

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

**DEPARTMENT OF THE AIR FORCE
MANUAL 65-605, VOLUME 1**



31 MARCH 2021

Financial Management

**BUDGET GUIDANCE
AND TECHNICAL PROCEDURES**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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

RELEASABILITY: There are no releasability restrictions on this publication

OPR: SAF/FMB Policy & Fiscal Control
(P&FC)

Certified by: SAF/FMB
(Maj Gen James D. Peccia, III)

Pages: 275

Supersedes: AFMAN65-605V1,
16 August 2012

This manual aligns with and implements Air Force Policy Directive (AFPD) 65-6, *Budget*. The purpose of this publication is to provide policy and procedures for Airmen and Guardians to follow regarding the use of appropriated funds (APF), ensuring regulatory and statutory compliance, and standardization Department of the Air Force (DAF) wide. In cases of conflict with other DAF instructions, the funding propriety rules stated here take precedence. It applies to all DAF military and civilian personnel, all DAF organizations and activities, including the Regular Air Force (RegAF), the United States Space Force (USSF), the Air National Guard (ANG), the Air Force Reserve (AFR), and the Civil Air Patrol (CAP) when performing DAF assigned missions in its role as a volunteer civilian auxiliary of the DAF. This publication is constrained by the legal framework governing the use of APF, as further implemented by Department of Defense (DoD) 7000.14-R, *Financial Management Regulation* (FMR). Failure to comply with restrictions and limitations governing the administrative control of funds is a violation of the *Antideficiency Act* (ADA) (Title 31 United States Code Section (USC) 1341, Title 31 United States Code Section 1342, Title 31 United States Code Section 1517, Title 31 United States Code Section 1301, Title 31 United States Code Section 1502(a), and Title 31 United States Code Section 3302(a)). Ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with Air Force Instruction (AFI) 33-322, *Records Management and Information Governance Program*, and disposed of IAW Air Force Records Information Management System (AFRIMS) Records Disposition Schedule (RDS). Refer recommended changes and questions about this publication to SAF/FMB P&FC using the AF Form 847, *Recommendation for Change of Publication*; route AF Forms 847 from the field

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SUMMARY OF CHANGES

This document is substantially revised and must be reviewed in its entirety. Major changes include restructuring to comply with *DAFI 33-360* specified format for Air Force Manuals (AFMANs), excision of outdated and unsupported content, and clarification of fiscal guidance throughout. This is a specialized publication intended for use by Airmen and Guardians who have graduated from technical training related to this publication. All acronyms in this document are either commonly accepted or part of the daily vernacular for financial managers.

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Chapter 1

FINANCIAL MANAGEMENT IN THE DEPARTMENT OF THE AIR FORCE

1.1. Overview. Financial management is the process of determining funding requirements, obtaining resources, and applying those resources legally, effectively and efficiently to meet the DAF direct mission and support responsibilities, as commanders, directors, Airmen and Guardians are responsible for this process. Financial management has oversight responsibilities to include evaluation of internal controls, procedures, and protection of government assets.

1.2. Applying This Manual. Commanders will ensure all activities that prepare, justify, and execute DAF appropriations, including DAF business areas of the Defense Working Capital Fund (DWCF), use funds only for authorized purposes, as enacted by Congress, supported in law, and implemented through applicable DoD and DAF regulatory publications. **(T-0)**.

1.3. DAF Corporate Process. In accordance with Air Force Policy Directive (AFPD) 90-6, *Air Force Strategy, Planning, Programming, Budgeting, and Execution (SPPBE) Process*.

1.3.1. SAF/FM is responsible and accountable to the Secretary of the DAF (SecAF) for spearheading and managing the efficient, timely, and responsive corporate conduct of budgeting and execution. The lead office for these responsibilities is SAF/FMB.

1.3.2. SAF/FMB shall provide, on behalf of the SecAF, appropriate fiscal oversight of the DAF programming function, consistent with the Deputy Under Secretary of the DAF, Management (SAF/MG) implementing procedural guidance. (See *AFPD 90-6*.)

1.3.3. In accordance with current SAF/MG directed procedures, SAF/FM provides support to the DAF corporate process via the Investment Budget Review Committee, the Operating Budget Review Committee and the Personnel Budget Review Committee. Information on these committees is listed below. (See *AFPD 90-6*.)

1.3.3.1. Investment Budget Review Committee. The Investment Budget Review Committee is chaired by the Director, Budget Investment, Deputy Assistant Secretary (Budget) (SAF/FMBI). The Investment Budget Review Committee reviews all investment appropriations to accomplish the following:

1.3.3.1.1. Continuous reviews of investment budgets across the Future Years Defense Program. Ensure investment resources are maximizing effectiveness, executability, and justification for Office of the Secretary of Defense (OSD) and Congressional reviews. **(T-0)**. Examine program executability, budget execution rates against planned schedules, DoD guidance and requirements, fact-of-life changes, Congressional interest and direction, and other measures as applicable. Identify and assess investment budgets that under-execute and provide recommendations to the DAF Board on investment funding adjustments. Examine appropriations expiring and cancelling in the current year; develop and execute corrective action to minimize fund expiration and cancellation.

1.3.3.1.2. Obtain input on recommendations during program and budget exercises and in the funds distribution process for investment accounts from the Mission Support Panels and responsible functional staff agencies.

- 1.3.3.1.3. Receive periodic reports from the chairperson, Mission Support Panel, regarding the Panel's decisions, status of key programs or items of high interest and other general issues.
- 1.3.3.1.4. Perform other functions assigned by SAF/FM, the DAF Board, and DAF Council.
- 1.3.3.2. Operating Budget Review Committee. The Operating Budget Review Committee is chaired by the Director, Budget Operations and Personnel, Deputy Assistant Secretary (Budget) (SAF/FMBO) to accomplish the following:
 - 1.3.3.2.1. Oversee the Active DAF Operation and Maintenance (O&M) appropriation.
 - 1.3.3.2.2. Advise the DAF Board and the DAF Council on all issues related to O & M program budgeting and execution.
 - 1.3.3.2.3. Ensure accurate budget submissions that reflect approved DAF programs. **(T-0)**.
 - 1.3.3.2.4. Provide field commanders sufficient O&M dollars required to execute their missions.
 - 1.3.3.2.5. Oversee all aspects of budgeting and execution for the O&M appropriation and accounts.
 - 1.3.3.2.6. Review financing of all Major Commands (MAJCOMs), Field Commands, Centers, Field Operating Agencies, and Direct Reporting Units, evaluate risk mitigation, and assess the impact of execution strategies on out year programs and budgets.
 - 1.3.3.2.7. Present recommendations to the DAF Board and DAF Council for final approval.
 - 1.3.3.2.8. Meet quarterly, or as needed, to review execution, DAF funding strategy priorities, and determine funding course of actions to meet end-of-year requirements.
- 1.3.3.3. Personnel Budget Review Committee. The Personnel Budget Review Committee is chaired by SAF/FMB to accomplish the following:
 - 1.3.3.3.1. Meet quarterly, or as needed, and oversees the DAF Military Personnel (MILPERS) appropriations and the DAF Civilian Personnel budgets and advises the DAF Board and the DAF Council on all issues related to the personnel program, budgeting and execution. The Active MILPERS appropriation is a Centrally Managed Allotment (CMA).
 - 1.3.3.3.2. Ensure that, to the extent prescribed by law, directive and regulation, there will be no obligations incurred or expenditures made in excess of the amount available under this CMA. **(T-0)**.

1.3.3.3.3. Ensure accurate budget submissions that reflect approved DAF programs and provide functional managers sufficient Civilian Personnel and MILPERS funding required to execute their missions. **(T-0)**. The Personnel Budget Review Committee scope of review includes the Active AFR and ANG MILPERS and Total Force Civilian Personnel Operation and Maintenance appropriation programs as well as the Research, Development, Test and Evaluation (RDT&E), Military Family Housing, and Working Capital Funds (WCF) Civilian Personnel programs. **(T-0)**.

1.3.3.3.4. Conduct quarterly reviews of civilian personnel programs, or as needed, to effectively integrate all components and garner fiscal efficiencies where feasible.

1.3.3.3.5. Oversee all aspects of budgeting and execution for the Active DAF MILPERS appropriation and Civilian Personnel programs. All other component MILPERS and Civilian Personnel program submissions are only for informational purposes.

1.3.3.3.6. Request briefings, as required, from the staff functional organizations, especially from those staff agencies responsible for cross-cutting programs. SAF/FMBOP is responsible for documenting the minutes of each Personnel Budget Review Committee.

Chapter 2

ROLES AND RESPONSIBILITIES

2.1. The Assistant Secretary of the Air Force, Financial Management and Comptroller (SAF/FM) shall:

- 2.1.1. Direct and manage all comptroller, programming, and financial management functions, activities, and operations of the Department of the Air Force.
- 2.1.2. Serve as the Department of the Air Force point of contact with Congressional Appropriations Committees, Budget Committees and the Congressional Budget Office, the Office of Management and Budget (OMB), the Government Accountability Office (GAO), and the Department of the Treasury on financial and related matters.
- 2.1.3. Establish policy for the Department of the Air Force resource allocation and Planning, Programming, Budgeting and Execution process. **(T-0)**.
- 2.1.4. Approve, establish, and supervise the operation of financial management systems of the Department of the Air Force, including systems for cash management, credit management, and debt collection; and systems accounting for the quantity, location, and cost of property and inventory. **(T-0)**.
- 2.1.5. Ensure a management fund account is established, or continued, only when there is no other effective and efficient financing technique available to accomplish the proposed operation or project.
- 2.1.6. Receive, review, evaluate and approve MAJCOM proposed management fund account charters (or amendments) and recommend to the Office of Under Secretary of Department of Defense (Comptroller) (OUSD (C)) the establishment or continuance of a management fund account.
- 2.1.7. Submit termination notices to the OUSD (C) stating the reason for discontinuing a management fund account, and the estimated date of final liquidation. **(T-0)**.

2.2. The Deputy Assistant Secretary for Budget (SAF/FMB) shall:

- 2.2.1. Under the authority and direction of the SAF/FM and Comptroller, SAF/FMB shall:
 - 2.2.1.1. Establish DAF budget policies and procedures, including budget formulation, justification and execution; includes managing the corporate conduct of budgeting and execution, and providing (on behalf of the SecAF) appropriate fiscal oversight of the DAF programming function, consistent with SAF/MG implementing procedural guidance.
 - 2.2.1.2. Determine DAF appropriation applicability and propriety of funds usage, per Headquarters Air Force (HAF) Mission Directive 1-12, *Assistant Secretary of the Air Force (Financial Management and Comptroller)* **(T-1) (T-0)** and Title 10 United States Code Section 135(c)(2). **(T-0)**.
 - 2.2.1.3. Develop and maintain budget structure and associated data elements and codes.
 - 2.2.1.4. Request apportionment from OUSD (C) upon the enactment or effective date of a full year appropriations act.

- 2.2.1.5. Provide guidance for operating under Continuing Resolution Authority (CRA).
 - 2.2.1.6. Provide guidance for the transfer of, or reprogramming of funds.
 - 2.2.1.7. Provide guidance for general execution funding process flow, including legal responsibilities.
 - 2.2.1.8. Provide funding guidance for Contractor Logistics Support (CLS).
 - 2.2.1.9. Provide funding guidance for the types of costs that can be charged for funding support transactions between component organizations.
 - 2.2.1.10. Provide guidance for budgeting and funding in support of international military headquarters.
 - 2.2.1.11. Provide guidance for the programming and financing of Military Construction (MILCON) projects involving single or joint-use facilities, or common purpose facilities.
 - 2.2.1.12. Provide funding guidance for transportation charges.
 - 2.2.1.13. Provide funding guidance for organizational clothing.
 - 2.2.1.14. Provide funding guidance for management of the MILPERS appropriation CMA.
 - 2.2.1.15. Prescribe financial management and comptroller procedures for issuing, expending and recording funds necessary to implement closures or realignments approved by the Defense Base Closure Commission.
 - 2.2.1.16. Resolve, with SAF/IE, financial management and funding issues with OSD, the other Services, and affected MAJCOMs/Center RMAs.
- 2.2.2. See additional roles and responsibilities in **Chapters 1, 3, 4, 5, 8, and 11** of this DAFMAN.

2.3. Headquarters Department of the Air Force/Major Commands/Field Operating Agencies/Direct Reporting Units.

- 2.3.1. Program, budget and administer APF in accordance with guidance and procedures contained within this manual. Commanders at all levels will establish and maintain financial management structures to determine funding priorities, approve execution plans, and ensure funding resources are allocated and executed legally, effectively, and efficiently.
- 2.3.2. Recipients of SAF/FMB budget authorization funding documents will maintain internal controls to comply with the ADA ensuring: a) expenditures and obligations do not exceed amounts available within an appropriation, apportionment, allotment, sub-allotment, allocation, sub-allocation, or other administrative subdivision (or limitation) of funds; and b) commitments and obligations are routinely monitored. **(T-0)**.
- 2.3.3. Recipients of SAF/FMB budget authorization funding documents will: limit any further subdivision of funds to the amount provided and currently available; limit the obligation and expenditure of funds to the amount currently available at the time of the obligation or expenditure; and ensure personnel involved in the administrative control of funds process understand how the limitations apply to their funds. **(T-0)**.

2.3.4. Recipients of SAF/FMB budget authorization funding documents will: limit the obligation and expenditure of funds provided to the purposes authorized for the type of fund or appropriation; ensure the obligation and expenditure of funds provide for a bona-fide need of the period of availability for the fund or appropriation; and ensure no acceptance or use of voluntary services, gifts, or donations. **(T-0). EXCEPTION:** In accordance with provisions specified in statute and regulation.

2.3.5. See additional roles and responsibilities in [Chapter 8](#) of this DAFMAN.

Chapter 3

WARRANTS, APPORTIONMENTS, TRANSFERS, REPROGRAMMINGS, RESCISSIONS AND DEFERRALS

3.1. Overview. Congress, OMB, the Treasury Department, and OUSD (C) must take certain actions before the DAF can legally obligate and expend APF. (T-0). An appropriation bill is enacted into law when the President signs it, or when Congress overrides the President's veto. After an appropriation is enacted, Treasury issues an appropriation warrant and OMB apportions the appropriation: a Treasury appropriation warrant establishes the amount and period of availability for monies the agency is authorized to withdraw from Treasury General fund. An OMB apportionment is a distribution of amounts available for obligation and expenditure within an appropriation into amounts available for specified time periods.

3.1.1. If Congress has not enacted a full year appropriations act, a CRA may be passed in order to provide budget authority to continue operations until a specified date, or until regular appropriations are enacted. Unless specifically provided for in the CRA, federal agencies cannot initiate new program starts under CRAs. When DoD operates under CRA, the Office of Management and Budget automatically issues apportionments to OUSD (C) for amounts needed during the period. Once the apportionment is received from OUSD (C), SAF/FMB issues funding documents to MAJCOMs, Centers, and other DAF Field Operating Agencies (FOAs) and Direct Reporting Units (DRUs).

3.1.2. If Congress has not enacted the DoD appropriation act nor passed a CRA, SAF/FMB follows guidance received from OMB and OUSD (C) on how to perform an orderly shutdown or operate without funding authorization.

3.2. SAF/FMB Responsibilities.

3.2.1. SAF/FMB requests apportionment from OUSD (C) upon the enactment, or effective date of a full fiscal year appropriations act.

3.2.2. SAF/FMB may initiate the transfer or reprogramming of funds in accordance with legal authorities and policies outlined in this manual, and within *DoD 7000.14-R*. SAF/FMB submits a Standard Form (SF) 1151, *Nonexpenditure Transfer Authorization*, to the Treasury Department to request a reprogramming or to transfer funds between appropriations.

3.3. Reprogrammings.

3.3.1. A reprogramming involves realigning funds from one stated use (or program) to another; a program may be defined as a line item on Department of Defense (DD) Form 1414, *Base for Reprogramming Actions*, for a given year. Within DoD, reprogramming includes both transferring funds between appropriations and moving funds between programs (which can include line items, subprograms, projects, and subprojects as applicable) within the same appropriation.

3.3.2. Congress authorizes and appropriates funds for investment programs at a funding level identified in statutory language or conference reports; joint explanatory statements; or committee reports incorporated by reference into authorization and appropriation acts. Congress recognizes unforeseen requirements occur during the execution phase of a budget and, therefore, permits reprogramming of funds during the year of execution within certain guidelines, subject to annual Congressional guidance.

3.3.3. Prior Approval Reprogrammings.

3.3.3.1. Congress must provide prior approval of a reprogramming action when the reprogramming:

3.3.3.1.1. Increases the procurement quantity of a major end item, such as an individual aircraft, missile, combat vehicle, or other weapon and related support equipment for which funds are authorized. **(T-0)**.

3.3.3.1.2. Affects an item that is known to be, or has been designated as, a matter of special interest to one or more of Congressional committees. **(T-0)**.

3.3.3.1.3. Uses general transfer authority for any movement of funds between appropriations, or legal subdivisions provided in the annual DoD Appropriations Acts when specific transfer authority is not provided elsewhere. **(T-0)**.

3.3.3.1.4. Exceeds dollar thresholds agreed upon between Congressional committees. See *DoD 7000.14-R*, Volume 3, Chapter 6, for basic reprogramming thresholds. **(T-0)**.

3.3.3.1.5. Initiates a new start. See *DoD 7000.14-R*, Volume 3, Chapter 6, for new start definitions and AFI 63-101/20-101, *Integrated Life Cycle Management*. **(T-0)**.

3.3.3.1.6. Terminates Appropriated Programs. **(T-0)**.

3.3.3.2. See *DoD 7000.14-R*, Volume 3, Chapter 6, for termination definitions.

3.3.4. Internal Reprogrammings. See *DoD 7000.14-R*, Volume 3, Chapter 6, for details on audit-trail type actions that fall under internal reprogrammings. Internal reprogrammings are audit-trail type transactions for the following three instances:

3.3.4.1. To reclassify funds for proper execution into a different line item, program element (PE), or appropriation than which the funds were appropriated. These actions do not involve any change in the substance of the program; the funds will be used for the same purpose budgeted for and as appropriated by Congress. **(T-0)**.

3.3.4.2. To reprogram funds to or from transfer accounts.

3.3.4.3. To approve increased procurement quantities, not otherwise requiring prior approval of Congressional committees.

3.3.5. Below-threshold Reprogramming (BTR). BTRs are minor actions, not otherwise requiring Congressional approval, which provide DoD components with discretionary flexibility to realign, within prescribed limits, Congressionally approved funding to satisfy unforeseen, higher priority requirements. See *DoD 7000.14-R*, Volume 3, Chapter 6, for BTR details.

3.3.6. See **Chapter 19** of this DAFMAN for reprogramming rules within the DWCF. See **paragraph 5.4.1** for BTR rules for DWCF Information Technology (IT) efforts.

3.4. Rescissions and Deferrals.

3.4.1. Rescissions and deferrals pertain to available budgetary resources withheld from obligation or expenditure through impoundment, either permanently (rescission) or temporarily (deferral) under conditions set forth in Title 31 United States Code Section 1512 and Title 2 United States Code Section 601 et seq. (referred to as *Congressional Budget and Impoundment Control Act*). Budgetary resources may be deferred in order to provide for contingencies to achieve savings made possible by, or through changes in requirements or greater efficiency of operations, or as specifically provided by law. **EXCEPTION:** Funds available for only one fiscal year (FY) may not be deferred through the end of that year.

3.4.1.1. Deferral actions are initiated only with SAF approval.

3.4.1.2. Forward requests for deferrals through MAJCOMs/Centers/FOAs/DRUs to SAF/FMB for review and approval.

3.4.2. See *DoD 7000.14-R*, Volume 3, Chapter 2, for additional information on rescissions and deferrals.

3.5. Low Cost Modifications (Aircraft Procurement, Modifications).

3.5.1. Low Cost Modification (Mod #9999X): Individual modifications funded in the Low Cost Modification line generally satisfy an unforeseen requirement estimated to complete within one year. Total funding for efforts on the Low Cost Modification line for each fiscal year should not exceed \$5,000,000 per year.

3.5.2. Any effort not consistent with the Low Cost Modification line budget documentation or efforts exceeding the \$5,000,000 threshold are not considered “low cost” and must be documented by MAJCOMS, DRUs, FOAs, or Program Offices on a separate P3A budget exhibit and are subject to new start guidelines. **(T-1)**.

Chapter 4

BUDGET EXECUTION FUNDS FLOW

4.1. Introduction.

4.1.1. This chapter explains the general execution funding process flow for DAF funds, including legal responsibilities, administrative control of funds hierarchy, and alternative funding methods. See AFI 65-601, Volume 2, *Budget Management for Operations*, for additional guidance specific to O&M and MILPERS appropriations.

4.1.2. Contact the appropriation manager office ([Figure 4.1](#)) for appropriation information, including specific account procedures, legal limitations, foreign currency, project/program detail, form usage, CMAs, etc.

4.2. Administrative Control of Funds – General Hierarchy.

4.2.1. The administrative control of funds process begins with the receipt of an apportionment made by the OMB. The amount of obligations that may be incurred are limited to the apportioned amounts.

4.2.2. The apportionment is further subdivided into allotments, sub-allotments, and allocations. Each of these further subdivisions constitutes a legal limitation of funds for purposes of the ADA and none of the further subdivisions may remove any limitation imposed on an apportionment.

4.2.2.1. Allotment - a subdivision of an OMB apportionment made by OUSD (C) in order to provide authority to the DAF to incur obligations within the allotted amounts. SAF/FMB receives allotments from OUSD (C).

4.2.2.2. Sub-allotment - a subdivision of an allotment, containing at least the same statutory and other limitations/requirements applicable to the original allotment. SAF/FMB appropriation managers sub-allot funds to MAJCOMs, Centers, FOAs, DRUs, etc.

4.2.2.3. Allocation (Sub-allocation) - a subdivision of a sub-allotment, made by MAJCOMs, Centers, FOAs, DRUs, etc., to field entities; total amounts allocated must not exceed the amount of the sub-allotment available for each period. **(T-0)**. Recipients of allocations may make further sub-allocations as required; the total of amounts sub-allocated must not exceed the amount of the allocation made available for use for each period. **(T-0)**.

4.3. Administrative Control of Funds – Special Guidance. OMB issues apportionments for anticipated appropriation reimbursements for certain DAF appropriations. SAF/FMB sub-allots reimbursable authority, as applicable, to the MAJCOMs. This reimbursable authority is in addition to direct funding authority appropriated and allotted separately by SAF/FMB. Reimbursement obligations must be limited to reimbursement amounts apportioned, while further subdivisions of reimbursable authority are legal limitations per the ADA. **(T-0)**.

4.3.1. For DAF appropriations operating under Automatic Apportionment authorized by OMB, the apportionment of reimbursement authority is not required. **NOTE:** If accepted reimbursements are greater than reimbursable funding amounts allocated, a potential ADA violation may occur. Further, under Automatic Apportionment, reimbursable orders may be obligated by the requesting organization prior to the accepting organization filling the order. See **Chapter 6**, Appropriation Reimbursements, for specific appropriation guidance, including automatic apportionment provisions.

4.3.1.1. For DAF appropriations not authorized by OMB for Automatic Apportionment, MAJCOMs will not allocate or sub-allocate anticipated reimbursement authority unless reasonable assurance exists that the reimbursements will be collected. **(T-1)**. **NOTE:** The apportionment and allocation of reimbursement budget authority does not become a budgetary resource available for obligation (unless specifically authorized in statute) unless a valid customer order has been accepted for federal government funded customers (including written agreement), or in the case of orders from the public (other than federal government sources) the requester has made advance payment. **(T-0)**. **EXCEPTION:** For the Consolidated Sustainment Activity Group – Supply, under the DWCF, Title 10 United States Code Section 2210(b) authorizes, with OMB approval, incurring obligations against anticipated reimbursements.

4.3.1.2. Contact SAF/FMB P&FC for additional guidance.

4.3.2. Title 31 United States Code Section 1535 (referred to as *Economy Act*). *Economy Act* orders received and accepted are the source of obligational authority in the amount of the order for the performance of the work requested. The *Economy Act* provides for the order of goods or services from another federal agency.

4.3.3. Host/Tenant Arrangements. MAJCOMs, subcommands, or installations receiving budget authorizations, allotments or sub-allotments from parent organizations to be obligated for the requirements of tenant units located on, or supported by the host organization, will subdivide the funds when necessary to:

4.3.3.1. Make sure their use is in accordance with the tenant's approved execution plan. **(T-1)**.

4.3.3.2. Maintain control on limitations placed on the use of funds. **(T-1)**.

4.3.3.3. Provide required data for preparing and revising the tenant's annual execution plan and required reports. **(T-1)**.

4.3.4. FY End Adjustments. After funds have expired for new obligations, it is imperative comptrollers, budget officers, resource advisors and contracting personnel (in cooperation with Defense Finance and Accounting Service (DFAS)) review the status of prior year obligations and promptly deobligate invalid or unneeded Undelivered Orders Outstanding. **(T-1)**. A periodic review of these balances is required to assure sufficient unobligated balances are available to cover upward obligation adjustments (claims, overruns, etc.) and to avoid the risk of incurring ADA violations. **(T-1)**.

4.3.5. CMA. See *DoD 7000.14-R*, Volume 14, Chapter 1, for general guidance on administrative control of funds for CMAs. Contact SAF/FMB P&FC for additional information.

4.4. Alternative Funding Methods.

4.4.1. When urgent funding adjustments are required and there is insufficient time for an official budget authorization funding document to be issued, interim methods for funding distribution may be used (e.g., e-mail, telecom, etc.); strict funds control discipline must be maintained in these situations to ensure activities do not inadvertently violate the ADA. **(T-1)**.

4.4.1.1. Funding by e-mail or fax. When using this method, include as a minimum the FY and appropriation being adjusted, the effective date of the adjustment, funds information (previous total, adjustment, and the revised total) reference to the legal limit (Weapon System Code/Budget Program Activity Code (BPAC) for procurement, Program Element Code (PEC) for RDT&E, etc.) and the name and phone number of the issuing action officer. **(T-1)**. Advise the receiving activity to promptly acknowledge receipt of the document.

4.4.1.2. Funding by Telecom. When using this method, issuing and receiving activities will immediately document the transaction with a Memorandum For Record. **(T-1)**. The memo will minimally include the FY and appropriation being adjusted, the effective date of the adjustment, funds information (previous total, adjustment, and revised total), reference to the legal limit (Weapon System Code/BPAC for procurement, PEC for RDT&E, etc.) and the name and phone number of the issuing and receiving action officers.

4.4.2. Follow-up Requirements. For all interim funding methods, the issuing activity will issue an official budget authorization funding document reflecting the adjustments within one month, or at the next document issue cycle, whichever occurs first. Both the issuing and receiving entities will establish follow-up procedures to ensure full compliance with the formal funding document requirements. **(T-1)**.

Figure 4.1. Key Appropriations/Appropriation Manager Office.

Operation & Maintenance, DAF (57*3400)	SAF/FMBOI
Operation & Maintenance, AFR (57*3740)	DAF/RECB
Operation & Maintenance, ANG (57*3840)	ANG NGB/Financial Management Analysis (FMA)
Military Personnel, DAF (57*3500)	SAF/FMBOP
Reserve Personnel, DAF (57*3700)	DAF/RECB
National Guard Personnel, DAF (57*3850)	ANG National Guard Bureau (NGB)/FMA
RDT&E, DAF (57*3600)	SAF/FMBIZ
Aircraft Procurement, DAF (57*3010)	SAF/FMBIZ
Missile Procurement, DAF (57*3020)	SAF/FMBIZ
Procurement of Ammunition, DAF (57*3011)	SAF/FMBIZ
Space Procurement, DAF (57*3021)	SAF/FMBIZ
Other Procurement, DAF (57*3080)	SAF/FMBIZ
National Guard & Reserve Equipment (97*0350) NGB/FMA or DAF/REC	
Air National Guard (ANG)	ANG NGB/FMA
DAF Reserve	DAF/RECB
MILCON, DAF (57*3300)	SAF/FMBIC
MILCON, AFR (57*3730)	DAF/RECB
MILCON, ANG (57*3830)	ANG NGB/FMA
Working Capital Fund (97*4930)	SAF/FMBOR
Wildlife Conservation (57*5095)	SAF/FMBOI
International Military Education and Training (57-11*1081)	SAF/FMBOO
Foreign Military Financing (57-11*1082)	SAF/FMBOO
Burden-Sharing and Outside the Continental United States (OCONUS) Relocation Contributions by Foreign Affairs (97*5441 and 97*8337)	SAF/FMBOO DFAS Columbus
DAF General Gift Fund (57*8928)	
DAF Cadet Fund (57*8418)	United States Air Force Academy (USAF)

Chapter 5

BUDGETING AND FUNDING GUIDANCE FOR VARIOUS SITUATIONS

Section 5A—Obligating Funds During the Last Two Months of the FY

5.1. Applying the 20-Percent Limit on Obligations. Congress generally includes a provision in each annual appropriation act that prohibits obligating more than 20 percent of annual appropriations in the last two months of the FY. (See, e.g., Public Law 116-93, *Consolidated Appropriations Act, 2020*, Section 8004. Obligate no more than 20 percent of your annual (one year) appropriations during August and September of any FY.) MAJCOM FM, FOA or DRU Offices will contact SAF/FMBOI or SAF/FMB P&FC to confirm current Congressional language. **(T-0)**.

Section 5B—IT Resources

5.2. Budgeting and Funding for IT Resources. Airmen, Guardians, commanders and directors at all levels shall follow this section to select the correct appropriation for funding to develop, buy, lease, and maintain IT Resources. **(T-3)**. Acquisition of IT may involve procurement actions ranging from base-wide, center, organization, or functional community local area network systems down to ancillary equipment (e.g., individual personal computers, printers, etc.) and software that operates totally independent of a local area network.

5.2.1. Information Technology Equipment. Funding determinations for Information Technology Equipment require application of the basic DoD fiscal principles distinguishing between expenses versus investments. *DoD 7000.14-R*, Volume 2A, Chapter 1, conveys that expenses are costs incurred to operate and maintain an organization, such as services, supplies, and utilities. Investments are costs that result in the acquisition of, or an addition to, end items; these costs benefit future periods and generally are of a long-term character (e.g., real property and personal property). However, end items with a unit cost of less than \$250,000 are treated as expenses. Expenses are generally budgeted in the O&M appropriation whereas investments are generally budgeted in the procurement appropriations. Costs budgeted in the RDT&E appropriation include both expenses and investments. Expenses and investments supporting research and development (R&D) activities are funded through RDT&E.

5.2.1.1. IT Appropriation Determination. Local contracting, legal, and financial management offices will partner to determine the correct appropriation(s) to use, including consideration of the \$250,000 expense/investment threshold for any hardware acquisition. **(T-3)**. Acquisition costs include all system costs (e.g., equipment, integration, engineering support and software). MAJCOM FM, FOA or DRU Offices will ensure that networks are not segmented in an attempt to fragment the requirement to circumvent the expense and investment threshold. **(T-3)**. Where an IT effort includes items of expense as well as investments and cannot be funded by a single appropriation, DAF activities must break the IT effort into discrete tasks, each budgeted under the proper appropriation. **(T-1)**.

5.2.1.2. Follow *DoD 7000.14-R*, Volumes 2A and 2B. *DoD 7000.14-R*, Volume 4, Chapter 27, may not be used as the sole source for making appropriation determinations. **(T-1)**. SAF/FMB will oversee official appropriation determinations upon receipt of requests from MAJCOM FMs. **(T-1)**.

5.2.2. IT Software.

5.2.2.1. Software Sustainment versus Development. The following paragraphs explain the differences between software sustainment (expenses) and development (investments). Software obtained as a service is discussed separately, in [paragraph 5.2.2.2](#) (see *DoD 7000.14-R*, Volume 2A, Chapter 1, for additional guidance).

5.2.2.1.1. Software Sustainment/Maintenance – includes the following:

5.2.2.1.1.1. Costs incurred in continuing operations and current services.

5.2.2.1.1.2. Minor improvements in software functionality accomplished during routine maintenance.

5.2.2.1.1.3. Software releases categorized as iterations on the basic release and not involving significant performance improvements or extensive testing.

5.2.2.1.1.4. Integration of Commercial-off-the-shelf software into current DAF systems, not requiring changes to the Commercial-off-the-shelf software or DAF system's objective performance.

5.2.2.1.2. Software Development – includes the following:

5.2.2.1.2.1. Developing a new system that will be owned by the DAF.

5.2.2.1.2.2. Activities involved in bringing a program to its objective performance.

5.2.2.1.2.3. Major upgrades increasing the performance envelope of existing systems.

5.2.2.1.2.4. Performing design, integration, test and evaluation on a Commercial-off-the-shelf system that will be owned by the DAF in order to modify the Commercial-off-the-shelf system to meet objective performance.

5.2.2.2. Software As A Service. When software is obtained as a service, such as where proprietary software is acquired on a periodic fee basis, *DoD 7000.14-R* requires DAF activities ensure that such a fee will be an expense properly financed in O&M or RDT&E. **(T-0)**. The correct appropriation for budgeting an IT effort is dependent on the underlying tasks that make up the IT effort. It is essential to focus on the purpose of the IT contract to determine which appropriation is prescribed. Often software is a contractor tool used to perform a contract, rather than the end goal of a contract providing for the management and protection of information. If a contract is for the provision of IT services, and does not include the purchase of either equipment or result in the ownership of software, the cost of that contract should be considered an expense, and an appropriation prescribed for expenses (O&M or RDT&E for R&D activities) should be

used. This applies even if the contractor must perform developmental work in order to provide the IT services, as long as the DAF does not obtain a proprietary interest in the research, development or resulting software. Such contractor development costs are ultimately charged to the DAF customer as either part of the service cost (loaded rate) or as a separate fee similar to a utility “connection fee.” (See *DoD 7000.14-R*, Volume 2A, Chapter 1, for additional guidance.)

5.2.2.3. See [Table 5.1](#) below reference determining software acquisition versus software as a service.

Table 5.1. Acquisition of Software Versus Software as a Service.

	Software Acquisition (investment)	Software as a Service (expense)
Purpose	Obtain rights in software and/or equipment.	Obtain information management services using technology.
Software Rights	DAF obtains an enduring legal interest in the software and retains such interest upon contract termination.	DAF obtains no enduring interest in software. Upon contract termination, only DAF generated data is retained as government intellectual property.
Equipment	Software is incorporated into an end item owned by the DAF, or IT equipment/infrastructure is owned by the DAF upon contract termination.	Software is NOT integrated into an end item owned by the DAF and no IT infrastructure is owned by the DAF upon contract termination.
Development	Contractor performs development at the direction of the DAF, whereby the DAF obtains intellectual property rights to the research, development or end product.	Contractor performs development in order to provide services to the DAF. Cost of development is passed along via service rate or fee. DAF obtains no intellectual property rights in the product or research.

5.3. Cloud Services.

5.3.1. Organizations must ensure that commercial cloud services contracts for Software as a Service, Infrastructure as a Service, or Platform as a Service are structured as a “service” from the outset. **(T-1)**. Properly structured cloud services contracts are generally considered expenses and shall be funded with O&M or RDT&E (consistent with organizational expense accounts). **(T-1)**.

5.3.2. A contract may include both services and acquisitions and should be funded through a combination of expenses and investments. Critical considerations must include examining the purpose of the contract, rights obtained in software, ownership and integration of equipment, and nature of intellectual property rights in any developmental work. **(T-2)**.

5.4. IT in DWCF Facilities and Activities.

5.4.1. Below Threshold DWCF Information Technology Efforts. MAJCOM FM, FOA or DRU Offices will use DWCF to finance all costs associated with the acquisition and operation of IT resources supporting DWCF funded facilities and activities, if the total system cost is under \$250,000. **(T-0)**.

5.4.2. Above Threshold DWCF Information Technology Efforts. MAJCOM FM, FOA or DRU Offices will use Capital DWCF if the total IT system cost exceeds \$250,000. **(T-0)**. See *DoD 7000.14-R*, Volume 2B, Chapter 9, for guidance regarding associated software costs.

5.5. Defense Business Systems. The term “Defense Business System” as defined at Title 10 United States Code Section 2222(i)(1)(A) means an information system, other than a national security system, operated by, for, or on behalf of DoD, including financial systems, mixed systems, financial data feeder systems, and IT and information assurance infrastructure, used to support business activities, such as acquisition, financial management, logistics, strategic planning and budgeting, installations and environment, and human resource management. Generally, a defense business system is one of two types which is either a “Covered Defense Business System” or a “Priority Defense Business System.”

5.5.1. Covered Defense Business System as defined at 10 USC § 2222(i)(2) means any defense business system program that is expected to have a total cost in excess of \$50,000,000 over the current future-years defense program submitted to Congress under section 221 of Title 10.

5.5.2. Priority Defense Business System as defined at 10 USC § 2222(i)(5) means a defense system expected to have a total amount of budget authority over the period of the current future-years defense program in excess of \$250,000,000 or designated by the Chief Management Officer of the DoD as a priority defense business system based on specific program analyses of factors including complexity, scope, and technical risk (after notification to Congress of such designation).

Section 5C—Honoraria

5.6. Approving Honoraria (Guest Speaker Fees). Per the *DoD FMR*, Volume 10, Chapter 12, Section 1208, payment for expenses associated with honoraria (guest speaker fees) is allowable for individuals who are not Government personnel. Honoraria are ex gratia payments, made to a speaker who has discretion concerning the content of the speech, presentation, or panel discussion on the general topic. In contrast, honoraria limitations do not restrict payment for presentation of materials under a training contract involving a program of instruction. DAF activities will use O&M funds to pay honoraria according to the approval thresholds in **Table 5.2 (T-1)**.

Table 5.2. Honoraria Approval Thresholds.

Headquarters DAF 2-Letters, MAJCOM, DAF Installation and Mission Support Center (AFIMSC), FOA, DRU Commanders/Installation Commanders	\$2,000 or less
HQ United States Air Force (USAF)/Chief of Staff or Director of Staff	More than \$2,000

5.6.1. To determine the appropriate approval level for honoraria, only the actual amount of the honoraria, excluding per diem and travel expenses, constitutes the amount against which the threshold is to be applied.

5.6.2. If a person signs a contract for four speeches for \$2,000 total, the amount of the contract for approval purposes is \$2,000, not the \$500 cost of each address.

Section 5D—Emergency and Special Program (ESP) Codes

5.7. ESP Codes. DAF activities at all levels assign ESP codes. These special accounting and reporting codes collect costs incurred during an emergency or in support of a special program. Reference [Table 5.3](#) for assigning ESP codes.

Table 5.3. Assigning ESP Codes.

Assigning Organization	Scope	Code Description First Position	Second Position
SAF/FMB	DAF-Wide	Any alphanumeric	"A" through "G" "0" through "3"
MAJCOM/AFIMSC- Field Operating Agencies/Financial Management	MAJCOM/AFIMSC DAF-Wide	Any alphanumeric	"H" through "W" "4" through "7"
Installation/FMs	Local	Any alphanumeric	"X", "Y" or "Z" "8" through "9"

5.7.1. Follow the guidance outlined below when using ESP/DoD Standard Financial Information Structure (SFIS) Activity Identifier Codes (AIC).

5.7.1.1. The assigning FM organization along with the requiring activity will assign a title to each ESP/AIC and determine whether incremental or total costs need to be collected. **(T-2)**.

5.7.1.2. Comptrollers and budget officers at all levels must make sure that operating personnel are made aware of the importance of properly identifying and capturing all costs associated with an ESP or AIC. **(T-3)**. Accurate cost data is critical to obtain funding or reimbursement when appropriate and in meeting reporting requirements.

5.7.1.3. Comptrollers and budget officers must send requests for establishing DAF-wide ESP/AIC codes through financial management channels to SAF/FMB P&FC for assignment of an Air Staff sponsor. **(T-1)**. Describe the program or situation that requires cost identification and indicate whether full or incremental costs should be collected. SAF/FMB will assign the code and issue implementing instructions. **(T-1)**. In addition, once a year (usually in September), SAF/FMB issues a list of all DAF level ESP/AIC codes for the next FY.

5.7.1.4. ESP/AIC codes apply to most appropriations. Comptrollers and Budget Officers will use these codes on all applicable commitment, obligation, and expenditure documents, generally placing them in the accounting classification immediately following the accounting and disbursing station number. **(T-3)**.

5.7.2. Periodically, financial management offices require the use of specific ESP/AIC codes. Reference *Air Force Emergency and Special Program codes* at <https://www.my.af.mil/gcss-af/USAF/ep/contentView.do?contentType=EDITORIAL&contentId=c330D98A15011F50401503E06EF21029C&channelPageId=s6925EC13532B0FB5E044080020E329A9&programId=t6925EC2D95590FB5E044080020E329A9> when constructing a line of accounting. Also reference installation financial management ESP lists.

Section 5E—Technical Data

5.8. Financing the Procurement and Printing of Technical Data. The source of funds to procure and print technical data depends upon the appropriation or fund that procures the end item of equipment or system to which the data is applicable.

5.8.1. MAJCOM FM, FOA or DRU Offices will use O&M funds for procurement and printing of technical data by the Government Printing Office, the Document Automation and Production Service (DAPS) (including by government purchase card) and by commercial printers. **(T-1)**. Reference Department of Defense Instruction (DoDI) 5330.03, *Defense Logistics Agency (DLA) Document Services*, for policy on use of DAPS. **NOTE:** The DWCF finances all of the foregoing requirements for equipment funded by the DWCF.

5.8.2. Use O&M to finance the procurement of contractual printing of multiple copies of technical data (or literature from technical data) applicable to out-of-production equipment and systems or to pay for contractual reproduction (duplication) of automatic equipment program master tapes prepared from DAF-owned reproducible master tapes.

5.9. Funding Engineering Drawing Requirements. When acquired in connection with procurement of equipment or a system, DAF activities will use the same appropriation and Budget Program (BP) or DWCF business area as used to finance procurement of the equipment or system for which the drawings are necessary. **(T-1)**. These same funds finance the printing or reproduction of multiple copies. See *DoD 7000.14-R*, Volume 3, Chapter 17, for additional guidance.

5.10. Technical Data for Replenishment Spares Procurement. Charge both the cost of the reproducible copy and the cost of reproducing multiple copies to the same funds used to procure the spare parts if procuring replenishment spares involves acceptance of any of the following:

5.10.1. A substitute item.

5.10.2. A different manufacturer of the item.

5.10.3. New item specifications, new technical data, or revisions to existing data are necessary.

5.11. Technical Data for Common Support Equipment. MAJCOM FM, FOA or DRU Offices will finance changes to weapon systems technical data resulting from the replacement of common support equipment from the appropriation buying the common support equipment. (T-1).

Section 5F—Commercial Space Launch Support Services

5.12. Financing Launch Services. Space launch is the earliest part of a flight that reaches space. Space launch involves liftoff, when a rocket or other space launch vehicle leaves the ground, floating ship or midair aircraft at the start of a flight. MAJCOM FM, FOA or DRU Offices will fund launch support services in accordance with *DoD 7000.14-R*, Volume 11A, Chapter 13. (T-0).

5.13. Propellants Funding. Use O&M (3400) funds to pay for liquid and gaseous propellants. MAJCOM FM, FOA or DRU Offices will pay for solid propellants with 3020 funds. (T-1).

Section 5G—Organizational, Intermediate, and Depot Logistic Support Provided By Contractors

5.14. Interim Contractor Support (ICS). ICS is the maintenance and support of a new weapon system provided by a commercial vendor pending transition to organic support. ICS includes the burdened cost of contract labor, material, and assets used in providing temporary logistics support to a weapon system, subsystem, and associated support equipment. The purpose of ICS is to provide total or partial logistics support until a government maintenance capability is developed. MAJCOM FM, FOA or DRU Offices will budget and fund ICS in the weapon system/equipment procurement line item or the weapon system/equipment modification procurement line, as applicable. (T-3). However, because ICS is intended to provide support for the brief period between initial item deployment and the permanent organic support, all acquisition strategies should attempt to minimize ICS requirements and duration. ICS will only be funded in procurement appropriations until the organic support date specified in the acquisition program baseline is achieved. Continued funding of ICS after the baseline support transition date can only be approved on an exception basis. (T-0). See *DoD 7000.14-R*, FMR, Volume 2A, Chapter 1, for additional guidance.

5.15. Contractor Logistics Support (CLS). CLS is when a contractor, rather than the government, is responsible for the integration of logistics support functions such as providing engineering support, identifying requirements for spare and repair parts, facilities, materiel, equipment, personnel and performing maintenance on weapon systems. Funding responsibilities are as follows:

5.15.1. AF Materiel Command (AFMC) Centralized Asset Management (CAM) program office budgets for regular DAF CLS programs. ANG and AFR budget their own CLS requirements.

5.15.2. For systems that are not weapon system specific (for example, base and installation security system), the operating command that has the closest relationship and/or receives the most benefit has budgeting responsibility. If there is no clear relationship to any one operating command or no one command receives more benefit than another, AFMC retains budgeting and programming responsibility.

5.15.3. When a system transitions from organic logistics support to CLS, the operating command will program enough resources to fund those system spares which are in the Supply Management business activities inventory and are to be transferred to the CLS contractor. **(T-1)**.

5.15.4. The System Program Managers/Product Group Managers are responsible for budget execution and costing CLS requirements. The program managers shall report annual CLS costs gross obligations for O&M and Transportation Working Capital Fund (TWCF), including all ESP coded amounts, through the Centralized Access for Data Exchange system. **(T-2)**. In accordance with the annual update to the Fiscal Coding package, program managers must use the new object class structure that captures CLS costs by cost element. **(T-2)**. This object class structure is reflected within the Financial Management Data Quality Service (FMDQS). The program managers work with SAF/FMC and Centralized Access for Data Exchange system personnel to ensure FY end CLS obligations posted in Centralized Access for Data Exchange system match the official DAF accounting records/DAF Total Ownership Cost. **(T-2)**. These reconciliations should be completed no later than 31 December of each year for the previous FY. Reference AFMAN 63-143, *Centralized Asset Management Procedures*, for additional functional guidance.

5.15.5. Determine the type of funds (appropriation) that should be used based on the type of contract, or services and items provided under the contract. There may be more than one appropriation, BPAC, or object class that is involved with one program. The following are some examples.

5.15.5.1. If the contract is written to provide strictly a maintenance service (time and effort), charge the cost to an operating account, for example, O&M DAF (except for Development, Test, Evaluation or Initial Operational Test and Evaluation (IOT&E)). Contracts could require the contractor to provide all spares, repair parts, labor, and test equipment.

5.15.5.2. If the contract calls for the government to purchase and furnish the spares, repair parts, or equipment, including test equipment, use of more than one appropriation and object class may be necessary.

5.15.5.3. Use the appropriate procurement/RDT&E appropriation to pay the cost of capital investment items (peculiar support or test equipment), centrally managed items, and/or data furnished to the contractor.

5.15.5.4. Charge an operating account if the government furnishes the supply parts (expense type items) used in maintenance.

5.15.5.5. Specific funding guidance cannot cover all contracts or all situations; therefore, the system manager, with assistance from and advice of the financial management organization, must take the following actions for each proposed contractual action:

5.15.5.5.1. Review each contract with maintenance and procurement personnel to determine the type of service or product that is being procured. **(T-2)**.

5.15.5.5.2. Determine the proper appropriation and BPAC to use per AFMAN 65-604, *Appropriation Symbols and Budget Codes*. **(T-2)**.

5.15.5.5.3. Refer questions that cannot be resolved to the local financial management policy office, with subsequent submission to SAF/FMB as needed. Provide an analysis and recommendations when submitting funding (propriety or responsibility) questions. **(T-2)**.

Section 5H—Prompt Payment Act

5.16. Financing Prompt Payment Charges (Interest Penalties). In accordance with Title 5, Code of Federal Regulations, Part 1315(10)(b)(5), *Prompt Payment: Late Payment Interest Penalties*, current edition, and Public Law 107-117, *Department of Defense and Emergency Supplemental Appropriations for Recovery from and Response to Terrorist Attacks on the United States Act, 2002*, federal departments and agencies must absorb *Prompt Payment Act* interest penalties within existing appropriations. **(T-0)**. Who the interest is charged to will depend upon the Service affiliation of the paying office, the type of unit that is being supported, and the contracts being administered.

