program in the operating budget structure.

A3.2.1. The BA structure for the O&M appropriation (3400) includes (See AFMAN 65-604 for descriptions):

A3.2.1.1. Budget Activity 01: Operating Forces.

A3.2.1.2. Budget Activity 02: Mobilization.

A3.2.1.3. Budget Activity 03: Training and Recruiting.

A3.2.1.4. Budget Activity 04: Administration and Servicewide Activities.

A3.2.2. The BA structure for the Military Personnel appropriation (3500) includes (Reference AFMAN 65-604 for details):

A3.2.2.1. Budget Activity 01: Officer Pay and Allowances.

A3.2.2.2. Budget Activity 02: Enlisted Pay and Allowances.

A3.2.2.3. Budget Activity 03: Cadet Pay and Allowances.

A3.2.2.4. Budget Activity 04: Enlisted Personnel Subsistence.

A3.2.2.5. Budget Activity 05: Travel, Permanent Change of Station.

A3.2.2.6. Budget Activity 06: Other Military Personnel Costs.

Attachment 4

THE EXECUTION PLAN

A4.1. Overview:

A4.1.1. Purpose. The basic purpose of the EP submission is to ensure an equitable distribution of the President's Budget (PB) consistent with accomplishing Air Force program objectives and to produce a plan that executes within budgetary limitations while supporting the AF mission. The approximate submission schedule is:

A4.1.1.1. Submit the EP after OMB submits the President's Budget to Congress, the first Monday in February, for the fiscal year that begins the following October 1. Submitting the EP approximately 4 months before the beginning of the upcoming fiscal year provides MAJCOMs, CoCOMs and other operating agencies current information to prepare to execute the next fiscal year's budget.

A4.1.1.2. The EP is the main vehicle for distributing anticipated funding (both direct and reimbursable) for the upcoming execution year in an equitable manner. It requires all organizational levels to contribute their corporate knowledge and expertise.

A4.1.1.3. Budget and functional staffs participate at each management level, including financial and budget working groups at base, command and air staff.

A4.2. Elements of the Execution Plan:

A4.2.1. **The Commander's Statement.** This statement includes assumptions, statements on force changes, mission changes, equipment changes, conversions and any other changes that will affect financial requirements. The Commander's Statement should speak to the overarching risks/impacts within the command and provide an execution strategy overview. This assessment should clearly and concisely state commander's intent within the constraints of both the bogey and guidance. It should also discuss any major trade-offs necessary to operate within the command bogey provided by SAF/FMB. The Commander's Statement may be optional; check the O&M Execution Plan Call Guidance to determine if required.

A4.2.2. **The Annual Execution Plan (Mechanized).** This section includes line item budget detail by BA, PE, EEIC, and ESP (if applicable). Funding can be moved in the command plan but must balance bottom line to the bogey and comply with all guidance and instructions.

A4.2.3. **Sub Activity Group Narratives.** This section contains SAG Narratives categorized by SAF programs and mission areas as represented by Air Force Corporate Structure (AFCS) panels. The purpose of the SAG narrative is to discuss the major cost drivers within each SAG and the trade-offs made in order to minimize risks and/or impacts. The SAG narrative should answer the following questions: 1) What capabilities are funded? 2) What capabilities are not funded? 3) What are the risks and impacts?

A4.2.4. **SAF Program Requirements.** Using the SAF-defined programs provide SAF/FMB the total unconstrained requirement in each of the categories. These requirement amounts will be used by SAF/FMBO for analysis purposes only.

A4.2.5. Functional Realignment. Functional realignments are transfers of funding, programs, missions or manpower identified and submitted in the command execution plan. These realignments were either not identified or not processed during the POM. The four types of functional realignments are: OAC Transfers, Library, GSA Leases and Long Lease Lines. The realignment must identify a gaining and losing command. The realignment is detailed by OAC, PE, EEIC and amount, and both the gaining and losing commands must fully coordinate and approve prior to submission to SAF/FMBO. These functional realignments are submitted to SAF/FMBO in September and included in the respective command's distribution.

A4.2.6. Foreign Currency Requirements (Exhibit Q). The Exhibit Q is used to identify all foreign currency sensitive requirements. These requirements are converted into their respective foreign currency using the approved OSD budget rate. The identified requirements are consolidated at SAF/FMBO by command, country code, currency, PE and EEIC. This consolidated data is used to create the PB-18 Exhibit (Foreign Currency Exchange Data) to establish the AF funding level for the DoD Foreign Currency Fluctuation Account. This data is also used by SAF/FMBO to determine the command distribution of both increases and decreases to foreign currency funding provided in the PB.

