

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

AIR FORCE POLICY DIRECTIVE 65-6

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Financial Management

BUDGET



COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This Air Force Policy Directive implements *Department of Defense Financial Management Regulation 7000.14-R, Volumes 2A and 2B, Budget Formulation and Presentation; and Volume 3, Budget Execution – Availability and Use of Budgetary Resources; and Volume 12, Special Accounts, Funds and Programs and Volume 14, Administrative Control of Funds and Anti-deficiency Act Violations; and Volume 15, Security Cooperation Policy*. This directive applies to all Air Force organizations and activities, including the Air National Guard and Air Force Reserve. This directive establishes policies for complying with applicable laws and Department of Defense funding guidance in all phases of the budget cycle and governs the formal process of prioritizing and using appropriated funds to support Air Force missions. Refer recommended changes and questions about this publication to the Office of Primary Responsibility using the Air Force Form 847, *Recommendation for Change of Publication*; route Air Force Forms 847 from the field through appropriate functional chain of command. Ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with Air Force Manual 33-363, *Management of Records* and disposed of in accordance with the Air Force Records Disposition Schedule located in the Air Force Records Information Management System.

SUMMARY OF CHANGES

This Air Force Policy Directive clarifies the roles and responsibilities pertaining to Budget and Anti-deficiency Act Violations within the office of the Assistant Secretary of the Air Force (Financial Management and Comptroller).

1. Policy. It is Air Force policy that:

1.1. The Air Force will construct and advocate budgets that provide the resources required to execute United States Air Force program and mission responsibilities derived from the National Military Strategy and Defense Planning Guidance. Air Force budgets will be credible, defensible to the Congress, executable, and should contribute to cost-effective performance of the Air Force's mission. In achieving this objective, the Air Force has budget policies that safeguard its commitment to lawful, effective, and efficient use of appropriated funds. The Air Force ensures appropriated funds, including expired funds and Air Force Working Capital Fund accounts, are used only for authorized purposes, as enacted by Congress, as required by Title 31 United States Code Section 1301, and implemented under Department of Defense and Air Force Directives and Instructions. Also, the Air Force ensures appropriated funds are used only in the amounts and for the time periods authorized by the applicable budget authorization, apportionment, allocation, and allotment.

1.2. The Air Force ensures that Budget Authority/Allotment, and the Air Force Working Capital Fund Annual Operating Budget documents issued to subordinate activities do not exceed the authority received by the issuing activity. Budget Activity and Annual Operating Budgets issued must be consistent with budget and obligation authority received with respect to classifications, authorities, and constraints.

1.3. The Air Force takes timely and aggressive action to identify, investigate, report, and process Anti-deficiency Act violations. See Title 31 United States Code Section 1341 and Section 1517.

1.4. Subject to limitations and restrictions established by the legislative and executive branches of the Government and the Office of the Secretary of Defense, the Air Force provides optimum funding flexibility at all levels.

1.5. Major Command Commanders and Air Force Component Commanders who participate in activities that prepare, justify or spend Air Force appropriated funds requirements (including Air Force business areas of the Defense Working Capital Fund) will approve and use appropriated funds only for authorized purposes.

1.6. Major Command Commanders and Air Force Component Commanders must program, budget and administer appropriated funds in accordance with this policy directive.

1.7. Major Command Commanders and Air Force Component Commanders must determine funding priorities, approve execution plans, and ensure funding resources are allocated and executed in a legal, effective, and efficient manner.

2. Roles and Responsibilities.

2.1. The Assistant Secretary of the Air Force (Financial Management and Comptroller) is responsible for directing and managing the financial management activities and operations of the Department of the Air Force. This responsibility includes, but is not limited to, setting and supervising the execution of policies and procedures governing the obligation and expenditure of Air Force funds. See Title 10 United States Code Section 9022, Title 10 United States Code Section 135 and Headquarters Air Force Mission Directive 1-12, *Assistant Secretary of the Air Force (Financial Management and Comptroller)*.

2.2. Under the authority and direction of the Assistant Secretary of the Air Force (Financial Management and Comptroller), the Deputy Assistant Secretary, Budget:

2.2.1. Establishes Air Force budget policies and procedures for budget formulation, justification and execution.

2.2.2. Provides guidance concerning organizational and appropriation funding responsibilities and issues related to the use of funds.