5.16.1. When non-DAF paying offices not supporting DAF sites administer or pay DAF contracts and incur interest penalties, DAF activities will charge the interest payments to those activities without subsequent recoupment from the DAF. **(T-1)**.

5.16.2. For DFAS paying offices, not supporting DAF sites administer or pay contracts citing DAF funds, charge the interest to the operating funds of the base being supported without regard to who caused the late payment. **(T-1)**. **EXCEPTION:** Interest paid on DAF contracts by DFAS are charged to a Military Interdepartmental Purchase Request (MIPR) Order provided to DFAS by the 11th Wing on behalf of SAF/FM. **(T-1)**.

5.16.3. For DFAS paying offices supporting DAF sites, the interest is financed by the operating funds of the base being supported without regard to who caused the late payment. Additional implementing guidance for the *Prompt Payment Act* is contained in Title 5, Code of Federal Regulations (CFR), Part 1315, *Prompt Payment*, current edition.

5.16.4. The operations and maintenance of the host base, where the underlying obligation was incurred, will use only four types of appropriations to finance payments of prompt payment interest. **(T-1)**. Depending upon the appropriation funding, the four types of appropriations include:

5.16.4.1. DAF O&M (57*3400).

5.16.4.2. DAF RDT&E (57*3600).

5.16.4.3. AFR O&M (57*3740).

5.16.4.4. ANG O&M (57*3840).

5.16.5. Host installations may charge the penalty to tenant O&M funds or DWCF when evidence clearly exists that the tenant or DWCF was directly responsible for the interest penalty. If the host and tenant cannot agree on the tenant's liability for the penalty charge, the host installation commander, with advice from the comptroller, will make the final determination based on the facts of the individual case. **(T-2)**.

5.16.6. For Foreign Military Sales (FMS) refer to *DoD 7000.14-R*, Volume 15, Chapter 7, paragraph 071610.

5.16.7. Data Elements. Use fourth and fifth-position DAF Element of Expense/Investment Code (EEIC) shreds for DAF Element of Expense 759XX or equivalent Defense Enterprise Accounting and Management System (DEAMS) Object Class (OC) 430xxxx as follows (See the FMDQS, <https://fmdqs.cce.af.mil/saml/home.htm> for definitions).

5.16.7.1. Use the fourth-position numeric shred of DAF Element of Expense 759 or equivalent DEAMS object class to reflect the reason a prompt payment interest penalty was incurred. **(T-1)**.

5.16.7.2. Use the fifth-position alpha-code shred of DAF Element of Expense 759 or associated DEAMS OC to reflect the original appropriation cited on the voucher that incurred an interest penalty payment. **(T-1)**. Where more than one appropriation is cited, use the predominance rule to determine the OC subclass or fifth-position shred. **(T-1)**. The appropriation with the largest dollar value dictates the alpha shred selected. **(T-1)**. **EXCEPTION:** FMS related fund citations. Because these are reimbursable transactions, use a prorated breakdown between the appropriations based on dollar value to total contract costs to distribute DAF Element of Expense 759 or associated DEAMS OC interest penalties to the proper fifth-position alpha shreds. **(T-1)**.

Section 5I—USAF Heritage Program (USAFHP)

5.17. USAFHP and Associated Activities. USAF museums, heritage centers, historical holdings, and air parks are, in part, appropriated fund organizations. USAFHP activity facilities are not privately owned, but are owned, operated, and maintained by the DAF. Commanders will include funding in their annual unit budgets (execution plans) by type of activity and element of expense or object class as prescribed in the organization budget call. **(T-2)**. AFI 84-103, *United States Air Force Heritage Program*, provides instruction for the USAFHP activity operation and new activity approval.

5.17.1. Financing the National Museum of the USAF. The National Museum of the USAF at Wright-Patterson Air Force Base (AFB), OH, is the DAF official service museum operation and the only USAFHP activity eligible to receive APF for new construction. The National Museum of the USAF relies on an annual budget of O&M funds for its day-to-day operational needs.

5.17.2. Financing DAF field museums, heritage centers, historical holdings, and air parks. The supporting DAF organization should employ the judicious use of resources and funds for establishment, management, operation, and maintenance of supported USAFHP activities.

5.17.2.1. Commanders may use O&M funds, provided the costs are reasonable and in line with the base mission and funding priorities. The appropriate uses of O&M funds include, but are not limited to, repair and maintenance of real property such as buildings and grounds, which are normal base operating support; installation and use of physical security equipment such as intrusion detection devices; and services, supplies and equipment for the accountability, preservation, and display of USAF historical property such as artifacts and aerospace vehicles.

5.17.2.2. Except as set forth in the following sentence, do not use MILCON for facility construction, additions, or alterations. O&M funds may be used for properly approved unspecified minor construction (UMC) projects (such as a field level military museum, heritage building, a new pad for a static aircraft display outside a museum, upgrading a parking lot for a museum building, etc.) costing \$2,000,000 or less. Reference Title 10 United States Code Section 2805, and AFI 32-1020, *Planning and Programming Built Infrastructure Projects*, for further guidance.

5.17.3. Private Organization support of USAFHP activities. The DAF encourages but does not require a private organization (such as a local supporting foundation) in the establishment and operation of a USAFHP activity. Commanders may permit supporting private organizations to be established to support USAFHP activities at their locations as prescribed by AFI 34-223, *Private Organization Program*, and AFI 84-103. These organizations may fund the acquisition of significant historical property to be gifted to the supported USAFHP activity, operate a continuous retail operation (i.e., heritage activity gift store), and manage the heritage activity's volunteer program per 10 United States Code Section 1588 and DoDI 1100.21, *Voluntary Services in the Department of Defense*.

Section 5J—Ethnic and Holiday Observances, Traditional Ceremonies, and Entertainment

5.18. Ethnic and Holiday Observances Funding Guidance.

5.18.1. Ethnic Observances. DAF organizations at all levels may spend APF, as authorized by the host or installation commander, to carry out activities that recognize the contributions that minorities and women have made to society. Observances include such activities as lectures, ethnic historical exhibits, art exhibits, displays, and musical performances, including those procured from the private sector. DAF organizations may use O&M funds to finance a live artistic performance as part of an authorized equal employment opportunity (EEO) effort if it is part of a formal program determined to advance EEO objectives, and consists of different types of presentations designed to promote EEO training objectives of making the audience aware of the cultural or ethnic history being celebrated. Sponsoring DAF activities may use APF to purchase small "samples" of ethnic foods prepared and served during a formal ethnic awareness program. The samples should be of minimal proportion and are not intended to serve as meals or refreshments.

5.18.2. Holiday Observances. Do not use APF to purchase holiday decorations which endorse or convey a message that any particular religion or religious belief is favored or preferred, e.g., suggesting that people praise God for the birth of Jesus. See Opinion of The Judge Advocate General 2013-8, *Religious Displays on Military Installations*. APF may be used to purchase decorations associated with the religious holidays, but with more ambiguous religious relevance that amount to the secular trappings of the holidays, e.g., Christmas trees.

5.19. Traditional Ceremonies. The use of APF that might be prohibited as personal expenses may be permissible when they are incurred incidental to certain traditional ceremonies discussed below. Do not provide food, snacks, alcoholic beverages unless specifically authorized by AFMAN 34-201, *Use of Nonappropriated Funds (NAFs)*, for use of Special Morale & Welfare funds or similar authority.

5.19.1. Groundbreaking and Dedication Ceremonies. Expenses determined to be necessarily incidental to a groundbreaking or cornerstone ceremony are chargeable to the appropriation used for construction of the building. These expenses might include: engraving and chrome-plating a ceremonial shovel; flowers used as centerpieces at a dedication ceremony; group photographs at cornerstone ceremonies and the printing of programs and invitations for cornerstone ceremonies.

5.19.2. Armed Forces Change of Command Ceremonies. The Comptroller General (CG) extended the rationale to change of command ceremonies for the cost of printing invitations (*Availability of Funds for Printing Invitations to Coast Guard Change of Command Ceremony*, B-186998, 56 Comp. Gen. 22 (1976)). The invitations cannot be personal in nature, and therefore are not prohibited by the decisions on use of public funds for greeting cards. A change of command ceremony on an USAF installation, which would warrant the commercial printing of invitations, including DAPS, is one which would be of interest to and have impact on the installation at large and usually involve the civic leaders of the surrounding community. Generally, the only command position on an installation which would fit these criteria is the wing/installation commander. It is not intended that every unit commander, e.g., transportation, personnel, civil engineer, comptroller, etc., on an installation shall have commercial invitations, including through DAPS, printed upon entrance into the position (Title 44 United States Code Section 1102). **(T-1). NOTE:** Temporary duty (TDY) for a presiding official (whose presence satisfies command protocol requirements) is authorized and payable from the official's unit funds. Mere attendance at a change of command ceremony does not generally support TDY or Permissive TDY.

5.19.3. Graduations. The printing of invitations for graduation ceremonies is authorized. Invitations for official graduation ceremonies at USAF schools and academies are not to be "by name" specific invitations for an individual who may be graduating. The announcement and invitation are for the commencement exercises being held by the school, not for the graduation of a particular individual. A graduate may include a personal name card in the invitation when mailing it to family or friends. A graduate's name is not to appear in the printed invitation or announcement.

5.19.4. Retirement Ceremonies. Military and federal civilian employee retirement ceremonies provide an appropriate recognition of the individual retiree's contribution to the DAF through years of military or federal civilian employee service. See AFI 36-3203, *Service Retirements*, for additional information on military retirements. Local Honor Guard and Department of the Air Force band elements may support and perform at official Retirement ceremonies. Access the following URL for Honor Guard retirement ceremonies in the National Capital region: <https://www.honorguard.af.mil/>. APF may be used for the following:

5.19.4.1. Invitations. Invitations, announcements, and programs for retirement ceremonies may be printed on personal computers with existing computer software and agency-purchased card stock, but will not be procured from commercial sources, including DAPS. (T-1).

5.19.4.2. Postage. APF for postage is allowed for official announcements of official retirement ceremonies (Department of Defense Manual (DoDM) 4525.8_AFMAN 36-306, *DoD Official Mail Manual*). A rule of reasonableness is expected to be followed as to the number of invitations that can be mailed.

5.19.4.3. TDY travel of official participants in a Retirement Ceremony. Normally, this is limited to a single presiding officer who also makes official remarks at the ceremony. Other official participants (e.g., the Retiring employee, the military chaplain giving the invocation) do so in their official capacities but are usually local to the ceremony. The retiring employee's unit or command is responsible for funding the TDY of the presiding official. (T-2). There is a strong preference for using local leaders to be the presiding officials except in extraordinary cases or in the case of retirements of senior officer and senior enlisted employees. If the retiree's unit or command does not have sufficient TDY funds available to authorize this travel, the presiding official may elect to do so in a personally-funded Permissive TDY status, per AFI 36-3003, *Military Leave Program*. Payment of the presiding official's travel costs by the retiring employee, or others, requires an ethics review by the servicing legal office.

5.19.5. Promotion Ceremonies. APF may not be used to support promotion ceremonies, as these are considered routine career milestones, with the exception of the printing of an agenda, official communication support to advertise the event to unit and command members, and the support or performance of local Honor Guard and/or Department of the Air Force band elements.

5.20. Entertainment. DAF personnel will not provide food, drink, or entertainment for military members, civilian employees, or any other persons, except in cases specifically authorized by law. (T-0). Entertainment is any food, drink, live and recorded music, theatrical performances, and any other item or activity designed to entertain. Prohibitions include items used to prepare, serve, or present entertainment (such as food or drink serving materials and equipment, video recorders, etc.).

5.20.1. APF are authorized for the following:

5.20.1.1. Food and drink provided to military personnel as subsistence-in-kind through the MILPERS appropriation (57*3500). NOTE: See AFMAN 34-240, *Appropriated Fund (APF) Food Service Program Management*, on providing mission essential beverages from dining facilities for those military members who are authorized to receive them. Mission essential beverages are funded from the MILPERS (3500) appropriation and not from organizational O&M funds.

5.20.1.2. Reimbursable subsistence expenses (per diem) for persons in an official travel status. Light refreshments (part of subsistence), if provided at a meeting or conference, and where authorized by statute, do not have to be deducted from per diem; however, any meals provided by the meeting or conference host must be deducted from per diem. (T-0).

5.20.1.3. Official representation purposes, as authorized in AFI 65-603, *Emergency and Extraordinary Expense Authority*.

5.20.1.4. Samples of food from healthy cooking demonstrations held in conjunction with health promotion programs; funded with Defense Health Program (DHP) activities.

5.20.1.5. Military service bands, choral groups, and other groups which normally perform at base theaters or service clubs for the entertainment of military personnel, their dependents, and others as authorized by the charter of the bands or choral groups. Rental of a local facility using O&M funds is authorized for USAF entertainment or a military service band if the majority of the anticipated audience is military (including retirees) and their dependents, and no suitable facility is available on the installation.

5.20.1.6. Programmed "incentive music" to enhance employee morale by creating a pleasantly stimulating and efficient atmosphere during the workday.

5.20.1.7. Food provided as part of the Drug Education for Youth Program and financed with Counterdrug Program funds.

5.20.1.8. Child and youth programs are authorized food service as identified in AFI 65-106, *Appropriated Fund Support of Morale, Welfare, and Recreation (MWR) and Other Nonappropriated Fund Instrumentalities (NAFIS)*.

5.20.1.9. Wreath Laying - National Patriotic Observances. APF are authorized for the purchase of an appropriate wreath in solemn remembrance or celebration of national patriotic observances (*Purchase of Floral Wreath*, A-9712, 5 Comp. Gen. 22 (1925)) to include Memorial Day, Independence Day, September 11, Veterans Day, and Prisoner of War/Missing in Action Recognition Day. A host wing or installation will procure only one wreath to represent the entire wing or installation, including tenants. (T-1). There are specific days at specific locations, e.g., December 7 at Joint Base Pearl Harbor-Hickam, HI, which have unique historical significance and for which it is fitting and proper to remember the events of that day with the laying of a wreath. Those installations in foreign countries may purchase a wreath on other occasions, which are of unique historical significance to the Armed Forces of the United States (US) in that country or which are dictated by protocol in the host country. Commanders will ensure that fiscal prudence, in keeping with protocol requirements and appropriate decorum, shall be exercised. (T-3).

5.20.2. APF are not authorized for the following:

5.20.2.1. Dance or combos created by members of military bands whose services are “hired” by Open Messes or Service Clubs for entertainment of members of these messes or clubs.

5.20.2.2. Fireworks displays because they constitute “entertainment.” While a fireworks display may be useful in establishing good relations with the surrounding community, it is not a “necessary expense.”

5.20.2.3. Subsistence expenses (which includes light refreshments) at meetings or conferences for federal or non-federal participants unless otherwise specifically authorized by statute. Light refreshments are “subsistence expenses” to which the prohibition of Title 31 United States Code Section 1345 applies, and various statutory provisions that authorize an agency to hold meetings, conduct training and provide grants do not satisfy the “specifically provided by law” exception to the prohibition.

5.20.3. USAF Open House Relations. (T-1). See AFMAN 10-1004, *Conducting Air Force Open Houses*, for additional funding guidance.

Section 5K—Awards, Gifts and Refreshments for Award Ceremonies

5.21. Awards. As per DoDI 1400.25V451_AFI 36-1004, *Civilian Recognition Program*, an award is “something bestowed or an action taken to recognize and reward individual or team achievement that contributes to meeting organizational goals or improving the efficiency, effectiveness and economy of the DAF or is otherwise in the public interest.” The DAF has statutory authority to provide awards to military members and civilian employees; DAF may also present awards to private citizens at times. Commanders may authorize the use of APF to make cash and non-monetary awards to military members and appropriated fund employees in accordance with the provisions of this section, AFPD 36-28, *Awards and Decorations Programs*, and its implementing instruction, and *DoDI 1400.25V451_AFI 36-1004* for civilian performance awards. Vice versa, employees paid from Nonappropriated funds are not eligible to receive cash awards paid directly from APF. (T-0). (See AFMAN 36-2806, *Awards and Memorialization Program*.)

5.21.1. Airmen Powered by Innovation Awards. The following guidelines apply to cash awards to military and civilian employees. SAF/MG centrally manages the Airmen Powered by Innovation awards for Airmen (active, reserve, and civilian). See AFI 38-402, *Airmen Powered by Innovation and Suggestion Program*, for additional guidance.

5.21.2. ANG Title 32 Awards. State Adjutants General are responsible for assuring compliance with program requirements, promoting and supporting the program, and ensuring that prompt action is taken on awards; they may approve cash awards up to and including \$2,500 for locally adopted suggestions only resulting in tangible or intangible benefits or a combination of both. Cash awards for suggestions that have ANG-wide benefit are sent to National Guard Bureau/A1M. Suggestions resulting in DAF-wide benefits will pass onto SAF/MGM for payment. (T-1).

5.21.3. Mission Accomplishment Awards. DAF activities may use APF to purchase special trophies and awards which pertain to mission accomplishment or an organizational supplement thereto. Included are unit trophies, plaques, emblems, certificates, organizational coins, and similar items that are designed for display purposes. Merchandise items (primarily for presentation to individual and team awards) such as belt buckles with a nominal cost, as determined by local command authorities, and which display the activity logo, insignia or other inscription that clearly identifies its purpose must meet CG criteria for mission accomplishment awards. (T-0). (*Air Force Purchase of Belt Buckles as Awards for Participants in a Competition*, B-247687, 71 Comp. Gen. 346 (1992)). DAF activities may use such items for mission accomplishment awards to the extent authorized by agency directives or instructions. NOTE: The purchase of these items must meet the following criteria: 1) establish the existence of a statutory mission (direct mission connection); 2) determine what the mission requires; and 3) there must be a communication need. (T-1).

5.21.3.1. See *AFMAN 36-2806* for additional guidance on TDY travel, including DAF military or civilian personnel to attend award ceremonies, and travel for non-military members or non-DAF civilian employees.

5.21.4. Organizational Coins. Organizational coins purchased with APF may be used as awards using only the organizations name and the position of the presenter (e.g., Commander 33rd Fighter Wing, Eglin AFB, FL). DAF personnel will not procure “commemorative” coins or personalized mementos with APF, unless specifically authorized by statute. (T-0). The organizational coins awarded are to be presented as cast from the dye without further embellishment such as the presenter’s name engraved. Do not personalize the awarded organizational coins by stamping the presenter’s name on the coin or adding the presenter’s name after the coin is cast (EXCEPTION: SAF, Chief of Staff of the DAF, Under Secretary, Vice Chief of Staff, Assistant Vice Chief of Staff and Chief Master Sergeant of the DAF are authorized to personalize coins). (See Headquarters Operating Instruction (HOI) 36-15, *SAF and Chief of Staff Recognition Program*). (T-1). The prohibition against personalizing stationery in AF Supplement to *DoDI 5330.03* is applicable to organizational coins for the same reasons – it creates frozen stock (waste) when personnel change and requires an additional expenditure to change the dye from which these items are cast. Title 10 United States Code Section 2261 defines the term “recognition item of nominal or modest value” to mean “a commemorative coin, medal, trophy, badge, flag, poster, painting, or other similar item that is valued at less than \$50 per item and is designed to recognize or commemorate service in the armed forces.”

5.21.5. DAF Key Spouse Program. The DAF Key Spouse Program is a commander's program to enhance unit family readiness. The role of the Key Spouse is designed to enhance mission readiness and resilience, and establish a sense of community. It is a commander’s initiative that promotes partnerships with unit leadership, families, volunteer Key Spouses, centers, and other installation community agencies. (See AFI 36-3009, *Airman and Family Readiness Centers*, for additional guidance.)

5.21.5.1. Promotional items in support of the Key Spouse Program are limited to business cards printed on government computers with government-purchased card stock and promotional items with little to no intrinsic value, such as pens, key fobs, and magnets that are imprinted with useful Key Spouse Program information and used to promote program awareness and to publicize services.

5.21.6. Recruitment and Retention Recognition. APF may be used to procure recognition items of nominal or modest value (less than \$50 per item) for recruitment or retention purposes. These may be presented to DAF members as well as their family members, and other individuals who are recognized as providing support that substantially facilitates service in the armed forces. The authority for purchasing these recognition items is 10 USC § 2261.

5.21.7. Sports Competitions and Physical Fitness Center Recognition. Refer to *AFI 65-106*, paragraph 4.15., Trophies and Awards, for guidance regarding authorized APF use.

5.21.8. Civilian Performance Awards. *DoDI 1400.25V451_AFI 36-1004* provides policy and guidelines:

5.21.8.1. Under Title 5 United States Code Sections 4501-4507, *Awards for Superior Accomplishments*; (referred to as *Government Employee Incentive Award Acts*), the DAF is authorized to use APF to purchase items for use in recognizing and rewarding employee achievement/conduct. DoD and DAF program regulations provide guidance on military and civilian awards. See DoD 1400.25-M, *DoD Civilian Personnel Management Systems*, *DoDI 1400.25V451_AFI 36-1004*, *AFPD 36-28*, and its implementing instructions. Employees paid from NAF are generally not eligible to receive awards charged to APF unless the award is an HQ USAF-level award for which APF and NAF employees are within the pool of employees considered for the award.

5.21.8.2. Cash Awards. Charge the cost of cash awards made to civilian employees under the performance management systems to funds current at the time final approval of the award is made. The year of actual payment is not the controlling factor.

5.21.8.3. Merchandise Awards. *DoDI 1400.25V451_AFI 36-1004* allows agencies to purchase merchandise items such as plaques at nominal cost (less than \$50) which display the activity logo, insignia, or other inscription that clearly identifies the purpose of the award. Such items are honorary awards under the *Government Employees Incentive Awards Act*.

5.21.9. Other Awards. Do not use APF to make or purchase any awards other than those outlined above. Use NAF in accordance with *AFMAN 34-201*. (T-1).

5.22. Gifts. Do not use APF to purchase gifts for military members, employees, or private citizens unless specifically authorized by law. See *AFMAN 34-201* and *AFI 65-603*, which specify the circumstances and the individuals to whom gifts (or “mementos”) may be presented as part of Official Representation Funds. Official Representation Funds are used to convey official courtesies of the US to foreign and domestic dignitaries. SAF/AA controls a specific pool of funds for their purchase. (T-1).

5.22.1. Promotional or Incentive Gifts. Do not use APF to purchase merchandise type items of a utilitarian nature, or items having intrinsic value (such as televisions, radios, cameras, briefcases, etc.). This rule applies to lower-value “merchandise-type” items, such as coffee mugs, ashtrays, luggage tags, shirts, water bottles, notepads, tote bags and similar items (see [Table 5.4](#) for **Exceptions**).

5.22.2. Coins or medallions are not to be used as incentive items due to production costs.

5.22.2.1. DAF activities may purchase pertinent literature, specialized lesson plans, and visual aids for training and to secure compliance with mission-related objectives to the extent permitted under functional instructions. (T-2). Each of these items must convey agency information to appropriate audiences to be purchased with APF: bumper stickers, magnets, key chains, and informational stickers. (T-1).

5.22.2.2. APF are allowable for children's items, for example in crime, drug and fire prevention programs if the items convey an appropriate message targeted to the age group of the audience (such as coloring books, balloons, buttons, badges, etc., which depict or relate a crime, drug or fire prevention message).

5.22.2.3. Health and Wellness Centers. Incentive items for completion of a health-related regimen such as smoking cessation or weight loss are funded from Medical appropriations.

Table 5.4. The Guidance in paragraph 5.22.1. does not apply to the following programs.

AFMAN 36-2032, <i>Military Recruiting and Accessions</i> (Title 10 United States Code Section 503)
AFI 36-3009, (See DoDI 1342.22, <i>Military Family Readiness</i> , and DoDI 1015.10, <i>Military Morale, Welfare, and Recreation (MWR) Programs</i>)
AFI 36-3107, <i>Voting Assistance Program</i> (See Title 10 United States Code Section 1566a)
AFI 90-6001, <i>Sexual Assault Prevention and Response (SAPR) Program</i> (See Title 10 United States Code Section 1561 notes)
AFI 38-402, (See Title 10 United States Code Section 1124 and Title 5 United States Code Section 4502)
AFI 91-202, <i>The US Air Force Mishap Prevention Program</i> (See Title 29 United States Code Section 651 et seq. (referred to as <i>Occupational Safety and Health Act</i>))
Health Promotion Programs funded with the DHP appropriation (97*0130.1883 – Fund Code (FC) 2X)

5.23. Refreshments at Awards Ceremonies. Commanders may hold awards ceremonies for military members and civilian employees; light refreshments may be served to enhance the ceremony, and for building morale and unit camaraderie. The award(s) being presented must be substantial in nature to qualify for the serving of refreshments. (T-0). Light refreshments may include beverages such as sodas, coffee, or tea with dessert or snacks; yet only the minimum refreshments necessary to accommodate the anticipated number of unit members may be provided. Alcoholic beverages of any kind do not qualify as refreshments. A substantial award would involve a competitive DAF-wide selection (national award), such as 12 Outstanding Airmen, or a competitive MAJCOM-wide selection, such as Command Officer, Field Grade and Company Grade Officer, Noncommissioned Officer, Airman, and Civilian of the Year. To avoid any confusion, presenting an award at a base or organizational social event (e.g., holiday party, picnic, hail and farewell) does not qualify the social event for appropriated funding under the

guise of an award “ceremony.” Permanent Change of Station (PCS), promotion, school graduations, recurring quarterly recognitions, commanders’ calls, and retirement ceremonies are not considered award ceremonies for the serving of refreshments using APF. For further guidance on funding light refreshments (including attendance by family and guests, and other types of events), refer to *AFMAN 34-201*, Chapter 12, guidance for Special Morale, Welfare and Recreation (MWR) funds.

5.23.1. Guidance for Approval of Refreshments. Exercise prudence in using APF for this purpose. A commander must first determine that a reception with light refreshments materially enhances the effectiveness of an award ceremony before approving the use of APF for refreshments at the ceremony. (T-3).

5.23.2. Charge the cost of the light refreshments to each command’s primary O&M budget activity or SFIS Budget Activity Identifier and not to Emergency and Extraordinary Expense accounts. Refer to *DoDI 1400.25V451_AFI 36-1004* for additional guidance concerning awards and recognition for civilian employees, private citizens, groups, and organizations.

5.24. Refreshments at Recruiting Functions. APF funds may be used for small meals and refreshments during recruiting functions for certain individuals. See Title 10 United States Code Section 520c.

Section 5L—Sourcing APF RegAF for Certain Air Reserve Component (ARC) Personnel Activities

5.25. Scope. This guidance provides policy concerning when DAF appropriations (Regular AF) may be used to support activities performed by members and military technicians of the ARC who are performing duties (Title 10 or Title 32) properly funded by ARC funding (for civilian salaries) or ARC MILPERS appropriations. The guidance also addresses scenarios where a Regular AF member may be assigned to a Total Force Integration (TFI) position within an ARC organization.

5.26. Presumption. There is a presumption that, unless the circumstances fit into one of the exceptions in the following paragraphs, the component whose appropriation is paying for an activity's personnel cost is also the component whose appropriation should cover the associated travel and mission costs. This is because where there is a nexus between a component and an activity, there is a nexus between that activity and the component's appropriations. If a specific activity is a necessary expense of a component, then all costs for that activity are usually necessary expenses of each applicable appropriation of that component - including personnel costs (MILPERS or O&M civilian pay) and operations costs (O&M). This presumption constitutes a general rule. (T-1).

5.27. Apply the following Exceptions: In some cases, more than one appropriation may be available to pay for the costs of an activity. When an activity is a necessary expense of two appropriations and either can be identified as the more specific, unless Congress has explicitly authorized the use of multiple or augmenting appropriations, the agency must elect the appropriation it will use. **(T-1)**. This generally occurs when an activity simultaneously supports both an ARC mission requirement and a Regular AF mission requirement. The distinct but concurrent purposes of such activities, in conjunction with the mutually-exclusive purpose of the potential supporting appropriations, mean that the DAF must elect which appropriation it will use. **(T-1)**. Once an election is made (as below), use of the appropriation selected must be consistent and may not be changed without Congressional notice. **(T-1)**. The following O&M election rules shall apply:

5.27.1. ARC Incidental Support of Regular AF. Use Regular AF appropriated funding for all non-personnel costs (travel and operational support costs) for members providing operational support in Active Duty Training (ADT) or Full-Time National Guard Duty (FTNGD) status (Title 10 or Title 32) as follows:

5.27.1.1. Where an ARC member performs in an ADT or FTNGD status (initial Active Duty, annual, seasonal, pipeline, or other training duty) and is funded by a reserve component (ARC MILPERS) but is simultaneously supporting a Regular AF operational requirement at the request of the Regular AF. **(T-1)**.

5.27.1.2. Where a military technician, performing training or engaging in their primary ARC duties to organize, administer, instruct and train (OAIT), including repair of equipment of the armed forces and is funded by the ARC component but is also supporting a Regular AF operational mission at the formal request of the Regular AF. **(T-1)**. Use of ARC O&M appropriations is not authorized except for technician payroll cost. **(T-1)**. This paragraph does not include Individual Mobilized Augmentees. Refer to [paragraph 5.27.2.1](#) below for Individual Mobilized Augmentees.

5.27.2. TFI TDY Costs.

5.27.2.1. ARC Members/Military Technicians in TFI or USAF associated units whose personnel costs are funded from ARC appropriations shall have TDY costs funded based on the purpose of the TDY as follows:

5.27.2.1.1. If the travel is to fulfill a requirement of the ARC, then the pertinent ARC appropriations shall be used. **(T-1)**.

5.27.2.1.2. If the travel has mutual benefit (ARC and Regular AF) and representatives from each component will participate, then ARC appropriations shall be used. **(T-1)**.

5.27.2.1.3. If the travel has mutual benefit (ARC and Regular AF) and the Regular AF requests ARC to represent both commands, Regular AF appropriations shall be used. **(T-1)**.

5.27.2.1.4. If the travel is primarily for Regular AF purposes, Regular AF appropriations shall be used. **(T-1)**. **NOTE:** This paragraph does not address ARC members on Active Duty funded by the RegAF MILPERS appropriation. Alternative use of funding is not authorized. **(T-1)**.

5.27.2.2. Regular AF Members in TFI or AF associated units whose personnel costs are funded from Regular AF appropriations shall have TDY costs funded based on the purpose of the TDY as follows:

5.27.2.2.1. If the travel is to fulfill a requirement of the Regular AF, then the pertinent Regular AF appropriations shall be used. **(T-1)**.

5.27.2.2.2. If the travel has mutual benefit (Regular AF and ARC) and representatives from each component will participate, then Regular AF appropriations shall be used. **(T-1)**.

5.27.2.2.3. If the travel has mutual benefit (Regular AF and ARC) and the Regular AF members will participate on behalf of both the Regular AF and ARC, then ARC O&M appropriations shall be used. **(T-1)**.

5.27.2.2.4. If the travel is primarily for ARC purposes, ARC appropriations shall be used. **(T-1)**.

5.27.2.2.5. For guidance on Active Guard and Reserves (AGRs) and Individual Mobilized Augmentees embedded in active units or serving as liaisons, see [paragraph 5.27.2.1](#) above. **NOTE:** For the purpose of this paragraph, ARC members on Title 10 Active Duty orders (funded by the Regular AF MILPERS appropriations) shall be considered Regular AF. Alternative use of funding is not authorized. **(T-1)**.

5.27.3. DAF Exercises. Where ARC members participate in DAF exercises in an ADT or FTNGD status (funded by an ARC MILPERS appropriation) all costs shall be borne out of ARC appropriations. **(T-1)**. Similarly, where a military technician participates in such exercises to meet ARC training requirements or engage in their OAIT or repair functions, all costs shall be borne out of ARC appropriations. **(T-1)**. When ARC members are called to Active Duty by the Regular AF Military Personnel appropriation to support an exercise, Regular AF appropriations shall be used for both MILPERS and O&M costs. **(T-1)**.

5.28. Compliance. Compliance with the aforementioned mixed funding election rule exceptions is mandatory. Any other "mixing of resources" within or across ARC and active component (Regular AF) appropriations is expressly prohibited unless an exception to policy is first obtained from SAF/FMB. In addition, be advised this guidance does not address flying hour scenarios (please work those matters separately with SAF/FMBO). All components must budget consistent with this guidance; any activities not covered in this attachment shall follow the general rule noted in [paragraph 5.27.1](#) above. **(T-1)**.

Section 5M—Chapel and Chaplain Programs

5.29. Funding Guidance. Installations that support Chaplain Corps programs will apply the following funding guidance consistent with Title 10 United States Code Section 9217 and Title 10 United States Code Section 1789. **(T-0)**.

5.29.1. Direct Mission Requirements. The source of funding for direct mission requirements is O&M appropriations. Direct mission requirements are activities that directly support the DAF Chaplain Corps' mission of providing spiritual care, advising leadership, and ensuring all Airmen and Guardians have opportunities to exercise their constitutional right to the free exercise of religion. Refer to DAFI 52-105, *Chaplain Corps Resourcing*, for a comprehensive list of all activities that constitute direct mission requirements.

5.29.1.1. Chaplain Duties. When practicable, hold appropriate religious services at least once a week for the command to which he [or she] is assigned, and perform appropriate religious burial services for members of the DAF who die while in that command (10 USC § 9217). A primary purpose of the Chaplain Corps is to provide Airmen and Guardians with a means of practicing their religion. APF must be utilized to provide staff, facilities, transportation and ceremonial items necessary to fulfill this purpose – including the cost of food and drink required to perform religious rites. (T-1). Wine required to perform religious worship services is authorized in accordance with *DAFI 52-105*. (T-1).

5.29.1.2. Strong Family Structure Activities. Per 10 USC § 1789, appropriated funds are authorized for Chaplain Corps-led training, programs, conferences and retreats to assist individual members of the armed forces on Active Duty and individual members of the Reserve component in an active status, to include singles, and any immediate family members, as cited in *DAFI 52-105* under Attachment 2, Authorized Chaplain Corps APF and Chaplain Tithes and Offering Funds Expenses, [Strong Family Structure], in creating, building and maintaining a strong family structure. Authorized support services may include transportation, food, lodging, childcare, supplies, fees or honoraria, training materials, and required equipment for members of the armed forces and their family members while participating in these programs even local to a military member's Permanent Duty Station. (T-1). Persons other than those defined as immediate family members may participate in Strong Family Structure programs and receive the benefits of those programs, but are not authorized to be paid for subsistence (e.g., lodging, travel or childcare) or to receive food at government expense.

5.29.1.3. Integrated Resilience. The Chaplain Corps has the primary responsibility for the Spiritual Domain Tenet within Comprehensive Airman Fitness. As such, APF funds may be used for exclusively Chaplain Corps-led programs included in the Annual Ministry Plan (per AFD 90-50, *Integrated Resilience* and AFI 90-5001, *Integrated Resilience*) excluding the use of APF for food or beverages except where specifically authorized by statute. Chaplain officials shall consult with their Judge Advocate office when considering the purchase of food using APF in situations not covered specifically by statute. (T-1).

5.29.2. Indirect Mission Requirements. Indirect mission support requirements are funded by Chapel Tithes and Offerings Funds (which are not APF). (T-1). Indirect mission requirements are activities that enhance, but do not directly support, the Chaplain Corps mission. Refer to *DAFI 52-105* for a list of all activities that constitute indirect mission requirements. (T-1).

Section 5N—Licensing of Intellectual Property

5.30. DAF Branding and Trademark Licensing Program. Pursuant to Title 10 United States Code Section 2260 and DoDD 5535.09, *DoD Branding and Trademark Licensing Program*, it is DAF policy to enhance and promote the DAF Brand, in part by establishing and maintaining a program to license marks owned or controlled by the DAF, to protect such marks from unauthorized use, and to register qualifying marks with the US Patent and Trademark Office. Commanders will ensure that fees/royalties collected are only used for costs of securing trademark registrations, and the costs of operating the licensing program. (T-2). Contact SAF/AAR for details regarding licensing fee/royalty collections and deposits. (T-2). See AFI 35-114, *Air Force Branding and Trademark Licensing Program*, for additional information.

5.30.1. Excess Fees/Royalties. Fees/royalties received in a FY remain available for obligation in such FY and the following two FYs. To the extent the total amount of the licensing fees/royalties available for a FY exceeds costs incurred (as defined above), those fees/royalties may be transferred to the DAF MWR fund. SAF/AAR and SAF/PA identifies specific transfer process and procedures.

5.30.2. Accounting Codes. Base level accounting systems must use additional codes to separately track unused funds carried forward from the FY of collection through the following two FYs, as required. (T-2). Commanders will ensure that unused funds remaining after the second FY following the year collected are deposited to “General Fund Proprietary Receipts, Defense Military, Not Otherwise Classified.” (T-2). Contact SAF/AAR for specific coding procedures.

Section 5O—Criteria for Determining Expense and Investment Costs

5.31. Distinguishing Between Expense and Investment Costs. Commanders will ensure that DAF activities at all levels; apply uniform cost definition criteria. (T-2). These criteria determine whether costs are classified as either an expense or an investment, and consequently whether it should be budgeted in the expense appropriations of O&M and MILPERS or the investment appropriations of procurement, RDT&E, and MILCON. *DoD 7000.14-R*, Volume 2A, provides general guidance for DoD use. NOTE: *DoD 7000.14-R*, Volume 2A, Chapter 1, cost definition criteria are only applicable to the determination of the appropriation to be used for budgeting and execution purposes, and includes the term “capital” where appropriate. Cost definitions for accounting purposes, etc. are contained elsewhere in *DoD 7000.14-R* and may not apply to budgeting and execution; contact SAF/FMB P&FC for further clarification. Reference [Table 5.5](#) for decision making factors for determining investment costs.

Table 5.5. Decision Making Factors for Investment Cost.

Is the Item a:	If	Then	If	Then	If	Then	
Centrally Managed/Asset Controlled item?	Yes	Is the item purchased from DWCF?	Yes	Is the item part of a full funding effort?	Yes	Classify as Investment	
			No	Classify as Investment	No	Classify as Expense	
	No	Is the cost more than \$250,000?	Yes	Classify as Investment			
			No	Classify as Expense			
	NOTE: For WCF criteria see Chapter 19.						

Section 5P—Meals, Conferences, Training, and Fees

5.32. Meals and Light Refreshments. Generally, meals and light refreshments for conferences, seminars, symposiums or similar meetings, are prohibited if not specifically authorized by statute. (See 31 USC § 1345 and Department of Justice Memorandum, *Use of APF to Provide Light Refreshments to Non-Federal Participants at EPA Conferences*, 5 April, 2007.) (T-0).

5.33. Training Courses.

5.33.1. Obligor for training courses scheduled to begin in the next FY.

5.33.2. For training courses scheduled to begin in the next FY, DAF activities may charge a current FY appropriation for the entire cost of the training course if all three of the following requirements are met:

5.33.2.1. The course meets a bona fide need of the current FY and the training need is documented as early as possible. Ensure the funds requirement is documented and approved in the funding process that supports the training requirement. (T-0).

5.33.2.2. Scheduling of the course is beyond the agency's control, i.e., the training is not available until early in the next FY and obligation of current year funds is necessary to acquire the training in the next FY. (T-0).

5.33.2.3. The time between procurement and performance is not excessive (*Proper Appropriation to Charge Expenses Relating to Nonseverable Training Course*), B-238940, 70 Comp. Gen. 296 (1991)). (T-0). The time between contracting and delivery would be excessive if there is sufficient time in the current FY to contract for and deliver the training.

5.34. Conferences.

5.34.1. Conferences Generally.

5.34.1.1. Avoiding Double Recovery for Meals. If personnel attend a meeting or conference where a registration fee is government funded government purchase card or government reimbursed (Government Travel Card) and the fee includes meals (meaning inseparable from the registration fee), commanders will ensure that personnel include the number of meals provided by day in their travel orders and their travel voucher. (T-0). See the *Joint Travel Regulation* (JTR) for further details. See SAF/AA's homepage for current conference guidance at <https://www.my.af.mil/gcss-af/USAF/ep/globalTab.do?channelPageId=s6925EC1352A10FB5E044080020E329A9>.

5.34.1.2. Landing Fees. When sponsoring a conference or training event, a voluntary landing fee may be collected to cover costs that are not permitted to be paid from APF, such as costs for food for purely social functions, e.g., "ice breakers", occurring before the opening of the conference, or farewell gatherings after the close of the conference. A landing fee is separate from a registration fee, is completely voluntary, and paid from personal funds of the attendees.

5.34.2. Conferences (Government Sponsored - DAF). Per *JTR* § 020601, DAF personnel may be placed on funded TDY orders when (1) they are assigned as an alternate duty location to a training course, conference or similar event within their local Permanent Duty Station (PDS) area, but outside PDS limits; (2) their total travel period and duty period would be greater than 12 hours; and either (3) the nature of the event is such that the mission can only be accomplished by requiring all attendees to partake of the same lodging and/or messing options (e.g., a professional development course that has professional coaching sessions in the evening), and disparate arrangements for local and non-local attendees would destroy the effectiveness of the training; or (4) the specific nature of their duties is distinct from other attendees and their physical presence on site at all times is required to ensure mission accomplishment for the event (e.g., a conference logistical coordinator who must ensure the venue properly reconfigures presentation rooms after the conclusion of one day's scheduled events and before the start of the next day's scheduled events.). Absent these exception conditions being met, lodging and meal and incidental expense per diem cannot be authorized for travelers attending training courses, conferences and similar events held at their Permanent Duty Station. See *JTR* § 032102.

5.34.2.1. DAF Only Participation. Costs allowed to be paid from APF incurred in connection with hosting a conference or training attended only by DAF personnel may not be recovered through a registration fee.

5.34.2.2. Non-DAF Federal Participation. Costs allowed to be paid from APF incurred in connection with hosting a conference or training attended by non-DAF federal personnel may be reimbursed via inter-agency agreements under the *Economy Act* (for conferences) or under Title 5 United States Code Section 4104 (for training) with other federal agencies attending the event. Follow *DoD 7000.14-R*, Volume 11A, Chapter 1 and Chapter 3. (T-0).

5.34.2.3. Non-Federal Participation. Pursuant to Title 10 United States Code Section 2262, costs allowed to be paid from APF incurred in connection with hosting a conference or training attended by non-federal personnel may be recovered through a fee. Follow *DoD 7000.14-R*, Volume 12, Chapter 32. (T-0). Comply with established OUSD (C) Program/Budget reporting requests and ensure a complete and accurate accounting for all conference fees collected. (T-0).

5.34.3. Conferences (Government Sponsored – Non-DAF). Charge the cost of registration fees and other official expenses (but not landing fees that cover daily refreshments, gifts to non-federal speakers and meals) to attendees. The landing fee is completely voluntary and is paid from personal funds of attendees, for non-DAF government sponsored conferences/training to O&M funds. (T-0). See the *JTR* for additional guidance.

5.34.4. Conferences (Non-Government Sponsored). Charge the cost of employee registration fees and other official expenses (but not hospitality fees) for non-government conferences/training to O&M funds, according to the *JTR*. (T-0).

5.34.5. Scientific, Technical, and Professional Symposiums, Conferences, and Similar Meetings. Conferences, symposiums, and similar meetings in the scientific, technical, and professional fields may employ a contractor, through normal acquisition procedures, for the purpose of handling the administrative arrangements. Generally, these types of gatherings involve the AF Research Laboratory. DoD, non-DoD federal, and non-government personnel may be charged a registration fee by the contractor to cover all the costs associated with the contract, including a reasonable profit. The contractor collects all registration fees. This registration fee is a reimbursable expense on the travel voucher. NOTE: Any meals included in the registration fee will be deducted from the authorized per diem; this applies only to those persons in a TDY status (a contractor cannot charge meals for local attendees in a registration fee paid by DAF). (T-0). See the *JTR*, Chapter 2, Standard Travel and Transportation Allowances, and Chapter 3, TDY Travel for additional information.

5.34.6. Co-sponsorship. Chapter 3 of DoD 5500.07-R, *Joint Ethics Regulation*, authorizes a DoD component to co-sponsor scientific, technical, and professional conferences, seminars, or like events with a non-federal entity if there is a legitimate federal government purpose in accordance with Title 5 United States Code Section 4101. As a co-sponsor of one of these events, the DAF organization, acting as a co-sponsor, may follow the same procedures as when the DAF is the sole sponsor. Alternatively, the DAF organization may choose to have the non-federal entity, which is the co-sponsor of the event, handle the administrative arrangements. In that case, DoD, non-DoD federal, and non-government personnel would pay the registration fee to the non-federal entity co-sponsor to cover all administrative costs. These costs do not include the cost of any meals or other food and/or beverages, which must be paid separately by the DAF participants. Per SAF/AA Memo, *AF Supplement to DoD Conference Policy 4.0* (or successor policy), SAF/GC must approve organizations in order to co-sponsor. (T-1). NOTE: This policy includes approval levels, and requires a co-sponsorship agreement to reflect respective roles and responsibilities.

Section 5Q—Other Guidance

5.35. Personalized Stationery. Authorized: using APF to print functional titles of key officials on memorandums and notes. Not Authorized: Using APF or government equipment to print the names of officers or other officials on stationery, memorandums, or notes. (T-1).

5.36. Business Cards.

5.36.1. Government Printing of Business Cards. APF may be used for obtaining supplies such as card stock by which to print business cards using personal computers and existing software and agency-purchased card stock. Cards may be printed only for those persons who require cards to use in connection with official communications (as distinct from the extension of social or business courtesy).

5.36.2. Commercial Printing of Business Cards. Only those individuals in the following five categories are authorized to have business cards commercially printed, which includes DLA Document Services:

5.36.2.1. DAF Recruiting Service Business Cards. DAF Recruiting Service Commander approves business cards for DAF Recruiting Service personnel involved in recruiting activities. DAF Recruiting Service obtains the cards from DLA Document Services.

5.36.2.2. USAFA Business Cards. HQ USAFA/DAR obtains all cards for the USAFA Liaison Officers from DLA Document Services using USAFA O&M funds.

5.36.2.3. Civilian Employee Business Cards. The MAJCOM, AFIMSC or FOA/DA must approve cards for civilian employees engaged in professional recruiting programs. (T-1). MAJCOM, AFIMSC/FOA-level officials purchase the cards from DLA Document Services.

5.36.2.4. AFR Business Cards. HQ AF Reserve Command (AFRC)/Defense Automation and Production approves requests for all AFR military recruiters, and obtains the cards from DLA Document Services.

5.36.2.5. ANG Business Cards. The Adjutant General of the State in which the recruiter is located approves orders for cards of National Guard Bureau military recruiters. When cards are procured using State funds the ANG is authorized to obtain them from local vendors. If ANG O&M funds are used to acquire cards, use a DD Form 448, *Military Interdepartmental Purchase Request* or a DD Form 282, *DoD Printing Requisition/Order* through DLA Document Services.

5.37. Cards. Seasonal greeting cards, birthday cards, get well cards, anniversary cards, and the like are a personal expense to be borne by the persons who ordered and sent them; do not charge their cost to appropriated or nonappropriated funds (NAF).

5.38. Appliances and Furnishings. DAF organizations may use APF to purchase appliances (microwaves, refrigerators, and related furnishings) only in common areas where they will be available for use by all personnel, under the following conditions:

5.38.1. Responsible officials must first determine the appliance(s) (and related furnishings) are reasonably necessary to execute the DAF mission, and the primary benefit accrues to a larger community (as opposed to just an individual or small group of individuals). **(T-3)**.

5.38.2. Commanders will ensure that the acquisition costs of appliances (and related furnishings) are for basic capabilities only and sized accordingly. **(T-3)**.

5.38.3. Commanders will ensure that the appliances (and related furnishings) are not purchased for the purpose of providing entertainment. **(T-3)**.

5.38.4. Commanders will ensure that APF are not used to furnish goods, such as coffee, food, beverages, condiments, or food preparation/serving items. **(T-3)**.