A4.2.7. Variance Analysis. The execution plan is a year round budget drill and includes the comparison of planned program execution to actual (variance analysis). This ongoing analysis provides valuable insight to better evaluate your overall planning. The analysis will be performed throughout the year during the Operating Budget Review Committee (OBRC) meetings. The variance analysis is conducted at SAF Program and Panel Level.

Attachment 5

ACCOUNTING CLASSIFICATION CODES FOR MAJOR APPROPRIATIONS

Figure A5.1. Operation and Maintenance Funds Coding Structure (Example).

Example: 5703400 300 7815 111300 01 50641 667100 18534F AA

Department:	_____	57
Fiscal Year:	_____	0
Appropriation Symbol:	_____	3400
Fund Code:	_____	30
Fiscal Year:	_____	0
Operating Agency Code:	_____	78
Operating Budget Account Number:	_____	15
Responsibility Center/Cost Center Code:	_____	111300
Budget Activity Code:	_____	01
Elements of Expense/Investment Code:	_____	50641
Sales Code (note 1):	_____	10
Accounting and Disbursing Station Number:	_____	667100
Program Element Code:	_____	18534F
Emergency and Special Program Code (note 2):	_____	AA

Note:

1. Use a Sales Code if the fund code is reimbursable. For reimbursable Military Interdepartmental Purchase Requests (Category I), Project Orders, etc., where the Air Force is the requiring activity, the Trading Partner Number/Buyer Side Code will be loaded in the Sales Code field (positions 77-79) of the PSR (reference Joint DFAS and SAF/FMP (AFAFO) Email Memorandum (13 November 2009)).

2. When applicable.

Figure A5.2. RDT&E Management and Support Funding Coding Structure (Example).

Example: 5703600 290 4720 66ACSI 20030L 43910 503000 1V

Department:	_____	57
Fiscal Year:	_____	0
Appropriation Symbol:	_____	3600
Fund Code:	_____	29
Fiscal Year:	_____	0
Operating Agency Code:	_____	47
Operating Budget Account Number:	_____	20
Budget Program (First 2 digits of BPAC note 1):	_____	66
Project Number (3 rd thru 6th char's of BPAC note 1):	_____	ACSI
Responsibility Center/Cost Center Code:	_____	20030L
Elements of Expense/Investment Code:	_____	43910
Accounting and Disbursing Station Number:	_____	503000
Emergency and Special Program Code (note 2):	_____	1V

Note:

1. Budget Program Activity Code (BPAC) is 6 characters
2. When Applicable

Figure A5.3. RDT&E Mission Program Funds Coding Structure (Example).

Example: 5703600 290 4720 66ACSI43910 20030L 43910 503000 1V

Department:	_____	57
Fiscal Year:	_____	0
Appropriation Symbol:	_____	3600
Fund Code:	_____	29
Fiscal Year:	_____	0
Operating Agency Code:	_____	47
Operating Budget Account Number:	_____	20
Budget Program (First 2 digits of BPAC note 1):	_____	66
Project Number (3 rd thru 6th char's of BPAC note 1):	_____	ACSI
Material Program Code, Task or EEIC:	_____	43910
Responsibility Center/Cost Center Code:	_____	20030L
Elements of Expense/Investment Code:	_____	43910
Accounting and Disbursing Station Number:	_____	503000
Emergency and Special Program Code (note 2):	_____	1V

Note:

1. Budget Program Activity Code (BPAC) is 6 characters
2. When Applicable

Figure A5.4. Central Procurement Coding Structure (Example).

Example: 5703010 110 4708 15427Z 002200 01001F 503000

Department:	_____	57
Fiscal Year:	_____	0
Appropriation Symbol:	_____	3010
Fund Code:	_____	11
Fiscal Year:	_____	0
Operating Agency Code:	_____	47
Operating Budget Account Number:	_____	08
Budget Program (First 2 digits of BPAC note 1):	_____	15
Project Number (3 rd thru 6th char's of BPAC note 1):	_____	427Z
Material Program Code, Task or EEIC:	_____	002200
Systems Management Code:	_____	11000
Program Element Code:	_____	01001F
Accounting and Disbursing Station Number:	_____	503000

Note:

1. Budget Program Activity Code is six characters.
2. Same Coding structure for 57*3020/3080 appropriations.
3. See DFAS-DE 7220.2-M for additional examples and variations of central procurement accounting classifications

Figure A5.5. Military Construction Coding Structure (Example).