2.2.3. Develops and maintains the budget structure and associated data elements and codes.

2.2.4. Chairs the Air Force Board for purposes of budget formulation and execution to include the Budget Estimate Submission, Budget Review cycle, Omnibus Reprogramming exercise, and President's Budget. Reviews recommendations of the Investment Budget Review Committee, the Operating Budget Review Committee, and the Personnel Budget Review Committee.

2.3. Under the authority and direction of Assistant Secretary of the Air Force (Financial Management and Comptroller) , the Deputy Assistant Secretary, Financial Operations establishes policy and executes the Air Force's program for identifying, investigating, reporting, and processing Anti-deficiency Act violations.

MATTHEW P. DONOVAN
Acting Secretary of the Air Force

Attachment 1

GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

References

Department of Defense 7000.14-R, *Department of Defense Financial Management Regulation*, Volume 2A, *Budget Formulation and Presentation*, January 2011

Department of Defense 7000.14-R, *Department of Defense Financial Management Regulation*, Volume 2B, *Budget Formulation and Presentation*, November 2017

Department of Defense 7000.14-R, *Department of Defense Financial Management Regulation*, Volume 3, *Budget Execution – Availability and Use of Budgetary Resources*, May 2015

Department of Defense 7000.14-R, *Department of Defense Financial Management Regulation* Volume 12, *Special Accounts, Funds and Programs*, March 2019

Department of Defense 7000.14-R, *Department of Defense Financial Management Regulation* Volume 14, *Administrative Control of Funds and Anti-deficiency Act Violations*, May 2015

Department of Defense 7000.14-R, *Department of Defense Financial Management Regulation*, Volume 15, *Security Cooperation Policy*, September 2017

Air Force Manual 33-363, *Management of Records*, 1 March 2008

Title 31, United States Code Section 1301, *Application*

Title 31 United States Code Section 1341, *Limitations on Expending and Obligating Amounts*

Title 31 United States Code Section 1517, *Prohibited Obligations and Expenditures*

Title 10, United States Code Section 9022, *Financial Management*

Title 10 United States Code Section 135, *Under Secretary of Defense (Comptroller)*

Headquarters Air Force Mission Directive 1-12, *Assistant Secretary of the Air Force (Financial Management and Comptroller)*, 25 November 2015

Adopted Forms

Air Force Form 847, *Recommendation for Change of Publication*

Terms

Air Force Working Capital Fund—Air Force Working Capital Fund conducts business in two primary areas: depot maintenance and supply management. Depots provide the equipment, skills, and repair services necessary to keep forces operating. Supply management activities procure and manage inventories of consumable and reparable spare parts required to keep all force structure elements mission ready. The Transportation Working Capital Fund is a part of the Air Force Working Capital Fund budget submission. Though the Air Force is charged with cash oversight, United States Transportation Command has operational responsibility.

Anti-deficiency Act—Legislation enacted by Congress to prevent the incurring of obligations or the making of expenditures (outlays) in excess of amounts available in appropriations or funds; to fix responsibility within an agency for the creation of any obligation or the making of any expenditure in excess of an apportionment or reapportionment or in excess of other subdivisions of funds. See Department of Defense 7000.14-R, Volume 14

Budget Authorization, Apportionment, Allotment and Allocation—Budget authorizations represent the approved financial program with which the recipient can plan to accomplish the mission in an orderly manner. An allotment is a subdivision of apportionments made by the heads of agencies, or their designee, to incur obligations within a prescribed amount. Allocations are further subdivisions of allotments to the departmental-level.

Budget Authority Document—Budget Authority document is the official document that conveys obligation and expense authority for a given fiscal year. Limitations and/or restrictions are identified on this document.

Canceled Accounts—An appropriation or fund which is no longer available for obligation, obligation adjustments, or disbursements. Appropriations in an expired status for five years after the end of their period of availability. A canceled obligation is one that was not liquidated (i.e. paid) before the appropriation was canceled.

Expired Funds—Appropriations which are no longer available for new obligations, but have not been canceled. Appropriations are in an expired status for five years. During the expired period, an appropriation retains its original identification and is available for adjusting and liquidating obligations, including within-scope contract changes.

Obligation—Amounts of orders placed, contracts awarded, services received, and similar transactions during a given period requiring future payment of money.