5.38.5. Lactation Rooms. Per Air Force Guidance Memorandum (AFGM) 2020-36-01, *Establishing Requirement of Lactation Rooms for Nursing Mothers*, key guidance includes: a) the lactation room will be near a source of hot and cold water for hand washing/breast pump cleaning and contain multiple electrical outlets within the room for use of breast pumps; b) the lactation room must contain a trash can, paper towels and cleaning supplies made available by the unit; c) all work that modifies the facility should be coordinated with installation Civil Engineer Squadron or equivalent; d) organization commanders must provide refrigeration and freezer storage units for expressed human breast milk for personnel TDY at the installation; and e) service member/civilian employee nursing mothers must provide their own breast pump equipment and hygiene cleaning materials. **(T-3)**.

5.39. Veterinary Services.

5.39.1. For fiscal administration of DoD veterinary treatment facilities, refer to AFI 48-131, *Veterinary Health Services*, for specific guidance.

5.39.2. Deposit surcharge fees for veterinary services into the General Receipt Account 573210.9999 (receipts not otherwise classified) no less often than weekly, or daily when total collections reach \$1,000 or greater.

5.40. Membership in Professional or Civic Organizations. DAF organizations may use O&M funds to pay membership fees in professional organizations only in the name of the DAF organization and only if the membership: (1) would be of primary benefit to the organization and (2) is determined to be necessary to fulfilling the organizations statutory mission. DAF activities will not use O&M funds to pay for membership fees which are in the name of an individual. (*Purchase of Membership Fees*, B-160579, 53 Comp. Gen. 429 (1978), *Dues for Professional Organizations*, B-177596, 52 Comp. Gen. 495 (1973), *Reimbursement of Membership Fees*, 3 Comp. Gen. 963 (1924), Title 5 United States Code Sections 4109 and 5946). **(T-0)**.

5.41. Bottled Water/Other Beverages.

5.41.1. DAF organizations may purchase bottled water for personal consumption with APF only when it is necessary. For water to be a necessary expense, at least one of the following items must be true:

5.41.1.1. The public water supply is unsafe for human consumption as determined in writing by a competent medical/environmental authority. **(T-0)**.

5.41.1.2. There is an emergency failure of the water source on the installation. **(T-0)**.

5.41.1.3. A temporary facility has no drinking water available within a reasonable distance. **(T-0)**.

5.41.1.3.1. This includes volunteers and other Federal/State/local agency employees providing assistance to DAF during adverse environmental conditions and a lack of proximate water supply exists.

5.41.1.4. There is no water fit for drinking purposes, as determined in writing by a competent medical/environmental authority, available without cost or at a lower cost to the government. **(T-0)**.

5.41.2. The purchase of bottled water with APF ceases to be authorized when the problem with the drinking water has been remedied. **(T-0)**. (*Drinking Water*, B-147622 (1961), *Drinking Water*, 3 Comp. Gen. 828 (1924), *Drinking Water*, A-7483, 5 Comp. Gen. 90 (1925), *Drinking Water*, A-91465, 17 Comp. Gen. 698 (1938), *Drinking Water*, A-97419, 18 Comp. Gen. 238 (1938), *Drinking Water*, B-43297, 24 Comp. Gen. 56 (1944), *Drinking Water*, B-58031, 25 Comp. Gen. 920 (1946), and *U.S. Agency for International Development - Purchase of Bottled Drinking Water*, B-247871 (1992)).

5.41.3. Bottled or Potable Water Purchases Incident to Temporary Duty. Military members and civilian travelers on temporary duty are not authorized bottled/potable water as a reimbursable expense. **(T-0)**. Bottled water is part of the subsistence portion of the per diem allowance.

5.41.4. Sports Beverages. A competent medical authority must establish any requirement to provide sports beverages. **(T-1)**. If the local military treatment facility (MTF) commander or a medically qualified representative makes a medical determination, in writing, that consumption of such beverages during the performance of official duties is necessary to maintain the physical well-being of DAF members, the use of organizational O&M funds to procure the beverages is authorized. The authority to make this medical determination cannot be delegated to other installation organization commanders. This is the only circumstance under which APF is authorized to procure such beverages for consumption during the performance of official duties. This direction is not intended to and does not preclude competent medical authority from prescribing the use of sports beverages for medical reasons for individual members on or off duty.

5.41.5. Emergency responder rehabilitation may include rehydration, limited to circumstances where there is an unanticipated and extreme real world emergency situation, involving danger to human life or destruction of federal property (e.g., terrorist incident such as 9-11, natural disaster like Hurricane Katrina). Under these circumstances, a narrow exception to the general fiscal law prohibition against using APF for water/beverages (as well as furnishing meals and refreshments) to government and non-federal government personnel needing rehabilitation has been recognized. **NOTE:** However, there is a qualitative difference between an extreme real world emergency involving danger to human life or destruction of federal property and a routine emergency response – where the exception would not apply. See Title 42 United States Code Section 1856.

5.42. Credentials, Licenses and Certificates.

5.42.1. For Military Members. Title 10 United States Code Section 2015 requires the DAF to “carry out a program to enable members of the armed forces to obtain, while serving in the armed forces, professional credentials related to military training and skills” and to “provide for the payment of expenses of members for professional accreditation, federal occupational licenses, State-imposed and professional licenses, professional certification, and related expenses.” See AFMAN 36-2102, *Base-Level Relocation Procedures*, for guidance on military spouse licensing and credentials.

5.42.2. For Civilian Employees. Title 5 United States Code Section 5757 allows, but does not require, the DAF to pay for: 1) expenses for employees to obtain professional credentials, including expenses for professional accreditation, State-imposed and professional licenses and professional certification; and 2) examinations to obtain such credentials. This authority may not be exercised on behalf of any employee occupying or seeking to qualify for appointment to any position that is excepted from the competitive service because of the confidential, policy-determining, policy-making, or policy advocating character of the position. This authority is permissive, not mandatory. It does not establish an entitlement.

5.42.3. The authority to use APF to pay for an employee to obtain professional credentials does not authorize paying for an employee’s membership in a professional organization unless the membership is a prerequisite to obtaining the professional license or certification. **(T-0)**. (See *Scope of Professional Credentials Statute*, GAO B-302548 (2004)).

5.43. Severable Service Contracts Crossing FYs and Incremental Funding. Refer to *DoD 7000.14-R*, Volume 3, paragraph 080304B1 and Title 10 United States Code Section 2410a for legal and policy determinations on obligating Severable and/or Non-Severable Contracts including leases (and maintenance of leased property when contracted as part of the lease).

5.43.1. Incremental Funding of Fixed-Price Severable Services Contracts. In accordance with the *Defense Federal Acquisition Regulation Supplement (DFARS)*, Section 232.703, *Contract Funding Requirements*, current edition, in general, an O&M fixed-price contract may be incrementally funded only if the contract (excluding options) or any exercised option is for severable services, does not exceed one year in length, and is incrementally funded using funds available (unexpired) as of the date the funds are obligated; or the contract uses funds available from multiple (two or more) FYs and is funded with R&D appropriations; or Congress has otherwise authorized incremental funding.

5.43.2. An incrementally funded fixed-price contract shall be fully funded as soon as funds are available. **(T-1)**.

5.44. Air Navigation, Overflight, Landing and Parking Fees. In accordance with the *DoD Foreign Clearance Manual*, Chapter 2, para. C2.2.7., located as part of the Foreign Clearance guide at <https://www.fcg.pentagon.mil/fcg.cfm>, it is US Government (USG) policy not to pay inappropriate charges against military aircraft, which include air navigation, terminal navigation or overflight fees, or landing or parking fees at government airports.

5.44.1. Air navigation, terminal navigation and overflight fees are chargeable only in the few exceptional cases where the USG has negotiated a treaty or other agreement with a foreign government or federation that authorizes the payment of these fees. DAF aircraft squadrons/flying units may pay landing and parking fees at foreign airports which have been deemed to be “commercial” in accordance with USG policy, if required to do so. USG also pays reasonable charges for services requested and received, whether at governmental or non-governmental airports. Aircraft landing in a country where a bilateral or multilateral agreement addressing such fees exists are governed by the terms of that agreement.

5.44.2. If an aircrew is asked to pay inappropriate charges, they must follow the procedures in the *DoD Foreign Clearance Manual*. (T-0). If local authorities do not let the aircraft depart without payment, the procedures described in the *DoD Foreign Clearance Manual* include marking inappropriate charges on the receipt or bill as “INVALID FEES” and annotating the receipt or bill with the remark “PAID UNDER PROTEST.” The aircraft’s home station fund citation is charged for this purpose.

5.45. Funding for Athletic Supplies and Fitness Equipment. Unit level physical fitness equipment is authorized only under certain conditions (reference AFMAN 34-204, *Property Management*). The appropriate Force Support Squadrons/Group Commander must approve the use of organizational funds to procure fitness equipment (FSC 7830). (T-3). An organization must provide written justification to the commander when an organization requests such approval. (T-3).

5.45.1. Physical Training Uniforms. Local funds are not authorized for purchase of physical training uniforms. Additional information on the Physical Training Uniform and Improved Physical Training Uniform Wear Policy is available on the DAF Portal, under AF/AISO, Uniforms and Recognition Branch, and within AFI 36-2903, *Dress and Personal Appearance of Air Force Personnel*.

5.45.2. Intramural Sports Uniforms. Organizations may use O&M funds to procure organizational intramural sports uniforms; reference *AFI 65-106* for additional guidance. The uniforms may not be personalized with individual names or nicknames and are to be returned to the unit following the season or when the member PCS’s. **NOTE:** Units solely funded with TWCF or WCF are prohibited from using such funds to procure MWR equipment such as intramural uniforms and fitness equipment. These units should continue to use Services sports uniform loan program and utilize equipment provided at the base fitness center. Examples of such units are those at aerial ports (e.g., Dover, McGuire, Travis, McChord, and Charleston) which are funded with TWCF.

5.46. Real Property Damage Recovery. Title 10 United States Code Section 2782 authorizes amounts recovered for damage to real property (excluding Military Family Housing (MFH)) to be credited to the account(s) available to fund the costs of repair or replacement. However, amounts recovered from such damage are not available for obligation and expenditure unless provided in advance in an Appropriations Act. Do not use funds collected for real property damages to finance any repairs until there is language in an Appropriations Act providing for such use.

5.47. Memorials and Monuments. Absent specific statutory authority, APF are not available to fund the construction of memorials or monuments. This is distinguished from purchasing a plaque for a memorialization in accordance with *AFMAN 36-2806*, Chapter 4, Memorialization.

5.48. Recreational Equipment and Cable Television in Dormitories. APF may be used to fund cable television for day or community rooms utilized by all dorm occupants, as well as various gaming items regularly found in the recreation area of a home such as a billiard table, foosball table, video games, digital video disc player, etc. APF are not authorized for procuring television sets or for funding cable television subscription charges in individual rooms or suites in dormitories. They are a personal expense. **EXCEPTION:** The OSD, in *Program Budget Decision 205*, 10 Dec 2001, has authorized APF to provide all on-base USAF in Europe personnel access to the cable television services of Armed Forces Radio and Television Service for command & control and force protection purposes.

5.49. US Flag for Military Retirees. Title 10 United States Code Section 9251 and Title 10 United States Code Section 12605 direct that a US flag be presented, at no cost to the recipient, to a member of the USAF or reserve upon their retirement or discharge. **(T-0).** The organization from which the individual is retiring will present the flag and will fund it from the appropriate O&M account. **(T-1).** Commanders may obtain flags flown over the US Capitol for presentation. **(T-3).** The use of APF to procure a display box for a retirement flag is not authorized by this statute. Multiple presentations of flags are prohibited – refer to 10 USC §§ 9251 and 12605 for specifics. Civilian employees of the military departments are not authorized to receive government-funded flags at retirement. **EXCEPTION:** Members of the Senior Executive Service may, upon retirement or separation, be awarded their Senior Executive Service Flag. **NOTE:** Commanders will ensure that DAF O&M funds are used to procure flags for retiring military members, without regard to Service affiliation, in Joint Organizations for which the DAF is Executive Agent, i.e., US Central Command (USCENTCOM). **(T-2).**

Chapter 6

APPROPRIATION REIMBURSEMENTS

6.1. Reimbursements - General Guidance.

6.1.1. Reimbursements are collections received for the costs of materiel, work, services or property provided to another activity within the DAF, within DoD, or to other US Government agencies, as enabled through regulatory and statutory guidance, and policies contained within this chapter.

6.1.1.1. DAF activities (MAJCOMs/Centers/FOAs/DRUs and field level budget offices, etc.) may enter into reimbursable arrangements covered by this Chapter, **paragraph 6.6** and *DoD 7000.14-R*; no other reimbursable arrangements will be implemented without SAF/FMB appropriation manager and fiscal policy review, and approval. **(T-1)**.

6.1.1.2. Arrangements or agreements requiring transfer of funds between different appropriations must have statutory authority allowing transfer and/or transaction. **(T-0)**.

6.1.2. See *DoD 7000.14-R*, Volume 11A, *Reimbursable Operations Policy*, and Volume 11B, *Reimbursable Operations Policy – WCF*, for additional reimbursement guidance. Contact the SAF/FMB appropriation manager or SAF/FMB P&FC for further assistance. **(T-1)**.

6.2. Anticipated Reimbursements.

6.2.1. Anticipated reimbursements are estimates for the amount of reimbursable work slated to occur within a FY. Reimbursable obligation authority is created only when an order is received and accepted.

6.2.2. For DAF appropriations including a reimbursable program, requirements for anticipated reimbursement and direct-funded programs are to be budgeted separately. **(T-1)**.

6.2.2.1. DAF supplying or performing activities must include estimated anticipated reimbursements in their budget estimates and execution plans; SAF/FMB will then develop DAF-wide budget estimates based on this information. **(T-1)**. During execution, MAJCOMs/Centers/ FOAs/DRUs must inform SAF/FMB appropriation managers of any changes in anticipated reimbursement estimates, including the need to request additional apportionment from OMB as soon as practicable. **(T-1)**.

6.2.2.2. Contact the SAF/FMB appropriation manager for additional requirements guidance.

6.3. Reimbursement Financing.

6.3.1. A reimbursement program requires an apportionment and allocation of reimbursement authority from the OMB for each DAF appropriation before they are available for distribution and obligation. SAF/FMB appropriation managers work with OUSD (C) and OMB to obtain reimbursement authority and allocate authority to MAJCOMs/Centers via Budget Authorization documents.

6.3.2. MAJCOMs/Centers/FOAs/DRUs and field level budget offices will ensure allocations and sub-allocations are made in writing, including the amount of anticipated reimbursements, and identification of the organizational level responsible for receiving the reimbursable order. **(T-1)**.

6.3.3. MAJCOMs/Centers/FOAs/DRUs, and field level budget offices will ensure collections are returned only to the appropriation that procured the services or materiel sold (unless specifically authorized by law). **(T-0)**.

6.3.4. If original appropriation is closed, MAJCOMs/Centers/FOAs/DRUs, and field level budget offices will ensure reimbursements are credited to appropriations current when they are earned, regardless of when collected, with the following **EXCEPTION**: Utilities for privatized housing. **(T-1)**.

6.3.5. MAJCOMs/Centers/FOAs/DRUs, and field level budget offices will act jointly with functional area staff to review reimbursement programs to ensure they are proceeding as planned; consider all programs, including programmed support for materiel and services identified in support agreements for intra-service, inter-service, and non-DoD activities. **(T-1)**.

6.3.6. MAJCOMs/Centers/FOAs/DRUs, and field level budget offices will not authorize or incur an obligation, or make disbursements against anticipated reimbursements; these are not budgetary resources available for obligation unless: a) valid orders (including written agreements) have been received from and obligated by funded customers; or b) advance payment has been collected for orders from the public. **(T-1)**. **EXCEPTION**: Privatized housing and Army and Air Force Exchange Service (AAFES).

6.3.7. Budget offices will not place orders for purposes of extending the life of appropriations, avoiding a statutory limitation or restriction regarding use of funds, or doing something indirectly which it would not be permitted to do directly. **(T-0)**.

6.3.8. DAF customers must ensure the proper appropriation is being used when ordering materiel, work, or services from a performing activity **(T-1)**. While the DAF customer activity is primarily responsible for determining the correct appropriation, DAF performing activities will be cognizant of the APF being used and return an order to the DAF customer should the appropriated funding source be inappropriate for the type of work or services requested. **(T-1)**. If the reimbursable transaction is with a non-DAF entity, the DAF performing activity is to rely on the representations made by the non-DAF entity as to whether funds from the correct appropriation have been provided. DAF is not to second-guess another agency's determination as to the purposes for which its appropriation can be used.

6.3.9. Budget offices will not use reimbursement authority to circumvent the purpose of an appropriation. **(T-0)**. Procurement appropriations may not be used to reimburse O&M expenses and likewise, O&M appropriations may not be used to reimburse the purchase of investment items. This constitutes a violation of the Purpose Statute.

6.4. Administrative Control of Funds Requirements.

6.4.1. MAJCOMs/Centers/ FOAs/DRUs, Program Offices, field level financial managers, etc., must remain cognizant of ADA implications when executing reimbursement programs. **(T-0)**. A potential ADA violation may occur when an obligation or expenditure is authorized or incurred in excess of reimbursable authority available at the formal administrative subdivision of funds level (such as at the Budget Authorization, Allocation Budget Document Authorization, Operating Agency Code, or Operating Budget Account Number (OBAN) levels). **NOTE:** Incurring an obligation or disbursement in excess of a reimbursable target allotment does not in itself create a violation of the ADA, however, if exceeding a reimbursable target causes the governing formal administrative fund subdivision level (or limitation) to be breached, a potential ADA violation arises. **(T-1)**.

6.4.2. MAJCOMs/Centers/FOAs/DRUs, and field level budget offices will establish administrative controls and oversight ensuring reimbursable authority is controlled at all subdivision levels within their organizations. **(T-1)**.

6.4.3. MAJCOMs/Centers/FOAs/DRUs and field level budget offices will ensure their organizations do not authorize or incur an obligation, or make a disbursement against anticipated reimbursements; actions must be delayed until the customer order is received. **(T-1)**. **EXCEPTION:** 10 USC § 2210(b) authorizes incurring obligations against anticipated reimbursements for the Consolidated Sustainment Activity Group - Supply (CSAG – Supply, under the DWCF. **(T-1)**.

6.4.4. MAJCOMs/Centers/FOAs/DRUs and field level budget offices will ensure apportioned reimbursements are not allotted, sub-allotted, or allocated unless there is reasonable assurance the orders will be received. **(T-1)**.

6.5. Appropriation - Specific Guidance. Contact the SAF/FMB appropriation manager, or the AF/AFAFO (SAF/FMF) for additional accounting guidance, including the AF/AFAFO *Reimbursement Accounting Guidance & Standard Operating Procedures* publication.

6.5.1. Annual Appropriations. SAF/FMBO apportions and issues all O&M reimbursement authority to MAJCOMs/Centers/FOAs/DRUs. In the event MAJCOMs/Centers/FOAs/DRUs have not filled a reimbursable order, and have not set up a related reimbursable obligation before the appropriation expires, they must return the funds and request a new order for the next FY. **(T-1)**.

6.5.2. Multiple-year Appropriations. MAJCOMs/Centers/FOAs/DRUs and field level budget offices will apply new reimbursable orders only to the most current account available during the period the orders were accepted; do not accept new orders in a multiple year appropriation after its first year of availability. **(T-1)**. (OMB apportions multiple-year reimbursement authority on an annual basis only.)

6.5.2.1. Performing activities accounting for customer orders funded by multiple year appropriations will retain the unearned and unobligated balances of valid unfilled reimbursable orders with the unexpired appropriation current at the time the customer order was accepted. **(T-1)**.

6.5.2.2. For Customer Orders Funded with Multi-Year Appropriations – refer to SAF/FMFC (AFAFO-A) *Reimbursement Accounting Guidance and Standard Operating Procedures* for detailed processing information. (T-1). See AFAFO-A's Sharepoint: <https://org2.eis.af.mil/sites/13465/SitePages/Home.aspx>.

6.5.2.3. MAJCOMs/Centers/FOAs/DRUs must provide SAF/FMB appropriation managers, before the FY begins, the total annual amount of estimated anticipated reimbursements (other than FMS) by appropriation. (T-1).

6.5.2.4. MAJCOMs/Centers/FOAs/DRUs reporting anticipated reimbursements will ensure, for the current appropriation year, the anticipated reimbursements are identified by accounts receivable sales code, and equal the sum of filled and unfilled orders to agree with the DAF reimbursement program at the departmental level. (T-1).

6.5.2.5. For each unexpired prior-year appropriation, MAJCOMs/Centers/ FOAs/DRUs and field level budget offices will ensure anticipated reimbursements are equal to the sum of total customer orders received. (T-1). MAJCOMs/Centers/FOAs/DRUs must show the most recent 30 September certified status, as adjusted for actual customer order adjustments during the current year. (T-1). Where significant customer order adjustments have occurred in prior-year programs, MAJCOMs/Centers/ FOAs/DRUs will advise their SAF/FMB appropriation managers. (T-1).

6.5.3. MILCON Appropriations. Appropriation managers issue MILCON reimbursement authority via Budget Authorization documents, by Budget Authorization Account Number, using Support Activity Code 354, Reimbursable Activities. This code captures reimbursement for performing construction and related services for another military department, or another government agency, pursuant to orders received. Contact SAF/FMBIC for additional information.

6.5.4. MFH Appropriation (57*0745 (FC 3Y, O&M). MAJCOMs/Centers/ FOAs/DRUs and field level budget office will deposit proceeds from renting MFH, and reimbursements received for MFH services, to the MFH. (T-1).

6.5.5. Security Assistance Program Reimbursements. MAJCOMs/Centers/FOAs/DRUs and field level budget offices will follow *DoD 7000.14-R*, Volume 15, for appropriation reimbursement policies and procedures that apply to the Security Assistance Program, including FMS, the Military Assistance Program, and the International Military Education and Training program. (T-1).

6.5.6. MILPERS Appropriation. See *AFI 65-601*, Volume 2, and *DoD 7000.14-R*, Volume 11A, *Reimbursable Operations Policy* for guidance, or contact SAF/FMBOP.

6.5.7. WCF. Reimbursable costs shall be determined in accordance with *DoD 7000.14-R*, Volume 11B, *Reimbursable Operations Policy – WCF*. (T-0). Activities operating under the DWCF shall be reimbursed for the costs of goods and services ordered and produced. (T-1). Amounts earned are available without FY limitation, yet obligation authority relies on the receipt of contract authority, or cost authority provided in the WCF activities' Annual Operating Budget. (T-1). Contact SAF/FMBOR for additional information.

6.6. Obtaining Materiel, Work, or Services for Others.

6.6.1. All DAF activities performing reimbursable operations must identify the statutory authority for work contemplated to be performed for others (e.g., within DoD component, to another DoD component, to another federal agency, or to private parties). **(T-1)**. **NOTE:** The price charged for goods and services relies on whether the good or service is provided to, or for the benefit of, a DoD component, a non-DoD federal agency, a private party, or a FMS customer. See *DoD 7000.14-R*, Volumes 11A and 11B for further guidance. **(T-1)**. See *DoD 7000.14-R*, Volume 11A, Chapter 1, for general pricing guidance on the sale of services, types of costs charged, and rules for funding within a DoD component, to another DoD component, to another federal agency, or to private parties. **(T-1)**.

6.6.2. One of the following legal authorities will be typically used:

6.6.2.1. Project Orders (PO), Title 41 United States Code Section 6307. A PO applies to orders of goods and services placed with government-owned establishments (does not include contractor owned or operated) that are capable of performing substantially the work ordered. Substantially means that the PO recipient must incur costs of not less than 51 percent of the total costs attributable to rendering the work or services ordered. **(T-0)**. A PO is specific, definite, and certain, and is a valid recordable obligation of the issuing entity when the order is placed with, and accepted by, a DoD-owned establishment. OSD policy, per *DoD 7000.14-R*, Volume 11A, Chapter 2, is that POs must be issued only to DoD-owned establishments that have been given the authority to operate a reimbursable program in an amount equal to, or exceeding the PO amount. **(T-0)**.

6.6.2.1.1. A PO must include an adequate description of the work to be performed in order to create a recordable obligation. **(T-1)**. For repeat POs, there may be sufficient documentation on file allowing the performing activity to proceed with the work ordered.

6.6.2.1.2. Eligibility for PO financing requires that a bona fide need exists in the FY in which the PO is issued, requiring a series of actions over a period of time (which may involve crossing a FY), and which requires work or services which are reasonably not severable between FYs. **(T-1)**. For instance, an order for an “entire” end-item or service would call for a single or unified outcome or product and would be one in which few, if any, benefits would accrue if the work were terminated without completion at the end of the FY in which it was placed.

6.6.2.1.3. A PO must be placed with and accepted by a separately managed DoD-owned establishment. **(T-0)**.

6.6.2.1.4. A PO must not extend beyond the point in time in which the appropriation funding the order cancels. **(T-0)**.

6.6.2.1.5. A PO is subject to the same fiscal limitations contained within the appropriation from which they are funded. **(T-0)**.

6.6.2.2. *Economy Act*, 31 USC § 1535. The *Economy Act* authorizes the inter-agency and intra-agency furnishing of supplies or services on a reimbursable basis, and payment of actual costs for the provision of goods and services. Inter-agency support is for transactions of goods or services between DoD and non-DoD federal government agencies (known as intergovernmental support). Intra-agency support is for transactions of goods or services within and between DoD and other DoD components (known as inter-service support).

6.6.2.2.1. MAJCOMs/Centers/ FOAs/DRUs, and field level budget offices will not use the *Economy Act* for transactions occurring within the same appropriation per GAO, *Principles of Federal Appropriations Law*, 3rd ed., 2008 rev., ch. 12, § B.1.c.(1) fn. 24, GAO-08-978SP, Washington D.C., Sep. 2008. (T-0). The *Economy Act* is general statutory authority allowing transfers of funds “between” appropriations – it does not apply unless there is such a transfer.

6.6.2.2.2. MAJCOMs/Centers/FOAs/DRUs, and field level budget offices will ensure *Economy Act* orders are specific, definite, and certain regarding the work to be performed. (T-0).

6.6.2.2.3. MAJCOMs/Centers/FOAs/DRUs, and field level budget offices will comply with the terms of 31 USC § 1535, which requires meeting four conditions for the use of *Economy Act* authority: 1) funds are available; 2) the head of the requesting agency or major organizational unit determines the order is in the best interest of the US Government; 3) the agency or unit asked to fill the order is able to provide (or obtain by contract) the goods or services; and 4) the head of the requesting agency decides the goods or services ordered cannot be provided by contract as economically or conveniently by a commercial enterprise. (T-0).

6.6.2.2.4. MAJCOMs/Centers/FOAs/DRUs, and field level budget offices will ensure the *Economy Act* will not be used for services which the DAF is required by law to provide a requesting agency and for which it receives direct support. (T-0). In addition, DAF activities will ensure an *Economy Act* order will not be used by one organizational unit to order work or services from another organizational unit, under the same activity commander, where the activity commander is in a position to fund the required goods or services through the use of direct funds. (T-0).

6.6.2.2.5. MAJCOMs/Centers/FOAs/DRUs, and field level budget offices using *Economy Act* orders citing annual or multiyear appropriations will ensure they constitute a bona fide need arising in, or existing in the FY(s) which the current appropriation(s) are available for obligation. (T-0). A DAF servicing activity should refuse acceptance of an *Economy Act* order if the order does not conform with a need existing in the FY for which the appropriation is available.

6.6.2.2.6. MAJCOMs/Centers/FOAs/DRUs, and field level budget offices will ensure *Economy Act* orders obligated by an ordering activity are deobligated to the extent the servicing agency has not incurred obligations before the end of the period of availability of the ordering appropriation. (T-0).

6.6.2.2.7. Reference *DoD 7000.14-R*, Volume 11A, Chapter 3, for additional *Economy Act* Order instructions. Contact SAF/FMB appropriation managers or SAF/FMB P&FC for additional guidance.

6.7. Appropriation Refunds. Per OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*, refunds are repayments of excess payments. The amounts are directly related to previous obligations incurred and outlays made against the appropriation. Refunds to appropriations represent amounts collected from outside sources for payments made in error, overpayment, or adjustments for previous amounts disbursed. Refunds received are deposited to the credit of the appropriation or fund account charged with the original obligations. (T-1). See *DoD 7000.14-R*, Volume 3, Chapter 15, for additional guidance.

6.8. Accessorial Expenses. Per *DoD 7000.14-R*, Volume 11A, Chapter 1, accessorial expenses are costs incident to issues, sales, and transfers of materiel. Accessorial expenses include packing, crating, handling, transportation, and port loading and unloading. Unless otherwise provided by law or regulation, accessorial expenses shall be billed to: a) non-DoD federal departments, agencies, or instrumentalities; b) non-federal entities, including DoD contractors; and c) NAF when property is transported for DoD MWR activities, unless reimbursement has been waived by DoDI 1015.15, *Procedures for Establishment, Management, and Control of Nonappropriated Fund (NAF) Instrumentalities and Financial Management of Supporting Resources*. (T-1).

6.8.1. Charges for transportation costs not included in standard prices or financed from funds cited by the buyer are from point of shipment to the point at which the consignee accepts delivery. (T-1).

6.8.2. DAF DWCF sales are at standard prices, which includes a surcharge for transportation, Distribution Depot, and Inventory Control Point expenses. Customers or users pay this standard price to the applicable CSAG – Supply. If the DAF supplier incurs any additional costs (e.g., second destination transportation (SDT), packing, crating, handling, etc.) bill such costs to the purchaser for reimbursement of the DAF appropriation bearing such cost, at either the standard percentage or actual cost. (T-1).

6.8.3. Returns to the DWCF CSAG – Supply divisions are creditable or non-creditable according to directives prescribing the returns. These DWCF credits may offset later billings for DWCF sales. Pay any accessorial costs incurred for the creditable returns from the funds of the activity returning the materiel. If a DAF appropriation pays accessorial costs, the DWCF Division reimburses the DAF appropriation and reduces the credit, if considered the most efficient and acceptable way of handling the costs. An alternative approach would have the DWCF Division providing credit as usual, and having the appropriation bearing the expense collect directly from the activity returning the item. (T-1).

6.8.4. When selling or transferring items procured locally to a non-DoD activity, include only the accessorial cost elements actually incurred. (T-1).

6.8.5. The Financial Services Office (FSO)/FMA Office must add an accessorial charge when authorized non-DoD customers purchase items in overseas commissaries; the FSO/FMA collects the accessorial charge from the customer. (T-1).

Chapter 7

APPROVING UPWARD OBLIGATION ADJUSTMENTS FOR EXPIRED AND CLOSED (CANCELLED) ACCOUNTS (APPROPRIATIONS)

7.1. Applying this Chapter. MAJCOMs/Centers/FOAs/DRUs funds holders are to follow this chapter for approving upward obligation adjustments using expired appropriations and for using current appropriations to fund payments and adjustments related to cancelled appropriations. Reference *DoD 7000.14-R*, Volume 3, Chapter 6 and Chapter 10, for additional detailed guidance. Contact the SAF/FMB appropriation manager or P&FC for assistance with these types of appropriation adjustments, or contact the AF Accounting and Finance Office (AFAFO) for assistance with accounting requirements.

7.2. Key Definitions.

7.2.1. An upward obligation adjustment (UOA) is the recording of an obligation or expenditure incurred but not previously recorded.

7.2.2. An expired appropriation is an account with a balance no longer available for incurring new obligations; this type of account is only available to record, adjust, and liquidate valid past obligations, and it remains available for those purposes for five years after the account's period of availability to incur new obligations expires.

7.2.3. A closed or cancelled appropriation is an account with a balance that is not available for obligation or expenditure for any purpose. Appropriations that are fixed as to time (i.e., annual or multi-year appropriations) close (cancel) on September 30th of the fifth FY after expiration of an account's period of availability for incurring new obligations.

7.2.4. A current/unexpired appropriation is an account with a balance available for incurring new obligations. Pursuant to Title 31 United States Code Section 1553, a current/unexpired appropriation is used to record obligations that otherwise would have been properly chargeable (both as to purpose and amount) to a closed or cancelled appropriation.

7.3. Types of UOAs. There are two types of upward obligation adjustments: Ordinary Adjustments and Adjustments due to Contract Changes.

7.3.1. Ordinary Adjustments. These adjustments do not meet the definition of "contract change" in 31 USC § 1553(c)(3) (e.g., a change to a contract under which the contractor is required to perform additional work). Examples include: award and incentive fees, price inflation (escalation or economic price adjustments), and correcting administrative and accounting errors. They may be funded with either expired or current year funds – see below for specific situations. Refer to [paragraph 7.4](#) below for guidance if expired year funds are exhausted. Consult with contracting and legal offices for further guidance on these types of adjustments.

7.3.1.1. Unique Types of Ordinary Adjustments.

7.3.1.1.1. Ratification Actions. These adjustments involve an authorized official ratifying (approving) an unauthorized commitment for the purpose of paying for supplies or services received by the government. Charge the appropriation and FY that would have been charged had the obligation been valid from the date of the unauthorized commitment.

7.3.1.1.2. Foreign Currency Fluctuations. These adjustments are made to Foreign Currency Fluctuation CMA when the foreign currency exchange rate is higher or lower than the established budget rate. Reference *DoD 7000.14-R*, Volume 6A, Chapter 7.

7.3.1.1.3. Claims. Obligate funds for meritorious claims made under Title 41 United States Code Chapter 71 (referred to as *Contract Disputes Act*) against the appropriation on the contract. Analyze each claim on its own merits, including application of the bona fide needs rule, to determine which funds to obligate to cover the government's liability. See exceptions listed in [paragraph 7.3.1.1.3.1](#) and [paragraph 7.3.1.1.3.2](#) below.

7.3.1.1.3.1. Judgment Fund Claims. If paying a claim from the statutory Judgment Fund as a result of a decision by the Armed Services Board of Contract Appeals or the (US) Court of Federal Claims, charge the DAF reimbursement to the Judgment Fund to the appropriation current on the date of the Board's or Court's decision. **NOTE:** Judgment Fund claims paid from current year funds are not counted against the one percent limitation in 31 USC § 1553 for paying cancelled bills with current year funds. Do not submit Judgment fund reimbursements involving current years through FMSuite, as this causes an erroneous adjustment to the one percent limit.

7.3.1.1.3.2. MILCON or MFH Contract Claims. Per Title 10 United States Code Section 2863, and notwithstanding any other provision of law, pay meritorious contractor claims arising under MILCON contracts or MFH contracts from any unobligated funds appropriated and available for MILCON or MFH construction.

7.3.1.1.4. Definitization of Undefined Contractual Actions (UCAs). Per the DFARS, definitization means the agreement on, or determination of, contract terms, specifications, and price, which converts an undefinitized contract action to a definitive contract. An undefinitized contract action is any contract action for which the final contract terms, specifications, or price are not agreed upon before performance begins under the action; examples include letter contracts and orders under basic ordering agreements. UCAs do not apply to purchases at or below the simplified acquisition threshold, special access programs, or Congressionally mandated long-lead procurement contracts. A UCA may apply to FMS under specific circumstances. See *Defense FAR Supplement* (DFARS), Subpart 217.7404, current edition.

7.3.1.1.4.1. Per *DoD 7000.14-R*, Volume 10, Chapter 1, the maximum amount the government is allowed to obligate on a UCA before definitization is 50 percent of the UCA, the amount specified in the UCA's "not-to-exceed" price; however, if a contractor submits a qualifying proposal before 50 percent of the not-to-exceed price has been obligated by the government, then the limitation on obligations before definitization may be increased to no more than 75 percent of the not-to-exceed price. Some exceptions apply for initial spares purchases, contingency operations, and humanitarian or peacekeeping operations.

7.3.1.1.4.2. Definitizations are obligated against the current appropriations current at the time of the definitization action.

7.3.1.1.5. Provisioning Item Orders Price Definitization. Some contracts contain options that allow activities to issue provisioning orders for items such as spares, repair parts, or aerospace ground equipment. Record these obligations at the time the organization issues the order to the contractor on SF 30, *Amendment of Solicitation/Modification of Contract*. Charge price definitizations that require additional obligations to the same appropriation charged on the initial order, provided the scope of the order contemplated by the contract has not changed.

7.3.1.1.6. Contract overruns. Evaluate each transaction against the bona fide needs rule to determine the proper FY to charge, especially on contracts with multiple modifications over several FYs. Fund cost overruns with the same appropriation used for the underlying contract or specific modification causing the overrun.

7.3.1.1.7. Contract closeout costs. Evaluate each transaction against the bona fide needs rule to determine the proper FY to charge, especially on contracts with multiple modifications spanning several FYs. Fund contract closeout costs with the same appropriation used for the underlying contract or specific modification to which the closeout cost is attributable.

7.3.1.1.8. Replacement Contracts and Reprocurement Contract Actions. If a reprocurement contract action is needed and the funds that were obligated on the original contract are expired, those expired funds may be used to fund a replacement action (replacement contract) if all of the following conditions are met. If these conditions cannot be met, current year funds must be used instead:

7.3.1.1.8.1. The DAF had a bona fide need when it entered into the original contract, and has a continuing bona fide need for the goods or services involved. **(T-1)**.

7.3.1.1.8.2. The original contract was made in good faith. **(T-1)**.

7.3.1.1.8.3. The original contract was terminated for default or for the convenience of the government. If the original contract was terminated for the convenience of the government, the termination must have been the result of a: court order; determination by a contracting officer the contract award was improper when there is explicit evidence the award was erroneous and the determination is documented with appropriate findings of fact and of law; or determination by other competent authority (e.g., GAO or a Board of Contract Appeals) that the contract award was improper. **(T-1)**.

7.3.1.1.8.4. Replacement contract does not exceed the scope of the original contract and is executed without undue delay after the original contract is terminated. **(T-1)**.

7.3.1.2. Contact the SAF/FMB appropriation manager for further guidance on handling obligations, payments, and approvals.

7.3.2. Contract Changes Adjustments. – These adjustments involve an increase in contract cost associated with a contractor performing additional work. Contract changes may be outside the scope of the original contract, or they may be within the scope of the original contract. Refer to *DoD 7000.14-R*, Volume 3, Chapter 8, for a detailed discussion on determining scope of work changes.

7.3.2.1. Contract Changes, Out-of-Scope, Use of Current Year Funds. – These adjustments involve an increase to the scope of the contract, and are paid with current year funds. Examples of changes out of contract scope may include increases in quantities, extended periods of performance which materially alter the contract's purpose and scope, or changes to form, fit, or function of end items beyond the scope of original specifications. Carefully analyze the unique facts and circumstances of each situation, including application of the bona fide needs rule, and consult with contracting and legal offices for guidance on the nature of the contract change. **NOTE:** Reprogramming procedures and thresholds apply when using current year appropriations to fund out-of-scope contract changes. See *DoD 7000.14-R*, Volume 3, Chapter 6, for additional guidance.

7.3.2.2. Contract Changes, Within-Scope and Representing an Antecedent Liability of the Government, Use of Expired Year Funds. – These adjustments involve a contractor performing additional work, the payment for which the contractor could successfully assert a claim based on the language of the original contract, and are paid with from the same appropriation as used to fund the original contract (unless that appropriation is closed or cancelled – see [paragraph 7.4](#) below). Examples of such contract changes include modifying the contract for increased costs due to differing site conditions, or modifying a contract pursuant to a changes clause allowing a contracting officer to make unilateral changes, in designated areas, within the general scope of the contract. Carefully analyze the unique facts and circumstances of each situation and consult with contracting and legal offices for guidance on the nature of the contract change.

7.3.2.2.1. SAF/FM must request approval from the OUSD (C) for any upward obligation adjustment submission in FMSuite involving a contract change where the associated obligation adjustment causes the total amount of additional charges in any FY for a single program, project, or activity to exceed \$4,000,000, and the account being used to fund the obligation is expired. **(T-0)**.

7.3.2.2.2. For an upward obligation adjustment that causes the total amount of additional charges in any FY for a single program, project, or activity to equal or exceed \$25,000,000, SAF/FM must request approval from the OUSD (C); adjustments may be made only after the OUSD (C) submits a notice to the Armed Services and Appropriation Committees of the Senate and the House of Representatives of its intention to make the adjustment, and 30 days have passed since that notification. **(T-0)**.

7.3.2.3. Contract Changes, Within-Scope but not Representing an Antecedent Liability of the Government, Use of Current Year Funds. These adjustments involve a contractor performing additional work, payment for which the contractor could not successfully assert a claim, the payment is based on the language of the original contract, and are therefore paid for with current year funds. These situations exist but are not common. Carefully analyze the unique facts and circumstances of each situation and consult with contracting and legal offices for guidance on the nature of the contract change.

7.4. Obligations Properly Chargeable to a Closed Account and Use of Current Year Funds. These adjustments involve obligations and adjustments to obligations that would have been properly chargeable to a closed account, both as to purpose and amount. Such adjustments are subject to certain limitations. See *DoD 7000.14-R*, Volume 3, Chapter 10, for additional guidance on the limitations.

7.4.1. Reprogramming procedures and thresholds do not apply when currently available appropriations are used to fund obligations or adjustments to obligations, which would otherwise have been funded from a canceled appropriation account before it was canceled.

7.4.2. See *DoD 7000.14-R*, Volume 3, Chapter 6, for additional guidance.

7.5. Funds Control Compliance in Expired Accounts.

7.5.1. The level of detail required to be maintained for expired appropriations is the same as that required to be maintained for current appropriations; this detail (appropriation, FY, program, etc.) affords visibility over expired accounts, provides an audit trail, and enables compliance with the limitations in 31 USC § 1553. (T-0). Ensure continued compliance with budget authorization funding document detail issued by SAF/FMB appropriation managers until either budget authorization funding documents are revised, or until the appropriation is canceled. (T-0). Contact the SAF/FMB appropriation manager for additional guidance.

7.5.2. Ensure compliance with any restrictions incorporated by statute and noted on budget authorization funding documents (including Congressional Special Interest restrictions); these limitations continue in effect following expiration of the appropriation. (T-0).

7.5.3. MAJCOMs/Centers/FOAs/DRU funds holders will ensure Code ESP (SFIS Activity Identifier) ZC is used when obligating current year appropriations to fund cancelled account obligations and expenditures. (T-1).

7.6. Approving UOAs in FMSuite.

7.6.1. MAJCOMs/Centers/FOAs/DRUs funds holders will ensure expired and closed appropriation UOAs are recorded in the DAF FMSuite UOA application at [https://fmsuite.af.mil/home.\(T-1\)](https://fmsuite.af.mil/home.(T-1)). Use this URL for access and instructions or contact SAF/FMB P&FC for further assistance.

7.6.2. SAF/FMB P&FC is the DAF approval authority for the following types and amounts of UOAs. SAF/FMB approval must be in place before an accounting office can record the adjustment in the accounting records for:

7.6.2.1. Payments against cancelled appropriations exceeding \$3,500,000. (T-1).

7.6.2.2. Ordinary adjustments exceeding \$3,500,000. (T-1).

7.6.2.3. Within-scope contract changes exceeding \$1,000,000. (T-1).

7.7. UOA Presentations in FM Suite.

7.7.1. Ensure: a) justifications are sound, supporting documents are included (contracts, modifications, contracting and legal determinations, cost estimates and any additional documents that help clarify the adjustment) and coordination is complete, including with contracting and legal if necessary; b) adjustments containing more than one condition or action are separately identified; and c) upward adjustments are not netted against downward adjustments.

7.7.2. DAF activities will submit requests for upward adjustments at least two weeks in advance to allow time for review and coordination. **(T-1)**. SAF/FMB P&FC will work emergency requests for valid urgent requirements on a case-by-case basis. At FY-end, after the first week in September, discuss any request with SAF/FMB P&FC prior to submission. DAF activities will ensure approved upward obligation adjustments citing expiring year or canceling account funds are obligated prior to FY-end **(T-1)**. If not obligated prior to FY-end, DAF activities must resubmit adjustments in the next FY for approval by SAF/FMB P&FC. **(T-1)**.

7.8. ADA.

7.8.1. MAJCOMs/Centers/FOAs/DRUs funds holders will ensure all UOAs involving an ADA violation investigation, or potential ADA violation, are submitted to SAF/FMB P&FC for approval regardless of dollar amount. **(T-0)**.

7.8.2. Reference *DoD 7000.14-R*, Volume 14, for examples of reportable violations.

Chapter 8

SUPPORT FUNDING GUIDANCE

Section 8A—Overview

8.1. Applying This Chapter. Follow this financial management guidance to fund support transactions between component organizations of the DAF and:

8.1.1. Other DAF activities (intra-service support - includes DAF, AFR, and ANG).

8.1.1.1. Combatant commands for which the DAF is the Combatant Command Support Agent are USAF tenants for the purpose of host-tenant funding responsibilities. This also applies to their subordinate organizations.

8.1.1.2. These commands are identified in DoDD 5100.03, *Support of the Headquarters of Combatant and Subordinate Unified Commands*.

8.1.2. Component organizations of other DoD departments and agencies (inter-service support).

8.1.3. Component organizations of non-DoD departments and agencies (inter-agency support).

8.2. Complying with Statutory Authority. DAF organizations that obtain materials, work, or services from other DoD components and other government agencies (or provide the same to non-DAF activities) must do so under statutory authority. (T-0). Usually, one or more of the following applies:

8.2.1. Project Order (41 USC § 6307).

8.2.2. *Economy Act* Orders (31 USC § 1535).

8.2.3. Orders for Procurement by another DoD component (Title 10 United States Code Section 2309).

8.2.4. Orders from Stock for Supplies, Materiel, or Equipment of another DoD component.

8.2.5. Orders Required by Law to be Placed with a government agency, e.g.,

8.2.5.1. Federal Prison Industries (Title 18 United States Code Section 4124).

8.2.5.2. Government Printing Office (Title 44 United States Code Section 501).

8.2.5.3. Corps of Engineers (Title 33 United States Code Section 576).

8.3. Responsibilities.

8.3.1. Host vs tenant funding responsibility/determinations (including charging policy) for various categories of support are made by functional organizations. SAF/FMB financial management responsibilities align with *DoD 7000.14-R*, addressing the types of costs that can be charged.

8.3.2. MAJCOMs/Centers and bases should issue instructions to ensure that:

8.3.2.1. The originator or manager coordinates the support agreement with the office of the Director, Financial Management/Comptroller. (T-1).

8.3.2.2. The comptroller, or designated representative, signs all agreements (see DoDI 4000.19, *Support Agreements*, and AFI 25-201, *Intra-Service, Intra-Agency, and Inter-Agency Support Agreements Procedures*). (T-1).

8.3.2.3. The financial management activity ensures the receiver's reimbursable and non-reimbursable direct incremental cost requirements are included in the supplier's annual financial plan. (T-1).

8.3.2.4. The financial management activity works with DFAS organizations to ensure the accomplishment of actual billing and collection for support provided, and to provide appropriate accounting services. (T-1).

8.3.2.5. Installation financial management comptroller, or program office financial managers, annually performs a budget review of support agreement reimbursements.

8.3.2.5.1. The total dollars collected via reimbursement from a customer is compared to the total estimated reimbursement for that customer. Keep in mind one customer may have been serviced through several agreements and that some agreements may have elements that are to be financed via direct cite instead of reimbursement.

8.3.2.5.2. If the total amount collected for the customer is within +/- five percent of what the reimbursement estimate was and that dollar amount is within +/- \$100,000, no further action is necessary.

8.3.2.5.3. If the variance stated in [paragraph 8.3.2.5.2](#) is exceeded, compare collections by EEIC and responsibility center/cost center to the services specified in the agreement(s). Determine reasons for the amount over five percent and propose changes to the agreement(s) as needed. Notify the base support agreement monitor and customer of any changes needed to the annex. Depending on the number and degree of changes, a new agreement may need to be accomplished. If the changes are minor, a revised, coordinated budget annex is all that is needed.

Section 8B—Intra-service Relationships (Within the DAF)

8.4. General Host-Tenant Responsibilities.

8.4.1. When a tenant command asks, the host command:

8.4.1.1. Provides administrative and logistical support to the tenant under *AFI 25-201*.

8.4.1.2. Administers funds made available by the tenant's parent command to support the tenant.

8.4.2. The tenant command:

8.4.2.1. Advises the host command of tenant requirements early enough to permit consideration when the host formulates its budget and execution plan.