Example: 5703300 250 7431 321 DQG 667100

Department:	_____	57
Fiscal Year:	_____	0
Appropriation Symbol:	_____	3300
Fund Code:	_____	25
Fiscal Year:	_____	0
Operating Agency Code:	_____	74
Operating Budget Account Number:	_____	31
Budget Project:	_____	321
Budget Authorization Account Number:	_____	DQG
Accounting and Disbursing Station Number:	_____	667100

Figure A5.6. Military Personnel (Centrally Managed Allotment) Coding Structure (Example).

Example: 5703500 320 5731.OM 525725

Department:	_____	57
Fiscal Year:	_____	0
Appropriation Symbol:	_____	3500
Fund Code:	_____	32
Fiscal Year:	_____	0
Budget Project:	_____	5731.OM
Accounting and Disbursing Station Number:	_____	525725

Figure A5.7. Military Family Housing Coding Structure (Example).

Example: 5700745 3Y0 7887 725 47144 90 667100

Department:	_____	57
Fiscal Year:	_____	0
Appropriation Symbol:	_____	0745
Fund Code:	_____	3Y
Fiscal Year:	_____	0
Operating Agency Code:	_____	78
Operating Budget Account Number:	_____	87
Budget Project or Subproject:	_____	725
Elements of Expense/Investment Code:	_____	47144
Sales Code (note):	_____	90
Accounting and Disbursing Station Number:	_____	667100

Note:

When applicable.

Attachment 6

CIVILIAN MANPOWER FUNDING, EXECUTION AND REPORTING

A6.1. Civilian Pay, Type of Payments To Employees and Compensation Computation.

A6.1.1. **Civilian Pay Cost Model.** The output products described in Chapter 9 provide the baseline data inputs to the civilian pay cost model. When combined with other data, this model projects civilian personnel cost requirements for the Future Year Defense Program and related budget reports. This model estimates the civilian payroll impacts of anticipated changes in manpower utilization funding and program composition.

A6.1.1.1. **Program Analysis.** Analysis of consolidated data shows management whether actual operations are in line with planned operations. It permits necessary future adjustment of operating budgets to keep approved expense authority consistent with actual and planned civilian personnel programs.

A6.1.1.2. **Types of Employment Positions:**

A6.1.1.2.1. A full-time employee is one scheduled to work regularly the number of hours or days required by the administrative workweek for their employment group. Full-time employees may occupy either permanent or other-than-permanent positions.

A6.1.1.2.2. An established full-time permanent position is without time limit, or for a limited period of a year or more, or occupied for a year or more. The intent of establishing the position is not a relevant factor. The status (permanent or temporary) of an employee occupying a given position does not determine whether a position is permanent or other than permanent.

A6.1.1.2.3. Positions other than full-time permanent include part-time, temporary and intermittent:

A6.1.1.2.4. Part-time permanent employees have appointments that require work on a prearranged schedule of fewer hours or days of work than prescribed for full-time employees in the same group or class.

A6.1.1.2.5. Temporary employees have appointments for a limited period of time that is generally less than a year. For example: full-time temporary employees, seasonal employees without permanent appointments, employees with term appointments and employees with indefinite appointments.

A6.1.1.2.6. Intermittent employees have appointments that require work on an irregular or occasional basis and who are paid only for the time actually employed or services actually rendered.

A6.1.1.3. **The Civilian Manpower and Funding Report** (RCS: DD-COMP (AR) 1092) combines employment in full-time permanent and other-than-full-time permanent positions into major pay systems categories.

A6.1.1.4. **US Direct Hire (USDH).** The Federal Employees Pay Comparability Act of 1990 contains the federal employee salary schedule with grades and bases of pay for all employees occupying Classification Act positions. This includes full-time permanent, temporary, part-time and intermittent employment.

A6.1.1.5. U. S. Citizens, Prevailing Rate. In the Air Force, most positions excluded from coverage of the Classification Act, as amended, are subject to the pay determination jurisdiction of the DoD wage funding authority established under the Coordinated Federal Wage System. This system establishes prevailing rate schedules for specific wage localities.

A6.1.1.6. Foreign National Direct Hire (FNDH). Under the direct hire system, the US Forces are the official employer of non-US citizen personnel and assume responsibility for all administrative and management functions about their employment. The provisions of a detailed operating agreement based upon a treaty or other formal action between the U.S. and other nations govern basic pay rates. U.S. determines the wages and salaries, usually based on locally prevailing rates. Report all direct hire non-US citizen employment in this category.

A6.1.1.7. US Citizens, Youth Employment Programs, Direct Hire. This includes persons between the ages of 16 and 21 hired under the President's Youth Opportunity Program, (program provides meaningful employment opportunities for disadvantaged youths). Hire eligible youths under the Summer Youth Employment or Stay-in-School portions of the program. Appointments may be to either prevailing rate or Classification Act type positions, depending on Air Force needs and individual qualifications.

A6.1.1.8. US Citizens, Other Wage Authority. This includes pay rates of employees occupying positions determined by wage-fixing authority other than the Classification Act, as amended, or wage funding authorities established under the Coordinated Federal Wage System. Report only U.S. citizens in these categories. Report all direct hire foreign nationals under the non-US citizens, direct hire category.

A6.1.1.9. Indirect Hire Foreign National Personnel (FNIDH), Labor Contracts With Foreign Governments. The indirect hire system provides that the host government assume the responsibility for meeting the needs of US forces for local national personnel. Rates of pay normally conform to rates established and paid by the host government for comparable work in the area. Charge basic pay and separation allowances for non-US indirect hires to EEICs 16201 and 16211 respectively.

A6.1.2. Types of Payments to Employees: Civilian pay is categorized into two main categories: compensation and benefits.

A6.1.2.1. Basic Compensation. Includes an employee's basic rate of regular salaries and wages.

A6.1.2.2. Other Compensation. Compensation above the basic rates of pay to include overtime, holiday pay, night work differential, post differentials, hazardous duty pay, supervisory differential, cash incentive awards and other premium pay.

A6.1.2.3. Personnel Benefits. Cash payments paid to other funds for the benefit of federal civilian employees and direct payments to the employee.

A6.1.2.3.1. Includes insurance and annuities for the employer's share of life insurance, health insurance, employee retirement, work injury disabilities, death, Thrift Savings Plan and social security taxes. Includes recruitment, retention, and other incentives such as student loan payments, extended assignment incentive,

relocation (PCS), cost-of-living allowances, separate maintenance, education for dependents, and overseas differentials, etc. See OMB Circular A-11, Section 83.6 for additional authorized benefits.

A6.1.3. Compensation Computation:

A6.1.3.1. **Compensable Hours.** Compute employee's regular pay based on regular hours. Compensable hours, for a compensated employee, include periods of annual or sick leave and time off for legal holidays. Exclude overtime or other premium pay hours. A fiscal year has 2080, 2088 or 2096 compensable hours.

A6.1.3.2. **Workyears.** A workyear is the equivalent of one employee being in a pay status for the number of compensable hours in a fiscal year or more than one employee being in a pay status part of the year for which the total hours paid are equal to the number of compensable hours in the fiscal year. Workyear equivalents represent a part of a total workyear actually used during any fractional part of the fiscal year.

A6.1.3.2.1. The Civilian Manpower and Funding Report system computes workyear equivalents for each month by dividing the number of compensable hours used during the month by the number of compensable hours in the year.

A6.1.3.2.1.1. For example, March 2013 has 184 compensable hours (23 days times 8 hours) and FY 2013 has 2,088 compensable hours (261 days times 8 hours). Assume you used 18,400 compensable hours during May, then the workyear equivalent is 8.81 (18,400 divided by 2,088).

A6.1.3.3. Average Costs Computation:

A6.1.3.3.1. Compute the basic average salary by dividing the total obligations for base pay of each type of employment by the applicable worker equivalents or workyears for a given month, quarter or year. For example, assuming May 2013 total obligations for General Schedule employment of \$264,300 and a workyear equivalent of 8.81, the basic average salary would be \$264,300 divided by 8.81 or \$30,000.00.