8.4.2.2. Does not change planning factors such as utilization rates and overall scope of activity (once tenant support requirements are agreed upon) without notifying the host command in advance).

8.4.3. The parties jointly:

8.4.3.1. Revise agreements depending on the size of the tenant's requested changes and their effect on the host's support capability.

8.4.3.2. Follow procedures in *AFI 25-201*, when support agreements are necessary and commands cannot agree.

8.4.4. The Memorandum of Agreement between the USAF and Air Force Special Operations Command (AFSOC), as changed by later agreements, governs USAF support of AFSOC Forces.

8.5. Handling Unfunded Requirements.

8.5.1. If the tenant is short of funding for tenant identified requirements (including requirements the host must perform via contract due to shortage of manpower or resources), it is incumbent upon that tenant to address the shortfall(s) using their chain of command and financial processes (i.e., submitting budget or execution plan changes as well as unfunded requirement submissions). (T-3).

8.5.2. If the host organization is short of funding to meet normal host requirements (such as most base operations support requirements) as delineated in the host tenant support agreement (excluding contract services), then they must use the host chain of command and financial processes to address the shortfall and submit unfunded requirements to address the shortfall. (T-3).

8.5.3. The reason for procuring services via contract must be the result of a demonstrated limitation on manpower or resources to provide requirements at the standard level of service provided to all tenants and not simply because a contract is the most expedient or cost effective method of providing the services. (T-3). In these cases, the tenant may be responsible for the incremental cost of providing the service by contract. The tenant must tell the host its requirements early enough to allow consideration during budget formulation. (T-3). If funds are not available, the host submits an unfunded requirement to its next higher headquarters for funding consideration. As a last resort, the tenant command may fund the specific unfunded tenant requirement.

8.6. Defense Working Capital Fund.

8.6.1. Commanders ensure that support agreements with DWCF activities comply with *DoDI 4000.19* and *AFI 25-201*. (T-3). Charge DWCF activities for incremental direct costs that are measurable and directly attributable to the receiver. Contact SAF/FMBOO for program element codes (PEC) which define base support resources provided to activities.

8.6.2. TDY of Aircrew Members Assigned to Attachment Units. In accordance with DAFMAN 11-401, *Aviation Management*, the attachment unit funds TDY for aircrew members when they require additional formal aircrew training in order to meet the minimum training requirements prescribed in training instructions. For normal training requirements, the member's assigned primary unit funds any required TDY costs to travel to the attachment unit. (T-3).

8.6.3. Funding for Rotational Units and Deployments.

8.6.3.1. Members of rotational units and deployments are on TDY and the host operationally controls assigned aircraft, therefore these units are not bona fide tenants. Each USAF activity budgets and funds for civilian pay and TDY expenses of its personnel. Therefore, unless civilian spaces and personnel authorizations of these transient tenant units are transferred to the host activity, commanders ensure that the activity to which members are assigned funds civilian pay and TDY. **(T-3)**. The command to which these transient units are deployed funds all other costs.

8.6.3.2. Apply funding guidance for rotational units, deployments, and Joint Chiefs of Staff (JCS) exercises to ANG and AFR Command units assigned duties to support the active forces, other than for training. Generally, the command hosting the rotation, deployment, or JCS exercise funds all costs, except civilian pay and TDY. However, there are exceptions for dual status funding. For additional information, see **Chapter 16** and **Chapter 17** of this manual.

8.6.4. TDY Deployments That Involve Transferring Units' (Aircraft and Personnel) Operational Control. Apply these budgeting and funding responsibilities:

8.6.4.1. The command to which personnel are assigned funds TDY and civilian pay.

8.6.4.2. The command with operational control of the aircraft finances all other costs (including base and intermediate maintenance, and contract quarters).

8.6.5. Government Support Provided Contractors.

8.6.5.1. Finance the cost of repairing, modifying, or constructing buildings used by a contractor on government-owned or leased land from the appropriations available for such purposes.

8.6.5.2. Charge the command that accomplishes the contract. **EXCEPTION:** Do not apply this guidance to contract field teams doing on-site maintenance under AFMC maintenance (DWCF), or O&M funded contracts.

8.6.6. Payment for Official Mail. Each installation and geographically separated unit budgets and funds for their own official mail requirements. **(T-3)**. Apply the following guidance:

8.6.6.1. Charge all USAF and non-USAF tenants for all postage costs.

8.6.6.2. A host has the option to set a limit below which it is not cost effective to recoup postage reimbursement.

8.7. Disposing of Turn-in Credits.

8.7.1. When one or more tenants deactivate or depart and have accrued Consolidated Sustainment Activity Group – Supply credits, any remaining tenant units funded by the same parent command uses the Supply Business Activity credits. If none of these units remain, the DWCF reimburses the parent command of the deactivated or departed tenant. Reimburse at the earliest possible date after deactivation or departure, but not later than 30 September of the FY in which the credit was earned.

8.7.2. Follow criteria in **Chapter 19** to credit turn-ins of expense materiel.

8.8. Billing Tenants.

8.8.1. Two or more tenants funded by the same parent command under a single fund allotment are considered as a single tenant. Identify the charges and bill these tenants separately to classify them and identify charges by cost center.

8.8.2. Billings may be waived when the accumulated charges against a reimbursable tenant do not exceed \$1,000 for any calendar quarter. However, no later than the end of the FY, commanders ensure that all suspended amounts are billed even though the billed amount is less than \$1,000. (T-3). **EXCEPTION:** Do not apply this waiver to DWCF transactions or support.

8.8.3. Thrift Shops operated by wives/spouses clubs on USAF installations are exempt from reimbursing for utilities.

8.9. Making Jurisdictional Transfers. Gaining and losing commands should draft a transfer agreement to transfer an installation or other activity between jurisdictions. The gaining command should forward the agreement to HAF for approval.

8.9.1. Concurrent with submitting the agreement to HAF, gaining and losing commands forward revisions to their annual execution plans for the appropriations and funds affected by the transfer. The justification should cover only the changes in mission because of the transfer. SAF/FMB adjusts the command budget authorizations and funds allocations as necessary.

8.9.2. The commands should transfer all funds and funding responsibilities as of one date, preferably on the first day of the month or fiscal quarter. The date of transfer of funding responsibility should coincide with the date of transfer of civilian personnel authorizations.

8.10. Reimbursing Landing Fees and Base Maintenance for Transient Aircraft. See AFI 10-1001, *Civil Aircraft Landing Permits*, and specific agreements for current guidance and rates for charging transient aircraft landing fees. Bill for base level maintenance on transient aircraft (including fleet service) as follows:

8.10.1. No reimbursement. For ANG Aircraft, AFRC aircraft or other USAF aircraft. Reimbursement is not required because the above policies are reciprocal. In other words, USAF installations will not bill ANG, AFRC, or transportation WCF aircraft for transient maintenance on their aircraft nor will those organizations bill the USAF for transient maintenance on USAF aircraft. (T-1).

8.10.2. Non-USAF Aircraft. Reimbursement is necessary. Accumulate individual transactions of less than \$1,000 for another DoD activity within a fiscal quarter. If they amount to less than \$1,000 during the quarter, the provider may waive reimbursement. However, no later than the end of the FY, commanders will ensure that all suspended amounts must be billed even though the billed amount is less than \$1,000. (T-3). The USAF does not require reimbursement for routine parking and launching (Follow Me) service from transient aircraft owned and operated by the US Government or from USAF contract aircraft.

8.10.3. Landing Fees. Title 10 United States Code Section 2697, *Acceptance and Use of Landing Fees Charged For Use of Domestic Military Airfields by Civil Aircraft*. The Secretary of a military department may impose landing fees for the use by civil aircraft of domestic military airfields under the jurisdiction of that Secretary and may use any fees received under this section as a source of funding for the O&M of airfields of that department. Commanders will ensure that amounts received for a FY in payment of landing fees imposed under this section for the use of a military airfield are credited to the appropriation that is available for that FY for the O&M of that military airfield, and are merged with amounts in the appropriation to which credited, and are available for that military airfield for the same period and purposes as the appropriation is available. **(T-0)**.

8.10.4. Johnston Atoll (Reimbursement for Support Provided to Civil Air Carriers). Title 10 United States Code Section 9783, authorizes the SAF, under regulations prescribed by the SAF, to require payment by a civil aircraft carrier for support provided by the US to the carrier at Johnston Atoll that is either requested by the civil air carrier or determined under the regulations as being necessary to accommodate the civil air carrier's use of Johnston Atoll. **(T-3)**. Commanders must ensure amounts credited to the appropriation under this section are merged with funds in that appropriation and shall be available, without further appropriation, for the purposes and period for which the appropriation is available. **(T-0)**. Refer to the text of 10 USC § 9783 for additional detail.

8.11. Investigating Aircraft Accidents, Including Remotely Piloted Aircraft, Repair Activities and Environmental Cleanup. Provide funding support as follows:

8.11.1. The host installation supporting the investigation funds for any in-house support.

8.11.2. The convening command may pay TDY travel for board members and witnesses.

8.11.3. The investigating command funds other support costs (for example, leasing of vehicles or special equipment, leased communications, and other contractual services).

8.11.4. If the site is a USAF site or privately owned, the MAJCOM or ARC that possesses the aircraft at the time of the mishap funds the environmental cleanup and repair efforts of the mishap site. If the site belongs to another federal agency, funding of the cleanup will be affected by any agreements between the agencies.

Section 8C—Inter-service Relationships

8.12. Overview. This section prescribes uniform guidance for inter-service support (DAF and other DoD components), consistent with *DoDI 4000.19*.

8.13. Cross-Servicing.

8.13.1. For budgeting and funding, cross-servicing divides into category one (reimbursable) and category two (direct cite).

8.13.2. Under category one (reimbursable), DAF activities acting as the:

8.13.2.1. Ordering agency budgets and funds for the cost of the items or services ordered.

8.13.2.2. Procuring or performing agency budgets on a reimbursable basis. Fund the materiel or services for the ordering agency the same as for similar products or services for the performing agency's account. (T-3).

8.13.3. Under category two (direct cite):

8.13.3.1. The contractor bills each ordering agency separately for articles delivered or services rendered, based on the ordering agency's instructions. But, when articles are delivered for storage to the procuring agency for the ordering agency's account, the agencies make cross-disbursing arrangements so the procuring agency can pay vendor's invoices against funds cited by the ordering agency.

8.13.3.2. Unless the departments otherwise agree, do not accept or issue a MIPR citing expiring appropriations after 31 May of the FY (e.g., those appropriations that must be obligated by 30 September of that FY). (T-3).

8.13.3.3. To submit MIPRs citing expiring appropriations after the cutoff date, first contact the procuring department to find out if it can execute a contract or otherwise obligate the funds by FY-end. Procuring departments should attempt to obligate funds for all such MIPRs accepted after the cutoff date, but accepting a late MIPR does not mean that they will be able to obligate all such funds.

8.13.3.4. These instructions do not restrict processing MIPRs as long as the procuring department can execute contracts or otherwise obligate the funds before the end of the FY.

8.13.4. Only orders placed under the *Economy Act* (31 USC § 1535) are subject to deobligation as prescribed in the statute. See 31 USC § 1535(d). Retain all other orders on the accounting records until liquidated, adjusted, or deobligated according to normal procedures.

8.13.5. Supporting Commissaries. The Defense Commissary Agency includes each military department's commissary system. As a DWCF activity, commanders ensure that Defense Commissary Agency activities on or supported by USAF installations reimburse host bases for support costs under negotiated inter-service support agreements, using the support categories and guidance in *DoDI 4000.19*. (T-0). DoDD 5105.55, *Defense Commissary Agency (DeCA)*, provides guidance on operating Defense Commissary Agencies.

8.14. Determining Cross-Servicing Charges.

8.14.1. Refer to *DoD 7000.14-R*, Volume 11A, to determine reimbursable costs and amounts to collect for inter-service support, unless another directive or instruction authorizes different reimbursements.

8.14.2. DAF activities may not levy surcharges or other charges not authorized in this chapter.

8.14.3. Compute charges for cross-servicing by activities operating an industrial fund cost accounting system according to DWCF guidance and the business area's approved charter. DoD guidance on common service warehousing (that is, non-reimbursable) does not apply to industrial funds if they incur costs for services they provide.

8.14.4. Commanders will ensure that USAF activities operating an industrial-type cost accounting system include direct labor, direct materiel, and overhead, but not military pay and allowances, in cross-servicing charges. **(T-3)**.

8.14.5. The furnishing department bills these items at cost: electricity, gas, steam, water, or other similar utilities furnished as a separate cross-service. They cannot be incidental to another cross-service.

8.15. Accepting Cross-Service Orders.

8.15.1. The procuring agency sends a written acceptance or rejection with explanation, not later than 30 days after receiving a cross-service order. (The base activity that contracts or provides the ordered service or materiel, not financial management, accepts MIPRs.)

8.15.2. Include in an acceptance at least:

8.15.2.1. Identification of cross-service order (number and date, ordering agency, and address).

8.15.2.2. Statement accepting the order. For accepting MIPRs, commanders will ensure that the statement says: "The terms of this MIPR are satisfactory and are accepted, subject to the corrections for consolidated reimbursable procurement stated herein." **(T-3)**.

8.15.2.3. The items requested will be furnished as follows:

8.15.2.3.1. Statement of financing method used in filling the order. **(T-3)**.

8.15.2.3.1.1. By reimbursement upon delivery (Category One). **(T-3)**.

8.15.2.3.1.2. By direct citation of ordering agency funds (Category Two). **(T-3)**.

8.15.2.3.2. List of line items under each category above, and total estimated price by line item. **EXCEPTION:** May consolidate item numbers on the order which are subject to the same procurement method and budget account classification and accept them as a single-line of entry.

8.15.2.3.3. Date of acceptance.

8.15.2.3.4. Signature, title, and address of officer or individual authorized to accept the order.

8.15.2.3.5. If the procuring agency expects price revisions or variations in quantity contingencies under consolidated reimbursable procurement, the procuring agency representative who accepts the MIPR must note them in the acceptance statement. **(T-3)**.

8.15.2.3.6. Show the acceptance format on the cross-service order as a snap-out sheet or as a separate form. Include a heading in capital letters that reads: "ACCEPTANCE OF CROSS-SERVICE ORDER." Provide enough space to include the required information.

8.15.3. Treat amendments to an accepted order the same way as an initial order. Before accepting an amendment, find out whether or not the acceptance results in a loss to the DAF. If a loss would result, the provider must evaluate the loss and qualify the acceptance to ensure enough funds are available to reimburse the DAF for the loss. **(T-3)**. The provider should waive losses under \$100 resulting from complete cancellation of the order.

8.16. Financing Cross-Service Orders.

8.16.1. Finance cross-servicing by the following methods only:

8.16.1.1. Category One. By reimbursing upon delivery or performance or upon settling progress billings for orders placed with industrial funds.

8.16.1.2. Category Two. By citing ordering agency funds. In this case, the contractor or supplier bills and is paid by the requiring activity directly, or the performing activity cites the funds of the requiring activity.

8.16.2. If either category is appropriate, the procuring agency decides how to finance cross-servicing.

8.16.3. Cite the requiring department's funds when the DAF acts as procuring agency for another department and the items being procured are unique to the other department (the DAF has no known requirements for like items). When acting as the procuring agency for another department, the DAF may determine the type of funding (direct citation or reimbursable) to use. Finance all items subject to consolidated procurement, in accepted cross-service orders, on a reimbursable basis.

8.16.4. Category One. For consolidated-reimbursable procurement, Category One:

8.16.4.1. If the procuring agency qualifies an acceptance because of anticipated contingencies, then the procuring agency bills at the price to be determined later. The procuring agency periodically advises the ordering agency of changes in the acceptance figure by publishing revised prices. The ordering agency adjusts the obligation recorded to show the current price. Commanders ensure that USAF activities review obligations at least monthly to make sure recorded amounts reflect the procuring agency's current prices.

8.16.4.2. If the procuring agency does not qualify its acceptance for anticipated contingencies, the price in the acceptance is final. The procuring agency bills at time of delivery.

8.16.5. Category Two. For direct citation procurement, Category Two:

8.16.5.1. The ordering agency administratively reserves funds for any contingencies indicated in the contract for which it is liable.

8.16.5.2. On 1 August of each FY, the procuring department will advise the requiring department of any Category Two MIPRs on hand citing expiring appropriations on which they are unable to obligate the funds before the fund expiration date. If unforeseen situations after 1 August prevent executing a contract, the procuring department will notify the requiring department by the quickest means possible and return the MIPR with a transmittal letter stating why they could not accomplish the procurement.

8.16.6. Under Category One (consolidated-reimbursable procurement):

8.16.6.1. Commanders ensure that USAF activities acting as the ordering agency budget and fund under applicable appropriations for all requirements to support assigned mission responsibilities. **(T-3)**.

8.16.6.2. Commanders of the USAF activity acting as the procuring or performing agency will:

8.16.6.2.1. Include in budget estimates, annual execution plans, and procurement programs, estimated anticipated reimbursements based on known and forecasted requirements of the other military agencies and experience factors. **(T-3)**.

8.16.6.2.2. Revise procurement programs to show the anticipated reimbursement changes in cases for which the organization is financing a procurement from DAF procurement appropriations. **(T-2)**.

8.16.6.2.3. Promptly bill and obtain reimbursement from the ordering agency upon delivery of the articles or performance of the service. **(T-3)**. When recurring charges are involved, bill the ordering agency on a monthly basis. Do the PO reimbursements by processing a SF 1080, *Voucher for Transfers Between Appropriations and/or Funds*, completing both certificates, and charging funds provided in the PO. Reference reimbursement billings to the order number.

8.16.6.2.4. Deposit reimbursements received as appropriation reimbursements. **(T-1)**.

8.16.7. Under Category Two (direct citation procurement):

8.16.7.1. DAF activities acting as the ordering agency will:

8.16.7.1.1. Budget and fund under applicable appropriations for requirements to support assigned mission responsibilities. **(T-2)**.

8.16.7.1.2. Cite its funds on all orders sent to other military agencies which are available to the procuring agency for citing on all obligating documents. **(T-3)**.

8.16.7.1.3. Pay vendors invoices with cited DAF funds. **(T-2)**.

8.16.7.2. DAF activities acting as the procuring or performing agency will:

8.16.7.2.1. Include funds citing the ordering agency's funds on all contracts and other documents the DAF completes for the ordering agency. **(T-3)**.

8.16.7.2.2. Include cross-references to the original order on all subsidiary documents (contracts, delivery and payment documents, etc.) issued under an order received from another military agency. Ensure these documents have enough information to identify them, including MIPR number, contract number, and budget account classification.

8.16.7.2.3. Promptly distribute all subsidiary documents issued under an order. **(T-3)**.

8.16.7.2.4. Arrange for the contractor or supplier to bill the ordering agency directly. **(T-3)**. But, when the contractor or supplier delivers articles to a DAF activity for account of and storage for the ordering agency, the DAF receives the vendors' invoices and pays against funds which the ordering agency authorized the DAF to cite in accordance with the cross-servicing agreement between the DAF and the ordering agency.

8.16.8. Transportation bills of lading incident to cross-servicing should be charged against the ordering agency's appropriation directly. Charge transportation costs for shipments by DLA as DLA prescribes for their appropriations.

8.17. Resolving Service Disagreements. In cases where the respective services disagree on cross-servicing charges or financing, the MAJCOMs/Centers should forward the disagreement through appropriate channels for resolution. Include recommendations and comments of all parties.

8.18. Joint-Use Guidance. If units or activities of one military department (tenant) reside on another military department's (host) installation, the host may provide facilities and services for the tenant unit after completing a host-tenant agreement. Based on local agreements, DoD installations also provide cross-servicing support to one service's units or activities next to or near another service's installation. See *DoDI 4000.19* for guidance on support for joint use between the Army, Navy, DAF, and defense agencies. See [Chapter 17](#) of this manual for ANG support.

Section 8D—Support of Non-DoD Departments and Agencies

8.19. Overview. The *Economy Act* (31 USC § 1535) authorizes government agencies to enter into transactions with each other when it is in the government's best interest. Apply this section solely to financing orders between DAF activities and other US government departments or agencies outside DoD.

8.19.1. Unless otherwise provided for in departmental agreements, determine charges for materiel, work, services and overhead according to **paragraph 8.14.** and Chapter 1 of *DoD 7000.14-R*, Volume 11A. Compute industrial fund charges according to DWCF guidance.

8.19.2. DoD activities usually waive reimbursement, except for support provided by WCF, when the accumulated value of services, materiel, and supplies furnished a government agency is less than \$1,000 during a calendar quarter. However, no later than the end of the FY, commanders ensure that all suspended amounts are billed even though the billed amount is less than \$1,000. **(T-3)**. But, with regard to WCF, there is no waiver and DoD activities must obtain reimbursement in accordance with WCF scheduled collections even for these smaller amounts.

8.19.3. *Economy Act* orders issued outside the DoD require a Determination and Finding from the contracting officer that documents, among other considerations, that the order is in the best interest of the government (*Federal Acquisition Regulation* (FAR), Subpart 17.5, *Inter-agency Acquisition*, current edition, and DFARS Subpart 217.5, *Interagency Acquisitions*, current edition). **(T-0)**.

8.19.4. Advance Payment Method. By agreement, advance payments are required for orders from the public, including state and local governments. (T-1). The performing agency requires payment in advance from the ordering agency. In the case of public orders, if an advance payment is made and posted with a DD Form 1131, *Cash Collection Voucher*, a SF 1081, *Voucher and Schedule of Withdrawal and Credits*, is processed when it is time to “bill” to move the collection from the advance payment 9910 EEIC to the material EEIC on the performing entity’s lines of accounting. A SF 1080 is not processed for advance payments as the collection was already made. This is different than non-advance collections. The performing agency submits a SF 1080 bill to the ordering activity that makes the advance payment. The performing agency deposits the advance payment in a Consolidated Working Fund or a WCF that it then uses to accomplish the *Economy Act* order.

8.19.5. Transfer Appropriation Method. By agreement, the ordering agency transfers its funds to the performing agency to finance *Economy Act* orders, usually for construction and major procurement. Departmental level only (HAF, etc.) uses this method. HAF processes a SF 1151 through the Treasury Department. Under this method, the DAF maintains the appropriation symbol from which funds were transferred, prefixed by the performing agency’s symbol.

8.19.6. Non-Economy Act Orders. See *DoD 7000.14-R*, Volume 11A, Chapter 18, for additional guidance.

8.20. Support of US Customs Service. The DAF provides support to the Federal Border Clearance Agencies (US Customs Service, Department of Agriculture, and Immigration and Naturalization Service) at USAF Aerial Ports of entry without charge or reimbursement, reference *Defense Transportation Regulation*, 4500.9-R, *Customs*.

8.21. Other Methods of Funding. Some inter-agency transactions must comply with particular statutory provisions, special regulations, or special arrangements. (T-0).

8.21.1. National Bureau of Standards. DAF installations placing work order requests with the National Bureau of Standards will finance them on a SF 1080 advance reimbursement basis. (T-3). Conduct the negotiations and process the SF 1080 at installation level.

8.21.2. US Postal Service. Unless specifically approved by SAF/AAI, installations may not use “Postage and Fees Paid” markings in place of metering.

8.22. Transactions with General Services Administration (GSA) for Leased Facilities.

8.22.1. The DAF enters into and pays for leases ending in a current FY, renewable from year-to-year at the option of the government, provided language to this effect is in the DoD Appropriations Act for that FY.

8.22.2. AFI 32-9001, *Acquisition of Real Property*, has procedures for acquiring and funding leased facilities.

8.23. Air Transportation Provided to Non-Defense Agencies.

8.23.1. Guidance on furnishing air transportation for non-defense personnel and cargo is in DoDI 4515.13, *Air Transportation Eligibility*.

8.23.2. Procedures for processing and collecting charges for reimbursable non-defense traffic transported on DoD aircraft other than Air Mobility Command (AMC) (TWCF) are in DoDD 4500.56, *DoD Policy on Use of Government Aircraft and Air Travel*.

8.24. Terms for Support Agreements. Commanders will ensure that the support agreement identifies the categories of support furnished and the method of funding. (T-3). Furnish support on a reimbursable basis except for insignificant support or services that are not readily identifiable or measurable. Identify cross-servicing responsibilities in the terms of the agreement.

Section 8E—Civil Air Patrol (CAP) and DAF CAP Liaison Offices

8.25. Overview. The CAP is a nonprofit corporation that is federally chartered under Title 36 United States Code Section 40301. It has the authority to receive financial and other support from DoD and other departments and agencies of the federal government as described in Title 10 United States Code Section 9493. Additional guidance on supporting the CAP is contained in AFPD 10-8, *Defense Support of Civil Authorities (DSCA)*; AFPD 10-27, *Civil Air Patrol*, and AFI 10-2701, *Organization and Function of the Civil Air Patrol*.

8.26. Supporting CAP with the use of APF. The DAF funding support to CAP programs differs greatly from the standard support of DAF organizations. The below list provides guidance on which activities are allowed appropriated fund support to DAF agencies responsible for authorizing, allocating, disbursing, and auditing funds for the CAP. The decision to use DAF APF for all, some, or none of these activities rests with the CAP management. Decisions are subject to the availability of APF.

8.26.1. Liability Insurance Premiums. The DAF may provide CAP with funds for paying the cost of liability insurance to cover missions and activities carried out as a federally chartered nonprofit corporation in accordance with 10 USC § 9493(d).

8.26.2. Other Allowable and Allocable Mission and Program Related Expenses. The DAF furnishes to the CAP equipment, supplies, and other resources, to include APF, to enable the CAP to fulfill its missions and programs. The CAP submits annual APF execution plans and budgets to the DAF for approval. The CAP may use APF for the following types of expenses:

8.26.2.1. Supplies. The DAF may furnish supplies (including fuel, lubricants, and other items required for vehicle and aircraft operations) or provide funds for the acquisition of supplies.

8.26.2.2. Travel and Per Diem. The DAF may pay travel expenses and allowances, at rates not to exceed those paid to employees of the US under the *JTR*, to members of the CAP while the members are carrying out programs or missions specifically assigned and approved by the DAF.

8.26.2.3. National Headquarters. DAF funds may be used for the National Headquarters and key staff (wing financial analysts, wing administrators, National Training Center personnel, etc.), at regional, state, or territorial headquarters of the CAP, including funds for the payment of staff compensation and benefits, administrative expenses, travel, per diem and allowances, rent and utilities, and other operational expenses. DAF funds for staff at wing level may only be used for execution or support of DAF assigned missions.

8.26.2.4. Equipment Purchases. DAF funds may be used for the purchase of major end items of equipment required by the CAP to carry out its missions and programs (including aircraft, motor vehicles, computers, and communications equipment). In the event any of this equipment is replaced, commanders ensure that the proceeds from the sale of the equipment to be replaced is used to offset the cost of acquiring new equipment in accordance with DoD Grants and Agreement Regulations, Office of Management and Budget Circular cost principles, and other applicable laws and regulations. **(T-3)**. Aircraft procurement funds may be used to purchase new aircraft; initial spares and repair parts ordered at the time of purchase; common ground support equipment; simulators and training devices; special purpose Automatic Data Processing Equipment (ADPE), modification kits (to include installation), and other aircraft equipment.

8.26.2.5. Equipment Maintenance. DAF funds may be used to place equipment into serviceable condition, or improve, and maintain equipment (including aircraft, motor vehicles, computers, and communications equipment) owned or leased by the CAP.

8.26.2.6. DAF funds may be used for the lease of items of equipment only if specifically approved by the DAF.

8.26.2.7. CAP Cadet Program. DAF funds may be used to support CAP cadet programs by providing funds, supplies, or equipment in accordance with *AFI 10-2701*.

8.26.2.8. Aerospace Education. The DAF may provide funds to CAP for conferences, workshops, and educational materials concerning aerospace education and science, technology, engineering and math subjects for distribution to teachers and students in K-12 classrooms and other youth development organizations. The DAF may provide funds to CAP to conduct K-12 teacher conferences and workshops in the fields of aerospace education and science, technology, engineering and math. Guidance for expenditures for the fulfillment of DAF missions and objectives in accordance with Title 10 United States Code Section 9494(b)(12) is found in *AFPD 10-27* and *AFI 10-2701*. SAF delegates approval authority to Air Combat Command (ACC)/ED to determine whether such expenditures further the fulfillment of the DAF missions and objectives, are consistent with DoDD 5410.18, *Public Affairs Community Relations Policy*, and the ACC Community Outreach and Diversity in Operations program in accordance with 10 USC § 9494(b)(12). This approval authority may be further delegated. **(T-1)**.

8.26.3. Additional Reimbursement Guidance. Pursuant to the budget approval process outlined in *AFI 10-2701*, commanders ensure that any expenditure of APF not included in **Section 8E** of this manual is approved by the ACC/CC or the designee at ACC. **(T-1)**. The following paragraphs supplement the general guidance mentioned in previous paragraphs.

8.26.4. Supplies, Consumables, and Fees. When performing missions or programs assigned and approved by the DAF, including training, evaluations, and inspections, the DAF shall reimburse the CAP for expenses of supplies, consumables, and fees. **(T-1)**. This includes, but is not limited to, aviation/automotive fuel, lubricants, deice, aircraft preheat, mission specific/essential hanger fees, aircraft oxygen service, supplies used while en route to/from and while performing the mission, and fuel for portable generators required for the mission.

8.27. Aircraft and Specialized Equipment Maintenance – Corporate Owned Aircraft. The DAF provides APF to ensure the CAP is reimbursed for all aircraft and specialized equipment maintenance expenses on all corporate owned aircraft. **(T-1)**. Commanders ensure that fleet-wide reimbursement does not exceed actual fleet-wide expenses. **(T-3)**.

8.27.1. Maintenance costs for corporate owned aircraft may be reimbursed based on Headquarters CAP USAF approved flying hour reimbursement rates by aircraft type, actual reimbursement of maintenance actions, or a combination of these two methods.

8.27.2. Aircraft Maintenance – Non-corporate Aircraft. Contingent on DAF aircraft maintenance and the non-availability of CAP aircraft, maintenance costs for non-corporate owned aircraft are reimbursed based on Headquarters CAP-USAF approved flying hour reimbursement rates, by aircraft type.

8.27.3. Specialized Equipment. The CAP, with the approval of Headquarters CAP-USAF, may establish reimbursable flying hour rates for the use of specialized equipment to include, but not limited to Hyperspectral imaging, and Satellite Digital imaging systems.

8.27.4. Program Income. With the approval of Headquarters CAP-USAF, the CAP may establish reimbursement of supplies and usage of equipment provided in support of approved mission requests. Proceeds are recorded as program income and are used only to further overall program objectives activities that are authorized APF support.

8.27.5. Distance Learning. DAF funds may be used for Distance Learning initiatives in support of CAP education and training programs that enable CAP to fulfill the missions and programs assigned by the DAF.

8.27.6. Non-Allowable Expenses. The DAF does not have the authority to reimburse or disburse funds to the CAP for expenses deemed non-allowable by any law, directive, or regulation. Further restrictions are listed and identified in DoD Grants and Agreement Regulations and Office of Management and Budget Circulars.

8.28. Supporting DAF-CAP Liaison Offices. DAF-CAP liaison offices, as opposed to CAP organizations, are USAF “special activities.” Headquarters Air University administers and accounts for funds that finance the direct operating expenses of DAF CAP liaison offices.

8.28.1. The DAF furnishes DAF CAP liaison offices and personnel at National Headquarters CAP the following administrative and logistical support without requiring reimbursement:

8.28.1.1. Routine office and administrative supplies and equipment required by DAF personnel assigned to DAF liaison offices.

8.28.1.2. Special mission aircraft, automotive, and other DAF equipment carried on current DAF accountable records and assigned for use by DAF personnel at National Headquarters CAP or the DAF liaison offices.

8.28.2. They receive maintenance and supply support from the nearest DAF base responsible for logistical support. DAF CAP liaison offices maintain contact with CAP activities within the area of their assignment and, in carrying out this mission, use:

8.28.2.1. SF 44, *Purchase Order Invoice-Voucher*. **(T-3)**.

8.28.2.2. CAP Form 108, *Reimbursement for Individual CAP Member Expenses*, to procure aircraft fuels and lubricants. **(T-3)**.

8.28.2.3. Commercial credit cards to procure automotive fuel and lubricants and emergency roadside repairs. (T-3).

8.28.2.4. *AFI 10-2701* provides guidance for disposing of and accounting for DAF supplies and equipment issued to DAF liaison offices. (T-3).

Section 8F—Disaster Relief in the US, Its Territories and Possessions

8.29. Overview.

8.29.1. DAF Participation. The military services have historically participated in emergency assistance to civil authorities during periods of disaster caused by natural phenomena. The applicable legal authority requires us to distinguish between assistance provided to: (1) states, territories, and possessions of the US, and (2) foreign countries and areas.

8.29.2. DAF guidance is to provide the required emergency military assistance to civil authorities for a limited period in domestic emergencies, using resources not required to do essential DAF military missions. (See Title 42 United States Code Chapter 68.)

8.30. DAF Responsibilities.

8.30.1. Domestic Emergencies.

8.30.1.1. The Office of the Assistant Secretary of Defense (OASD) for Homeland Defense and Global Security coordinates and approves military support for civil authorities in the event of domestic emergencies.

8.30.1.2. The DAF supports OASD for Homeland Defense and Global Security in executing domestic emergency operations consistent with the DAF primary mission. Please see *AFI 10-801, Defense Support of Civil Authorities*, for further guidance on roles and responsibilities of major commands and commanders.

8.30.1.3. Headquarters AFRC is the planning agent for DAF participation in domestic emergencies.

8.30.2. Unified Commands. Commanders of unified commands who have within their geographic area the states of Alaska or Hawaii, or territories or possessions of the US, are responsible for controlling and coordinating military support of disaster relief operations within their assigned area of responsibility (AOR).

8.31. Funding Procedures.

8.31.1. Budget estimates, operating budgets, and execution plans do not include funds for disaster relief operations. The DAF does not reserve funds for these purposes. The DAF usually undertakes these operations on the basis that costs which are additive to normal operating expenses are reimbursed by the agency that requests DAF participation. Usually, it is necessary for the DAF activity providing disaster relief assistance to absorb such costs initially within existing fund availability. HAF or MAJCOMs/Centers make funding adjustments for these unprogrammed expenditures later to the extent possible. SAF/FMB

may establish an ESP code to identify the support costs associated with disaster relief operations. When support is provided before SAF/FMB establishes an AF-wide ESP code, the MAJCOMs/Centers or installations providing such support may create its own interim ESP code. Contact SAF/FMFC, for policies and procedures for reimbursement of Defense Support of Civil Authorities funded activities.

8.31.2. If DAF participation in disaster relief results in expenses that are additive to normal operating expenses, the MAJCOMs/Centers upon tasking will immediately contact the Deputy Assistant SAF (Financial Operations) (SAF/FMF) to obtain reimbursable budget authority or additional funding for operations. **(T-1)**. Requests for reimbursement should contain enough detail to identify and segregate each type of expense.

Section 8G—Disaster Relief in Foreign Countries

8.32. Overview. The Department of State (DoS), including the US Agency for International Development, determines when emergency foreign disaster relief is to be provided as a humanitarian service, consistent with US foreign policy goals. It provides information to the OASD/ISA for requirements of specific disaster relief operations. OASD/ISA informs the OUSD (C) and based on this information, the OUSD (C) initiates appropriate financial or funding actions.

8.33. DAF Guidance. Subject to overriding military mission requirements, MAJCOMs/Centers and FOAs must respond rapidly to requests for assistance in specific foreign disaster relief operations received from US diplomatic missions, DoS/US Agency for International Development (USAID), orders from JCS, unified or specified commands, or from HAF. **(T-1)**.

8.33.1. The Chief of the Diplomatic Mission or the DoS/USAID specifies in advance the amount of funds authorized for expenditure for foreign disaster relief.

8.33.2. DAF activities cannot exceed this specified amount unless the DoS/USAID authorizes an additional amount. **(T-0)**.

8.34. Funding Procedures. DAF execution plans and appropriations do not provide for foreign disaster relief operations. Therefore, costs incurred by DAF activities to support disaster relief operations are reimbursable from the DoS or USAID.

8.34.1. SAF/FMB may establish an ESP code to identify these costs. If costs are incurred before then, set up an interim MAJCOMs/Centers or installation ESP code.

8.34.1.1. Reimbursable Expenses. Reimbursable expenses include, but are not limited to:

8.34.1.2. Pay of all regular employed civilian personnel, both US citizens and foreign nationals, who take part in the relief operation. For US citizen personnel, compute costs on basic salary plus appropriate percent to cover holidays, leave, and other benefits. For foreign national personnel, compute on the basis of total cost to the US.

8.34.1.3. All costs of additional civilian personnel employed specifically for the operation.

8.34.1.4. Overtime pay of all civilian personnel attributable to participation in the operation.

8.34.1.5. Actual per diem, travel, and subsistence expenses for both military and civilian personnel.

8.34.1.6. Pay and allowances of all military personnel participating in the relief operations.

8.34.1.7. Supplies and equipment from stock or special one-time purchases using standard prices for issue to DoD activities, plus applicable accessorial costs for packing, crating, handling, and transportation.

8.34.1.8. Transportation of personnel, equipment, and supplies.

8.34.1.9. Accessorial costs and transportation costs associated with transferring excess items to DoS/USAID without reimbursement for the actual items transferred.

8.34.1.10. Packing, crating, and handling of equipment and supplies at actual cost.

8.34.1.11. Use of equipment on a rate per mile or similar factor determined from the latest cost reports. The cost of equipment loaned and not returned is reimbursable. The cost of returned equipment in damaged condition is chargeable at repair cost. Consider the cost of processing equipment in and out of storage as well as maintenance requirements upon return of the equipment.

8.34.2. Use of military aircraft is chargeable on the basis of hours flown as provided in applicable instructions. Rates include reimbursement for aircraft use, including normal crew per diem, fuel and oil, maintenance (including local purchase of spare parts and depot maintenance), and aircraft attrition. Additional expenses, such as for deicing, landing fees, parking fees, and other like expenses should be separately computed because they are not included in hourly rates.

8.34.3. Non-reimbursable expenses are normally limited to materials, supplies, and equipment determined to be excess and transferred to the DoS/USAID. Accessorial costs and transportation associated with transferring excess property are reimbursable.

8.35. Documentation Requirements. Installation FSO/FMA offices participating in disaster relief operations should obtain documentation to support billings, set up accounts receivable, and obtain reimbursement. Consider using daily cost progress reports due to the expenditure limitations described in [paragraph 8.34](#), and keep statistical data on military personnel expenses and other non-reimbursable costs for informational and historical purposes.

Section 8H—International Military Activities

8.36. Overview.

8.36.1. This section contains DAF guidance and responsibilities for budgeting and funding in support of international military headquarters (per *DoD 7000.14-R*, Volume 11A, Chapter 9) and other international military agencies of the North Atlantic Treaty Organization (NATO). It applies to all DAF activities that carry out responsibilities supporting international military activities.

8.36.2. DoD directives establish the responsibility and methods for providing budgetary, financial, logistical, and administrative support to international military headquarters and other international military administrative activities. Basic authority and limitations are in Title 22 United States Code Section 2301.

8.36.3. The appropriate organization at each DAF echelon that performs budgetary and funding functions enforces the provisions of this chapter. This includes:

8.36.3.1. Continental United States (CONUS) MAJCOMs/Centers for supporting international military organizations or headquarters located within CONUS. **(T-3)**.

8.36.3.2. Headquarters USAF Europe for DAF support to international headquarters or agencies within the geographical boundaries of US European Command. **(T-3)**.

8.36.3.3. National costs exclude the items provided in the international budget. The nation providing the personnel, materiel, or services from which the cost arises bears these costs. **(T-3)**.

8.36.3.4. Finance national costs of the US elements from the O&M appropriation except for: **(T-3)**.

8.36.3.4.1. Personally assigned equipment provided by individual US military departments. **NOTE:** "Personally Assigned Equipment" includes any article assigned to an individual by name, for the individual's exclusive use, and which moves with that individual. Excludes items assigned for exclusive use of an individual which attach to the functions of the office and which are included in appropriate organizational or other entitlement documents.

8.36.3.4.2. Military pay and allowances, individual clothing, return PCS, welfare and morale supplies, chaplain services and supplies, expenses of military discipline, medals, awards, insurance premiums, interest, and death gratuities.

8.36.3.5. The US administrative agent funds and pays for unilateral costs for US elements to NATO military headquarters and other international military headquarters agencies. Administrative agent budgetary responsibilities include:

8.36.3.5.1. Determining national requirements for US elements of international military headquarters activities.

8.36.3.5.2. Budgeting for these national requirements. US military elements entitled to non-reimbursable support by the administrative agent are limited to those which have been included in the approved staffing of the international headquarters or agency concerned.

8.36.3.5.3. Furnishing complete logistical support for the US element assigned. This includes complete supply support for consumable and non-consumable materiel with initial or replacement equipment.

8.37. Reimbursable Support.

8.37.1. The appropriate administrative agent in accordance with *DoD 7000.14-R*, Volume 11A, Chapter 9, Table 9.1 is responsible for providing services (other than personal) or materiel to international military organizations, headquarters, or agencies, on an outright sale or lease basis.

8.37.2. Limit the services and materiel to those normally used by US forces and available to the administrative agent from OCONUS or CONUS US military sources, including those of other military departments.

8.38. Reimbursement Procedure.

8.38.1. The military department furnishing the materiel or services for which a reimbursement is due originates a SF 1080 to the billing OSD, except as noted in [paragraph 8.38.2](#) below.

8.38.2. The Comptroller of Supreme Headquarters Allied Powers Europe or the international organization concerned, after reviewing copies of the SF 1080 notifies OSD that the charge has been accepted and credit has been given to the US government on the offset accounts for the amount approved. OSD executes and returns the SF 1080 to the billing office for payment and reimbursement. **EXCEPTION:** When furnishing materiel or services on a reimbursable basis to international military organizations or headquarters located in CONUS and to which contributions are made in US dollars for use in their normal operations, the military department furnishing the materiel or services bills the international military organization, headquarters, or agency directly and obtains immediate reimbursement in US dollars.

8.39. DoD Guidance. DoD established specific guidance for reimbursable support provided international military headquarters and other international agencies (See *DoD 7000.14-R*, Volume 11A, Chapter 9).

Section 8I—Support of Civil Disturbances

8.40. Funding Guidance.

8.40.1. Follow this section when using military resources in civil disturbance control operations in CONUS. Guidance for civil disturbance control operations in Alaska, Hawaii, and the territories and possessions of the US is a responsibility of the commander of the unified command for the area involved. See *DoD 7000.14-R*, Volume 11A, Chapter 19. DAF support provided in civil disturbance control operations is on a reimbursable basis. Commanders will ensure that the supporting DAF activity initially finances the cost involved from available resources. **(T-3)**.

8.40.2. Reimbursable costs are those costs that would otherwise not have been incurred, that is, costs in excess of normal operating expenses.

8.40.3. When applicable, civilian personnel services are reimbursable based on direct labor costs plus appropriate percent for accrued leave and fringe benefits, additional hires, and overtime costs.

8.40.4. Loan of protective items is on a reclaimable basis. Commanders will ensure that the DAF activity requests reimbursement for non-consumable DAF property lost, damaged, or destroyed. **(T-3)**. In case of damaged property, reimbursement is for reduced utility value. The lending agency determines reduced utility value.

8.40.5. Usually, DAF activities providing support for the civil disturbance control operation absorb such costs initially within existing fund availability.

Section 8J—Support of Civil Authorities in Airplane Hijacking Emergencies

8.41. Funding Guidance. It is DoD policy to commit military resources in a support capacity to other federal agencies in connection with airplane hijacking emergencies. Follow this guidance:

8.41.1. Commanders will ensure that reimbursement is obtained for expenses incident to chase aircraft. **(T-3)**.

8.41.2. Cost of other support, including use of transport aircraft, helicopters, flares, parachutes, and communication equipment is also on a reimbursable basis. This includes cost of repairing or reconditioning non-consumable equipment that may be returned.

8.41.3. Use MAJCOMs/Centers or installation level ESP codes to identify these costs (see [Chapter 5, paragraph 5.7](#)).

8.41.4. Bill the agencies requesting the service.

Section 8K—Support of the US Secret Service

8.42. Statutory Basis and Implementing Directives.

8.42.1. The statutory basis for DoD support related to US Secret Service protective responsibilities is Public Law 94-524, *Presidential Protection Assistance Act*, which is an express exception to Title 18 United States Code Section 1385 (referred to as the *Posse Comitatus Act of 1976*).

8.42.2. DoDD 3025.13, *Employment of DoD Capabilities in Support of the US Secret Service, Department of Homeland Security*, details types of support and the procedures to be used within DoD for support requested by the Secret Service.

8.43. Funding Guidance.

8.43.1. *Public Law 94-524* authorizes OSD support, on request by the Secret Service, to protect the President, Vice President, or other offices immediately next in order of succession to the Office of the President. The DAF provides temporary support on a non-reimbursable basis, and permanent support on a reimbursable basis.

8.43.2. Public Law 90-331, *Joint Resolution to Authorize the United States Secret Service to Furnish Protection to Major Presidential or Vice Presidential Candidates*, coupled with *Public Law 94-524*, Section 8, is the statutory basis for support to the Secret Service in protection of Presidential and Vice-Presidential candidates. This type of support is reimbursable, including temporary support, when requested by the Secret Service.

Section 8L—Joint-Use Facilities

8.44. Overview. This section provides uniform guidance on programming and financing joint-use facilities at military installations. It implements *DoD 7000.14-R*, Volume 2B, Chapter 6. Apply these procedures when:

8.44.1. Two or more DoD components jointly use any DoD installation and MILCON is necessary.

8.44.2. Any military department uses facilities on DoD installations controlled by another department.

8.44.3. Military departments and defense agencies occupy DoD installations under host-tenant relationships.

8.44.4. Two or more DoD components directly or uniquely benefit from the provision of facilities in support of programs and operations (common-purpose facilities).

8.45. Responsibilities for MILCON. Program and finance MILCON as follows:

8.45.1. Single-use Facilities. The DoD component requiring MILCON solely for its own use programs, obtains authorization when necessary, and finances the work involved.

8.45.2. Joint-use Facilities. The military department which has jurisdiction over the host command will program, obtain authorization when necessary, and finance MILCON which is planned for the joint use or joint occupancy of two or more DoD components.

8.45.3. Common-purpose Facilities. The individual military departments, on a case-by-case basis, function as executive agents (i.e., DAF for USCENTCOM) for programs whose output directly and uniquely operate to the benefit of two or more DoD components.

8.45.3.1. The affected DoD components sponsor requests for appropriate dedicated facilities for inclusion in the “MILCON Defense Agencies” program upon assignment or assumption of executive agency responsibility.

8.45.3.2. The executive agent is responsible for: planning and programming all facilities; preparation of justification materials for incorporation in the defense agency books to be submitted to Congressional committees; providing the lead witness for testimony before Congressional committees; and MILCON through use of the appropriate government construction agency upon receipt of authorization and funding.

8.45.4. Required Facilities. The host military department programs, obtains authorization, and finances an extension, expansion, and/or increase of the capacity in the main utilities and communications or transportation systems in general accordance with the master plan of the installation, to support any required facilities, including those required by a tenant.

8.45.4.1. The OSD must approve deviations from this procedure for circumstances involving unusual conditions. **(T-0)**.

8.45.4.2. The DoD components requiring the facility program, obtains authorization, and finance transportation systems, communications, connecting utilities as an integral part of any single-use or common-purpose facility, and supplement existing utility infrastructure to meet project scope.

8.45.5. Siting Facilities. Commanders will ensure that the siting of any facility for a tenant DoD component, whether on the installation or a non-contiguous property, conforms to the Installation Development Plan, per AFI 32-1015, *Integrated Installation Planning*. **(T-3)**.

8.45.5.1. Commanders will ensure that standards of design and construction conforms to those of the host military department, as provided for in the master plan of subject base or installation. **(T-3)**.

8.45.5.2. Some exceptions are made in those instances where tactical or other operational considerations requiring limited duration of occupancy would not economically justify construction of facilities to higher standards.

8.45.6. Utilization.

8.45.6.1. The tenant DoD component or executive agent has exclusive use of any facility constructed for the duration of that DoD component's requirement. Commanders will ensure that the facility is made available to the host military department for utilization, without exchange of funds, upon termination of tenancy or use by the sponsoring military department. **(T-3)**.

8.45.6.2. The host military department makes the facility, or an acceptable existing facility, available within a reasonable time period to the tenant DoD component or executive agent if the tenant DoD component has a requirement for use of the same facility at a later date.

8.45.6.3. The host military department will not construct or acquire a new facility for the tenant DoD component or executive agent instead of returning the original facility or an acceptable existing substitute. **(T-2)**.

8.45.6.4. The tenant DoD component or executive agent is responsible for obtaining a new facility if the host military department is unable to provide a facility to the tenant DoD component or executive agent without creating unacceptable conditions for the host military department.

8.46. Maintenance and Service Support. The DoD components concerned determine the levels of maintenance and service support and the reimbursement therefore. These determinations should be in consonance with existing agreements between two or more DoD components, provided such agreements conform to DoD policies.

Chapter 9

DEPARTMENT OF THE AIR FORCE PROCUREMENT APPROPRIATIONS (57*3010, 57*3011, 57*3020, 57*3021 AND 57*3080)

Section 9A—General Guidance

9.1. Scope and Availability of Appropriations.

9.1.1. Use these appropriations to finance (see *AFMAN 65-604* for specific projects):

9.1.1.1. Weapons procurement.

9.1.1.2. Procurement of Aircraft.

9.1.1.3. Procurement of Space Systems (US Space Force) (USSF).

9.1.1.4. Training devices.

9.1.1.5. Support equipment.

9.1.1.6. Munitions.

9.1.1.7. Vehicular equipment.

9.1.1.8. Communications and electronic equipment.

9.1.1.9. Other organizational and base support equipment.

9.1.1.10. Services and materiel provided by contractors or the DWCF for update kits and modification including installation, and for qualification and acceptance tests during the acquisition cycle.

9.1.1.11. Program Support.

9.1.1.12. Depot activation: transition planning and stand-up.

9.1.2. Use these appropriations for new obligations only for the three FYs designated in the appropriation act and identified in the Treasury Department's *Federal Account Symbols and Titles: The FAST Book*, located at: <https://fiscal.treasury.gov/reference-guidance/fast-book/>. For example, DAF appropriation 3010 (Aircraft Procurement) 579/13010 is available for obligation from 1 October 2018 (FY19) through 30 September 2021 (FY21), after which it expires for new obligations. When the appropriation expires, use it only to liquidate obligations and make authorized obligation adjustments for five more years under its original Treasury symbol. **(T-1)**. See **Chapter 7** for additional information. **EXCEPTION:** See **paragraph 9.9.2.1** for base procured equipment.

9.1.3. Expense/Investment Threshold. Equipment items not subject to centralized item management (CIM) and asset control, which have a system unit cost equal to, or greater than, \$250,000 are investments requiring funding from procurement appropriations only (not with O&M appropriations). **(T-1)**. See *DoD 7000.14-R*, Vol. 2A, Chapter 1. **NOTE:** Validated requirements will not be fragmented, or purchased in a piecemeal fashion, in order to circumvent the expense/investment threshold.

9.2. Depot Level Repairables (DLRs). USAF item managers will procure DLR parts, including initial spares, from the DWCF, CSAG – Supply. (T-1).

9.2.1. USAF funds holders and item managers will use O&M funds to purchase non-flying and flying hour DLRs from the DWCF. (T-1).

9.2.2. The AFRC, the ANG, the AFMC CAM office (RegAF), the TWCF, and the USAF Special Operations Command will purchase flying hour DLRs in accordance with established flying hour billing procedures (T-1). Contact SAF/FMBOO for the latest guidance.

9.2.2.1. Initial spares are funded by the procurement appropriations; CSAG-Supply acquires initial spares and the procurement appropriations reimburse CSAG-Supply upon delivery of initial stock into USAF inventory. Once the initial level is stocked, USAF Commanders and item managers will ensure operational activities requisition items as needed, while the AFMC CAM office will reimburse CSAG-Supply from O&M to assure replenishment. (T-1). **EXCEPTION:** USAF fund holders will not use the DWCF to pay for initial spares and repair parts for munitions coded and managed items financed from Aircraft Procurement (57*3010) BP 1600, Missile Procurement (57*3020) BBP 2600, and Procurement of Ammunition (57*3011) BP 3500 appropriations (see *AFMAN 65-604* for additional BP definitions). (T-1).

9.2.2.2. Munitions initial spares will be funded by the procurement appropriations; CSAG-Supply acquires the initial items and the procurement appropriations reimburse upon delivery of the item into USAF inventory. (T-1). Replenishment of munitions-coded DLR spares are handled per [paragraph 9.2.1 \(T-1\)](#). USAF funds holders will not use the DWCF to purchase non-stock listed items, e.g., for classified and CLS programs. (T-1).

9.3. Full Funding. See *DoD 7000.14-R*, Volume 2A, Chapter 1 and Chapter 2, for guidance on full funding, Advance Procurement, Multi-Year Procurement, Economic Order Quantity, Engineering Change Orders, and Engineering Change Proposals.

9.3.1. Award Fee Requirements are planned and budgeted for as part of the total weapon system cost. Award fees are a bona-fide need of the same FY and appropriation that finances the related effort on which the award fee is based; they are inherently inseparable from the work with which they are associated. Full funding policy dictates that award fee requirements will be budgeted in, and funded with, the same appropriation, and in the same FY as the associated effort. (T-1). Until a determination has been made that a contractor is due an award fee, funds will be committed as a contingent liability (see *DoD 7000.14-R*, Volume 3, Chapter 8). (T-0).

9.3.2. If funds committed as a contingent liability are expired when the award fee amount is determined, funds holders will process an upward obligation adjustment for review and approval (see [Chapter 7](#) of this DAFMAN) before funds can be obligated. (T-1).

9.4. Weapon System Engineering. MAJCOMs, installations, AFMC, USSF, and program offices must select the correct funding category for weapon system engineering efforts on a case-by-case basis. (T-1). Reference Product Improvement guidance contained in *DoD 7000.14R*, Volume 2A, Chapter 1.

9.4.1. Development Engineering. Development engineering addresses redesign efforts to increase the current performance envelope, including associated development, test, and evaluation; use the RDT&E appropriation. **(T-1)**.

9.4.2. Production Engineering. Production engineering addresses items currently in production, and correcting deficiencies in the approved production baseline to extend useful military life, within the current performance envelope. For engineering services or related manufacturing efforts, use the applicable BP (weapon system, modification, support equipment, etc.) from the procurement appropriation which funds the production of the end item. If developmental testing (DT) or operational test and evaluation (OT&E) by an independent operational test agency is required, or if the improvement substantially improves the current performance envelope, RDT&E will finance the engineering improvement instead. **(T-1)**. “Currently in production” means the item has end item procurement funding in the year the product improvement effort is to take place.

9.4.3. Maintenance Engineering. Maintenance engineering addresses out of production items which are still operational and necessary to extend the useful military life within the current performance envelope (does not include intent to improve performance). For engineering services or related manufacturing efforts, use the O&M appropriation; if DT or OT&E by an operational test agency is required, RDT&E will finance the engineering improvement instead. **(T-1)**. Maintenance engineering efforts may result in the need to redesign a product, or substantially improve its performance (flight characteristics, mission performance parameters, reliability, capacity, etc.).

9.4.4. In those cases, the redesign is a developmental engineering task funded with RDT&E; if performance improvement is a byproduct, the effort is funded with the O&M appropriation. **(T-1)**. **Exceptions:** USAF activities will use RDT&E to fund all efforts for continuing improvements to aircraft engine components (combination of maintenance and development engineering). **(T-1)**. See *DoD 7000.14-R*, Volume 2A, Chapter 1, for additional guidance. USAF activities will use the DWCF to fund development, production, and maintenance engineering services that support an operational commodity item managed by the DWCF CSAG-Supply. **(T-1)**. However, do not use the DWCF if the engineering effort results from a weapon system production or modification improvement. **(T-1)**.

9.5. Modifications.

9.5.1. Modifications are the alteration, conversion, modernization, or major service life extension of an end item of investment equipment which changes or improves either the original purpose or operational capacity in relation to effectiveness, efficiency, reliability or safety of that item. Use the RDT&E appropriation for development engineering for modifications, and engineering required to integrate and test commercially available end items for which the overall configuration is not commercially available. **(T-1)**. Charge installation to RDT&E if the modification supports an RDT&E effort, or if an RDT&E funded organization owns the equipment being modified. **(T-1)**.

9.5.2. Use procurement appropriations for modification engineering and engineering changes per the following:

9.5.2.1. Buying and installing modification kits. Expense and investment material items required to install modification kits are normally included in Group A and B kits, and should be funded with procurement appropriations in accordance with full funding policy. Modification Group A kits are items, parts or components (including software) to be permanently or temporarily installed in a configuration item to support, secure, interconnect, or accommodate the equipment in a Group B kit. Modification Group B kits are items (including software) which complete a modification when installed in the configuration item. Normally, Group B items are readily removable. When preparing budget justification materials, program offices will budget installation of modification kits in the FY in which the installation is to be accomplished. **(T-0)**. Congress may add funds for a modification and include the installation funds in the same year as the kits; in this case ensure the program will be executed as directed by Congress. **(T-0)**.

9.5.2.2. Installation engineering and technical data, and special tools required to install mod kits. **(T-1)**.

9.5.2.3. Buying support equipment and peculiar test equipment required to support the modified configuration item(s) as a direct result of the modification program. **(T-1)**.

9.5.2.4. Modifying spare components or support equipment when modification programs directly require it. **(T-1)**.

9.5.2.5. If a modification is being done in conjunction with Programmed Depot Maintenance, the modification will pay for the installation and materiel costs that are over and above those required for the programmed depot maintenance. **(T-1)**.

9.5.2.6. Equipment Scheduled for Retirement or Disposal: Limitation on Expenditures for Modifications. The Secretary of a military department may not carry out a modification of an aircraft, weapon, vessel, or other item of equipment that the Secretary plans to retire or otherwise dispose of within five years after the date on which the modification, if carried out, would be completed; reference Title 10 United States Code Section 2244a for further details, or contact SAF/FMBIZ for further assistance. **(T-1)**.

9.5.2.7. Use the procedures in the aforementioned **paragraph 9.5.1 through paragraph 9.5.2**, to correct deficiencies in an end item of equipment in production, except where addressing the need to correct deficiencies in equipment revealed during production as governed by the terms of a contract; in that case charge the procurement and installation of kits for those modifications to the appropriation used to purchase the equipment end item. **(T-1)**.

9.5.2.8. Permanent and Permanent-Safety Modifications.

9.5.2.8.1. Charge trial installation work to the procurement appropriations as that is considered modification engineering. **(T-1)**.

9.5.2.8.2. Use procurement appropriations to fund engineering efforts (modification engineering) to make minor changes to a fully developed and qualified modification kit (either hardware or software) in order to adapt it for modifying another end item or system. **(T-1)**.

9.5.2.9. Engineering Change Proposal/Engineering Change Order. When conducting engineering studies to determine if an Engineering Change Proposal/Engineering Change Order should proceed to the modification production phase:

9.5.2.9.1. Use O&M (57*3400) if the program is a reliability/maintainability effort. **(T-1)**.

9.5.2.9.2. Use RDT&E (57*3600) if the program requires development efforts. **(T-1)**.

9.5.2.9.3. Do not use modification production funds to conduct engineering studies. **(T-1)**.

9.5.2.10. Charge the BP funding the equipment end item for modification engineering for mod kits to be installed on equipment end items in production. Use modification program funds only for difference engineering required to install the mod kits on equipment end items already produced. **(T-1)**.

9.5.2.11. Difference engineering is the additional engineering needed to cover the different installation requirements (hardware and software) between in-production items and those already procured.

Section 9B—Aircraft

9.6. Aircraft Structural Integrity Program. This program applies to aircraft weapon systems for improving the design, diagnosing possible structure failures, providing basis for corrective actions, and predicting operational life expectancy. Aircraft Structural Integrity Program tasks will be funded as follows:

9.6.1. For aircraft in development, charge engineering efforts to RDT&E (57*3600). **(T-1)**.

9.6.2. For aircraft in production, charge to Aircraft procurement (57*3010) if the engineering effort supports ensuring the aircraft performs or endures up to specifications within the performance envelope. Aircraft Procurement funds will be used if engineering efforts support extending the aircraft's useful military life within the performance envelope. **(T-1)**. RDT&E funds (57*3600) funds will be used if the engineering effort pushes system specifications beyond the performance envelope. **(T-1)**.

9.6.3. For aircraft out of production, charge the engineering effort to O&M (57*3400), unless the engineering effort aims to push system specifications beyond the performance envelope, in which case charge RDT&E (57*3600) instead. **(T-1)**.

9.7. Retrofitting or Converting Aircraft. For retrofitting or converting test aircraft (procured for test purposes) to tactically configured aircraft:

9.7.1. Charge the cost to Aircraft Procurement (57*3010) (weapon system program-BPAC 10XXXX) if the model design and aircraft series is in production in the program year (PY) during which the retrofit or conversion is directed. **(T-1)**.

9.7.2. Charge the cost to Aircraft Procurement (57*3010) (modification program-BPAC 110000) if the model design and aircraft series is not in production, and the reconfiguration is also not in production. **(T-1)**.

9.7.3. For aircraft accepted into DAF inventory with deviations from procurement contract requirements and where corrections are necessary:

9.7.3.1. Charge the costs of the corrections to the weapon system program, BPAC 10XXXX funds cited on the 57*3010 procurement contract if the correction is to be accomplished before acceptance of the final item procured under that contract program increment. **(T-1)**.

9.7.3.2. Charge the costs to the modification program, BPAC 110000 funds cited on the 57*3010 procurement contract if the corrections are made after accepting the last item (aircraft) procured under that contract program increment. **(T-1)**.

9.7.4. For aircraft accepted into the DAF inventory with equipment installed as a substitute (by amendment to the procurement contract), once the original specified item becomes available and is to be installed in the delivered aircraft to replace the substituted item, charge the cost of the retrofit or modification to the 57*3010 modification program, BPAC 110000. **(T-1)**.

9.7.5. When aircraft are used for testing in R&D programs, the cost to change those aircraft back to their original configuration (including hardware and labor) will be charged to RDT&E (57*3600). **(T-1)**.

Section 9C—Investment Equipment (57*3080)

9.8. Investment Equipment for Major Range and Test Facility Bases (MRTFBs). Finance these equipment requirements from the Other Procurement (57*3080) appropriation. **(T-1)**.

9.8.1. Apply the following EXCEPTION: The Other Procurement (57*3080) appropriation must not be used for the purchase of equipment mainly supporting DT&E, or IOT&E and evaluation type activities. **(T-1)**. The RDT&E (57*3600) appropriation must be used instead. **(T-1)**.

9.8.2. This exception applies even though the equipment may be subsequently used for other than DT&E, or IOT&E and evaluation purposes. **(T-1)**.

9.9. Base Procured Investment Equipment Purchases. Use the Other Procurement (57*3080) appropriation, BPAC 84501X, to fund annual requirements for base-level procurement of authorized investment equipment if the items are equal to, or exceed \$250,000 in cost, and are not available through DAF wide CIM and Asset Control (i.e., centrally managed). **(T-1)**.

9.9.1. Per *DoD 7000.14-R*, Volume 2A, Chapter 1, CIM and Asset Control is defined as the management in the central supply system, or a DoD-wide or Service-wide acquisition and control system, in which the manager has the authority for management and procurement of items of equipment. This includes such functions as requirements determination, distribution management, procurement direction, and configuration control and disposal direction. Asset control includes the authority to monitor equipment availability and take such actions as necessary to restock to approved stockage levels. DAF program managers, financial managers and funds holders will adhere to *DoD 7000.14-R* definition of CIM and Asset Control. **(T-1)**.

9.9.2. While Other Procurement (57*3080) funds are available by law for obligation for three years, DAF finances these program requirements in the year the funds are appropriated. MAJCOMs and installations will:

9.9.2.1. Treat BPAC 84501X, base procured equipment, as an annual program. (T-1).

9.9.2.2. Fully commit the program by the end of the first FY. (T-1).

9.9.2.3. Obligate the program no later than three months after the end of the first FY. (T-1).

9.10. Local Purchase of Centrally Managed/Procured Equipment Items. Local purchase of centrally managed items budgeted in procurement accounts (57*3010, 57*3011, 57*3020, 57*3021, and 57*3080) with O&M funds is prohibited. Centrally managed items are budgeted by the DAF and appropriated by Congress in the procurement appropriations. Units may be provided DAF authorization to locally procure most items with item manager approval, however, procurement funds provided by the inventory manager must be used. (T-1).

9.11. Items to Finance with Other Procurement (57*3080) BPAC 84501X (Base Procurement) Funds. DAF activities will finance the following items with 57*3080:

9.11.1. Investment equipment items with a source of supply from GSA, DLA, other services, or by local purchase, including initial or replacement Real Property Installed Equipment (RPIE). (T-1).

9.11.2. Non-stock-listed investment equipment items that are locally procured, and which are not part of a MILCON project, an O&M funded construction project, an O&M funded repair project (either in-house or by contract), or a stand-alone RPIE replacement if the unit cost is equal to or in excess of \$250,000. (T-1).

9.11.3. Installation costs of investment items dictated by warranty conditions; installation costs include unpacking, assembling components, placement, and connecting necessary utilities in a space previously prepared for the operation of the equipment. (T-1).

9.11.4. Relocatable buildings purchased as equipment if the cost is equal to or greater than \$250,000 (see *AFI 32-1020* for additional details). (T-1).

9.12. DAF Activities will not Finance the Following Items with Other Procurement (57*3080) BPAC 84501X (Base Procurement) Funds.

9.12.1. Equipment with a unit cost less than \$250,000. (T-1).

9.12.2. Spares, components, assemblies, repair parts, and other material (expense or investment) that do not qualify as end items of equipment. (T-1).

9.12.3. CIM and Asset Control (i.e., centrally managed) equipment items, or substitutes for such items, such as aircraft, vehicles, etc. (T-1). See *DoD 7000.14-R*, Volume 2A, Chapter 1, for additional details.

9.12.4. Initial or replacement RPIE to be installed as part of: a) a MILCON project; b) an O&M funded construction project; c) an O&M funded repair project (either in-house or by contract); or d) a stand-alone RPIE replacement if the unit cost is less than \$250,000. (T-1).

9.12.5. Installation, erection, local fabrication, construction, checkout, or other service (done by organic work force or contract) pertaining to the acquisition or purchase of equipment, except as provided in [paragraph 9.11 \(T-1\)](#).

9.12.6. Preparing a site for installation of leased, transferred, issued, or newly procured equipment. **(T-1)**.

9.12.7. Support of RDT&E. **(T-1)**.

9.12.8. Support of DWCF activity groups. **(T-1)**.

Section 9D—Real Property Installed Equipment

9.13. Procuring Initial RPIE and Portable Equipment. Use this guidance for funding initial real property installed equipment procured and installed as part of a construction project (in-house or contract). Charge the costs to the appropriation financing the construction project (either MILCON or O&M construction) depending on the cost.

9.13.1. If the RPIE meets investment funding criteria, the installation must procure it through local purchase by directly citing funds used to finance the construction project. **(T-1)**.

9.13.2. If the RPIE meets expense funding criteria, the installation must procure it through the DWCF unless a contractor furnishes it; use the appropriation financing the construction project to reimburse the DWCF. **(T-1)**.

9.13.3. If the RPIE is stock listed in DAF stock list publications and requisitioned from AFMC through equipment channels, the appropriation which initially financed the project must be reimbursed from the appropriation financing the construction. **(T-1)**.

9.14. Replacing RPIE and Portable Equipment. If the item/equipment being replaced is integral to the facility and would have been funded by a construction appropriation when built, the repair or replacement of the item/equipment will be funded by O&M appropriations, per Title 10 United States Code Section 2811. **(T-0)**. If the item would initially have been funded with procurement appropriations (e.g., production or moveable equipment) then the replacement will be funded with procurement appropriations. **(T-1)**.

9.14.1. Heating, Ventilation, Air Conditioning Equipment may be classified as real property installed equipment, provided it meets the requirements of AFI 32-9005, *Real Property Accountability and Reporting*. Fund according to procedures above for RPIE and replacement RPIE.

9.14.1.1. Do not apply RPIE funding procedures if the air-conditioning is installed in, or on something other than real property, or if the heating, ventilation, or air conditioning equipment fails to meet the real property installed equipment standards in *AFI 32-9005*. **(T-1)**.

9.14.1.2. For example, air conditioning installed in or on a van-mounted piece of communications or electronics equipment is not real property. Air conditioning equipment purchased and installed separate from a Base Civil Engineer (BCE) approved work order or project is not real property installed equipment; finance this type of air-conditioning installation as personal property, based on normal investment or expense criteria.

9.14.2. Fire-Protection Systems Equipment (excluding self-contained vehicles, portable systems and hand extinguishers) is Real Property Installed Equipment and funded according to the procedures above for RPIE and replacement RPIE. For fire-protection systems involving self-contained vehicles, portable systems, including hand extinguishers, and systems for the protection of non-RPIE, or non-real property, DAF activities will:

9.14.2.1. Use the Other Procurement, (57*3080) appropriations for centrally procured equipment. **(T-1)**.

9.14.2.2. Use the appropriation financing the system acquisition if the centrally procured equipment is airborne equipment peculiar to one weapon system. **(T-1)**.

9.14.2.3. Use the Other Procurement, (57*3080) appropriation if the centrally procured airborne equipment is common to more than one weapon system, or is purely ground equipment. **(T-1)**.

9.14.2.4. Use the Other Procurement, (57*3080) appropriation for base-procured equipment with a unit cost equal to or greater than \$250,000. **(T-1)**.

9.14.2.5. Use O&M appropriations for base-procured equipment with a unit cost less than \$250,000. **(T-1)**.

9.15. Generator Equipment. Use the Other Procurement, (57*3080) appropriation for initial and replacement requirements for all ground mobile (skid, wheel mounted, or portable) electric power generators, .5 to 200 KW, not designated as RPIE; these generators are centrally managed items. **(T-1)**.

9.16. Portable Equipment. The DAF Life Cycle Management Center finances initial and replacement requirements for portable equipment required for operating a facility (excluding items designated for base procurement) from the Other Procurement, (57*3080) appropriation. Portable equipment includes such items as tooling, materiel handling equipment, etc. Do not apply Real Property Installed Equipment procedures to fund aircraft arresting systems (runway barriers) or equipment for static uninterruptible power supply; these items are not real property.

9.17. Aircraft Arresting System Equipment.

9.17.1. Use Other Procurement (57*3080) for anchor chains, cables, drums, nets, erecting mechanisms, and the control devices associated with them (these are classified as common support equipment). **(T-1)**.

9.17.2. Use MILCON (57*3300) funds for concrete foundations, or pits, and the connecting utilities (these are real property). **(T-1)**.

9.17.3. Use Other Procurement (57*3080) for installation. **(T-1)**.

9.18. Power Conditioning and Continuation Interfacing Equipment (PCCIE).

9.18.1. Use Other Procurement (57*3080) for the equipment. **(T-1)**. Charge PCCIE procured as an embedded or integral part of the system it supports to the same procurement P-1 appropriation budget line as the system itself. **(T-1)**.

9.18.2. Use MILCON or O&M construction (depending on cost thresholds) for permanent pads or foundations (real property) and connecting utilities. **(T-1)**.

9.18.3. Charge PCCIE procured to support RDT&E requirements to the RDT&E (57*3600) appropriation. **(T-1)**.

9.19. Procuring and Installing Electronics and Telecommunications Equipment (57*3080) BPAC 83**.** See *AFMAN 65-604*, Table 4.18. for a listing of BPAC codes in the 83**** series and their program titles. Funding will be used for:

9.19.1. Fixed, Mobile, and Transportable Communications-Electronic (C-E) Systems. **(T-1)**. **NOTE:** The use of a turnkey (or similar procurement construct) within a contracting action does not preclude or create any exception(s) to the legal use of APF. **(T-1)**.

9.19.1.1. 57*3080 funds will be used for the costs of C-E items if: (1) they are incidental but integral to the purchase and installation of C-E systems and having no other purposes, and (2) they are an integral part of the prime contract (even if a subcontractor installs them). **(T-1)**. **NOTE:** O&M funds will be used if a contractor other than the prime contractor (or direct subcontractor) installs the system or modifies it as a result of state-of-the-art changes.

9.19.1.2. The C-E items are: a) foundations for equipment, self-contained equipment shelters, prefabricated buildings used solely for equipment shelters, antennas, and antenna towers; b) temporary or permanent utilities required solely to operate the C-E equipment; c) unpaved access roads or walks needed by a contractor to access areas to install or erect the equipment; d) procuring and installing security fencing to protect areas or equipment during contractor operations; or e) associated engineering and design costs for the aforementioned items. **(T-1)**.

9.19.2. Equipment Other Than C-E Systems Procured on an Installed Basis (e.g., radar, navigation, cryptological equipment) required for fixed facilities, and procured on an installed basis. **(T-1)**.

9.19.2.1. Use 57*3080 to procure equipment required for fixed facilities on an installed basis. Installation includes unpacking, assembling components, placement, and connecting necessary utilities in a space previously prepared for the operation of the equipment. **(T-1)**.

9.19.2.2. 57*3080 funds will not be used for renovation or rearrangement of buildings or utility systems, construction of foundations, strengthening floors or roofs, or excavation within installation costs associated with equipment other than communications systems (these are BCE activities whether accomplished in-house or by separate contract). **(T-1)**.

9.19.2.3. If necessary to construct, modify, alter or rearrange buildings to install equipment other than C-E systems, charge those costs to MILCON, O&M, or RDT&E appropriations as appropriate. **(T-1)**.

*Section 9E—Production Activities***9.20. Production Activities – Government Furnished Expense Items to Production Contractors.**

9.20.1. Use the appropriate procurement appropriation to reimburse the DWCF for expense items furnished to production contractors in order to incorporate them into the manufacture or assembly of an investment item.

9.20.2. Reimburse from the BP that finances procurement of the investment item. **(T-1)**.

9.21. Production Activities - Pilot Line Requirements. Use RDT&E (57*3600) funds for development or preproduction prototypes used for DT&E and IOT&E. (T-1).

9.21.1. If acquiring a limited number of special pilot items to provide representative units, use RDT&E (57*3600) to establish the initial pilot line and for IOT&E. **(T-1)**.

9.21.2. See *DoD 7000.14-R*, Volume 2A, Chapter 1.

9.22. Low Rate Initial Production. For discussion of low rate initial production funding in procurement and RDT&E, see *DoD 7000.14-R*, Volume 2A, Chapter 1.**9.23. Costs for Closing Down an Aircraft Production Line.**

9.23.1. MAJCOMs/centers/installations and program offices will fund closing down an aircraft production line from the last production buy for DAF requirements using the appropriate Aircraft Procurement (57*3010) BPAC. (T-1).

9.23.2. If the last production aircraft has been delivered, BP 1300 (Post Production Support) will be used for production line closedown costs. If additional costs are incurred to keep the line open for non-DAF requirements, prorate and include the cost in the sales price of the item to non-DAF customers. (T-1).

9.23.3. Charge the Aircraft Procurement (57*3010) appropriation, BPAC 140000, Aircraft Industrial Responsiveness to remove and prepare machinery and equipment for shipment to reserve storage, or to an DAF contractor. **(T-1)**.

9.23.4. Charge the O&M appropriations of the requesting base (or depot) for packing, crating, handling, transportation, and storage of production tooling they request to satisfy future maintenance requirements; these costs are not integral to normal closedown activity. Charge associated transportation to the transportation SDT account of the requesting base's (or depot) MAJCOM. **(T-1)**.

Section 9F—Other Investment Procurement Policies.

9.24. Funding the Local Manufacture of Investment Items. Charge the cost for emergency local manufacture of investment items required by a repair activity to the procurement appropriation to which the item is identifiable. Installations will not use local manufacture to stock items for inventory. (T-1).

9.25. Funding Support Equipment. Determine the BPACs for peculiar support equipment and common support equipment as follows (see *AFMAN 65-604*, Chapter 4, for additional support equipment details):

9.25.1. Initial. For in-production weapon systems, the System Program Manager is responsible for programming, budgeting, and funding all support equipment required for initial equipment lay-in. Weapon System procurement funds (3010, 3020, or 3080) will be used for initial Support Equipment, whether for in-production or post-production weapon systems. **(T-1)**. Initial Support Equipment includes both common and peculiar support equipment that supports the mission design series in-production, including supporting deliveries of new items, changes in the basis of issue during production of the weapon system, and providing additional quantities supporting force structure changes. **(T-1)**.

9.25.2. Replacement. For out of production systems, the item manager is responsible for budgeting and funding for replacement of organizational and intermediate level support equipment, both common and peculiar. The item manager will use equipment procurement funds (Aircraft Procurement, 57*3010, BP 12, or Missile Procurement funds, BP 22). **(T-1)**. MAJCOMs that use the equipment will program sufficient funding for specific replacement support equipment programs. **(T-1)**.

9.26. Aircraft Procurement (57*3010, BP 1300). 57*3010, BP 1300 is used to provide additional quantities of support equipment to support force structure changes that increase the number of bases requiring support equipment during the post production period of the weapon system.

9.27. Modifications. Use BP 1100 (modifications) for all peculiar support equipment required because of a modification. This includes peculiar support equipment required to support a system that applies to more than one aircraft. Follow this guidance for changes in modification quantities or items during the course of the modification funding. **(T-1)**. Reference *AFMAN 65-604* for additional guidance on peculiar support equipment specific to other appropriations (e.g., BP21 for missiles, etc.). **(T-1)**.

9.28. Repairing Government Furnished Materiel. Some government furnished materiel items procured for initial installation into a major end item of equipment in production may have to be returned to the producing government furnished materiel contractor or DAF depot for repair or rework before they can be installed.

9.28.1. For undelivered end items of equipment, charge the repair of associated government furnished materiel items (including parts or components and required contract services) to the same BP and PY as the end item of equipment into which it is installed. **(T-1)**.

9.28.2. After DAF acceptance of an end item of equipment, charge the repair of government furnished materiel components to O&M appropriations. **(T-1)**.

9.29. First Destination Transportation (FDT). DAF activities will budget for FDT on an annualized basis; charge FDT for items procured, either free-on-board origin, or free-on-board destination, to the program procuring the equipment/item (e.g., Aircraft Procurement 57*3010, Procurement of Ammo 57*3011, Missile Procurement 57*3020, and Other Procurement 57*3080). **(T-1)**.

9.29.1. Free-on-board origin means the DAF is responsible for all transportation costs, from the contractor's facility to the point of delivery. Free-on-board destination means the contractor is responsible for all transportation, the cost of which is included in the price of the item DAF is paying for. See the *Defense Transportation Regulation (DTR) 4500.9-R, Part II, Cargo Movement, Attachment V5, AF Transportation Account Codes* for further information.

9.29.2. DAF activities will charge FDT for DLRs to the CSAG - Supply (DWCF), and charge FDT O&M-funded materiel to the O&M appropriations.

9.30. General Use Vehicles.

9.30.1. Use Other Procurement (57*3080) to pay for general use vehicles (defined as common equipment) used in the day-to-day support of RDT&E and base O&M activities. **(T-1)**.

9.30.2. Use RDT&E for vehicles required solely for RDT&E and government furnished equipment to R&D contractors. **(T-1)**. **EXCEPTION:** Other Procurement (57*3080) will be used for vehicles required for in-house contractors and BCE responsible for road maintenance and debris clearance purposes. **(T-1)**.

9.31. Reimbursements - Sale of Materiel. See *DoD 7000.14-R, Volume 2A, Chapter 1*, for guidance pertaining to replacement, replacement-in-kind, and free assets; and for additional guidance regarding the reimbursable budget plan.

9.32. Test Program Sets (TPS). Follow this guidance to determine which appropriation to use to pay for TPS:

9.32.1. If Automatic Test Equipment (ATE) is in development, the RDT&E appropriation shall be used. **(T-1)**.

9.32.2. If a development effort is required to change the capabilities of either ATE in the operational inventory or off-the-shelf equipment, the RDT&E appropriation shall be used for the initial set of TPS; use the same procurement appropriation for additional TPS units. **(T-1)**.

9.32.3. If operational or off-the-shelf equipment requires a procurement-funded modification, the same procurement appropriation shall be used. **(T-1)**.

9.32.4. If an ATE in production is funded in a procurement appropriation, the same procurement appropriation shall be used. **(T-1)**.

9.32.5. If TPS is procured without an accompanying ATE, the same appropriation shall be used to procure the ATE it will serve. **(T-1)**.

9.33. Program Support Costs. Program Support Costs are defined as direct, unique program costs (other than payroll costs for government personnel) required for the operation of a program office in its management and oversight role. The financing of program support costs must be consistent with: a) the type of work being performed; b) where the program resides within the acquisition phase (lifecycle); and c) existing regulatory and statutory doctrine, including coverage governing the purpose of an appropriation. **(T-1)**.

9.33.1. Regulatory framework that shall be used resides in *DoD 7000.14-R, Volume 2A, Chapter 1*, and *Volume 2B, Chapter 5*. **(T-1)**.

9.33.2. MAJCOM and/or Center comptrollers may issue supplemental guidance to address specific types of program support cost services to ensure they are handled consistently across various program offices. **(T-1)**.

9.33.3. MAJCOM FM, FOA or DRU Offices will budget program support costs on an annual basis and reflect in the FY the requirement is projected to execute; requirements will be budgeted and executed in the weapon system or PEC within the procurement, RDT&E, or O&M appropriations. **(T-1)**. For multi-year appropriations, execution of program support costs may occur in any year of funds currently available.

9.33.4. Program support costs will not include civilian pay/overtime pay, base or installation operating support (including direct and indirect mission support), costs associated with higher headquarters or MAJCOM level support, or the funding of college degrees on a full-time or part-time basis. **(T-1)**.

Chapter 10

MILITARY CONSTRUCTION

10.1. Applying this Chapter. MAJCOMs/Centers/FOAs/DRUs funds holders are to follow this chapter for approving funding for MILCON projects. **(T-1)**. Reference *DoD 7000.14-R*, Volume 2B, Chapter 6, and Volume 3, Chapter 17, for additional detailed guidance.

10.2. Composition of Program. The DAF MILCON program includes any construction, acquisition of land, development, conversion, or extension of any kind carried out with respect to a military installation, whether to satisfy temporary or permanent requirements, or for the construction of a defense access road. **NOTE:** 10 USC § 2811 expands the definition of repair to include *conversion* of real property. Repair now includes projects to “convert a real property facility, system, or component to a new functional purpose *without increasing its external dimensions* (emphasis added).” Conversion projects which do not increase external dimensions are now funded from O&M appropriations as repair, regardless of total cost. **(T-0)**.

10.3. Table 10.1. Specifies MILCON appropriations.

Table 10.1. MILCON Appropriations.

57*3300 MILCON, DAF

57*3730 MILCON, AFR

57*3830 MILCON, ANG

57*0740 MFH Construction

For Base Realignment and Closure (BRAC) Accounts: see *AFMAN 65-604*, and **Chapter 24** of this manual, or contact SAF/FMBIC for further details.

10.4. Submissions for Annual Authorization Act. The DAF must obtain specific Congressional authorization for construction programs not covered by a standing statutory authority. **(T-0)**. With support from MAJCOM/Centers, and AF/A4C, SAF/FM will present and justify MILCON programs for submission to OSD, OMB and Congress for legislative authorization. **(T-0)**. Contact SAF/FMBIC for the most current guidance regarding authorization expirations. **NOTE:** The AFR and the ANG MILCON programs require separate Congressional authorizations. **(T-0)**.

10.5. Authorization Requirements. A specific authorization in law is required for construction programs. **(T-0)**. This may be provided by project in annual authorization acts or in a standing statutory provision (e.g., Title 10 United States Code Sections 2667-2668, 2803-2805, 2808, 2854, 18233 or another authority used to carry out a project not otherwise specifically authorized (*DoD 7000.14-R*, Volume 3, Chapter 17.)) See Title 10 United States Code Section 2802(e) for notification requirements. **(T-0)**. The annual authorization acts contain the authorization and, usually, a limitation on total project costs. Do not exceed the total amount authorized for any appropriation; however, in certain circumstances, individual cost limitations may authorize overruns within stated percentages. **(T-0)**. Contact SAF/FMBIC for additional guidance.

10.6. Appropriations. An authorization and appropriation of funds must exist to carry out MILCON projects. **(T-0)**. Although it is rare, if an authorized project is not in an appropriation act, the project must be included in a subsequent annual MILCON appropriation act (**EXCEPTION:** Unspecified Minor Military Construction (UMMC)), or a reprogramming action is required. **(T-0)**. For reprogramming guidance, see *DoD 7000.14-R*, Volume 3, Chapter 7.

10.7. Obligation and Expenditure Restrictions – Construction Financing. All levels of command must comply with *DoD 7000.14-R*, Volume 14, and the ADA. **(T-0)**. Adequate funds control procedures will be established in accordance with *DoD 7000.14R*, Volume 3, Chapter 17, to ensure the DAF completes individual projects consistent with authorized purposes, and within authorized and appropriated amounts. **(T-1)**.

10.7.1. SAF/FMBIC issues funding authorizations (formal administrative subdivisions of APF) to MAJCOMs/Centers, Design Agents, or Construction Agents responsible for construction.

10.7.1.1. SAF/FMBIC will issue only one construction appropriation funding allocation regardless of the number of projects; MAJCOMs/Centers, Design Agents, or Construction Agents will issue only one fund allotment from that allocation to each operating unit. **(T-1)**. See *DoD 7000.14-R*, Volume 3, Chapter 17, for additional details.

10.7.1.2. SAF/FMBIC and MAJCOMs/Centers, Design Agents, or Construction Agents must include on each allocation or allotment only the additional obligation limitations established by OMB, OSD, or as otherwise required by Congress or the President. **(T-1)**.

10.7.2. Every level of command must comply with separate limitations imposed on total costs by the legislative authorization, and by administrative action connected with all budgetary and funding actions. **(T-0)**. MAJCOMs/Centers and operating units responsible for construction projects must prepare certifications of costs incurred. **(T-1)**. These certifications include statements and disclosures with pertinent project data; see *DoD 7000.14-R*, Volume 3, Chapter 17.

10.8. Intergovernmental Construction Work or Services. When performing construction work or services for another DoD component or federal agency, reimbursable agreements are the required per the *Economy Act*. **(T-1)**. For transactions with other DoD entities, if construction agents wish to use sub-allotments instead of a MIPR, a detailed action plan must be delivered to OSD Deputy Chief Financial Officer. **(T-1)**. See *DoD 7000.14-R*, Volume 3, Chapter 17, for additional requirements.

10.9. Planning and Design (Title 10 United States Code Section 2807). This statute authorizes performing planning and design for MILCON or land acquisition projects. Within the amounts appropriated for MILCON, planning and design fees to develop cost estimates for a project may be funded without specific Congressional authorization, provided the costs do not exceed the statutory limit (currently \$1,000,000). If estimated architectural and engineering services and construction design costs are more than \$1,000,000, the Secretary concerned shall notify the appropriate committees of Congress of the scope of the proposed project and the

estimated cost of such services before the initial obligation of funds for such services. **(T-0)**. The Secretary may then obligate funds for such services only after the end of the 14-day period beginning on the date on which the notification is received by the committees in an electronic medium. **(T-0)**. For a listing of functions categorized as planning and design, see *DoD 7000.14-R*, Volume 3, Chapter 17. Address any further questions to SAF/FMBIC.

10.10. Scope of a MILCON Project. *DoD 7000.14-R*, Volume 3, Chapter 17, outlines the elements included in a project's scope; refer to that Chapter for additional details. Summary scope elements include: all land acquisitions, regardless of cost; all construction efforts or any contribution authorized by law necessary to produce a complete and usable facility, or improve an existing facility, or an improvement as specifically authorized by law; and equipment installed in and made part of real property structures or improvements. **(T-1)**.

10.10.1. All construction project funding excludes all production and movable equipment.

10.10.2. However, the source (and cost) of all production and movable equipment directly associated with construction projects must be disclosed in presenting construction programs and budgets. **(T-0)**.

10.11. Changes in Scope and Cost. SAF/IEE determines whether advance approval is required for major changes to approved projects. Advance approval requests must be submitted through OSD, OMB, and the Appropriations and Armed Services Committees of Congress. **(T-0)**.

10.11.1. Variation in Scope of Work – Title 10 United States Code Section 2853 states the scope of work for a MILCON project or for construction, improvement, and acquisition of a MFH project may be reduced not more than 25 percent from the amount specified in the justification data provided to Congress as part of the request for authorization. In addition, any reduction in scope of work shall not result in a facility or item of infrastructure that is not complete and useable, or result in not fully meeting the mission requirement contained in the justification provided to Congress as part of the request for authorization. **(T-0)**. If a project scope change reduces the approved project more than 25 percent, a scope variation notification to Congress is required. **(T-0)**. See 10 USC § 2853(d) which allows scope increases of up to 10 percent, subject to several conditions. **(T-0)**.

10.11.2. Cost Changes – 10 USC § 2853 states the cost authorized for a MILCON project, or for the construction, improvement, and acquisition of a MFH project may be increased or decreased not more than 25 percent of the amount appropriated for such project, or 200 percent of the minor construction project ceiling specified in 10 USC § 2805(a), whichever is less. **(T-0)**. Reference to *DoD 7000.14-R*, Volume 3, Chapter 7, for additional limitation, reprogramming, and notification requirements for MILCON.

10.12. Construction Types.

10.12.1. Specified/Major Military Construction (MMC). Specified MILCON, also referred to as MMC projects, includes all acquisition and/or construction, additions, expansions, extensions, alterations, or replacements of facilities with: (a) costs above the amount specified by law as the maximum amount for a minor construction project (see [paragraph 10.12.2](#) below for UMMC funding thresholds); or (b) any project, regardless of cost, approved as a specific line item in the MILCON authorization and appropriation acts. MMC project efforts include: surveys, demolition, and site preparation; acquisition, rehabilitation and installation of facilities; acquisition and installation of equipment and appurtenances

integral to the project; acquisition and installation of supporting facilities, including utilities and appurtenances incident to the project; supervision, administration and overhead incident to the project; and design and support of design for construction projects after project approval, including change orders, value engineering proposals, and as-built drawings. **NOTE:** Major construction excludes those activities identified as minor construction, planning and design, or supporting activities.

10.12.2. UMMC. UMMC projects are MILCON projects having an approved funded cost equal to or less than \$6,000,000 (10 USC § 2805) and include acquisition of new construction, addition, expansion, extension, alteration, replacement, or installation of permanent or temporary facilities (except family quarters). See [paragraph 10.12.2.3](#) for information on area cost factor adjustments. A UMMC project includes all construction work necessary to produce a complete and usable facility, or a complete and usable improvement to an existing facility. **(T-0)**. **NOTE:** *AFI 32-1020* references that repair work in the same facility may be programmed as a separate project and executed with the UMMC project, and commanders will ensure Congress is notified of the intent to proceed with an UMMC project and companion repair work. **(T-0)**. See *DoD 7000.14-R*, Volume 3, Chapter 17, and *AFI 32-1020* for additional guidance. See also 10 USC § 2805 for Active components (Reg AF), and Title 10 United States Code Section 18233a for Reserve components.

10.12.2.1. An UMMC project with an approved cost of more than \$2,000,000 must be funded with the MILCON appropriation. **(T-0)**. (See exception regarding Laboratory Revitalization in [paragraph 11.26](#)). **(T-0)**.

10.12.2.2. An UMMC project with an approved cost equal to or less than \$2,000,000 shall be funded with O&M or other appropriations available for operation and maintenance (i.e., RDT&E in certain circumstances or the WCF). **(T-1)**.

10.12.2.3. Notwithstanding any other legal provisions for the approval of minor construction projects, no project may be proposed to be accomplished under minor construction authority which Congress previously deleted from proposed MILCON authorization legislation, or otherwise disapproved. **(T-0)**. Each project under minor construction authority must result in a complete real property facility or improvement (see clarification in preceding [paragraph \(10.12.2\)](#) regarding companion repair work). **(T-0)**. Each project must, to the maximum extent possible, be consistent with the installation master plan, while requests for project approval must fully disclose the relation of the project to the master plan, and must detail further planned construction to the same or closely related facilities. **(T-2)**. Planned acquisition of or improvement to a real property facility through a series of minor construction projects (i.e., incremental construction) is prohibited. **(T-0)**. **NOTE:** 10 USC § 2805(f) allows for upward adjusted dollar limitations each FY for UMMC projects, inside the US, to reflect the area construction cost index for MILCON projects except that no limitation may exceed \$10,000,000. **(T-0)**. This provision affects the following limitations addressed in 10 USC § 2805: a) \$6,000,000 for an UMMC project; b) \$2,000,000 for an UMMC project using funds available for O&M; and c) \$6,000,000 for an UMMC project using funds available for O&M or MILCON, not otherwise authorized by law for Laboratory Revitalization efforts. The requirements of this paragraph shall not apply with respect to any FY after FY22. **(T-0)**. Contact SAF/FMBIC for further guidance. See *AFI 32-1020*, for approval and Congressional notification/wait period instructions.

10.12.3. Laboratory Projects. Revitalization, per 10 USC § 2805(d), appropriations available for O&M or MILCON may be used to carry out UMMC projects for the recapitalization and revitalization of defense laboratories owned by the US costing not more than \$6,000,000. See [paragraph 10.12.2.3](#) for information on area cost factor adjustments. **(T-0)**. This authority expires September 30, 2025. The term “Laboratory” includes: a) a research, engineering, and development center; and b) a test and evaluation activity. See *AFI 32-1020* for guidance regarding SAF/IEE approval, and Congressional notification and wait periods.

10.12.3.1. Infrastructure - per Title 10 United States Code Section 2363, the director of AF Research Laboratory (AFRL) may use an amount of funds equal to not less than two percent, and not more than four percent of all funds available to the laboratory, for various purposes, including funding minor MILCON of laboratory infrastructure. The funds are available only after SAF/IEE notifies the Congressional defense committees of the total cost of the project before the date on which the funds are to be used, and SAF/IEE ensures the project complies with applicable cost limitations in 10 USC § 2805(d) (currently not more than \$6,000,000). **(T-0)**.

10.12.3.2. Contact SAF/FMBIZ for further details.

10.12.4. O&M UMC (AFEEIC 529xx). Per 10 USC § 2805(c), appropriations available for O&M may be used to carry out an UMC project costing not more than \$2,000,000. See [paragraph 10.12.2.3](#) for information on area cost factor adjustments. Per *DoD 7000.14-R*, Volume 3, Chapter 17, these projects must be financed from O&M appropriations, RDT&E appropriations, the WCF, or other resources, as appropriate. **NOTE:** This does not include MFH facilities. **(T-0)**. Reference *AFI 32-1020* for additional information. **NOTE:** New cost limits per 10 USC § 2805 will not be applicable retroactively to minor construction projects placed on contract prior to the date of the enactment of the law increasing the cost limit; this means any legitimate within scope cost increases which may have occurred after enactment will still be subject to cost limits in place at the time the contract was originally executed. **(T-0)**.

10.12.5. Emergency Construction (10 USC § 2803). Emergency construction is limited to those projects which are vital to national security, protection of health and safety, or quality of the environment, and are so urgent that deferral of the project for inclusion in the next MILCON Authorization Act would not be consistent with national security, the protection of health, safety, or environmental quality. **(T-0)**.

10.12.5.1. Emergency construction projects must be carried out within the total amount of funds appropriated for MILCON that have not been obligated for other purposes. **(T-0)**.