A6.1.3.3.2. Compute the overall average salary by dividing the total obligations for total personnel compensation for each type of employment by the applicable workyear equivalents or workyears for a given month or quarter of the year. Continuing with the example and assuming May total obligations for General Schedule employment of \$217,800, then the overall average salary would be \$272,300 divided by a workyear equivalent of 8.81, or \$30,908.06 (rounded to \$30,908).

A6.1.3.3.3. Compute workyear cost by dividing the total obligations for total personnel compensation and benefits of each type of employment by the applicable workyear equivalents or workyears for a given month, quarter or year. Continuing with the example, and assuming fourth quarter total obligations for General Schedule employment to be \$984,244, then the work-year cost would be \$984,244 divided by a workyear equivalent of 25.29, or \$38,918.30 (rounded to \$38,918).

A6.1.3.4. **Manpower Utilization.** Compute based on the relationship between compensable time used and compensable time available during a given period (day, month, quarter or fiscal year). Table 9.1. includes the number of available workdays for

each month and quarter, fiscal years 2011-2013. Express manpower utilization data with workhour, workday, workmonth or workyear equivalents. Table 9.2. shows examples of the various relationships.

A6.1.3.5. Manpower Conversion. When the utilization is in one of the terms, (workhours, workdays, workmonths, workquarters or workyears), convert it to any of the other terms by applying the following formulas. Table 9.2. provides data used to illustrate these formulas. Round accounts for slight variances.

A6.1.3.5.1. Workhours Are Known:

A6.1.3.5.1.1. Convert to workdays by dividing the number of compensable hours used by the number of compensable hours in the period and multiplying the result by the number of compensable days in the period. For example, May workhour use of 18,400 hours divided by 184 hours equals 100, times 23 days, equals 2300 workdays.

A6.1.3.5.1.2. Convert to workmonths by dividing the number of compensable hours used by the number of compensable hours in the period and multiply the result by the number of months in the period. For example, first quarter workhour use of 52,800 hours divided by 528 hours equals 100, times 3 months, equals 300 workmonths.

A6.1.3.5.1.3. Convert to workquarter equivalents by dividing the number of compensable hours used by the number of compensable hours in the quarter. For example, May workhour use of 18,400 hours divided by 528 hours equals 34.85 workquarter equivalents.

A6.1.3.5.1.4. Convert to workyear equivalents by dividing the number of compensable hours used by the number of compensable hours in the year. For example, first quarter workhour use of 52,800 hours divided by 2,088 equals 25.28 workyear equivalents.

A6.1.3.5.2. Workdays Are Known:

A6.1.3.5.2.1. Convert to workhours by dividing the number of compensable days used by the number of compensable days in the period and multiplying the result by the number of compensable hours in the period. For example, May workday use of 2,300 days divided by 23 days equals 100, times 184 hours, equals 18,400 workhours.

A6.1.3.5.2.2. Convert to workmonths by dividing the number of compensable days used by the number of compensable days in the period and multiplying the result by the number of months in the period. For example, FY 1994 workday utilization of 26, 100 divided by 261 days equals 100, times 12 months, equals 1,200 workmonths.

A6.1.3.5.2.3. Convert to workquarter equivalents by dividing the number of compensable days used by the number of compensable days in the quarter. For example, May workday utilization of 2,300 days divided by 66 days equals 34.85 workquarter equivalents.

A6.1.3.5.2.4. Convert to workyear equivalents by dividing the number of

compensable days used by the number of compensable days in the year. For example, fourth quarter workday utilization of 6,600 divided by 261 days equals 25.29 workyear equivalents.

A6.1.3.5.3. Workmonths Are Known:

A6.1.3.5.3.1. Convert to workhours by dividing the number of compensable workmonths used by the number of months in the period and multiply the result by the number of compensable hours in the period. For example, fourth quarter workmonth utilization of 300 divided by 3 months equals 100, times 528 hours, equals 52,800 workhours.

A6.1.3.5.3.2. Convert to workdays by dividing the number of compensable workmonths used by the number of months in the period and multiply the result by the number of compensable days in the period. For example, fourth quarter workmonths of 300 divided by 3 months equals 100 times 66 days, equals 6,600 workdays.

A6.1.3.5.3.3. Convert to workquarter equivalents by dividing the number of compensable workmonths used by the number of months in the period and multiplying the result by the percentage relationship of the compensable hours or days in the month to the compensable hours or days in the quarter. For example, May workmonth utilization of 100 divided by 1 month equals 100 times 34.85 percent (184 hours divided by 528 hours or 23 days divided by 66 days), equals 34.85 workquarter equivalents.