10.12.5.2. The maximum amount that shall be obligated by the DAF in any FY for emergency construction is \$50,000,000. **(T-0)**.

10.12.5.3. Notification must be submitted and a request for reprogramming of MILCON funds must be processed, per the provisions of 10 USC § 2803, and *DoD 7000.14-R*, Volume 3, Chapter 7 and Chapter 17. **(T-0)**.

10.12.5.4. DAF activities will use Department of the Air Force policy is to apply the same restrictions and limitations to emergency construction projects as MMC, except as otherwise specifically provided for. **(T-0)**. The identification and treatment of costs for emergency construction projects must be consistent with those for MMC projects. **(T-0)**.

10.12.5.5. There is no provision for emergency construction for the Reserve components.

10.12.5.6. Contact SAF/FMBIC for additional information.

10.12.6. Contingency Construction (Title 10 United States Code Section 2804). Contingency Construction is limited to authorized projects of an urgent nature, and funded from the Contingency Construction Account. Use of this authority requires approval by OSD and written notification to the appropriate committees of Congress. **(T-0)**. A reprogramming request must also be submitted and include: a) justification for the cost of the project; b) the current estimates of the cost; c) justification for carrying out the project as contingency construction; and d) a statement as to the source of funds to be used. **(T-0)**.

10.12.7. War or National Emergency (10 USC § 2808). This statute permits MILCON projects to be undertaken, without regard to any other provision of law, in the event of a declaration of war or the declaration by the President of a national emergency.

10.12.7.1. Upon a decision by the SecAF to use this authority (with the support of the Combatant Commander) a request must be made by the SAF to the Office of the Assistant Secretary for Sustainment including the following:

10.12.7.1.1. DD Form 1391, *FY__Military Construction Project Data* form. **(T-0)**.

10.12.7.1.2. An explanation of when the requirement was identified and whether (and how) it was planned or programmed for execution prior to the current request. **(T-0)**.

10.12.7.1.3. A complete description of the source of funds to be used, including specific reasons why the funding is available and associated notifications to the Congressional defense committees, as necessary, under the provision of 10 USC § 2853. **(T-0)**.

10.12.7.1.4. An expected timeline and acquisition method for the project assuming project approval within 30 days of submission of the request to the Office of the Assistant Secretary for Sustainment. **(T-0)**.

10.12.7.1.5. Rationale why the project should not be deferred to a future budget request. **(T-0)**.

10.12.7.2. These projects must be necessary to support use of the Armed Forces and may be undertaken only within the total amount of funds that have been appropriated for MILCON, including funds appropriated for MFH, that have not been obligated for other purposes. **(T-0)**.

10.12.7.3. Refer to *DoD 7000.14-R*, Volume 3, Chapter 17, for additional guidance.

10.12.7.4. OSD policy is to apply the same restrictions and limitations to emergency construction projects as MMC, except as otherwise specifically provided for. **(T-0)**.

10.13. Use of O&M Under Contingency Construction Authority. Congress may authorize unique authorities for the use of O&M funds under Contingency Construction Authority for construction projects inside the USCENTCOM AOR or certain countries in the US Africa command AOR. Contact SAF/FMB P&FC for further assistance to ensure conformance with latest OUSD (C) implementation guidance on this topic. **(T-1)**. See *AFI 32-1020*.

10.14. Restoration or Replacement of Damaged or Destroyed Facilities (10 USC § 2854). This statute authorizes Secretaries of the military departments and OSD to repair, restore or replace a damaged or destroyed facility for which legislative authorization and appropriations have not been provided. This authority is used for facilities damaged or destroyed by fire, flood, wind, crashes, explosions, tornadoes, hurricanes, volcanoes, earthquakes, typhoons, etc. **(T-0)**. See *AFI 32-1020* for additional details. If the cost of the repair, restoration or replacement is greater than the maximum amount for a minor MILCON project (per 10 USC § 2805), SAF/IEE will notify the appropriate committees of Congress. **(T-0)**.

10.14.1. *DoD 7000.14-R*, Volume 3, Chapter 7, requires submission to the committees of Congress of a prior approval reprogramming request for any restoration or replacement of damaged or destroyed facilities to be undertaken with MILCON funds. **(T-0)**. **NOTE:** Restoration or replacement projects must be financed within amounts appropriated for MILCON that have not been obligated for other purposes, and construction may not commence prior to receipt of DoD and Congressional approvals. **(T-0)**.

10.14.2. The SecAF may use appropriations available for O&M if the damage or destruction to the facility was the result of a natural disaster, or a terrorism incident and SAF/IEE submits official notification. Per 10 USC § 2854, the Secretary must certify, in the case of damage to a facility rather than destruction, that the replacement project is more cost-effective than repair or restoration; and certify that deferral of the replacement project for inclusion in the next MILCON Authorization Act would be inconsistent with national security or the protection of health, safety, or environmental quality, as the case may be. **(T-0)**. **NOTE:** The maximum aggregate amount DAF shall obligate from appropriations available for O&M in any FY for replacement projects is \$100,000,000. **(T-0)**. Contact SAF/FMB P&FC for additional information.

10.15. Defense Access Roads. This program is authorized by Title 23 United States Code Section 210, Defense Access Roads and implemented by a) 23 USC § 210, Code of Federal Regulations, Part 660, Subpart E, *Defense Access Roads*, current edition; and b) Army Regulation 55-80, *DoD Transportation Engineering Program*.

10.15.1. This statute authorizes, out of funds appropriated for this purpose, the construction and maintenance of roads (including bridges, tubes and tunnels) providing access to military reservations, to defense industries and defense industry sites, and to sources of raw materials when roads are certified to the Secretary as important to the national defense.

10.15.2. It also authorizes the replacement of existing highways and highway connections that are shut off from general public use by closures due to mean sea level fluctuation and flooding, or restrictions at military reservations and defense industry sites.

10.15.2.1. Defense access roads APF is available to pay the cost of repairing damage caused to highways by recurrent flooding and sea level fluctuations, as well as for any infrastructure to mitigate the risks of such flooding and fluctuations, pending OSD determination. (T-0). Follow *AFI 32-1020* for additional details, including DD Form 1391 requirements. **NOTE:** Prior to including a Defense Access Road project in the President's Budget, the Military Surface Deployment and Distribution Command (SDDC) must provide approval. (T-1).

10.15.2.2. MAJCOM FM, FOA or DRU Offices will not use these funds to finance roads within the boundaries of a military reservation. Charge to major construction, emergency construction, or minor construction as applicable. (T-1).

10.15.2.3. SAF/FMB P&FC processes SF 1151 nonexpenditure transfers from DAF Parent Accounts 57*3400 (O&M), or 57*3300 (MILCON) to the Federal Highway Administration (FHA). Unobligated balances must be returned by FHA prior to expiration of the appropriation. (T-0).

10.16. Relocatable Buildings. Relocatable building financial policy is governed by *DoD Financial Management Regulation*, Volume 3, Chapter 17. For functional policies, see DoDI 4165.56, *Relocatable Buildings*, and *AFI 32-1020*. Contact SAF/FMBIC or SAF/FMB P&FC for additional information.

10.16.1. The definition of a relocatable building per *DoD 7000.14-R* is a habitable prefabricated structure designed to be readily moved, erected, disassembled, stored and reused. This definition includes tension fabric structures assembled from modular components and air-supported domes, both of which can be easily disassembled, moved, and reused. This definition excludes mobile military equipment such as communications vans, emergency management and command post trailers. Also excluded are tents, modular sheds less than 500 square feet, temporary contractor trailers, and temporary government construction administration trailers located on, or in the vicinity of a construction site.

10.16.2. Relocatable building policy determinations rely predominantly on whether the effort is serving a short-term requirement, or when the duration is uncertain. More specifically, relocatable buildings may be: a) acquired, stored and used within DoD when these facilities constitute the most feasible and economical means of satisfying short-term, facility requirements pending the availability of permanent space in existing facilities, or through the construction of a permanent conventional facility; b) used instead of conventional, permanent construction when the duration of the requirement is uncertain, such as in a contingency operation pursuant to Title 10 United States Code Section 101; or c) used instead of conventional, permanent construction when the space is known to have a recurring mobile requirement, such as the need to move a field office to different sites on a training range.

10.16.3. Relocatable buildings can be accounted for as personal property when purchased as an equipment item or as real property when procured using construction procedures; see *DoDI 4165.56* and contact AF/A4 for additional functional guidance.

10.16.4. Personal Property Funding Sources. Buildings meeting the definition of relocatable buildings may be classified as personal property when purchased as an equipment item, and if so, must be acquired with O&M, RDT&E, or procurement funds as appropriate. **(T-0)**. The use of O&M or procurement funds will be in accordance with the \$250,000 expense/investment threshold criteria. **(T-0)**.

10.16.5. Real Property Funding Sources. Relocatable buildings acquired as real property will be funded with either O&M or MILCON funds depending on the total acquisition cost, per Title 10 United States Code Sections 2801 and 2805. **(T-0)**. The cost of the relocatable building will be based on the total cost of the completely assembled building (not the cost of each separate components) and includes all site work. **(T-0)**.

10.16.6. Buildings, including modular facilities, which do not qualify as relocatable buildings are classified as real property and must be acquired as MILCON. **(T-0)**. The acquisition must be funded under the rules for Specified/MMC, UMMC, Emergency and Contingency Construction, or other applicable authority. **(T-0)**. Site preparation to erect or install relocatable buildings which results in real property improvements is classified as construction, and funded with O&M or MILCON per 10 USC § 2801 and 2805. **(T-0)**. **NOTE:** A modular facility can be permanent or temporary, and can be relocatable or not relocatable. The “modular” characteristic identifies the construction method used to create the facility; it does not drive the funding determination.

10.17. Allied Support. Allied support is the provision of power, water, etc. to a relocatable building or modular structure up to a connection point at the structure (including stairs and breezeway foundations). Providing allied support where it does not currently exist is considered construction as it is adding capability. Charge those costs to specified/MMC, minor MILCON, or O&M minor construction, as appropriate. **(T-1)**. If allied support involves repair to an existing power, water, etc. capability, fund the effort with O&M. **(T-1)**.

10.17.1. A project may be executed in complete and usable phases, but all phases should be considered for project approval thresholds. When adding allied support, the cost of the allied support will not be sub-divided into the number of relocatable (temporary) buildings being supported in order to avoid project thresholds. **(T-0)**.

10.17.2. The cost of relocatable (temporary) buildings purchased or leased as equipment are not included in the site support work where determining the total construction costs and approval threshold for construction. These are defined as unfunded costs of the construction project. **(T-1)**.

10.17.3. Costs for set up, disassembly, maintenance, refurbishment, packaging and transporting relocatable buildings classified as equipment are expenses, and must be charged to appropriations available to fund such costs. **(T-0)**.

10.18. Funded vs Unfunded Costs.

10.18.1. Funded costs are major costs incurred during the design and construction phases and funded with appropriations available for MILCON. See *DoD 7000.14-R*, Volume 3, Chapter 17, for types of funded costs.

10.18.2. Unfunded costs are those that contribute to a MILCON project, are financed from appropriations other than MILCON, and are not reimbursed by appropriations available for MILCON. See *DoD 7000.14-R*, Volume 3, Chapter 17, for types of unfunded costs.

10.19. Costs Financed with MILCON Appropriations – Budgeting.

10.19.1. Budget for all MILCON program costs in the MILCON appropriations. Include planning and design, MMC, UMMC, supporting activities (e.g., defense access roads), MILCON overhead, and projects authorized in the USC or other legislation. See *AF Manual 65-604*, Chapter 5, for additional guidance including project code details.

10.19.2. Information Technology Equipment Site Preparation. See the following guidance.

10.19.2.1. Prewired Work Stations/Systems Furniture. Charge to O&M appropriations. **(T-1)**.

10.19.2.2. Communications Prewiring of Buildings. When constructing, adding to, or altering a new facility with MILCON or minor construction funds, include: a) all basic communications support required for information services and networking, including voice, data, alarms, sensors, etc.; b) all work within the building for telephone wiring, conduits, cable ducts, and outlets; and c) all wiring, cabling, manholes from the customers jacks to the point where the new facility will receive network services (internet, etc.). **(T-1)**.

10.19.2.3. RPIE. RPIE is equipment permanently attached as an integral part of a facility. The equipment cannot be removed without physically damaging the structural integrity of the asset or degrading the functionality of the asset. The equipment must be necessary to make the facility complete and usable. MAJCOM FM, FOA or DRU Offices will fund RPIE with MILCON appropriations. **(T-1)**. See *AFI 32-9005*.

10.19.2.4. Replacement RPIE. If the item/equipment being replaced is integral to the facility and would have been funded by MILCON when the facility was constructed, the repair or replacement should be funded with O&M funds.

10.19.2.5. Advance Planning. MAJCOM FM, FOA or DRU Offices will charge Advance Planning costs to O&M appropriations. **(T-1)**. Advance planning includes: a) developing requirements for a MILCON project; b) developing an installation master plan; c) studying alternative sites; d) developing and validating documentation for MILCON projects before starting project design; e) preparing engineering analysis and studies to develop technical design parameters before starting project design; and f) preparing environmental impacts assessments and statements.

10.20. MFH. MAJCOM FM, FOA or DRU Offices will charge all MFH construction projects to applicable MFH appropriations. **(T-0)**. See *DoD 7000.14-R*, Volume 3, Chapter 17.

10.21. Recycling Programs. Projects for pollution abatement, energy conservation, and occupational safety and health activities may be funded by appropriations other than MILCON when the cost of a project is: a) funded from proceeds of sales of recyclable material in accordance with *DoD 7000.14-R*, Volume 11A, Chapter 5; and b) does not exceed 50 percent of the amount established by law as the maximum amount for minor construction projects, per Title 10 United States Code Section 2577. **(T-0)**.

Chapter 11

OPERATION AND MAINTENANCE, DEPARTMENT OF THE AIR FORCE APPROPRIATION (57*3400)

Section 11A—Scope

11.1. Purpose. This chapter applies to all levels of command and addresses items specific to an O&M appropriation, specifically, for O&M, DAF, 57*3400, and RDT&E, DAF, 57*3600 for only expense type items. The O&M appropriation funds expenses related to the sustainment and maintenance costs of a DAF organization. This includes, but is not limited to, civilian pay, travel/transportation, minor construction and repair subject to applicable thresholds, communications, rents and leases, supplies (both stock fund and non-stock fund), equipment (costing less than the investment/expense threshold amount), ground fuel, and contractual support to acquire services. For questions about items which may apply to one or more different appropriations, please refer to those specific other chapters in this manual, or contact the SAF/FMB appropriation manager directly for guidance.

Section 11B—TDY Travel

11.2. TDY Costs. This section provides guidance or points to a reference for funding TDY travel that is the subject of frequent inquiries from USAF financial managers. Per JTR § 010202, TDY travel is permissible when other means of conducting business, such as telephone calls or video teleconferencing, are unavailable or cannot meet the mission's needs. Approval of a TDY travel order or authorization, by the Travel Approving Official, certifies that travel is required and that other means are not sufficient to accomplish the mission. Government-funded travel and transportation are used only when officially justified and by the means that meet mission requirements consistent with good management.

11.2.1. TDY Travel during Certain Periods. During periods of enhanced fiscal constraints, such as periods of time when the federal government is operating on a Continuing Resolution budget, then the Travel Approving Authority may impose additional safeguards to ensure that TDY travel is limited to mission essential business only (i.e., one or more elements of the agency's mission may fail if the TDY travel is not accomplished).

11.2.2. Travel Order Preparation for Orders That Include Two FY. Refer to AFI 65-103, *Temporary Duty/Special Orders*, for specific order preparation instructions involving travel that will include fund cite information for the current and next FYs.

11.2.3. Frequent Flyer Miles and Other Promotional Benefits. Promotional items, including frequent flyer miles, upgrades, access to carrier clubs/facilities may be retained by the traveler subject to certain limitations as authorized in the *JTR*, Chapter 2.

11.2.4. Funding Travel Related to Training Courses. Follow these rules to finance travel expenses for attending USAF formal training and other training courses:

11.2.4.1. Civilian Employees. The MAJCOM-appointed training liaison normally manages and funds TDY to USAF formal schools or other training. The MAJCOM training liaison coordinates with directorate programming managers, budget managers, installation functional counterparts, and Air Force Personnel Center (AFPC)/DP2ZLF for resourcing requirements. The employee development specialist manages training at the installation level and coordinates funding for training (PEC 88751F) and associated travel for formal training courses with the MAJCOM (reference AFI 36-2670, *Total Force Development*, Chapter 5).

11.2.4.2. Regular AF (RegAF) MILPERS. Fund Military Formal Training Travel/TDY requirements per AFI 36-2670, *Total Force Development*.

11.2.5. USAF Formal Training Courses (Air Education and Training Command (AETC) Funded). AETC pays TDY expenses to attend schools in this category including travel and per diem from OCONUS to CONUS. The education & training course announcement provides the AETC funding guidance for these travel orders as well as the conditions a TDY must meet for funding. **(T-3)**.

11.2.6. Command Operated Schools. The USAF activity to which the individual students or instructors are assigned pays expenses of travel and per diem for students or instructors at command courses.

11.2.7. TDY/Travel Incident to PCS (En route). TDY/Travel Incident to PCS is the responsibility of the gaining units for courses that are not identified as AETC funded USAF formal training courses and are a requirement of the gaining unit. If the required training is a requirement of the losing unit, then the losing unit bears the cost. **(T-3)**.

11.2.7.1. Formal Training TDY/Travel Incident to PCS. Apply the following guidance whether a member returns to the current duty station before the PCS or goes directly to the new duty station after completing a TDY. AETC pays for TDY to USAF formal training courses along with, or incident to a military PCS, when one of the following applies:

11.2.7.1.1. The AFPC imposes the training requirement in the assignment instructions.

11.2.7.1.2. The gaining command receives a training quota from AETC and properly notifies the losing Military Personnel Flight.

11.2.7.2. The gaining command levies formal training requirements, or non-formal training, without the appropriate AETC quota, it pays for the TDY, and provides a proper fund citation to the losing military personnel flight. **(T-2)**.

11.2.7.3. Transoceanic Travel for Training Incident to PCS. Charge to PCS movement funds any transoceanic travel costs for directed TDY to CONUS incident to a PCS. These costs are a PCS expense. Transoceanic travel costs include travel from an OCONUS assignment (includes Alaska and Hawaii) to CONUS port of entry. When the losing and gaining commands are both OCONUS and training occurs within CONUS, the travel expenses to CONUS port of entry, and from CONUS port of debarkation to the gaining command, are a PCS expense. Orders directing the transoceanic TDY must:

11.2.7.3.1. State that the TDY is along with or incident to a PCS. **(T-3)**.

- 11.2.7.3.2. Identify the command funding the TDY. Guidance for getting fund cite information is in the Education & Training Course Announcement generated within the Education & Training Course Announcement System. **(T-3)**.
- 11.2.7.3.3. Reference the PCS assignment instructions that established the requirement. **(T-3)**.
- 11.2.7.4. Command Operated Schools TDY/Travel Incident to PCS. Charge TDY costs en route to a PCS assignment to attend a command-operated school to the command which operates the school.
- 11.2.7.5. Security Assistance Organization TDY/Travel for Training Incident to PCS. The USAF funds military specialty training, refresher training, language, advisor, management and other training required to qualify individuals for accepting a Security Assistance Organization Assignment. **Exceptions:** Charge Security Assistance Funds for TDY en route to a PCS for:
- 11.2.7.5.1. Defense Institute of Security Assistance Management funded courses.
 - 11.2.7.5.2. USAF District of Washington budgeted and funded TDY en route to PCS in PEC A1010F.
 - 11.2.7.5.3. Orientation training and briefings at Unified Commands and Washington, District of Columbia.
- 11.2.8. Screening School Candidates. In those cases where candidates are scheduled for TDY to school in order to qualify to enter a training program, the unit paying the cost is dependent on whether or not the candidate passes the screening. If the training activity finds a person unqualified, the person's unit of current duty assignment pays all costs for the TDY. **(T-3)**. If necessary, before settling the member's travel claim, commanders ensure that the issuing activity amends the orders to show that the unqualified person's unit pays for the TDY. **(T-3)**.
- 11.2.9. Guest Lecturers. The command that orders or makes the invitation pays travel expenses of all guest lecturers to the extent that funding such travel is authorized. **(T-1)**.
- 11.2.9.1. Funding TDY for Special Technical and Flying Training. Charge any TDY for Special Technical and Flying Training to AETC when established by AETC under *AFI 36-2670*. Unless otherwise directed, charge these costs to the MAJCOM to which the individual is assigned. **(T-1)**.
 - 11.2.9.2. TDY for Field and Mobile Training (*AFI 36-2670*).
 - 11.2.9.2.1. AETC funds TDY travel of students to field training detachments or to attend training conducted by mobile training teams up to the number of funded training quotas allocated to AETC in the appropriate Program Guidance letter. All other quotas are funded by the requestor/user unless funded through the DAF Corporate Structure.
 - 11.2.9.2.2. For both intra-command and inter-command travel, AETC funds for the TDY of mobile training team instructors to and from technical training centers if adequate AETC funding is available. All other mobile training team instructor travel is funded by the requestor/user unless funded through the DAF Corporate Structure.

11.2.10. Funding Travel of USAF Military Applicants for the USAFA. Use the applicant's assigned unit O&M funds to pay TDY of USAF military applicants for the USAFA under *AFMAN 36-2032*. The military member concerned bears the cost of travel for examination to compete for Congressional nomination.

11.2.11. TDY for Air Force ROTC Commissioning Ceremonies. In order to provide solemnity for the event and to establish parity between different commissioning sources, funded TDYs are authorized for General Officers to preside at the commissioning ceremonies of Air Force ROTC Units. Travel funding for only one (1) General Officer is allowed per ceremony. Travel funding using this authority is available to Guard or Reserve General Officers only when they are on Active Duty Status. Invitations from universities or Air Force ROTC units to which the General Officer has a personal affiliation must be scrutinized closely. Repeat visits made by the General Officer to the same educational institutions (unless the sole factors driving such repeat visits is geographic proximity and minimizing official TDY costs) may suggest the appearance of endorsement, special treatment or personal benefit and must be avoided.

11.2.12. Funding Travel for USAF Recruiters. AETC funds these costs.

11.2.13. Funding Travel Related to Ferrying Aircraft. See AFI 11-207, *Fighter Aircraft Delivery*, for related guidance. Budget and Fund deliveries in accordance with [Table 11.1](#)

Table 11.1. Budgeting and Funding for Aircraft Ferrying.

Category of Aircraft Ferrying	Budgeted and Funded By
Intra-command Ferrying.	The MAJCOMs/Centers concerned.
Inter-command Ferrying within CONUS:	
Ferrying to and from AFMC facilities (including manufacturers plants, storage installations, civilian and military modification centers, and depots).	The MAJCOMs/Centers involved, other than AFMC.
If the aircraft are being assigned to a recipient command.	The recipient command.
Intra-theater Aircraft Delivery OCONUS.	The theater concerned: If the source and destination of Mobility Air Forces aircraft are within the same OCONUS theater. The delivery is to surface ports for surface shipment, if both the surface port and source are within the same theater.
Unit Movement.	The MAJCOMs/Centers responsible for a unit being moved.

Category of Aircraft Ferrying	Budgeted and Funded By
<p>Ferrying by ACC (Excludes Unit Movements). Includes ferrying:</p> <p>Between CONUS and overseas theaters or between overseas theaters (except intra-command) for the DAF, ANG and Mobility Air Forces.</p> <p>From AFMC facilities to ports for surface shipment. (The receiving command moves this aircraft from the OCONUS port of debarkation as an intra-command movement).</p> <p>Between other points within CONUS such as manufacturer plants, storage installations, modification centers, and depots; but not from any of the above specified facilities to recipient CONUS command.</p>	<p>The MAJCOMs/Centers to which the aircraft is assigned for aviation petroleum, oils, and lubricants and other en route aircraft expenses. ACC for aircrew expenses. ACC provides a fund citation at the time crews are requested from other commands to meet workloads ACC aircrews cannot do.</p>
<p>Ferrying by MAJCOMs/Centers :</p>	
<p>Aircraft transferred from Army and Navy to the DAF from point of acceptance.</p>	<p>The recipient MAJCOMs/Centers.</p>
<p>Transfer of aircraft within the command, both Intra-theater and inter-theater.</p>	<p>MAJCOMs/Centers.</p>
<p>Deliveries of their aircraft to ports for OCONUS Shipment.</p>	<p>MAJCOMs/Centers.</p>
<p>Ferrying Within the ARC and ANG</p>	<p>The ARC and ANG.</p>
<p>Ferrying to, from, and between AFMC facilities when ARC or ANG aircraft are scheduled for inspect and repair as necessary modification or retrofit.</p>	<p>The ARC and ANG.</p>
<p>Ferrying of aircraft between command units (intercommand).</p>	
<p>Ferrying between ARC units.</p>	<p>Recipient command, if aircraft are being assigned to that command.</p>
<p>Delivery of aircraft between ANG units.</p>	<p>Air Force Reserve (Robins USAF Base). The DAF Division of the NGB.</p>

11.2.14. Funding Travel of Escorts for Dependents of Deceased or Missing DAF Military Personnel. Charge escort TDY to the operating funds of the order issuing activity except when an AFMC passenger-control agency issues the order at an OCONUS commander's request. In this case, cite the requesting agency O&M funds. The base mortuary officer ensures fund availability, then prepares and approves payment vouchers in accordance with AFI 34-501, *Mortuary Affairs Program*, Chapter 8. (T-1).

11.2.15. Funding Travel to Attend Meetings of Non-Federal Technical, Professional, Scientific, and Other Similar Organizations. If approved by proper authority, charge TDY expenses to the O&M funds of the attendee's organization of assignment. See: DoD 5500.07-R § 3-200; Title 5 United States Code Sections 4109 and 4110; 31 USC § 1345; and Title 37 United States Code Section 455.

11.2.16. Funding Travel for Attendance at National Rifle and Pistol matches by USAF Personnel. MAJCOMs/Centers may authorize people to take part in shooting competitions. Charge a participant's TDY expenses to the command O&M funds. Appropriated funds will not be used to pay registration fees, but nonappropriated funds may be authorized and available in some circumstances. (T-1). Please direct any questions or concerns to the AFSVC Sports and Fitness Branch. See AFI 34-266, *Fitness, Sports, and World Class Athlete Program*.

11.2.17. Funding Travel Related to Logistics Evaluation of Independent R&D. The DAF Coordinating Office for Logistics Research budgets and funds travel related to Logistics Evaluation of Independent R&D, upon mutual agreement between DAF Coordinating Office for Logistics Research and the traveler's unit of assignment.

11.2.18. Funding Travel Related to Disability Retirement Processing. For TDY of military members directed to meet medical or physical disability boards to determine eligibility for retention, disability retirement, or separation, charge O&M funds of the medical facility that directed the action. Charge TDY travel of temporary retired military personnel to take physical examinations to funds made available to the AFPC (Reference AFI 36-3212, *Physical Evaluation for Retention, Retirement and Separation*).

11.2.19. Funding Witness Travel. Refer to **Table 11.2** of this manual. Funds for witness travel are dependent upon the type of witness and whether the witness would be intra-command or inter-command. The type of travel is "inter-command" when the individual requested is assigned to a different MAJCOM/Center than the convening authority exercising jurisdiction over the case at the time of the request. It is "intra-command" when the individual requested is assigned to the same MAJCOM/Center as the convening authority exercising jurisdiction over the case at the time of the request. When a convening authority is identified as the funding authority, the convening authority at the time the travel is necessary provides the funding. See AFI 51-201, *Administration of Military Justice*, for additional guidance or when DAF/JA is identified as the funding authority.

Table 11.2. Funding Travel Connected with Administrative Boards or Disciplinary Procedures.

	A	B	C
	If the witness is	and the type of travel is	then travel is funded by
1	Involved in an Aircraft Accident Investigation		See paragraph 8.11.
2	Involved in an Administrative Board		Convening Authority
3	Accused	Inter-command	DAF/JAJM (See Note 1)
4	Accused	Intra-command	Convening Authority (See Note 1)
5	Military Judge		USAF Judiciary circuit to which assigned
6	Trial Counsel		Convening Authority (See Note 2)
7	Defense Counsel		(See Note 3)
8	Investigating Officer		Convening Authority (See Note 2)
9	Individual Military Defense Counsel		(See Notes 3 & 4)
10	Court Member		Convening Authority
11	Department of the AF Civilian Employee	Inter-command	DAF/JAJM
12	Department of the AF Civilian Employee	Intra-command	Convening Authority
13	Other DoD Civilian Employee		Convening Authority
14	Member of other Service		Convening Authority (See Note 5)
15	Civilian (non-DoD and non-Federal)		Convening Authority
16	RegAF Military	Inter-command	DAF/JAJM
17	RegAF Military	Intra-command	Convening authority
18	Threatened Airman		(See Note 6)
19	Confidential Source DAF Office of Special Investigations		(See Note 6)
20	DAF OSI Agent		HAF/OSI (See Note 7)
21	Expert Witness (Urinalysis)		DAF/JAJM (See Note 8)
22	Non-DoD Federal Civilian Employees (Federal Bureau of Investigations, US Postal Service, etc.)		Convening Authority (EXCEPTION: see Note 9)
23	Reservist (Active Duty)	Inter-command	DAF/JAJM

	A	B	C
	If the witness is	and the type of travel is	then travel is funded by
24	Reservist (Active Duty)	Intra-command	Convening Authority
25	Reservist (Non-Active Duty)		Convening Authority
26	Government Representative		Convening Authority (See Note 2)
27	ANG Member		Convening Authority (See Note 10)
28	Prisoner (appearing as witness)		(See Note 11)
29	Prisoner Escort		Convening Authority (See Note 11)
30	Escort Travel Associated with Sexual Assault		Convening Authority (See Note 12)

Notes:

1. The *JTR* covers travel of members for disciplinary action. Administrative boards are funded by the convening authority, regardless of witness's status. The TDY orders for members traveling as an accused includes the following statement: "member not entitled to per diem expenses in connection with disciplinary action."
2. Funding by USAF Judiciary circuit to which assigned **ONLY** for USAF Judiciary Members. The Convening Authority funds costs for other individuals.
3. The USAF Judiciary Circuit to which assigned when the attorney-client relationship was formed.
4. DAF/JAJM funds if the Individual Military Defense Counsel is not assigned to the USAF Judiciary at the time the Individual Military Defense Counsel request is made and had no prior attorney-client relationship with the requestor on the matter in issue.
5. The *JTR* covers travel of service members or DoD civilian employees who serve as witnesses.
6. Submit requests through local AFOSI detachments. Fund according to the status of the person requested (e.g., RegAF, Reservist, ANG, civilian, etc. as noted in the table).
7. DAF OSI agents assigned as defense investigators to an accused and defense counsel are funded by the Convening Authority.
8. For expert witnesses in urinalysis cases, DAF/JA funding is provided in accordance with *AFI 51-201*. The convening authority pays all fees in excess of DAF/JA established fee limits as well as costs for experts who do not testify to include civilian expert consultants and lab technicians in urinalysis cases.

	A	B	C
	If the witness is	and the type of travel is	then travel is funded by
	<p>9. Funding for testimony of federal civilian employees belonging to non-DoD Agencies is a Convening Authority responsibility. However, if a non-DoD federal civilian employee is being called to present testimony in a case that involves an activity in connection with which the individual is employed, funding from the employing agency may be possible. See Title 5 United States Code Section 5751 and Title 28, Code of Federal Regulations, Part 21, Section 21.2(d), <i>Witness Fees</i>, current edition. The CG has defined the extent to which the case must be related to the agency’s activity as a condition to the agency’s responsibility for payment in (<i>Witnesses – Traveling Expenses</i>, B-35233, 23 Comp. Gen. 47 (1943)). Funding from other agencies under 5 USC § 5751 should only be sought in situations where the other agency’s funding responsibility can be clearly established under the law. Furthermore, if the employing agency is not forthcoming with the funds, ultimate responsibility for funding to ensure the presence of necessary witnesses remains with the Convening Authority.</p> <p>10. DAF/JAJM funds ANG members who are in Title 10 status at the time travel is necessary if it involves inter-command travel between the Title 10 duty station and the location of the Uniform Code of Military Justice proceeding.</p> <p>11. The <i>JTR</i> and AFMAN 31-115, Volume 1, <i>Air Force Corrections System</i>, covers travel of prisoners and prisoner escorts. The prisoner’s travel is funded according to the status of the prisoner (e.g., RegAF, Reservist, ANG, civilian, etc. as noted in the table). The prisoner escort is funded by the Convening Authority requesting the prisoner’s appearance.</p> <p>12. <i>JTR</i> covers escort travel associated with sexual assault.</p>		

11.2.20. Funding Travel Related to EEO Complaints. Apply the following guidance to fund expenses for individual complaints as well as class complaints of discrimination (AFI 36-2710, *Equal Opportunity Program*):

11.2.20.1. The Equal Opportunity Director investigates formal EEO complaints for DoD components. The activity where the discrimination allegedly occurred funds any investigation fee.

11.2.20.2. Commanders ensure that the activity funds expenses of the Equal Employment Opportunity Commission examiner (as billed by the Equal Employment Opportunity Commission) and payment for court reporters and attorneys, as well as travel expenses when a hearing examiner or other authorized official requires travel of complainants, representatives, or witnesses. **(T-3)**.

11.2.20.3. The DAF Civilian Appellate Review Office (AFCARO)/AED) pays travel expenses of EEO complaint AFCARO investigations.

11.2.20.4. When a class complaint alleges discrimination at more than one activity, the class representative's permanently assigned activity pays expenses of the Equal Employment Opportunity Commission examiner, court reporters, and attorneys (see *AFI 36-2710*).

11.2.20.5. When a hearing examiner or other authorized official requires USAF personnel to participate, charge the travel to the USAF participant's unit of assignment. The activity where the discrimination allegedly occurred pays travel expenses for AFCARO personnel called as witnesses.

11.2.20.6. When a class complaint alleges discrimination at more than one activity, charge authorized expenses of non-USAF people to the permanently assigned class agent's activity.

11.2.20.7. If a complaint of discrimination is filed against a tenant organization, the tenant pays the hearing costs, attorney fees and other costs unless otherwise provided for in a host-tenant agreement (see *AFI 25-201*).

11.2.20.8. When the complaint involves a NAF activity, the host activity bears the costs. The host activity's commander may recoup costs from the NAF instrumentality in those cases where discrimination allegations against a nonappropriated fund employee have been substantiated.

11.2.21. Funding Travel Related to Emergency Leave. If a USAF member is authorized emergency leave that requires movement from OCONUS to CONUS or from CONUS to OCONUS, and the individual is:

11.2.21.1. Permanently assigned to an OCONUS or CONUS installation (USAF or Non-USAF), charge the cost of TWCF airlift to the O&M funds of the member's unit of assignment.

11.2.21.2. Performing TDY, charge the airlift to the same funds that put the member on TDY. No prior concurrence of the FSO administering the funds is needed. However, the base or activity issuing the emergency leave order must immediately send a message to the FSO containing the emergency leave special order number, date, name and social security number of the USAF member, accounting classification cited, and estimated amount of the TWCF airlift cost chargeable to the funds. Forward a copy of the orders within 24 hours to the FSO who administers the funds cited. **(T-3)**.

11.2.22. Funding Dependent Student Travel. When dependent students travel on annual trips from schools in CONUS to and from an OCONUS area, including Alaska and Hawaii, charge these costs to the student's sponsor organization operating funds. Do not pay this transportation allowance for members assigned to a permanent duty station (PDS) in Alaska or Hawaii and the child attends school in that state. These costs apply against any limitation which Congress might apply for such travel. This paragraph applies to military member's dependent travel, in accordance with the *JTR*.

11.2.23. Funding Medical Related Travel. See this Chapter, [Section 11C](#).

11.2.24. Funding subject matter expert travel for the USAF Occupational Measurement Center. The USAF Occupational Measurement Center budgets and funds for travel requirements of subject matter experts from other units who help the USAF Occupational Measurement Center rewrite promotion tests. (T-2).

11.2.25. Financing Contract Quarters for DAF and DoD Employees in a Travel Status (Includes Members of the Active and Reserve Forces). To reduce APF expenditures for per diem, base billeting offices arrange contract quarters agreements with commercial motels and hotels to lodge official travelers when on base quarters are not available. (T-3).

11.2.25.1. When planning travel, each organization and each unit of the ARC that schedules Active Duty tours must tell the duty base or bases in advance the number of rooms it needs and for how long. (T-3).

11.2.25.2. In general, the traveler pays the charges for contract quarters. Under the *JTR*, the traveler gets reimbursed for lodging costs, subject to ceilings for each geographic area. Record the cost against EEIC 409 or Object Class 21. Use the applicable valid EEIC when the government pays the hotel or motel by check, whether using a separate service contract, blocking a number of rooms under an existing contract (Blanket Purchase Agreement), or another agreement.

11.2.25.3. For special categories of travel (e.g., formal training, exercises), commands and subordinate activities may continue to acquire contract quarters using procedures where the government pays the hotel directly. When using this method, installations may acquire the quarters through a separate service contract or by blocking a number of rooms under an existing local contract quarters agreement. Refer questions regarding the appropriate use of this method for financing contract quarters through command channels to SAF/FMB P&FC. The contract cost daily rate may not exceed the lodging rate, under the lodging-plus concept, for the local area as specified by the *JTR*.

11.2.25.4. Refer to AFMAN 34-135, *Air Force Lodging and Air Force Laundry and Linen Exchange Programs*, for specific billeting procedures. See [paragraph 11.29.1](#) of this chapter for information regarding the FY 2020 shift of funding responsibility for TDY and PCS Lodging operations to NAF.

Section 11C—Medical Support

11.3. DHP Funding for Medical Program Costs. Use the DHP appropriation (97*0130) to finance medical program costs, including O&M, procurement, and research, development, test and evaluation but excluding personnel funds for active and reserve military medical personnel. Funds for medical facility MILCON are in a single appropriation account (97*0500.1402, FC YS).

11.3.1. Civil Engineering and Communications Costs. Types of Support and associated PECs are shown in [Table 11.3](#) below:

Table 11.3. PEs To Be Charged for Civil Engineering and Communications Support to Medical Units.

Type of Support	CONUS PE	OCONUS PE
Civil Engineer and Communications Support	86276	86376
Civil Engineer and Communications Support	86278	86378
Civil Engineer and Communications Support	87795	87995
Civil Engineer and Communications Support	87779	87979

11.3.2. Executing the Medical Budget. The DAF utilizes the DHP for non-combat support medical activities. OASD, Health Affairs, prepares and submits a unified medical program to provide resources for all medical activities within DoD.

11.3.2.1. The OSD/Health Affairs, through the Defense Health Agency, issues funds to AF/SG, which then issues funds to MAJCOMs/FOAs for distribution to MTFs. The DAF continues to pay for applicable military personnel costs centrally using the Military Personnel appropriation. The military departments retain civilian medical personnel end strengths.

11.3.2.2. MAJCOMs, installations and medical activities program, budget and finance medical costs as provided for in DoD guidance and this manual.

11.3.3. Expenses Chargeable to Medical Support. Charge all readily identifiable expenses incurred in operating and maintaining MTFs to the DHP (97*0130). Apply the following guidance:

11.3.3.1. Civilian Pay. Charge the DHP for salaries of all assigned civilian employees (except HAF/SG civilian personnel), including employees assigned to nonmedical activities who support the medical facility (such as DHP funded Health and Wellness Center employees).

11.3.3.2. Civil Engineering Support. Charge the medical facility for civil engineering support based on standard shop rates.

11.3.3.3. Immunizations/Inoculations. Charge the medical facility for immunizations/inoculations for PCS moves and deployments.

11.3.3.4. Medical Related Travel. For guidelines on Medical Related Travel for patients, medical and non-medical escorts, medical consultants, referrals (military and civilian), non-medical attendants (military and civilian), family members, etc., refer to the *JTR*, AFI 36-3002, *Casualty Services* or AFI 44-104, *Military and Civilian Consultant Program and Medical Enlisted Career Field Manager Program* (as applicable).

11.3.3.5. Transportation. Charge transportation related costs in accordance with [Table 11.4](#)

Table 11.4. Transportation Costs by Medical Support Category and PEC.

Type of Support	CONUS PE	OCONUS PE
Medical Shipments to Defense Medical Centers, Station Hospitals and Medical Clinics	87700	87900
Other Health Activities	87714	N/A
Military Unique Requirements	87724	N/A
Aeromedical Evacuation System	87725	N/A
Military Public Health or Occupational Health	87705	N/A
Dental Care Activities	87715	87915
Veterinary Services	87760	N/A

11.3.3.6. Aeromedical Evacuation Airlift in Support of Contingency Operations. In the event that a major contingency operation is declared by the President and OSD, AF/SG DHP funds pay only those Aeromedical Evacuation contingency airlift costs billed by the TWCF from the first OCONUS fixed MTF to CONUS. When the President and OSD have formally withdrawn the contingency designation and entitlement to hostile fire pay ceases, military assignments are no longer based on rotational deployments, and fixed MTFs are available, commanders ensure that AF/SG DHP funds are used to reimburse the TWCF for Aeromedical Evacuation airlift costs from those former contingency areas. **(T-3)**.

11.3.3.7. Communications. Charge telephone service according to ratio of class A telephones installed in the medical facility to total number on the installation. Include switchboard equipment rentals, toll calls, telegraph, and other services used or provided in direct support of the medical program in those charges. Exclude pay of civilian telephone operators assigned to the hospital switchboard.

11.3.3.8. Utilities. Charge utilities obtained from commercial sources and all base produced utilities per AFMAN 32-1061, *Providing Utilities to U.S. Air Force Installations*.

11.3.3.9. Supplies and Equipment. Charge both medical and non-medical materiel authorized for base procurement, including organizational clothing and expense type equipment issued to a medical facility to the DHP. Clothing, supplies, or equipment required for contingency operations or other military operations are chargeable to host base O&M (3400) funds.

11.3.3.10. Laundry and Dry Cleaning. Charge the DHP for hospital clothing and linens, including nurses' privately owned uniforms when delivered to the laundry in bulk. If base funds initially finance services, transfer the charges to the medical program as a contractual service.

11.3.3.11. Contract Maintenance. Charge the DHP for all contractual costs to maintain medical and nonmedical equipment issued to a medical facility.

11.3.3.12. Storage of War Reserve Materiel (WRM). If the space, facility, installation, or complex is solely for the medical program, charge the DHP.

11.3.3.13. Autopsies. Autopsies performed in a MTF are funded with DHP funds. If the deceased member was assigned to the MTF, DHP O&M would fund the autopsy. Commanders ensure that autopsies performed on victims of a military aircraft accident, regardless of who performs the autopsy, are funded with DHP funds. **(T-3)**. See [paragraph 11.3.4.24](#) for additional guidance.

11.3.3.14. Blood Donation Incentive Items. DHP funds are authorized to provide low cost incentive items such as t-shirts, coffee mugs, or pens to volunteer donors at USAF blood donor centers for the purpose of maintaining an adequate military blood supply. The use of these funds for that purpose is at the sole discretion of the MTF commander. Blood donation centers may also purchase high glucose, low cost snacks (e.g., wafer cookies and fruit juice) for blood donors.

11.3.3.15. Health Promotion Incentive Items. Purchase of items with little intrinsic value, such as pens, low cost or disposable water bottles, key chains, magnets, luggage tags, buttons, badges, balloons, flying discs, or toothbrushes may be purchased if the item is intended primarily to convey an appropriate informational message intended to educate or reinforce health/wellness programs to an appropriate audience within the mission set of the purchasing unit. For example, such messages may relate to programs such as breast cancer screening, smoking cessation, and dental hygiene for children. Items may not be personalized; that is, they should only include the cognizant office and organizational contact information (i.e., email, website and phone number) rather than the names and individual contact information for specific DAF officials. Coins may not be procured.

11.3.3.16. Professional Licenses for Healthcare Providers. Ordinarily, the cost of obtaining professional licenses is considered a personal expense. However, in any case in which it is necessary for a member of the uniformed services to pay a professional license fee imposed by a government in order to provide healthcare services at a facility of a civilian healthcare provider pursuant to a Resource Sharing Agreement entered into by the MTF, the member may be reimbursed up to \$500 of the amount of the license fee pursuant to Title 10 United States Code Section 1096(d). While the license is usually obtained in the name of the member, the primary interest in obtaining the license lies with the DAF. Any personal benefit that DAF members receive from the acquisition of the license is incidental to the performance of their official duties. This guidance does not apply to civil service employees and contractors who are required to be in compliance with local licensure requirements at the time of employment, nor does it apply to healthcare providers whose sole purpose in obtaining the additional license is to engage in off-duty employment. **(T-3)**. Refer to AFI 44-119, *Medical Quality Operations*, Chapter 4.

11.3.3.17. Clothing Destroyed During Medical Care. Refer to [Section 11I](#) of this publication for guidance regarding individual clothing.

11.3.3.18. Leased Housing for Military Graduate Medical Education Residents. Leases in support of military graduate medical education resident external rotations is coordinated by the host MTF via the appropriate contracting, legal, and civil engineering organizations.

11.3.3.19. Publication of Graduate Medical Education Research Articles in Professional Journals. Per OMB Circular A-21, *Cost Principles for Educational Institutions*, use of APF for publishing fees are allowable as a necessary part of research costs. As such, use of DHP RDT&E funds are allowed when:

11.3.3.19.1. The research papers report work supported by the federal government, and the page/publishing charges are levied impartially on all research papers published by the journal, whether or not by federally-sponsored authors.

11.3.3.19.2. Publication costs include the costs of printing (including the processes of composition, plate-making, press work, binding, and the end products produced by such processes), distribution, promotion, mailing, and general handling. Publication costs also include page charges in professional journal publications.

11.3.3.20. Ambulance Service Contracts. When ambulance services are provided by contract which include contract personnel to operate the ambulances, they are funded with DHP (2X) O&M.

11.3.4. Expenses Not Chargeable to Medical Support:

11.3.4.1. Military Pay.

11.3.4.2. Combat Support Medical Activities. Tactical medical facilities operated separately from hospitals, including all components of the Expeditionary Medical Support and its support Unit Type Codes, Air Transportable Clinics, and Aeromedical staging facilities.

11.3.4.3. Biological and Chemical Warfare Medical Supplies Deployed with Base Personnel. Commanders ensure any expenses attributed to the contingency pre-deployment, employment, and redeployment of medical combat support personnel, equipment, and supplies requested by the combatant commander and approved by proper authority, as well as medical, biological and chemical warfare items, are paid by host O&M (3400) funds. **(T-3)**. Bases should establish a Host Project Funds Management Record and responsibility center/cost center code or DEAMS equivalent for the MTF to use to record these expenses. Use the appropriate ESP code for all transactions.

11.3.4.4. Common Base Administrative Support: Chapel services, finance or budget services, civilian personnel services, military personnel services, legal services, contracting, security police services, fire protection, gymnasium, records management, lodging, safety, and mail services (except postage).

11.3.4.5. Civilian Pay for HQ USAF/SG personnel supporting medical activities.

11.3.4.6. Direct and Indirect Expenses of furnishing and maintaining military dormitories (regardless of exclusive medical personnel occupation).

11.3.4.7. Subsistence items (from commercial or government sources) used in a medical-operated food service activity.

11.3.4.8. O&M costs for Mortuary Facilities. Charge these costs to base O&M funds providing the service, for example, Air Mobility Command (AMC) funds mortuary services at Dover AF Base, Delaware. Refer to *AFI 34-501*.

11.3.4.9. Medical Care at Deployed Locations during Exercises and Contingencies. Charge host O&M or JCS Exercise or Contingency funds. Medical care provided to members at local indigenous medical facilities. Care in the indigenous facility includes referral care by military medical staff, medical supplies (e.g., pharmaceuticals, orthopedic braces), and urgent/emergency care.

11.3.4.10. Medical Participation in Exercises. Charge host O&M or JCS Exercise funds for the deployment of the Expeditionary Medical Support. Charge the cost of TDY/Travel for deploying medical personnel (Unit Type Code or notional), the cost of supplies used during deployment and the cost of supplies needed for resupply upon return. Additionally, A and B bags for medical personnel are funded from O&M (3400). Medical funds should be used for anything done in the medical facility (e.g., manning assistance, force protection) and reimbursement sought through DHP channels.

11.3.4.11. Immunizations/Inoculations for Exercises.

11.3.4.12. Vehicle Leases (including ambulances and ambulance buses). This is chargeable to DAF O&M (3400).

11.3.4.13. TWCF aeromedical evacuation contingency airlift missions where the medical evacuation is from either a declared contingency area of operation to the first fixed MTF or is a non-stop or one stop refueling aeromedical evacuation contingency airlift mission from the contingency location to CONUS in the event a patient requires specialized care that necessitates by-passing the nearest theatre fixed MTF. **(T-3)**.

11.3.4.14. Automated Extended Defibrillators procured by base organizations for emergency use.

11.3.4.15. Non-prescription items. Generally, non-prescription items (i.e., prevention items such as sunscreen, hand sanitizers, athletic braces/eye protection, etc.) are not procured with the DHP appropriation. **EXCEPTION:** Health promotion items intended to educate or reinforce health/wellness programs.

11.3.4.16. Transportation of Human Remains. Costs are covered by Mortuary Affairs (see *AFI 34-501*).

11.3.4.17. Pay of non-DHP funded civilian positions.

11.3.4.18. Occupational medical examinations for civilian employees that exceed local MTF capabilities. Commanders ensure that fitness for duty examinations and medical surveillance examinations are performed through a DAF designated healthcare provider at no cost to the employee per Title 5, Code of Federal Regulations, Part 339.304, *Payment for Examination*, current edition. **(T-0)**. When the local MTF does not have the capability to provide an examination (or a portion of the exam), the DAF MTF may arrange to have the examination (lab tests, etc.) in the civilian sector (non-DoD) healthcare community after receiving authorization from the employee's unit commander. The employee's unit commander authorizes payment for the examination. **(T-3)**. Payment is made from the same appropriation that funds the employee's salary. In addition to *5 CFR Part 339.304*, see *DoD 7000.14R*, Volume 10, Chapter 11.

11.3.4.19. Immunizations/Inoculations (Contingencies). For deployments, reference *DoD 7000.14-R*, Volume 12, Chapter 23. Costs incurred in support of contingencies or other military operations are chargeable to the appropriations supporting the operation (e.g., OCONUS Contingency Operations, Foreign Disaster Relief and Emergency Response Funds), not the DHP. This includes costs for immunizations/inoculations that are beyond those normally required to sustain the deployment readiness of personnel.

11.3.4.20. Immunization/Inoculation Supplies. Supplies which are carried by deploying personnel for possible future use during the deployment, are funded with O&M (3400). Charge immunizations and inoculations for forward-deployed personnel (personnel TDY to installation or TDY and en route to AOR) to O&M (3400).

11.3.4.21. Medical Support for Exercises. O&M (3400) funds are used for all costs related to exercises, even medical supplies/immunizations required prior to deploying on the exercise.

11.3.4.22. Providing Humanitarian Assistance and Civic Assistance. Per Title 10 United States Code Section 401 and DoDI 2205.02, *Humanitarian and Civic Assistance Activities*, in specific instances (detailed in referenced statute), humanitarian civic assistance activities may be provided in conjunction with authorized military operations of the armed forces. Commanders ensure that expenses incurred as a direct result of providing humanitarian civic assistance to a foreign country are paid for out of funds specifically appropriated for such purpose. **(T-1)**.

11.3.4.23. Generally charge the host installation O&M funds for WRM storage space, housekeeping, and maintenance costs for WRM storage unless the facility is specifically medical.

11.3.4.24. Autopsies performed by civilian pathologists, not employed by the DAF, are funded with the O&M funds of the organization to which the deceased was assigned.

11.3.4.25. Publishing fees for articles or research not sanctioned by the DHP are not chargeable to any DHP funds.

11.3.5. Collections for Meal Surcharges, Non-contractor Operated Dining Facilities. Food services officer collections for surcharges are credited to the financing appropriation(s), e.g., DHP O&M, host base O&M and/or the MILPERS appropriation based on the percentage of MTF dining hall's military and civilian Full-Time Equivalent assigned. See [paragraph 11.23.2.1](#)

11.3.5.1. EXAMPLE: If three out of ten MTF dining hall employees are military personnel and the other seven are DHP civil service employees, then 30 percent of surcharge collections are deposited into the MILPERS appropriation and 70 percent of the surcharge is deposited into DHP O&M.

11.3.5.2. Collections for Meal Surcharges, Contractor Operated Dining Facilities (DHP funded). If the MTF (DHP) funds the contract employees, then food service officer surcharge collections are deposited 100 percent to the DHP O&M appropriation.

11.3.6. Sales of Medical Services. Refer to AFMAN 41-210, *Tricare Operations and Patient Administration*, which describes the categories and the rates of charges for treating patients for whom the DAF gets reimbursed for medical services.

11.3.7. Third Party Payers. The DHP has the right to collect from third party payers for medical care provided to civilians by MTFs (Title 10 United States Code Section 1095). Credit collections to the medical facility DHP O&M account. Funds collected are used to provide enhanced health care services at the treatment facility.

11.3.8. Procurement of Medical Publications and Printed Material. Charge medical publications and printed material to medical support if procured for medical school programs or for hospitals and other medical treatment facilities.

11.3.9. Managing the Reimbursable Program: Operating agencies include funds in appropriate PEs in operating budgets for sales of medical services as:

11.3.9.1. A direct expense for medical services collected centrally.

11.3.9.2. A reimbursable expense for medical services collected locally.

11.3.10. Operating the MTF Business Office. Refer to Defense Health Agency-Procedures Manual (DHA-PM) 6015.01, *Military Treatment Facility (MTF) Uniform Business Office (UBO) Operations*, for guidelines on the operation of the MTF business office. It prescribes uniform procedures and accounting systems for the management and follow up of accounts, including recovery, depositing, posting, and reconciliation. It incorporates procedures for third party collection activities, such as identification of beneficiaries who have other health insurance, coordination of benefits, and recovery of claims.

11.3.11. Health and Wellness Centers. Installations operate an integrated health and wellness mission. See Programming Guidance Letter 94-8, *Establishing Health and Wellness Centers*, for a funding breakout by expense element to determine DHP or Base APF funds responsibility.

11.3.12. Medical Supplies for First Responders. Refer to AFI 41-209, *Medical Logistics Support*.

Section 11D—Property Disposal Programs

11.4. DLA Disposition Services.

11.4.1. Disposition of Scrap, Excess Personal Property, Lumber and Timber Products. DLA disposition services disposes of or sells scrap, excess personal property, lumber and timber products generated by DoD components (see DoDM 4160.21, Vol 1, *Defense Materiel Disposition: Disposal Guidance and Procedures*). Reimburse the local O&M account from the proceeds of such sales only for expenses originally financed by the O&M appropriation. Reimburse only:

11.4.1.1. Identifiable Net Additive Costs. Expenses designated as reimbursable in the inter-service support agreement between the host base and DLA Disposition Services. Examples: telecommunications service, equipment and supplies, and printing and reproduction of DLA prescribed forms.

11.4.1.2. Other Expenses. These are expenses are: (1) directly related to the disposal process or the production and sale of forest products, (2) not designated as reimbursable by the support agreement, and (3) reimbursable at departmental level according to the general provisions of DoD Appropriations Acts. These expenses relate to demilitarization, reclamation, forest products, and certain administrative expenses (for example, TDY, communications, and the cost of printing forms) the DAF prescribes for turning in disposable property to the DLA Disposition Services.

11.4.2. Foreign Equity Property. When a foreign country or international organization offers property for disposal sale and then sells through a DoD activity, the DoD activity that sells the property may deposit 20 percent of the gross sales proceeds to their O&M appropriation. The foreign country or international organization receives the other 80 percent.

11.4.3. Information Technology Equipment owned by GSA. Net proceeds from sales of GSA owned information technology equipment (also when previously leased by DoD) belong to GSA.

11.4.4. Sale of Forest Products. This category includes sawed timber, veneer logs, pulpwood, Christmas trees, post poles, pine straw, stump wood, bark and other mulch, cones, seeds, mistletoe, firewood, and woodchips. Sales and preparation for sale of forest products, including appraisals, cruising, marking, scaling, preparing sales contracts, escorting prospective bidders, advertising, and sales administrations, which encompasses compliance inspections.

11.4.4.1. DLA or another service may serve as the agent for sales of forest products. The agent deposits 100 percent of the sales proceeds to the DAF deposit fund account.

11.4.4.2. DFAS maintains a central deposit fund account for authorized program expenses incurred in the production and sale of forest products. Include in the reimbursable program all related expenses normally funded in the O&M, or Other Procurement (57*3080) appropriations, including minor construction, and the acquisition costs of equipment items used solely for forest operations. Program managers prepare an economic justification for the equipment. **(T-3)**. When general-use equipment is employed in forest operations, the O&M or Other Procurement costs are reimbursable program expenses. Other items which may be reimbursed include:

11.4.4.3. Reforestation. This is the natural or artificial regeneration, including planting, the purchase of seed or seedlings, site preparation, and insect, disease, vegetation, and animal control.

11.4.4.4. Forest Protection. Protection of a forest that can economically produce forest products, unless a military mission requires the same degree of protection for the forest, including protection from fire, insect, disease, flood, and erosion damage.

11.4.4.5. Timber Access Roads. Construction, reconstruction, repair and maintenance of timber access roads and trails and the expenses incurred in the repair of other roads as a result of forest production and harvesting operations.

11.4.4.6. Management of the functions listed in this paragraph, includes supervising, planning, programming, conducting field surveys and inventories, training, forest fire prevention education and attendance at forest management related professional meetings.

11.4.4.7. No reimbursement is authorized for expenses for operations related to the land and forest, but actually for other purposes, such as the military mission, recreation, training, general area improvement, and beautification.

11.4.4.8. No reimbursement is authorized for expenses for protecting forests that cannot economically produce forest products.

11.4.4.9. Do not retain sales proceeds in the base operating budget account. DFAS distributes 40 percent of the net proceeds at each installation to the installation's state and the balance to 21X5285, DoD, Forest Products Program, Army. (T-1).

11.5. Precious Metal Recovery Program. DLA is the DoD single manager for the precious metal recovery program. The program promotes economic recovery of precious metal from all sources, and provides the reclaimed metals, as needed, to DoD components at recovery cost for use as government furnished material to support defense contracts. If the installation contributes to the precious metal recovery program, charge for:

11.5.1. All readily identifiable incremental recovery costs, including acquiring and replacing silver recovery equipment, plus major maintenance on it.

11.5.2. Transportation costs incurred for authorized shipping of materials from generating activities directly to a collection recovery office or to the DLA Disposition Services office for recovering precious metals. Examples of these materials are precious metal scrap such as silver obtained from electrolytic units, or shipment of sludge in silver recovery cartridges.

11.5.3. Costs incurred to turn in excess scrap including film, hypo solution, silver recovery cartridges or sludge containing precious metals are the responsibility of the generating activity.

11.6. Funding Responsibilities for the Qualified Recycling Program (QRP) (10 USC § 2577). Installations that establish a QRP may use net proceeds from QRP sales for local projects. Net proceeds are gross qualified recycling program QRP sales less operating expenses for the QRP APF. (T-0). The installation commander or designee is the manager. The Financial Management Board should help the program manager oversee the program to include approving how the manager applies its net proceeds. The BCE annually estimates anticipated reimbursements for the execution plan submission. (T-3).

11.6.1. Recyclable material refers to materials normally sold as scrap or discarded as waste, but can be reused after physical or chemical processing. The following are not considered as a recyclable:

11.6.1.1. Scrap bearing precious metals and items that may be used again for their original purposes without special processing.

11.6.1.2. Ships, planes, or weapons that are demilitarized or mutilated before sale.

11.6.1.3. Scrap generated by a DoD industrial fund (DWCF) activity. The industrial fund accounts for the net proceeds from selling scrap (short ends, machinings, spoiled materials, etc.) generated from industrial fund operations.

11.6.1.4. Bones, fats, and meat trimmings generated by a commissary store or exchange.

11.6.2. Proceeds from the Sale of Recyclable Material. Use proceeds from selling recyclable material first to reimburse the installation APF costs (O&M) for operating the recyclable program, incurred in the same FY as the proceeds are earned. **(T-0)**. Use up to 50 percent of remaining sale proceeds for pollution abatement, energy conservation, and occupational safety and health activities. **(T-0)**. A project may not be carried out under the preceding sentence for an amount greater than 50 percent of the amount established by law as the maximum amount for a minor construction project, per 10 USC § 2577. **(T-0)**.

11.6.2.1. Installations reimburse recycling cost in the FY earned. **(T-3)**. Along with BCE, the program manager, the comptroller, and the local Financial Management Board monitors the QRP program net proceeds. **(T-3)**.

11.6.2.2. Any unused balances of qualified recycling program QRP proceeds (up to \$2,000,000) are available until expended, however this is NOT automatic each FY; it is subject to a recurring annual provision in an applicable appropriation law. Commanders confirm with AF/A4C and SAF/FMBO annually to ensure the annual provision has been extended and enacted. **(T-3)**.

Section 11E—Transportation of Property

11.7. First Destination Transportation.

11.7.1. FDT Defined. FDT may take the form of either free-on-board Destination or free-on-board Origin. Charge FDT to the O&M, RDT&E, or procurement appropriation that finances the item. Free-on-board Destination charges are integral to the item purchase price. Free-on-board Origin charges are a separate line item in the applicable appropriation and not a part of the purchase price.

11.7.2. Aviation Fuel Charged as FDT. Charge aviation fuel used to deliver aircraft from a contractor facility to the USAF receiving activity to the O&M appropriation as FDT.

11.7.3. Items Integral to a Major End Item Acquisition. Transportation of less than major end items is integral to the major end item acquisition cost. Charge the FDT to the procurement appropriation that financed the acquisition of the item. Examples are components, subassemblies, materiel and vendor parts that support the acquisition of a major end item.

11.7.4. Government Furnished Equipment or Government Furnished Material. Charge transportation of government furnished equipment and government furnished material, (prior to installing in a major end item), to the procurement appropriation financing the item's acquisition.

11.7.5. Items Not Owned by DoD. Charge transportation to DoD of all items not owned by DoD (e.g., nuclear materials and warheads that the Department of Energy provides to DoD but retains ownership of) to the procurement account that finances the end item into which the item is incorporated. **EXCEPTION:** Charge all over-ocean transportation of subsistence items funded by the O&M appropriation to SDT.

11.8. SDT. Charge SDT to O&M funds, except when the transported materiel supports a construction project. Then, charge the transportation to the appropriation financing the construction. DLA and DAF Petroleum Agency as having oversight of SDT Aviation Fuel Charges.

11.8.1. Subsistence. SDT of subsistence is the responsibility of the Defense Commissary Agency.

11.8.2. SDT Exceptions:

11.8.2.1. Charge shipments of excess property to, from, or between DAF Reserve component and ANG units to the recipient's O&M funds. Commanders ensure that the shipping activity pays for packing, crating and handling. **(T-3).**

11.8.2.2. DLA funds packing, crating, handling, and SDT costs of all industrial plant equipment under the Defense Industrial Plant Equipment Center's direction and control. **(T-3).**

11.8.2.3. The applicable DWCF Supply Management division shipping the materiel funds transportation costs for returning DAF excess materiel to the applicable Supply Management Activity whether returning the materiel for credit or without credit. **(T-3).**

11.9. Budgeting, Funding, and Expensing Transportation Charges.

11.9.1. Each DAF agency that budgets and funds for a materiel procurement requirement also budgets and funds for associated FDT charges. **(T-2).**

11.9.2. DLA, as single manager, budgets and funds FDT for aviation fuels included in the DWCF.

11.9.3. DLA, as single manager for fuels, budgets and funds for FDT of ground fuel products.

11.9.4. The host command budgets and funds for packing, handling, and crating unless stated otherwise in this manual. **(T-1).**

11.9.5. Other Funding Responsibilities.

11.9.5.1. Commanders ensure that the DWCF funds the worldwide movement of DWCF fund materiel, to include the return of repairable items and item manager directed redistribution order shipments. **(T-3)**. This includes over-ocean transportation by AMC or Military Sealift Command (MSC), and SDDC services, CONUS port handling, OCONUS port handling, and functions contained in. Commanders ensure that the DWCF does not fund the movement of DWCF materiel moving to a Centralized Repair Facility to be repaired/refurbished or from a centralized repair facility back to the point of use. **(T-3)**.

11.9.5.2. The OCONUS command funds inland OCONUS transportation. **(T-1)**.

11.9.5.3. AFMC uses the DAF SDT CMA to fund non-DWCF materiel movements (munitions, engines, vehicles, or those items managed on a DAF table of allowance, etc.) that are item manager directed, returns from a contractor facility to a base, depot to depot, depot to base, and shipments to and from OCONUS.

11.9.5.4. For munitions shipments placed in sea vans, trailer vans or intermodal containers, costs for container leasing, cargo assembling, packaging and preservation associated with placing these assets into these shipping containers are allowable/chargeable to the respective PACER AMMO Transportation Account Codes (TACs) within the SDT CMA.

11.9.5.5. Commanders ensure that the SDT CMA is used to fund Repair Network Manager directed shipments to/from centralized repair facility in support of the Repair Network Enterprise. **(T-3)**.

11.9.5.6. Except as noted above, local bases pay for returning non-DWCF items to a repair facility and for non-redistribution order lateral shipments with their O&M funds. **(T-3)**.

11.9.5.7. Commanders ensure that the activity requesting the item funds lateral or base administrative support shipment charges. **(T-3)**.

11.9.6. Land Transportation Within OCONUS Areas. The responsible military department provides command-controlled military-operated transportation on a common-service basis.

11.9.7. Funding Redistribution Order Type Shipments. Fund transportation costs for moving excess or non-excess (including redistribution order) items as follows:

11.9.7.1. Centrally Managed Items. AFMC normally funds transportation costs for AFMC centrally managed items if the inventory manager requires the movement. The shipping command funds transportation costs when the shipping command asks the Item Manager to redistribute items no longer required to meet that command's prepositioning objectives. The Air Logistic Complex pays shipping costs when it directs a base reporting excess items to ship them to another base under a redistribution order.

11.9.7.2. Excess Item Re-Distribution. The directing Item Manager funds DLA transportation costs for excess items shipped at DLA's direction from one DAF base to another. **(T-3)**.

11.9.7.3. Packing, Handling, and Crating Costs. The shipping activity pays packing, handling, and crating costs for the excess items in [paragraph 11.9.7.1](#) and [paragraph 11.9.7.2](#) above.

11.9.8. Transportation of AAFES Property:

11.9.8.1. DoD activities may use APF to reimburse the TWCF for airlift and sealift transportation (either in-house or by contract carrier) of AAFES property. The Department of the Army, as responsible agent, budgets and funds for this OCONUS transportation.

11.9.8.2. Bill TWCF transportation of AAFES cargo (over-ocean and OCONUS overland) to Department of the Army, AAFES. Department of Army pays for over-ocean movement of AAFES merchandise, operating supplies, and equipment as follows:

11.9.8.2.1. Port handling costs at SDDC ocean terminals to include container stuffing costs.

11.9.8.2.2. Transportation furnished by the Defense Transportation System (airlift and sealift).

11.9.8.2.3. AAFES port handling and transportation costs for:

11.9.8.2.3.1. AAFES NAF employees' personal property.

11.9.8.2.3.2. Foreign goods (for resale) on which US customs duties have not been paid or waived.

11.9.8.2.4. AAFES cargo within CONUS to include container stuffing not done SDDC.

11.9.8.2.5. OCONUS Major Army Commands finance OCONUS port handling and inland transportation costs of AAFES cargo.

11.9.8.3. Bill to these addresses: Department of the Army: Department of the Army, Department 3200, 8899 East 56th Street, Indianapolis, Indiana 46249-3200. Headquarters AAFES ATTN: DD-N Dallas, TX 75222.

11.9.9. Demurrage, Detention, and Storage Costs. Charge these costs associated with either FDT (free-on-board origin) or SDT to the O&M funds of the command organization that caused them except for the following:

11.9.9.1. Costs of aviation petroleum, oils, and lubricants shipments per AFI 23-101, *Materiel Management Policy*.

11.9.9.2. Shipments governed by the MSC rate guide (that is, those contracts providing port-to-base transportation), which AFMC funds. See AFI 24-602, Volume 2, *Cargo Movement*.

11.9.10. Unit Deployments, Redeployments, Relocations, and Deactivations. The MAJCOM losing operational control of units programmed to relocate or deactivate:

11.9.10.1. Develops the anticipated movement concept as early as possible, preferably before submitting the budget for the FY when the moves take place.

11.9.10.2. Programs, budgets, and funds for AMC Special Assignment Airlift Mission movements, including airlift channel extensions.

11.9.10.3. Provides estimated AMC channel and MSC cargo movement requirements to AFMC by mode (air or sea), general commodity category (ammunition, vehicles, general, etc.), and month of movement.

11.9.11. Movement Programming, Budgeting and Execution. AFMC programs, budgets, and funds for AMC channel and MSC cargo movements and identifies the related specific program requirements in budget estimates and execution plans.

11.9.12. Funding Transportation from Contractor's Bonded Storage. Charge FDT when the bonded storage is within the contractor facility or no FDT funds were previously used can readily ascertained. EXCEPTION: Charge SDT when making the determination would cause undue delay.

11.9.13. Funding Transportation from Defense Property Disposal Offices. DLA pays transportation and any packing, crating, and handling for excess materiel obtained from defense property disposal offices. This includes ANG, ARC, Military Affiliate Radio System, CAP, and DAF museums. It applies to MWR activities when the servicing accountable supply officer submits the requisition.

11.9.14. Funding the Shipment and Non-temporary Storage of Household Goods (HHG). The organization, which controls the quarters, assigns and reassigns government-owned or controlled quarters without regard to service affiliation and is responsible for budgeting and administration of funds in support of moving and storage of personal HHG for personnel assigned to government quarters, MFH or unaccompanied housing. Pay for drayage and non-temporary storage of personal HHG for local moves upon assignment, termination, or reassignment as follows:

11.9.14.1. If the move is for the convenience of the government, charge the Base Operating Support account.

11.9.14.2. If the move is for the convenience of the individual, charge costs to the individual.

Section 11F—Education of Dependents

11.10. Supporting DoD Dependents Schools in Foreign Countries. USAF installation commanders provide schools on military installations administrative and logistic support, within mission constraints, on a reimbursable or non-reimbursable basis per DoD 1342.6-M, *Administrative and Logistic Responsibilities for DoD Dependents Schools*.

Section 11G—Licensing Agreements

11.11. Using Copyrighted Music in OCONUS Areas. Foreign laws and international agreements require that US Armed Forces in OCONUS areas pay for use of copyrighted music. Charge payments to the O&M appropriation of the military department that is responsible for the information and education, recreation, and welfare program (specifically, Armed Forces Radio and Television Service in the country where the copyrighted music is used).

Section 11H—JCS Exercises

11.12. Chairman Joint Chief of Staff Exercise Program. The Joint Chief of Staff Exercise Program has been realigned and consolidated with all services joint training funds to the Defense-Wide Commander Exercise Engagement and Training Transformation program. As a result of the consolidation, funds are issued to the Services via Program Budget Accounting System document once per quarter.

Section 11I—Funding for Individual Clothing

11.13. Individual Clothing Items may be purchased with O&M funding only in the following instances.

11.13.1. Burial of Deceased. New uniform items (except caps, shoes or boots) purchased from AAFES Military Clothing Sales Stores by mortuary affairs personnel upon direction of the person authorized to direct disposition of remains to clothe remains in a uniform. (See *AFI 34-501*).

11.13.2. Prevention of Disease and Medical Treatment. Uniform clothing items that a medical officer authorizes for the following conditions:

11.13.2.1. Clothing Items To Prevent Spread of Contagious Disease. Enlisted member's replacement clothing destroyed in an effort to prevent spread of contagious disease.

11.13.2.2. Clothing Damaged/Altered by Medical. Items altered or damaged during or immediately following medical care when the clothing items were altered or damaged in such a manner as to prevent their use by the individual after treatment.

11.13.3. Discharged Prisoners and Prisoners in Non-pay and Allowance Status. The unit commander may determine the minimum necessary personal clothing items for issue to discharged personnel in confinement who have been discharged, or who have had their discharge suspended or revoked but are in a non-pay and allowance status.

11.13.4. Gratuitous/Free Issue of Enlisted Grade Insignia. Installations may buy enlisted grade insignia for gratuitous/free issue to newly promoted enlisted military personnel. Treat these insignia purchases as a normal supply-type expense.

11.13.5. Rank Insignia and Accoutrements on Operational Camouflage Patterns (OCP). Before the 1 April 2021 phase-out date, installations may use organizational O&M funds to pay for sewing rank insignia and accoutrements on Airman Utility Uniforms insignia and accoutrements on enlisted personnel OCPs when enlisted member replaces damaged (i.e., not serviceable) utility uniforms. Do not use organizational funds to pay for sewing the name tapes and accoutrements on existing OCPs or replacements due to normal wear and tear. Organizations may fund stripes for new promotions, but the individual pays for sewing on the stripes.

11.13.6. Officer Insignia. Do not use O&M funds to buy officer insignia.

11.13.7. Uniform Clothing Issued as Individual Equipment. Installations use their organizational O&M funds to obtain required special uniforms (e.g., flight suits and other uniforms not considered as regularly issued uniforms or paid for with an individual's annual clothing allowance) as directed by their commanders or other competent authority. (T-3). However, restrictions apply. For example, flight suits are limited per *AFI 36-2903*, Chapter 3, which provides (excerpt only): Flight Dress Uniforms/Desert Flight Dress Uniforms are authorized functional clothing for those authorized individuals performing flying, parachutist, space and missile crew duties. These uniforms and the matching stripes and accoutrements are "optional items directed wear." The cost of any associated rank insignia, name tapes, and accoutrements, as well as sewing of these items onto these uniforms (as required), may be provided from organizational O&M funds at the discretion of the commander. This is applicable to officer and enlisted.

11.13.8. Uniforms for Official Competition Participants. The use of APF to purchase new OCPs and other clothing accessories funded by an enlisted member's clothing allowance is not authorized. Only those items which are mission essential, authorized by a table of allowance and not already provided are to be procured for official competition participants using APF. Initial issue provides all military personnel the clothing resources generally needed to meet occupational requirements. Enlisted service members receive annual clothing allowances for uniform replacement due to normal wear. While appearance is a vital part of a competition, commanders ensure that military standards are met for all military operational readiness and deployment exercises without the benefit of new clothing packages, excluding authorized special uniform requirements. (T-3). Personnel are entitled to replacement of military clothing damaged in competition.

11.13.9. Sunglasses. Organizational O&M funds for non-prescription sunglasses are authorized only for those members assigned to specific functions/categories. For prescription sunglasses refer to *AFI 44-117, Ophthalmic Services*, Chapter 2.

11.13.10. Other Military Clothing. Military clothing is a complex area with many exceptions and criteria. This section provides limited general information only, and does not attempt to address every situation. Additional guidance can be found elsewhere in this DAFMAN and in various other regulations. Questions should be directed to MAJCOM Headquarters (A4, A1 and financial management offices), and subsequently to Air Staff if needed.

Section 11J—Funding Responsibilities for Organizational Clothing

11.14. Funding Distinctive Uniforms and Functional Clothing. Commanders may approve these items for issue as organizational clothing if the functions of an organization or group require the wear of these items (as authorized in *AFI 36-2903*). The commander puts in writing the justification for the uniform or clothing necessitating the expenditure of the APF. (T-2). Charge the cost of the distinctive uniforms, functional clothing and authorized alterations to the unit of assignment's O&M funds. For the DAF Reserve, pay the expense from the Reserve Personnel, DAF appropriation.

11.15. Civilian Uniforms. In accordance with Title 5 United States Code Section 5901 and Title 10 United States Code Section 1593, the DAF either furnishes a uniform or provides a uniform allowance to civilian employees required to wear a uniform. The uniform provided or uniform allowance may not exceed the limits established by DoD in accordance with Title 5, Code of Federal Regulations, Part 591.103, *Governmentwide Maximum Uniform Allowance Rate*, current edition, and Title 5, Code of Federal Regulations, Part 591.104, *Higher Initial Maximum Uniform Allowance Rate*, current edition. Organizations may use funds appropriated to pay civilian salaries to pay for the uniform or uniform allowance. The individual is responsible for costs associated with cleaning and upkeep; these costs may not be paid by unit funds. Further, and in accordance with Title 5 United States Code Section 7903, the DAF furnishes personal protective clothing or equipment to civilian employees when: 1) the wear of the clothing/equipment is necessary for the safe and successful performance of officially assigned tasks; 2) the item is not part of the ordinary and usual furnishings an employee would reasonably be expected to provide; and 3) the employee is engaged in hazardous duty. Commanders ensure that Occupational Safety and Health Administration standards and related DAF instructions are followed. **(T-3)**. Organizations maintain accountability when personal protective clothing or equipment, such as outer layers of cold weather ensembles, is turned in and re-issued. **(T-3)**.

11.16. Financing the Introduction of New Clothing Items. The organization that originates the requirement (as approved by HAF functionals) provides initial funding including any resources needed for sustainment requirements, for new clothing and textile items. **(T-1)**. New items that replace/modify existing assets, a review of inventories, contractual obligations and costs related to residual inventories need to have an identified source of funding prior to any fielding actions of a new item. A military department with a new clothing item requirement provides a funded order to the DLA to cover the cost of acquisition of a balanced procurement cycle quantity of the item. DLA orders the item when the DAF provides funds. “New items” (as approved by HAF functionals) include initial introductions, a change in use, or use by a new Military Service. Charge the MILPERS appropriation for new (initial issue) clothing bag items. Charge operating appropriations for new organizational clothing items approved by HAF functionals.

Section 11K—Unaccompanied Personnel Housing

11.17. Leasing Unaccompanied Personnel Housing. Charge lease to O&M funds for provided quarters (AFI 32-6000, *Housing Management*).

11.17.1. Financing Non-Military in Unaccompanied Personnel Housing.

11.17.2. Credit the O&M appropriation when non-military personnel rent DAF unaccompanied personnel housing.

*Section 11L—Type 1 Contract Training***11.18. Funding of Factory Training.**

11.18.1. Charge contract training costs to the investment appropriation and program used to procure the development, acquisition or modification of the related end item. This includes contractor-provided curriculum development, course materials and initial cadre instruction. Apply this rule when the associated end item is in production or undergoing modification, and training is embedded in the production contract. Charge associated TDY costs for personnel attending this training to the O&M appropriation of the command to which the personnel are assigned.

11.18.2. Charge the O&M appropriation for:

11.18.2.1. TDY of military members or civilian employees attending contract training courses.

11.18.2.2. Contract training courses acquired by separate contract for end items no longer in production.

Section 11M—Lease or Rental of Equipment

11.19. Leasing or Renting Equipment. DAF activities needing equipment should use the contracting method (purchase, lease, rental) with the lowest life cycle cost. Use a method other than lowest cost only in emergencies. Charge the lease or rental expense to O&M funds (O&M, MFH Operations, etc.). If a basic lease contract (i.e., simply conveys the right to use equipment for 12 months or less) contains an option to renew, the option may be exercised annually, for up to 12 months at a time. As with other lease arrangements, title (and risk of loss) remain with the lessor until the end of the final annual lease period. NOTE: Lease types (and scoring provisions) are governed by *OMB Circular A-11*.

Section 11N—Land Surveys and Environmental Non-Compliance/Penalties

11.20. Funding Environmental Surveys of Land Interests Prior to Acquisition or Disposal. The acquiring or disposing command uses its O&M funds (Environmental Compliance, Defense Environmental Restoration Account or Base Closure accounts when applicable) to pay for initial environmental surveys of land interests that the DAF is considering disposing of or acquiring. (T-1). Use project funds when the environmental surveys relate to a funded MILCON project.

11.21. Funding Environmental Non-Compliance Fines and Penalties (Federal Facility Compliance Act). Any civil penalty or fine levied against USAF installations is the funding responsibility of that installation. Commanders determine the specific internal funding realignments necessary to fund these costs. (T-3). There is no withhold account to cover these costs – commanders ensure that the bill is paid out of existing current year resources. (T-3).

Section 110—DAF Claims

11.22. Claims Payable From the O&M Appropriation. Pay for claims (personnel, torts, admiralty, other) with DAF O&M funds under Service-wide support PE 91212F and EEIC 672XX. (AFI 51-306, *Administrative Claims For and Against the Air Force*, provides details of the programs.) These claims include:

11.22.1. Damages to personal property incurred during shipment or storage under contract with civilian carriers or warehouses.

11.22.2. Repayment of erroneously collected amounts as determined by the Secretary concerned (or designated representatives) to military members and civilian personnel or to states, territories and the District of Columbia, or members of National Guard (NG) units.

11.22.3. Payments for damages to persons or property caused by DoD personnel or activities.

Section 11P—The Subsistence Program

11.23. Funding the Subsistence Program. Charge subsistence in kind (including meals ready to eat) for RegAF MILPERS to the MILPERS (57*3500) appropriation. Charge subsistence in kind for ANG and AFR personnel to the ANG personnel (57*3850) and the AFR personnel (57*3700) accounts. Charge the cost of basic allowance for subsistence to the MILPERS appropriation.

11.23.1. Funding Contract Feeding. Installations may contract for a food service function. Charge service contracts to the O&M appropriation. If government facilities are not available, such as at a remote site, and if buying only meals, then installations may authorize feeding contracts and charge O&M.

11.23.2. Reimbursement Procedures.

11.23.2.1. Credit cash collections for meals served to military personnel not authorized to subsist at government expense to the MILPERS appropriation. If the dining facility is contractor operated, credit the surcharge to O&M and the basic meal charge to the MILPERS appropriation.

11.23.2.1.1. EXAMPLE: If three out of ten MTF dining hall employees are military personnel and the other seven are DHP civil service employees, then 30 percent of surcharge collections are deposited into the MILPERS appropriation and 70 percent of the surcharge is deposited into DHP O&M.

11.23.2.1.2. Collections for Meal Surcharges, Contractor Operated Dining Facilities (DHP funded). If the MTF (DHP) funds the contract employees, then food service officer surcharge collections are deposited 100 percent to the DHP O&M appropriation.

11.23.2.2. When making arrangements for enlisted personnel to receive “subsistence in kind” from non-DoD agencies, obligate unit O&M funds and process reimbursements.

11.23.2.3. Charge subsistence furnished to DAF enlisted personnel aboard MSC vessels as a transportation cost.

11.23.2.4. Deposit cash sales of meals in USAF dining facilities to DAF MILPERS appropriation as an appropriation reimbursement. If the dining facility is contractor operated, see [paragraph 11.23.2.1.2](#) above.

11.23.2.5. Process cash surcharges collected for sales of subsistence according to *AFMAN 34-240*.

11.23.2.6. Administer subsistence-in-kind relating to hospitalization of DAF military personnel in medical facilities of other government agencies according to *AFMAN 41-210*. Charge subsistence furnished reserve personnel at RegAF installations to the DAF Reserve Personnel appropriation. The installation furnishing the meals completes a reimbursement using SF 1080, supported by DD Form 1150, *Request for Issue/Transfer/Turn-In*. (T-3).

11.23.2.6.1. Identify the number of breakfast, lunch, and dinner/supper meals served, the price of each meal, and the total amount due by meal on the DD Form 1150. The officer preparing the form certifies number of meals served at government expense. The installation bills monthly to keep reimbursements current. (T-3).

11.23.2.6.2. The installation waives reimbursement billings to any one AFRC activity in amounts less than \$1,000 during any one calendar quarter. (T-3).

11.23.2.7. Reimburse subsistence furnished ANG personnel at RegAF installations. The state reimburses meal costs when the state calls ANG personnel to assist in disaster areas or civil disorders.

Section 11Q—Counter-narcotics and Drug Demand Reduction (DDR) Programs

11.24. Counter-narcotics Programs and Reprogramming Process.

11.24.1. Counter-narcotics Programs (including the DDR Program). Funded through the Central Transfer Account from OSD. An A40 limitation (floor) is placed on these funds, which means funds cannot be subtracted from the amount provided by SAF/FMBO. At the beginning of each FY Major Commands may need to cash flow programs in order to maintain program continuity.

11.24.1.1. AF/A3/5 is executive agent for DAF counter-narcotics. SAF/FMBOO is the financial point of contact.

11.24.1.2. Counter-narcotics programs have the authority to receive financial and other support from DoD, and other departments and agencies of the federal government.

11.24.1.3. Quarterly reports are submitted to SAF/FMBOO for consolidation to OASD for Counter-narcotics.

11.24.2. Process for Counter-narcotics Reprogramming. The program manager of the initiating command FMA forwards a request for reprogramming through SAF/FMBO to OASD for Counter-narcotics for approval. (T-3). The steps are as follows:

11.24.2.1. Step 1. OASD for Counter-narcotics initiates the reprogramming action, coordinating with military departments and defense agencies. OASD for Counter-narcotics forwards the DD Form 1415-3, *Internal Reprogramming (IR) Actions*, document to OUSD (C).

11.24.2.2. Step 2. OUSD (C) staffs the document for coordination with OUSD (C) (Operations), OUSD (C) (Investments), Office of General Counsel, OSD C3I, and other offices as appropriate.

11.24.2.3. Step 3. OUSD (Operations) forwards the document to OUSD (C) (Program and Financial Control) who packages and forwards for the OUSD (C) signature. The signed reprogramming is then forwarded to OMB.

11.24.2.4. Step 4. DFAS is directed by DoD Comptroller (Program and Financial Control) to initiate the Treasury transfer document (SF 1151). **(T-0)**. DFAS prepares the SF 1151 and forwards to the Treasury for signature. Completed Treasury documents are provided to each military department or defense agency receiving funds.

11.24.2.5. Step 5. Apportionment documents are forwarded to OMB for review and signature to constitute apportionment.

11.24.2.6. Step 6. The completed form is returned to OUSD (C) (Program and Financial Control) and is then forwarded to the appropriate analysts within the OUSD (C) and funding documents and obligation authority letters are issued.

11.24.2.7. SAF/FMBO notifies commands if/when approved.

11.24.3. DDR Budget and Execution Review Process. Drug Reduction Program Managers prepare and submit budgets for their Demand Reduction Programs as required.

11.24.3.1. Commanders ensure that budgets are prepared in accordance with *DoD 7000.14-R*, DAFMAN 65-605, Volume 1, *Budget Guidance and Technical Procedures*, and annual execution guidance provided by SAF/FMBO, and the AF Force Medical Readiness Agency (AFMRA). **(T-3)**. Work in conjunction with MAJCOM resource management personnel to ensure all budgetary documents are processed correctly. **(T-3)**.

11.24.3.2. Review annual funding, projects, cost analysis, and efficient use of funds for travel, outreach, education, and training purposes. Initiate appropriate paperwork to accomplish budgeting tasks. An A40 limitation (floor) is placed on these funds, which means funds cannot be subtracted from the amount provided by SAF/FMBO.

11.24.3.3. Regularly review program status and reprogram funds in a timely manner. OASD for Counter-narcotics requires approval of OSD Office of DDR on all moves between DDR program cost centers. MAJCOMs submit requests for reprogramming through SAF/FMBO and AFMRA to OSD Office of Demand Reduction for approval. Once approved commanders ensure that funds are moved between DDR projects as requirements dictate to facilitate full execution of funds. **(T-3)**.

11.24.3.4. Maintain program accountability in accordance with DoD and AFMRA/SGOC and MAJCOM guidance to include establishing and maintaining administrative files, complete records of all official Drug Reduction Program transactions (including medical supplies in the Defense Medical Logistics Standard Support system) and in accordance with the DAF Records Disposition Schedule.

11.24.3.5. Ensure expenditures of Drug Reduction Program funds meet all appropriate budget code limitations. **(T-3)**. Commanders ensure that all resources, equipment, medical supplies and materials purchased with Drug Reduction Program funds are audited annually. **(T-3)**.

11.24.3.6. Ensure proper coordination with MAJCOM/Center financial management and contracting offices. (T-3).

11.24.3.7. DAF Reserve Command only: Coordinate with SAF/FMBO for budget planning and execution of the AFRC Demand Reduction Program.

Section 11R—Repair Projects

11.25. O&M Funded Repair Projects. SAF/IEE has been delegated authority to approve all repair projects in accordance with 10 USC § 2811. (T-0). SAF/IEE delegated approval below \$7,500,000 to AF/A4C. SAF/IEE must report to the appropriate Congressional committees approval of all repair projects estimated to exceed \$7,500,000, to include multiphase projects. (T-0). Obligations of funds for repair projects shall not proceed until proper approval and notification to committees, as necessary, are obtained. (T-0).

Section 11S—Laboratory Revitalization

11.26. UMMC. Funds made available for O&M or MILCON appropriations may be used to carry out UMMC projects for the recapitalization and revitalization of laboratories owned by the US costing not more than \$6,000,000. The specific 10 USC § 2805 authority to carry out the laboratory revitalization and recapitalization projects costing not more than \$6,000,000 is available until expiration or re-appropriation by Congress.

Section 11T—Transportation Subsidies and TWCF Aircrew Lodging

11.27. Transportation Subsidy. Consistent with *OMB Circular A-11*, agencies are to report the costs of this program in Object Class 12.1, Civilian Personnel Benefits, and 12.2, MILPERS Benefits. Commanders ensure that transportation subsidy costs for the affected individuals are budgeted in the same appropriation/fund that pays compensation costs. (T-3). Therefore, civilian personnel transportation subsidy benefit should be budgeted in the appropriation/fund which finances their compensation and the MILPERS transportation subsidy benefit is budgeted in the appropriate MILPERS appropriation. Compensation costs are those that are reported in Object Class 11, Personnel Compensation, for the appropriation.

11.28. TWCF Aircrew Lodging. DAF lodging offices administer no fund-type contracts with commercial hotels to support TDY personnel when on-base lodging facilities are not available or inadequate. The government purchase card is the payment mechanism used to charge the lodging costs of TWCF aircrews who fly airlift missions to/through these locations. Use the applicable valid EEIC to record TWCF aircrew lodging costs.

Section 11U—TDY and PCS Lodging Operations

11.29. Funding of PCS and TDY Lodging Operations.

11.29.1. Funding Responsibility Shift from APF to NAF. In alignment with February 17, 2017 OSD Directive-type Memorandum (DTM) 18-007, *Conversion of DoD TDY and PCS Lodging to Fully NAF O&M and Construction*, the following policy changes were made effective on 1 October 2019:

11.29.1.1. To make business operations more efficient and free up funds for higher priority programs, the military departments took immediate action to transition all TDY and PCS lodging operations and associated support functions to NAF operations.

11.29.1.2. This guidance applies only to TDY and PCS lodging and operations, including operations at locations OCONUS. It excludes MWR recreational lodging; MTF lodging, to include Fisher Houses; and lodging facilities that are privatized or that are operating on a DoD installation under an enhanced use lease pursuant to 10 USC § 2667.

11.29.1.3. TDY and PCS lodging operation support requirements (e.g., utilities, lawn maintenance, police protective services, as applicable), facility operations, sustainment, repair, recapitalization, and construction costs currently paid with APF will now be paid with NAF generated funds from lodging operations. **(T-1)**. Lodging room rates are service charges and will be established at the minimum amount necessary to cover the full cost of providing official lodging to include cash flow, operations, maintenance, construction, and recapitalization requirements to meet and maintain DoD lodging adequacy standards and ensure the long-term viability of the lodging programs. **(T-1)**. On installations with privatized utilities, operation support requirements include the cost of operation and maintenance of the utility system and this cost must be reimbursed to the host installation. **(T-1)**.

11.29.1.4. The host installation will require actual cash payments before its account will recognize the increased budgetary resources. **(T-1)**. To comply with this requirement, lodging programs will arrange for appropriate Service-specific payment processes. **(T-1)**.

11.29.1.5. TDY and PCS Lodging Guidance Applicability. This guidance applies to the following lodging facility and lodging support facility costs, as applicable, but only to the same extent as required of lodging facilities that are privatized. This list may not be all-inclusive.

11.29.1.5.1. Facility Construction, Operations, Sustainment, Repair, Renovation, or Demolition of facilities purpose-built as lodging facilities when constructed (does not include demolition of dormitories, housing, or other facilities that were later converted for use as lodging) and Recapitalization (including lodging room maintenance and repair). **NOTE:** APF may be authorized to fund major and minor facility construction which are determined by the Military Services to be required to establish, activate or expand a military installation, including BRAC and global re-stationing requirements; relocation of facilities for convenience of the government; replacement of facilities funded by country-to-country agreements; and restoration of facilities and improvements destroyed by acts of God, fire, or terrorism. As defined in *DoDI 1015.15*, expansion must be the result of a mission change or influx of new units or systems and result in a 25 percent increase in authorized and assigned personnel strength within a two-year time span. **(T-0)**. **NOTE:** Except for fire, emergency, and police protective services, as applicable, the services listed in the sub-bullets below will be obtained by the lodging operation from the most cost-effective source to the lodging operation (to include NAF and non-DoD sources), except where use of such sources is detrimental to installation security or prohibited by law or international treaty or agreement. **(T-0)**.

11.29.1.5.2. Utilities (electric power, steam, compressed air, water, natural gas).

11.29.1.5.3. Sewage and Trash (Refuse) Collection and Disposal.

11.29.1.5.4. Recycling Collection and Disposal.

11.29.1.5.5. Grounds Maintenance and Landscaping to include tree trimming.

11.29.1.5.6. Pest and Rodent Control.

11.29.1.5.7. Snow and Ice Removal to include the portion of parking lots exclusively used for lodging guest parking.

11.29.1.5.8. Voice/Communications Services including phone, internet/WiFi, cable television, etc.

11.29.1.5.9. Firefighting and fire protection services.

11.29.1.5.10. Law Enforcement and Physical Security Protection.

11.29.1.5.11. Real Estate Leases.

11.29.1.5.12. Laundry and Dry Cleaning.

11.29.1.5.13. Pool maintenance, if applicable.

11.29.2. TDY and PCS Lodging Operations Manpower. All manpower directly supporting TDY and PCS lodging will be NAF-funded except for any portion of foreign national manpower funded by the host nation per established agreements and government civilian employees who do not consent to conversion to NAF employment. **(T-1)**. The conversion of APF-funded government civilians will be addressed in accordance with Title 10 United States Code Section 2491(c). **(T-0)**. An APF employee may be converted to an NAF employee only if the employee consents to the conversion. Absent such consent, APF will remain the funding source for those employees. **(T-1)**. As APF-funded positions are vacated, replacements will be hired as NAF employees. MILPERS will no longer be assigned to lodging programs. **(T-1)**. Military Services may use TDY and PCS NAF lodging assets for MILPERS training purposes, as required.

11.29.3. TDY and PCS Lodging Cost Accountability. To ensure full accountability of all TDY and PCS lodging costs, the Military Services must establish or maintain complete TDY and PCS lodging NAF financial accounting statements separate from MWR, exchange, or other NAF programs, to include itemized costs for all operations, overhead and back-office support, maintenance, sustainment, repairs, recapitalization, and profits and losses. **(T-1)**.

Chapter 12

MANAGEMENT FUNDS

12.1. Overview. Management fund accounts are fund accounts authorized by law to facilitate accounting for administration of intragovernmental activities other than a continuing cycle of operations. Such accounts generally do not own a significant amount of assets, nor do they have a specified amount of capital provided. A management fund provides a means of interim financing and accounting for: (1) an operation or project that is financed by more than one appropriation or fund and whose costs cannot be distributed and charged to the financing appropriations or funds immediately; or (2) an operation or project established pursuant to a transfer of functions involving two or more appropriations or funds under authority of law. (T-1).

12.1.1. A management fund shall be used only to finance the costs of operations which are chargeable to appropriations or funds of the DAF. (T-1). Projects may involve participation by organizational units of the DAF only, or units of the DAF and other DoD components. (T-1).