A6.1.3.5.3.4. Convert to workyear equivalents by dividing the number of compensable workmonths used by the number of months in the period and multiplying the result by the percentage relationship of the compensable hours or days in the month to the compensable hours or days in the year. For example, first quarter workmonth utilization of 300 divided by 3 months equals 100, times 25.28 percent (528 hours divided by 2088 hours or 66 days divided by 261 days), equals 25.28 workyear equivalents.

A6.1.3.5.4. Workquarters Equivalents Are Known:

A6.1.3.5.4.1. Convert to workhours by multiplying the compensable workquarter equivalents used by the number of compensable hours in the quarter. For example, May workquarter utilization of 34.85 workquarter equivalents multiplied by 528 equals 18,400 workhours.

A6.1.3.5.4.2. Convert to workdays by multiplying the compensable workquarter equivalents used by the number of compensable days in the quarter. For example, May workquarter utilization of 34.85 workquarter equivalents multiplied by 66 equals 2,300 workdays.

A6.1.3.5.4.3. Convert to workmonths by multiplying the number of compensable workquarter equivalents used by the number of compensable hours in the period. For example, May workquarter utilization of 34.85 workquarter equivalents multiplied by 528 hours equals 18,400 divided by 184 hours, equals 100 workmonths.

A6.1.3.5.4.4. Convert to workyear equivalents by multiplying the number of compensable workquarter equivalents used by the number of compensable hours in the quarter and dividing the result by the number of compensable hours in the year. For example, Mayworkquarter utilization of 34.85 workquarter equivalents multiplied by 528 hours equals 18,400 divided by 2,088 hours, equals 8.81 workyear equivalents.

A6.1.3.5.5. Workyear Equivalents Are Known:

A6.1.3.5.5.1. Convert to workhours by multiplying the number of compensable workyear equivalents used by the number of compensable hours in the year. For example, May workyear utilization of 8.81 workyear equivalents times 2,088 hours equals 18,395 (18,400) workhours (varies slightly from actual hours because of rounding of workyear equivalents to the nearest hundredth).

A6.1.3.5.5.2. Convert to workdays by multiplying the number of compensable workyear equivalents used by the number of compensable days in the year. For example, May workyear definition of 8.81 workyear equivalents times 261 days equals 2,300 workdays.

A6.1.3.5.5.3. Convert to workmonths by multiplying the number of compensable workyear equivalents used by the number of compensable days in the year and dividing the result by the number of compensable days in the period. For example, May workyear utilization of 8.81 workyear equivalents times 261 days equals 2,300 divided by 23 days, equals 100 workmonths.

A6.1.3.5.5.4. Convert to workquarter equivalents by multiplying the number of compensable workyear equivalents used by the number of compensable days in the year and dividing the result by the number of compensable days in the quarter. For example, May workyear utilization of 8.81 workyear equivalents times 261 days equals 2,300, divided by 66 days, equals 34.85 workquarter equivalents.

A6.1.3.5.5.5. Conversion Formulas Recap. The foregoing formulas illustrate that it is possible to compute utilization data in any terms when you know actual utilization in one of the terms. In addition, the formulas permit a single formula to apply equally to utilization during any part of a fiscal year.

A6.1.3.5.5.5.1. Recognize that:

A6.1.3.5.5.5.1.1. Known hours used produces the most accurate utilization.

A6.1.3.5.5.5.1.2. In most instances, you lose some minor degree of accuracy when applying the formulas to convert from other than actual workhours.

A6.1.3.5.5.5.1.3. Simplify some of the formulas departing from data presented in the manpower utilization sample or when applied to the utilization data for only one month. As an example:

A6.1.3.5.5.5.1.4. To simplify the formula for converting workhours to workdays, as stated in paragraph [A6.12.22](#) divide the workhour utilization for any period by the number of compensable hours in a day (8).

A6.1.3.5.5.1.5. For quarterly data, follow the formula for converting workhours to workmonths, as stated in paragraph **A6.12.23**. But, to simplify when applying the formula to data for a single month, because it produces the same result either by dividing the number of compensable hours used by the number of compensable hours in the period and multiplying the result by the number of months in the period (1) or simply by dividing the number of compensable hours used by the number of compensable hours in the period (1 month).