12.1.2. A management fund may not be used to finance any activity that involves a continuing cycle of business-type operations, such as industrial or commercial-type activities, or to purchase materiel for stock. It may be used to finance the purchase of materiel for use in an operation or project operated under a management fund. (T-1). An example of a management fund is the DAF Management Fund, 57*3960.

12.1.3. A management fund may not be used to finance a new operation or project if other effective and efficient financing techniques are available. In general, appropriation reimbursements shall be used. (T-1). **NOTE:** Industrial funds must be used to finance industrial or commercial-type activities, and stock funds must be used to finance the acquisition of consumable (expense-type) materiel for stock. (T-1). See *DoD 7000.14-R*, Volume 12, Chapter 1, for additional information on Management Funds.

12.2. Roles. SAF/FMB will prepare annual budget estimates for each management fund. (T-1). See *DoD 7000.14-R*, Volume 12, Chapter 1, Figure 1-1 and Figure 1-2, for further information. Contact SAF/FMB P&FC for additional assistance.

12.3. Administrative Control of Funds. Management funds are subject to *DoD 7000.14-R*, Volume 14.

Chapter 13

MILITARY PERSONNEL APPROPRIATION (57*3500)

13.1. General Guidance.

13.1.1. Use the MILPERS appropriation to finance pay and allowances such as basic pay, special emergency evacuation allowances, incentive pay, subsistence, PCS travel, and other military personnel costs. See AFMAN 65-116, Volume 1, *Defense Joint Military Pay System Active Component (DJMS-AC) Financial Management Flight (FMF) Procedures*, for detailed administrative and operational procedures and statutory provisions governing pay and allowances of RegAF officers, Airmen, and cadets.

13.1.2. Do not use the MILPERS appropriation to finance materiel and supply inventories, except as authorized.

13.2. Using CMA Procedures. SAF/FMB will manage the MILPERS appropriation as a CMA, establishing obligations for these funds at project and subproject level, based on current personnel programming data. **(T-1)**. Disbursing officers throughout the DAF may make authorized individual payments charging the CMA.

13.3. Responsibilities.

13.3.1. SAF/FMB is responsible for financial administration with roles including program oversight.

13.3.1.1. Formulates budget and cost estimates to support all aspects of MILPERS.

13.3.1.2. Chairs the Personnel Budget Review Committee in accordance with **Chapter 1** of this publication.

13.3.1.3. Presents and defends MILPERS pricing before the DAF Board, OSD, and Congress.

13.3.1.4. Reviews Congressional and OSD activity and internal DAF exercises for potential and real impact on MILPERS, to include working with AF/A1 to develop MILPERS alternatives and defending coordinated SAF/FM and AF/A1 positions to the DAF Corporate Structure.

13.3.1.5. Develops and implements the obligation plan; provides oversight during budget execution review and analysis of financial and program accomplishments and projections.

13.3.1.6. Develops and interprets MILPERS financial management practices.

13.3.1.7. Ensures compliance with all legal and regulatory controls regarding the obligation and expenditure of MILPERS funds. **(T-0)**.

13.3.1.8. Develops and implements budgetary and financial procedures prescribed by *DoD 7000.14-R, Volume 2A, Budget Formulation and Presentation*.

13.3.2. The Deputy Chief of Staff, Manpower, Personnel & Services. (AF/A1):

13.3.2.1. Plans and programs for the entire personnel life cycle (e.g., accessions, promotions, reenlistments, PCS, retirements, reduction in force, Selective Early Retirement Board, and early releases) and provides the data to SAF/FMB to support budget/cost estimates.

13.3.2.2. Reviews, evaluates, and coordinates on MILPERS pricing methodology as applied by SAF/FM.

13.3.2.3. Interprets personnel impacts due to Congressional, OSD, or internal DAF driven reductions in MILPERS programs.

13.3.2.4. Manages personnel, accession, and separation programs during budget execution.

13.3.2.5. Determines impact of budgetary policies and practices developed and interpreted by SAF/FM.

13.3.2.6. Analyzes and coordinates on alternative methods of financing having impact on personnel programs before they are presented to the DAF Board.

13.3.3. The Directorate of Force Management Policy (AF/A1P) is responsible for MILPERS policy development and program oversight.

13.3.3.1. Plans and programs for the entire personnel life cycle (from accession to separation/retirement) by consolidating inputs from AF/A1M and AFPC.

13.3.3.2. Provides data to SAF/FMB to support budget estimates.

13.3.3.3. Manages personnel programs during budget execution.

13.3.3.4. Determines the impact of budgetary policies and practices as developed and interpreted by SAF/FMB.

13.3.3.5. Prepares and coordinates responses to the DAF Group and DAF Board, and answers questions from organizations outside of AF/A1, such as SAF/FM, OSD, and Congress.

13.3.4. The AFPC is responsible for overall management of all operational, rotational, unit and training PCS assignments and separation/retirement orders. Internally tracks estimated MILPERS PCS obligations to ensure moves do not exceed SAF/FMBOP allocated funding constraints. The AFPC's roles also include:

13.3.4.1. Plans and programs for all operational, rotational, unit and training PCS movements of DAF personnel. **(T-1)**.

13.3.4.2. Ensures PCS orders are published with lines of accounting as described in *AFMAN 65-604*. **(T-1)**.

13.3.4.3. Provides end-of-month, end-of-year closeout, and final end-of-year data on operational, rotational, unit and training PCS orders obligated (AF Form 899, *Request and Authorization for Permanent Change of Station –Military*) by officer/enlisted and move type to AF/A1P and SAF/FMB and separation/retirement orders AF Form 100, *Request and Authorization for Separation*, to AF/A1M and SAF/FMB to ensure the appropriate official obligation of MILPERS PCS funds for the movements associated with those assignments. **(T-1)**.

13.4. Complying with Statutory Entitlements. The MILPERS appropriation is a statutory entitlement appropriation, and the funding source for many statutory entitlements. Most costs borne by the MILPERS appropriation cannot be avoided or deferred as long as the member continues in service. **(T-0)**. See *DoD 7000.14-R, Volume 7A*, for specific military pay entitlements, and *AFMAN 65-116, Volume 1*. Once military members are on board, the DAF must:

13.4.1. Pay MILPERS at statutory rates. **(T-0)**.

13.4.2. Honor increases resulting from length of service. **(T-0)**.

13.4.3. Pay appropriate allowances for quarters, in amounts that vary by pay grade, when members are not furnished government quarters. **(T-0)**.

13.4.4. Pay special pay, as appropriate, to support accession and retention efforts, for a designated military specialty, career field, unit, grade, or to meet some other condition or conditions of service imposed by the SAF. **(T-0)**.

13.5. Budgeting and Funding for PCS Movements. This paragraph provides funding guidance for transportation of HHG and travel of MILPERS under special circumstances. SAF/FMB budgets for PCS moves. See *AFMAN 65-604* for detailed project and subproject codes. See *AFI 36-2110, Total Force Assignments*, for specific office responsibilities. See the *JTR* for official travel responsibilities.

13.5.1. Individual Moves.

13.5.1.1. Command-Directed Moves. Charge costs to the applicable CMA in the MILPERS appropriation. Command-directed moves include:

13.5.1.1.1. Moves of assigned personnel directed according to *AFI 36-2110* and related instructions.

13.5.1.1.2. OCONUS extensions of individuals remaining under the same command jurisdiction.

13.5.1.1.3. Command reassignment of individuals within the command, even though assistance from HAF was provided.

13.5.1.1.4. PCS assignments made by MAJCOM/Center but requiring HAF prior approval.

13.5.1.2. HAF-Directed Moves. Charge costs to the applicable CMA in the MILPERS appropriation. HAF-directed moves include:

13.5.1.2.1. Moves directed by HAF according to *AFI 36-2110* and other AFIs.

13.5.1.2.2. Assignment and reassignment of all general officers.

13.5.2. Unit Moves.

13.5.2.1. Command-Directed. For directed movements of organized units under command authority, charge the cost of individuals moving with the units to CMA PCS funds.

13.5.2.2. HAF-Directed.

13.5.2.2.1. HAF directs all unit moves, except command-directed moves.

13.5.2.2.2. Charge the CMA for the PCS costs of individuals under a HAF-directed unit move.

13.5.2.2.3. Only cite the HAF-directed CMA funds for personnel actually assigned or to be assigned to authorized positions in the unit to be moved before the movement date. Reference the HAF unit move directive in the orders issued for fund citation. The following are excluded:

13.5.2.2.3.1. Personnel filling vacancies at the new location as a result of requisition and levy procedures.

13.5.2.2.3.2. Reassignments from schools.

13.5.2.2.3.3. Persons returning from OCONUS tours.

13.5.2.2.3.4. Persons returning from direct assignment on reenlistment or from civilian life.

13.5.2.2.4. Cite command-directed CMA funds for moves after the effective date of the unit move.

13.5.2.2.5. In programming unit moves, AF/A1PF (Director of Personnel Force Management) must estimate the number of individuals involved in the move, including those needed to support units at new locations. **(T-1)**. Show this data in the program document's summary of unit movements. Command requests to issue movement directives must not include personnel moves exceeding those authorized. **(T-1)**. For move requirements exceeding the number programmed, commands must provide detailed justification in the movement request and execution plan. **(T-1)**.

13.5.2.3. Notification. The command must notify SAF/FMBOP, 1130 DAF Pentagon, Washington DC 20330-1130 (information copy to AFPC/DSH/DPAPA, Joint Base San Antonio-Randolph, Texas 78150-6001) of the number of individual officer and enlisted moves accomplished within 15 days after completing a unit move. **(T-1)**. SAF/FMBOP uses this data to validate obligations.

13.5.3. Delayed Movement of Dependents or HHG. Movement of dependents or HHG may occur after another PCS order has been issued. When this occurs, determine the chargeable FY by the transfer effective date shown in the PCS orders. See the *JTR* for additional guidance.

13.5.3.1. When assignment is to an OCONUS area where dependents may accompany sponsor, but movement of dependents is delayed until after new PCS orders are issued reassigning the sponsor to another OCONUS location, charge the PCS to the funds cited in the PCS orders covering the sponsor's first OCONUS assignment.

13.5.3.2. When assignment is to an OCONUS area where dependents may not accompany the sponsor, and the sponsor is later reassigned to another OCONUS location where dependents are permitted, charge the costs related to moving the dependents to the new location to the funds cited in the PCS orders covering the sponsor's latest assignment.

13.5.3.3. When military members, civilian employees, and other persons travel under competent orders as escorts or attendants for dependents of members of the service, cite the O&M appropriation for travel and transportation allowances. Pay the dependent travel and transportation allowances from the MILPERS appropriation PCS account, using the member's PCS fund cite. See the *JTR* for additional guidance.

13.5.4. Advance Return of Dependents to CONUS. When orders authorize the advance return of dependents, and the member does not have a pending assignment, cite the funds that are on the current PCS order. (PCS orders remain in effect until replaced.) When orders authorize the advance return of dependents and the member has a pending assignment, cite the funds that would be cited on the members PCS orders. For example, if the actual transfer effective date of the member is a different FY than the dependents' relocation date, code the subproject code of the fund cite to link the dependents' travel back to the member's transfer effective date. Do this by using a ".9" instead of ".0" in the subproject element of the fund cite. (See MILPERS appropriation guidance in *AFMAN 65-604*. To determine the fund citation, see guidance on directing PCS moves in *AFI 36-2110*.)

13.5.5. Rules for PCS Moves that Overlap More than One Project or Subproject. Project and subproject codes distinguish among the major types of PCS moves and generally coincide with the categories used for PCS move programming. When PCS moves fall under more than one budget project or subproject, apply these rules:

13.5.5.1. The CMA for travel, to and from OCONUS takes precedence over the CMA for training, PCS moves. For example, charge a PCS from a DAF school to an OCONUS assignment to the CMA "travel to and from OCONUS" rather than "training travel."

13.5.5.2. The CMA for PCS moves to or from formal training schools takes precedence over the CMA for reassigning PCS moves within CONUS.

13.5.5.3. For PCS costs for individuals separating from the service, cite the CMA for separation travel.

13.5.5.4. When an individual serving at a CONUS station is ordered to another station for processing incident to separation prior to issuing the PCS order, charge the resulting TDY costs to the O&M funds supporting the command of assignment.

13.5.5.5. When the last PDS is OCONUS and the member is returned to CONUS for separation, charge all travel, transportation, and non-temporary storage costs to separation travel.

13.5.5.6. Charge costs associated with members accompanied by dependents to the US between consecutive OCONUS tour areas to the MILPERS whenever new PCS orders are written and a move ensues. Charge the MILPERS appropriation when the member stays at the present duty station and there is no physical move.

13.5.6. FY Chargeable for PCS Moves. At the time PCS orders are issued for MILPERS, commanders will ensure that obligations are recorded against current appropriations for all authorized reimbursable expenses incidental to relocation at the request of the US government and for transportation requests (TRs) and bills of lading expected to be issued. **(T-3). EXCEPTION:** The obligation of costs for non-temporary contract commercial storage of HHG, which are obligated either in the period in which the service is rendered or to the appropriation current at the contract award. Record an obligation based on the costs itemized on the traveler's settlement voucher.

13.5.7. Transporting Passengers, Unaccompanied Baggage and HHG on Aircraft Operated by AMC Under the TWCF. SAF/FMB manages the CMA accounts that cover the TWCF airlift part of PCS travel expenses.

13.5.8. SDDC. Charge the appropriate CMA accounts for TWCF transportation services and OCONUS port terminals. This includes:

13.5.8.1. All costs of transportation services furnished by SDDC for military personnel on DAF duty, their dependents, HHG, personal baggage, and privately owned vehicles.

13.5.8.2. Transportation Services furnished by Army Port Terminals CONUS/OCONUS port terminals, including baggage handling charges for passengers embarking or debarking from SDDC vessels, port handling charges for household, and port handling charges connected with shipment of privately owned vehicles.

13.5.9. HHG Shipments. The Transportation Officer initiating the shipment is responsible for determining the mode of shipment. Charge the CMA account cited in the PCS orders authorizing the shipment for all costs incident to shipping HHG goods, including contract packing and crating and other accessorial services.

13.5.10. Non-Temporary Storage of HHG. Costs of non-temporary storage include line haul charges to the storage facility, charges for accessorial services connected with the storage, actual storage, and handling out charges to the warehouse docks. See the *JTR*, Chapter 5, for additional guidance.

13.5.10.1. Charge storage expenses to the appropriation current in the FY when services are provided.

13.5.10.2. Charge the cost of non-temporary storage of HHG in commercial facilities resulting from PCS movement of MILPERS to the CMA account prescribed for this purpose. See the *JTR* for additional guidance.

13.5.10.3. When HHG are at an OCONUS location and are returned to CONUS for storage, charge the cost of OCONUS shipment and storage to the CMA account for rotation moves from OCONUS.

13.5.10.4. Non-temporary Storage Charges. Pay non-temporary storage charges incident to PCS from annual appropriations and from the FY when the storage services are rendered. See the DAF PCS orders for the CMA account fund citation.

13.5.11. Dislocation Allowance. Charge the cost to the CMA cited in the PCS movement orders. A dislocation allowance is authorized to partially reimburse a member for expenses incurred in relocating HHG upon a PCS. The cost of dislocation allowance is part of the total PCS movement. See the *JTR* for additional guidance.

13.5.12. Mobile Home Allowance. Charge the cost to the CMA account cited in the PCS movement orders. A mobile home allowance is authorized to reimburse a member for the cost of transporting a mobile home. See the *JTR* for additional guidance.

13.5.13. Reimbursable Transportation Expenses.

13.5.13.1. Some PCS moves result from requests of other federal agencies, governments, or international organizations under agreements requiring reimbursement for all or part of the travel and transportation costs to the MILPERS appropriation. Charge these costs to budget project accounts covering reimbursable PCS expenses (does not apply to FMS reimbursable costs).

13.5.13.2. To determine whether military PCS costs are reimbursable, orders issuing activities must consider agreements with other federal agencies, governments, or international organizations. **(T-2)**. For example, only the travel expenses of the military member are reimbursable upon assignment to a United Nations mission. Therefore, travel orders directing these moves must cite the DAF reimbursable budget account for travel of the member only. **(T-2)**.

13.5.13.3. Charge the cost of travel of dependents and shipment of HHG to and from OCONUS to the DAF allotment that applies.

13.5.13.4. Follow this paragraph for PCS costs related to FMS programs.

13.5.13.4.1. MILPERS PCS costs related to FMS cases are reimbursable. Effective FY 2005, MILPERS services supporting FMS must be priced using the composite rates that already include the PCS expense and must no longer use the actual PCS expense for PCS moves to support a PCS case. **(T-0)**. See *DoD 7000.14-R*, Volume 15, Chapter 7.

13.5.13.4.2. Composite standard pay rates include PCS costs and are subject to acceleration factors. Reimbursable FMS positions receive payment for PCS moves as a component of this composite standard pay rate. When MILPERS must make a PCS move to support an FMS case, delete the PCS rate from the composite rate and charge the actual PCS cost to the case. **(T-1)**. In the latter situation, the actual PCS cost is not subject to acceleration.

13.5.14. PCS to USAFA Preparatory School. Charge the PCS cost of USAF personnel selected to attend the USAFA Preparatory School, US Military Academy Preparatory School, or US Naval Academy Preparatory School to the MILPERS appropriation (57*3500). Army and Navy appropriations must pay associated PCS costs for Army and Navy enlisted personnel selected to attend the USAFA Preparatory School. **(T-1)**. Include this guidance in any instructions issued to Army and Navy installations.

13.5.15. Travel from OCONUS to CONUS in Connection With Emergency Leave. PCS moves may arise as the result of emergency leave granted under AFMAN 65-116, Volume 2, *Defense Joint Military Pay System Active Component (DJMS-AC) Unit Procedures Excluding Financial Management Flights*. Treat these PCS moves as command-directed if the reassignment to CONUS unit would otherwise have been command-directed. See [paragraph 11.2.19](#) for funds to cite when a member is placed on TDY for return to CONUS on TWCF flights on a space required basis.

13.5.16. TDY Travel in Connection With PCS Movement.

13.5.16.1. TDY Costs Chargeable to the Military Personnel Appropriation. TDY travel (other than TDY hold) is the responsibility of the requiring unit or command unless training funded by AETC or other commands or TDY other than training funded by non-PCS sources. Charge TDY for briefings, debriefings and special instructions to the requiring command's O&M funds. Charge TDY travel costs directly related and integral to PCS moves to the military personnel PCS account only if the following condition(s) apply:

13.5.16.1.1. TDY does not exceed 15 days and is performed en route to and for the purpose of supporting the follow-on position at the new PDS.

13.5.16.1.2. TDY is for medical examinations, M-16 rifle training, obtaining passports and in-processing at host base when required under host/tenant agreement. No training other than M-16 is authorized in TDY status. Charge TDY for briefings, debriefings, and special instructions to the requiring command's O&M funds. Member noncurrent escort travel is not a PCS entitlement.

13.5.16.1.3. Authorized by the USAF (AFPC, AF/DPG, or AF/DPO), AF/HC or AF/JA. Authorization must be cited in PCS orders. **(T-1)**.

13.5.16.2. TDY Costs Not Chargeable to the Military Personnel appropriation. TDY requirements, other than those in **paragraph 13.5.16.1**, are charged to O&M funds according to **paragraph 11.2.6**. Include the fund citation in the PCS order. This includes TDY travel for formal or informal training conducted by the Air University, MAJCOMs/Centers, HAF staff agencies, or other government agencies. **EXCEPTION:** Transoceanic travel costs associated with directed TDY to CONUS incident to PCS are considered a PCS expense. Charge the cost to the applicable PCS funds (see **paragraph 11.2.3** for details). Use the MILPERS appropriation current on the transfer effective date to finance the cost of the military member's travel from the TDY station to a new permanent station and the cost of a dependent's travel from the old to the new permanent station.

13.5.16.3. Movement on Indefinite/Indeterminate TDY. HAF specifically authorizes movements of individuals or organizations to OCONUS commands on indefinite TDY. Charge expenses to the O&M appropriation. When authorized by HAF, commanders will ensure that the travel of dependents and transportation of HHG within the US is also charged. **(T-3)**. See the *JTR* for additional guidance.

13.5.17. FY Chargeable for PCS Moves. At the time PCS orders are issued for MILPERS, commanders will ensure that obligations are recorded against current appropriations for all authorized reimbursable expenses incidental to relocation at the request of the US government, and for TRs and bills of lading expected to be issued. **(T-3)**. **EXCEPTION:** The obligation of costs for non-temporary contract commercial storage of HHG, which are obligated either in the period in which the service is rendered or to the appropriation current at the contract award. Record an obligation based on the costs itemized on the traveler's settlement voucher.

13.6. Travel of Indigent Army, Navy, and DAF Enlisted Personnel.

13.6.1. Enlisted Personnel Not Traveling Under Official Orders. Army, Navy, and DAF enlisted personnel not traveling under official orders and not entitled to transportation at government expense may be issued meal tickets and TRs according to applicable directives. Charge appropriations as follows:

13.6.1.1. Army Enlisted Personnel. Army enlisted personnel may be advanced cash in an amount equivalent to the meal tickets. Charge the project that applies under the MILPERS appropriation, Army, for TRs, meal tickets, and cash advances. Army authorities obtain reimbursement from the individual for these expenses.

13.6.1.2. Navy Enlisted Personnel. The Navy Department does not desire to have their personnel advanced cash in place of meal tickets. Charge the MILPERS appropriation, Navy, for TRs and meal tickets. Navy authorities obtain reimbursement from the individual for these expenses.

13.6.1.3. DAF Enlisted Personnel. DAF enlisted personnel may be advanced cash in the amount equivalent to the meal tickets. Obtain reimbursement from the individual for these expenses according to DTR 4500.9-R, Part I, *Passenger Movement*, Appendix M.

13.6.2. Enlisted Personnel Traveling Under Official Orders. Enlisted personnel (when traveling under official orders issued by their respective services) may be eligible for TRs and meal tickets. Cite the appropriation of the respective military service, as shown on the travel orders, for the TRs and meal tickets.

13.7. Other MILPERS Costs. Charge the DAF CMA account (Budget Project-591.XX) for:

13.7.1. Return of absentees, deserters or escaped prisoners.

13.7.2. Payment of rewards and reimbursement for apprehension, detention and delivery of absentees, deserters, and escaped prisoners.

13.7.3. Travel of guards after the member is identified as a deserter by the parent organization.

13.7.4. Return of Absentees, Deserters, or Escaped Military Prisoners. The DAF may furnish MILPERS who are in an absent-without-leave, desertion, or escaped military prisoner status (under apprehension) the necessary transportation and meal tickets to return to their duty station or another place directed by competent authority. The travel and expenses of the apprehended member are funded by the MILPERS CMA account (Budget Project-591.02). The travel and expenses of an escort to bring the apprehended member to a military installation is funded in accordance with [paragraph 13.8](#) below. See [paragraph 13.7.5](#) for the payment of rewards and reimbursements for the return of apprehended members. If transportation and meal tickets are furnished for an apprehended member from another military department, charge the cost to the appropriation of the appropriate military department (i.e., MILPERS, Army, Navy, or Marines). Additional information is available at *AFMAN 31-115*, Volume 1.

13.7.5. Payment of Rewards and Reimbursements for Apprehension, Detention and Delivery of Absentees, Deserters, Parole Violators, and Escaped Prisoners. Per AFI 36-3802, *Force Support Readiness Programs*, any authorized communication, oral or written, from a military or federal law enforcement official or agency, requesting active cooperation in apprehending or delivering to military control an absentee or deserter wanted by a military department constitutes the basis for a reward. After this communication, the DAF rewards or reimburses (but not both) persons or agencies apprehending, detaining or delivering absentees, deserters, escaped military prisoners, or parole violators to military control under DAF CAM account Budget Project 591.01 (Rewards) and Budget Project 591.02 (Reimbursements and expenses other than Rewards and Escort travel). If a non-DAF military absentee/deserter/escapee is brought to a USAF installation and a reward or reimbursement is due, the absentee's parent military department MILPERS account pays, not the DAF CMA account. See *DoD 7000.14-R*, Volume 10, Chapter 12.

13.7.6. Confinement in a Civilian Jail Pending Movement to a Military Confinement Facility. If confinement in a local civilian jail is needed because there are no military confinement facilities on an installation, the cost of confinement is chargeable to the O&M funds of that installation. It is not chargeable to the MILPERS appropriation.

13.8. Travel of Guards.

13.8.1. Charge TRs and meal tickets furnished to USAF personnel acting as escorts of USAF absentees, deserters, parole violators, and escaped military prisoners to the DAF CMA account Budget Project-591.03. Do not charge these expenses against the pay of the USAF returned member.

13.8.2. When USAF escorts return Army personnel from a USAF installation, charge the TRs and meal tickets furnished to the escorts to the MILPERS appropriation, Army. Obtain the full Department of Army accounting classification from Army fiscal codes, the nearest Army installation, Army headquarters, or the home organization of the Army absentees, deserters, or escapees.

13.9. Participation of AFR and ANG Units in RegAF Exercises (MILPERS Appropriation Man-Day Program). To determine whether to finance charges for personnel participation from the DAF MILPERS appropriation or from Reserve Personnel, DAF, or the NG Personnel, DAF appropriations, apply the following rules:

13.9.1. If the purpose is to fulfill RegAF DAF requirements, charge the pay and allowances to the MILPERS, DAF appropriation. Charge travel and per diem costs to the O&M funds of the RegAF DAF organization being supported.

13.9.2. If the purpose is to fulfill ANG or AFR training requirements, charge the costs to the RC Personnel appropriation. For example, early commissioning of medical and dental officers is a program to fulfill training requirements of the AFR; pay and allowances and other costs would be charged to the AFR appropriation.

13.10. Reimbursements for MILPERS Services. See [paragraph 6.4.4](#) and *DAFMAN 65-605*, Volume 1, **Chapter 19**, DWCF.

13.11. The Subsistence Program. Charge the cost of BAS to the MILPERS appropriation. Finance subsistence-in-kind for RegAF DAF personnel from the MILPERS (57*3500) appropriation. Finance subsistence-in-kind for ANG and AFR personnel from the ANG personnel (57*3850) and the AFR personnel (57*3700) accounts. See *DAFMAN 65-605*, Volume 1, **Chapter 11**, for further details.

13.12. Emergency Evacuation Allowances. Title 37 United States Code Section 476(e) authorizes the payment of emergency evacuation allowances when the SecAF, a designee, or other RegAF authority directs or approves the evacuation of dependents. Charge all authorized allowances to the MILPERS appropriation. For specific entitlements and rates, see the *JTR*. See *AFMAN 65-604* PCS budget projects 5710 and 5810 for correct subproject coding.

13.13. Consecutive OCONUS Tours. See [paragraph 13.5.5.6](#) for guidance on paying round-trip travel expenses for MILPERS and their dependents from OCONUS to CONUS between consecutive OCONUS tours.

13.14. Housing Moves at a PDS for Government Convenience. A partial dislocation allowance must be paid to a member who is ordered to occupy/vacate government family-type quarters due to: a) privatization, b) renovation, or c) any reason other than PCS. Payment is made from the MILPERS appropriation, Budget Project 599.04. **(T-1)**. If an AF Form 150, *Drayage/Storage Authorization – Government Quarters*, is completed by the housing office for a move and the government pays for that move, the member is entitled to a partial dislocation allowance payment. The one dislocation allowance per FY limitation does not apply to partial dislocation allowance. See the *JTR* for additional guidance.

13.14.1. Expenses for Reconnection of Phones and Cable in Unaccompanied Housing. Commanders will ensure that members who are directed to move from one unaccompanied billet to another for the convenience of the government will receive reimbursement for reconnection of telephones and cable television. **(T-2)**. This reimbursement is paid from O&M. Partial dislocation allowance is NOT authorized for moves between unaccompanied housing billets.

13.14.2. Military members temporarily displaced from base housing as a result of programmed renovations/upgrades or emergency situations which require occupants to vacate quarters as determined by the installation commander, receive reimbursement for temporary lodging expenses that exceed Basic Allowance for Housing rates. Upon submission of SF 1164, *Claims for Reimbursement for Expenditures on Official Business*, base O&M funds should be used to reimburse the occupants for housing expenses exceeding the Basic Allowance for Housing entitlement amount. (See *AFI 32-6000*).

13.15. Program 780, Reserve Officer Training Corps (ROTC). This program provides for:

13.15.1. Senior and Junior ROTC Programs.

13.15.1.1. Senior ROTC Program. For students enrolled in ROTC at the college or university level. Institutions participating in this program may have a 4-year program, a 2-year program or both. The two components of the Senior ROTC program are the General Military Course and the Professional Officer Course. General Military Course members are freshmen and sophomore students who have successfully completed field training and entered into a “contract” with the DAF. The mission of the Senior ROTC program is to commission second lieutenants based on DAF production requirements.

13.15.1.2. Junior ROTC Program. For students enrolled at public and private secondary schools. Junior ROTC is a Congressionally mandated citizenship-building program designed to acquaint secondary school students with the aerospace age, develop informed citizens, strengthen character, promote an understanding of the role of the citizen soldier in a democratic society, and motivate students for careers in the DAF.

13.15.2. Senior ROTC Institutional Program (Subproject 781). The institutional program provides several entitlement programs for Senior ROTC cadets enrolled at the college or university level. Entitlement programs include a monthly stipend (contract cadets only); uniforms (issue-in-kind and commutation), meals, and foreign language skill proficiency bonus pay (contract cadets only).

13.15.3. Senior ROTC Field Training Program (Subproject 782). The objectives of field training are to evaluate military leadership and discipline, determine potential for entry into the professional officer course and to stratify candidate performance. These objectives orient officer candidates to the standards of a structured military environment, provide key Air Expeditionary Force (AEF) training and teach participants how a USAF base and AEF operates. Funding for field training includes: training pay, meals, and uniforms.

13.15.4. Junior ROTC Program (Subproject 783). Provides funding to procure uniforms for newly activated units as well as replacement items in current units. Covers the cost of student meals during Curriculum-In-Action field trips, Summer Leadership Schools, and Science, Technology, Engineering, and Math camps.

13.15.5. Professional Development Training Program (Subproject 784). Selected General Military Course and Professional Officer Course cadets spend one to ten weeks in job related orientation at designated training locations. Entitlements include: training pay, meals and uniforms.

Chapter 14

RESEARCH, DEVELOPMENT, TEST AND EVALUATION APPROPRIATION (57*3600)

Section 14A—General Guidance

14.1. Applying the Uniform Budget Structure. MAJCOM/Centers and program offices will prepare budgets by PE. **(T-1)**. SAF/AQ and SAF/FM use the budget structure prescribed by the OUSD (C) for the PB.

Table 14.1. RDT&E Budget Structure.

BA	Title
1	Basic Research
2	Applied Research
3	Advance Technology Development
4	Advanced Component Development and Prototypes
5	System Development and Demonstration
6	RDT&E Management Support
7	Operational Systems Development
8	Software and Digital Technology Pilot Programs

14.2. Managing RDT&E Funds. The DAF manages RDT&E funds by PEC (which are used to create the [annual] baseline for reprogramming) for current and expired FY. In cases involving statutory or other Congressional limitations, SAF/FMB may control funds for projects or subprojects within a PE. New obligation authority expires after two FYs. RDT&E funds are available for valid obligation adjustments and expenditures for five years after expiration under the original appropriation symbol. Manage and maintain the same level of detail for expired accounts as for current accounts. **(T-1)**.

14.2.1. Applying Incremental Programming and Financing for RDT&E.

14.2.1.1. Follow the guidance in *DoD 7000.14-R*, Volume 2A, Chapter 1. **(T-0)**. Commands must identify funding (which may be excess to requirements) to SAF/FMBIZ and the SAF/AQ Program Element Monitor so DAF can reprogram funds to other priority program requirements. **(T-1)**.

14.2.1.2. Award fee requirements are planned and budgeted for as a part of the total weapon system cost. Award fees are a bona fide need of the same FY and appropriation that finances the related effort on which the award fee is based. To comply with RDT&E incremental funding policy, award fee requirements must be budgeted for and funded with the same FY funds as the increment of associated effort. **(T-0)**. Until the determination has been made that a contractor is due an award fee, the award fee funds are committed as a contingent liability, and are not obligated. **(T-0)**. See *DoD 7000.14-R*, Volume 3, Chapter 8.

14.2.2. Charging Cost Increases for Incrementally-funded R&D Contracts.

14.2.2.1. Incrementally-funded RDT&E budget policy provides that only those funds required for work in a given FY shall be included in the RDT&E budget request for that FY. **(T-1)**.

14.2.2.2. Charge cost increases as follows:

14.2.2.2.1. If the cost increase occurs within the scope of the basic contract or contract amendments, charge the cost to the same appropriation and FY cited on the basic contract or amendment (even if expired). **(T-1)**.

14.2.2.2.2. If the contract was incrementally funded and the increase is traceable to more than one FY, prorate it accordingly. **(T-1)**. Base the proration among FY on the relationship of the cost increase to the performance required under the basic contract, change order, or contract amendment -- either individually or in total. For example, a cost increase could relate to a specific amendment or accrue over the total period of performance. Evaluate each increase to determine the extent and need for proration. If the contractor's performance report provides this data, this information may be used to calculate the proration.

14.2.3. Budgeting and Funding of AFRL.

14.2.3.1. AFMC budgets and funds for the costs to develop, operate, and maintain AFRL in support of assigned development programs and associated test workload.

14.2.3.2. AFRL customers will budget and fund for reimbursable costs incurred by AFRL supporting user workloads according to the following criteria: **(T-1)**.

14.2.3.3. DAF organizations reimburse the performing AFRL technical directorates for all RDT&E direct costs incurred in support of user workload, excluding military labor, which are directly attributable to direct job (customer) orders. In addition, AFRL technology directorates reallocate funds and charge to its internal Advanced Technology Development program non-military indirect and overhead costs related to the program. **(T-3)**.

14.2.3.4. Direct costs are those expenses that can reasonably, economically, and consistently be immediately and directly associated to a customer (user) program or project and are documented on a job order. Direct costs may derive from contractor support or work performed in-house. Direct costs subject to reimbursement normally include, but are not necessarily limited to:

14.2.3.4.1. Military labor costed at standard rates. **(NOTE: Military labor is not reimbursable from DoD users.)**

14.2.3.4.2. Civilian labor costs including the costs of related personnel benefits.

14.2.3.4.3. Materiel, supplies, and utilities.

14.2.3.4.4. Equipment and its maintenance and repair due to usage. Installation of equipment and its removal, if it has no further base or factory use after the job order is completed.

- 14.2.3.4.5. Miscellaneous contractual services, including Test and Evaluation activity O&M contractual services.
 - 14.2.3.4.6. Printing, photos, and reproduction.
 - 14.2.3.4.7. Maintenance and depot level repairable costs of test support aircraft and ground support equipment to include a pro rata share of depot level maintenance.
 - 14.2.3.4.8. Travel and per diem to support customer user programs, after acceptance of a job order.
 - 14.2.3.4.9. Transportation and cost of supplies and equipment or other material identified as direct costs.
 - 14.2.3.4.10. Civil engineering work requirements established by a customer.
 - 14.2.3.4.11. Facility operations when the entire facility is dedicated to a specific user.
 - 14.2.3.4.12. Real property leases dedicated to a customer program.
 - 14.2.3.4.13. Automated data processing equipment support, including prorated rental and maintenance charges, billed to customers through product service rates.
 - 14.2.3.4.14. Additional communications, special electric power, or similar requirements.
- 14.2.3.5. Other DoD components reimburse performing AFRL for all direct and indirect costs incurred in support of user workload, excluding military labor.
- 14.2.3.6. US government agencies, other than DoD components, reimburse performing AFRL technical directorates for all direct and indirect costs incurred, including military labor.
- 14.2.3.7. State and local government agencies, US domestic commercial users and foreign governments reimburse performing AFRL technical directorates for all direct and indirect costs incurred, including military labor and full user charges according to *DoD 7000.14-R*, Volume 11A, Chapter 1 and Chapter 4.
- 14.2.3.8. Where mutual benefit exists and joint participation is desirable, share total direct costs in direct ratio to the amount of benefit received by each participant, subject to negotiation between the laboratory and the user on a case-by-case basis.
- 14.2.3.9. Directors of AFRL technical directorates may waive reimbursement from DAF customers up to \$20,000 on a case-by-case basis. This permits the laboratory directors to provide informal support, to assist O&M funded commanders in performing vital DAF activities (for example, accident investigation, assistance with an engine problem, analysis of a structural problem, etc.). Generally, informal support is effort the laboratory may provide on a quick-reaction basis to an DAF customer who has not had an opportunity to program and budget for the requirement, in contrast to formal support which is more long-term in nature and which the customer usually programs and budgets.
- 14.2.4. Delineating Funding Responsibility Between RDT&E and Procurement Appropriations.

14.2.4.1. See *DoD 7000.14-R*, Volume 2A, Chapter 1, on criteria for determining expense and investment costs and related appropriations.

14.2.4.2. Specify separate tasks in the contract (contract line items) to provide documentation on contract amounts and voucher payments tied to specific appropriations.

14.2.4.3. General Criteria. When there is doubt as to the proper assignment of costs between appropriations, the issue should be resolved in favor of using RDT&E funding. See *DoD 7000.14-R*, Volume 2A, Chapter 1, for definitions and criteria for using RDT&E funds.

14.2.5. MFH. Do not use RDT&E to construct, operate, or maintain MFH at R&D installations or activities. **(T-0)**. See *DoD 7000.14-R*, Volume 2A, Chapter 1, for additional information on using RDT&E funds. **(T-0)**.

14.2.6. Managing Uncommitted and Unobligated Balances in RDT&E. Apply the following to make sure approved R&D programs use funds in a timely and effective manner:

14.2.6.1. Headquarters DAF may withdraw uncommitted balances at the end of the first year of availability.

14.2.6.2. Finance validated current year cost increases within the PE of the approved program. If approved program resources are insufficient, then request reprogramming within DAF approval authority. **(T-1)**.

14.2.6.3. Finance validated expired year cost increases within the allocation provided for the expired year. If funds are not available, the program office will request SAF/FMBIZ issue additional funds to cover the deficit. **(T-1)**.

14.2.6.4. The RDT&E appropriation is legally available for up to two years for a new obligation and may incur obligations at any time during the two years. When termination of a program is directed by Congress, initiated by the DAF, or directed by OUSD (C), the most recent funds appropriated for that program will be used first to fund those day-to-day operating requirements necessary to execute termination. **(T-1)**. If no current year funds were appropriated, prior year unexpired RDT&E funds will be used for executing termination. **(T-1)**.

Section 14B—Funding to Acquire R&D Facilities, Relocatable Buildings, UMMC, and R&D Equipment

14.3. Acquiring Facilities with RDT&E Funds. MILCON funds are used to perform MMC to acquire facilities at government-operated R&D installations and activities. Do not use authorities for constructing with RDT&E funds to substitute for authorization of MILCON projects or for authorization and appropriation of MILCON funds. **(T-0)**. RDT&E funds may be used for a test facility, a structure or improvement that is itself the subject of a test or is at least partially destroyed or consumed during testing (i.e., the facility is itself a test article). An example would be an aircraft shelter being tested for its ability to withstand bomb impacts.

14.4. Relocatable Buildings. Relocatable building financial policy is governed by *DoD 7000.14-R*, Volume 3, Chapter 17. **(T-1)**. For functional policies, see *DoDI 4165.56* and *AFI 32-1020*. See **Chapter 10** of this DAFMAN for relocatable definitions, policy determinations, accounting for as personal vs real property, allied support, and funding sources. Contact SAF/FMBIZ and/or SAF/FMB P&FC for additional guidance.

14.5. Facilities for Contractors. Under Title 10 United States Code Section 2353, the DAF may enter into a contract that furnishes the contractor (or allows the contractor to acquire or construct) RDT&E facilities and equipment on property not owned by the government. Projects are submitted through AF/A4C to SAF/IE for approval. **(T-0)**. The contractor alone operates and maintains the complex and these facilities must be necessary to carry out the contract. **(T-0)**. Do not install or construct facilities that would not be readily available or separable without unreasonable expense (on property not owned by the government) unless the contract contains:

- 14.5.1. A provision to reimburse the government for the fair value of the facilities,
- 14.5.2. An option for the government to acquire the underlying land, or
- 14.5.3. An alternative provision that protects the interests of the US.

14.6. Use MILCON for any other type of on-base building for contractor use. (T-0). Remove all buildings erected for contractor use (on base) with RDT&E funds when the contractor has no further use for them, unless continued use is authorized under guidance for Test and Prototype Facilities. **(T-1)**.

14.7. SAF/FMBI approves. As an exception, projects not identified in the RDT&E budget request with an installation, test, or prototype cost up to \$2,000,000 if the justification identifies it as urgent (cost penalties, program delays, etc.) subject to New Start rules. Show these projects in the next budget submission.

14.8. UMC. Acquire or modify RDT&E facilities using programming procedures in *AFI 32-1020*. The threshold is \$2,000,000 (unless it is a modernization or revitalization for a lab). See [paragraph 10.12.2.3](#) for information on area cost factor adjustments. For projects above this threshold, submit appropriate DD Forms 1391 for approval and funding using P-341 minor construction funds or MILCON. **(T-1)**. Follow guidance in *AFI 32-1020*. If planning to construct a building and install specialized RDT&E equipment acquired with RDT&E funds at the same time, include the construction and equipment on the same DD Form 1391. For budget estimate submissions, all UMC must be consolidated and submitted onto a single DD Form 1391. **(T-1)**.

14.9. Laboratory Construction Projects. Per 10 USC § 2805(d), appropriations available for O&M, RDT&E or MILCON may be used to carry out UMMC projects for the recapitalization and revitalization of defense laboratories owned by the US costing not more than \$6,000,000. **(T-0)**. This authority expires September 30, 2025. The term “Laboratory” includes: a) a research, engineering, and development center; or b) a test and evaluation activity. Contact SAF/FMBIZ for additional information. See *AFI 32-1020* for guidance regarding SAF/IEE approval, and Congressional notification and wait periods.

14.10. Installing R&D Equipment. The cost of installing equipment as an integral part of a new RDT&E facility is funded in the appropriation funding the construction project. **(T-1)**. Equipment not readily severable (readily severable means equipment that can be removed without destroying the equipment or building, or changing the building's basic structure or purpose) from the facility is considered integral to the facility.

14.10.1. Funding Criteria. Before authorizing the type of work specified above, using RDT&E funds, make sure the project meets all these criteria:

14.10.1.1. The equipment or facility project must support an approved requirement for an RDT&E activity. **(T-1)**.

14.10.1.2. Resources must be available. **(T-1)**.

14.10.1.3. Preliminary engineering is complete. **(T-1)**.

14.10.1.4. The DAF must submit and Congress approve a DD Form 1391. On the DD Form 1391, if prior-year funding (fallout money) is used, the form must include the following Congressional advisory notice: "We expect to construct this building with FY ___ (prior year) funding, starting 30 days after submittal of this budget request unless the subcommittee disapproves in writing." **(T-1)**.

14.10.2. The cost of installing, changing or relocating moveable equipment in existing facilities for RTD&E activities may be funded with RDT&E funds. This is permissible only if the action does not expand the facilities outer dimensions, and is for one or more of these specific requirements: **(T-1)**.

14.10.2.1. Installing and relocating prefabricated interior screens, partitions, and dividers, mostly unattached; movable screens or detachable panels held in place by light braces; and screws readily removed without impairing either the panels, floors, walls, or ceilings.

14.10.2.2. These devices, used to install equipment, do not go on the real property records.

14.11. Installing Air Conditioning. Use RDT&E funds: If replacing or adding to an existing facility, and only where the equipment is not integral to the facility (non-RPIE). Use RDT&E only for those equipment spaces directly related to the equipment and not in associated administrative or other work spaces (administrative or other work spaces follow construction and repair rules). **(T-1)**. This includes:

14.11.1. Equipment that the manufacturer states must be operating in an air-conditioned or humidity-controlled space. **(T-1)**.

14.11.2. Prefabricated clean rooms installed in non-air conditioned space or when the building's central system cannot keep the clean room at the right temperature and humidity. **(T-1)**.

14.11.3. Operator comfort when the equipment to be installed makes the nearby temperature or humidity unreasonably high. **(T-1)**.

14.11.4. Mechanical ventilation and separate exhaust systems, when needed to keep people safe or equipment operating to the manufacturer's specifications. **(T-1)**.

*Section 14C—Funding Test and Evaluation Costs***14.12. Funding Test and Evaluation (T&E) Costs.**

14.12.1. Finance development prototypes, pilot line production, and test articles based on the purpose of the test **(T-1)** as follows:

14.12.1.1. Use RDT&E to fund for development (preproduction) prototypes for DT&E and operational testing that support or result in full-rate production (FRP) or acceptance for operational use (i.e., fielding). **(T-1)**.

14.12.1.2. Use RDT&E to pay for initial pilot line production if the testing activity requires special pilot items for DT&E and operational testing that supports or results in a FRP or acceptance for operational use. **(T-1)**.

14.12.1.3. Use procurement funds to acquire test articles for any type of operational testing that does not support FRP or fielding. **(T-1)**.

14.12.1.4. Use procurement and O&M funds to reconfigure RDT&E-financed preproduction articles reassigned for operations or inventory after the test program is complete. **(T-1)**.

14.12.2. Pay for special support costs needed for an approved DT&E, Qualification Test and Evaluation, qualification test, Production Acceptance Test and Evaluation, or operational test for a different military end item as follows: ("Special support" costs consist of major end items not included in the CSAG – Supply of the Air Force Working Capital Fund (AFWCF), such as weapons, test vehicles, equipment, or their major components).

14.12.2.1. Generally, use RDT&E to buy test articles and test support. Include costs for "special support" and "command support" for all tests before and leading to acceptance for operational use.

14.12.2.2. Items reassigned from inventory to support T&E shall be paid as follows: (Items otherwise approved for procurement for operational use and not consumed in testing.) **(T-1)**.

14.12.2.2.1. Use program or test funds to reimburse for such items (excluding items within the CSAG – Supply of the AFWCF).

14.12.2.2.2. If an operational requirement develops during the loan period, the item must be returned to inventory or a replacement bought with program funds. **(T-1)**.

14.12.2.2.3. The test director provides for maintenance (other than Permanent Modification changes) without interfering with the test purposes.

14.12.2.2.4. Use RDT&E funds to pay for restoring these items to their original form and condition when they go back to operational inventory after completing the DT&E or operational testing that supports a FRP or acceptance for operational use.

14.12.2.2.5. Then, use procurement or O&M funds to update the items to operating form.

14.12.2.3. Items consumed in DT&E or operational testing that supports a FRP or acceptance for operational use shall be paid with RDT&E funds; however, do not reimburse for consumable rounds of ammunition or tactical missiles (items bought in quantity for inventory under existing procedures and issued based on priority for testing), unless DWCF funds paid for them. **(T-1)**.

14.12.2.4. Use RDT&E for items requiring engineering, design, integration, test, or evaluation before FRP, fielding, or acceptance for operational use.

14.12.3. Implementing commands must use RDT&E funds to acquire major test vehicles, such as ballistic boosters or upper stages (either “standardized” as test vehicles or bought centrally for operational use or inventory). **(T-1)**. These vehicles must support an approved program for developmental testing which RDT&E is paying for. **(T-1)**.

14.12.4. Pay for flying hours as follows:

14.12.4.1. The owning command pays for aircraft flying hours and support (see exception below). (The program document for the command that “owns” the aircraft shows authorized test and evaluation flying hours.)

14.12.4.2. Use program or test funds to reimburse maintenance costs per flying hour at the base-level. **(T-2)**. **EXCEPTION:** Follow the guidance in DoDD 3200.11, *Major Range and Test Facility Base (MRTFB)*, for flying-hour support provided by designated DoD major ranges and test facilities. Follow [paragraph 14.13.5](#) for AMC TWCF aircraft not used as the primary test vehicle.

14.12.5. Reimburse direct costs for support from designated RDT&E and test activities (See [Chapter 8](#)), regardless of the other provisions of this chapter. (See guidance on designated support activities for test and evaluation in *DoDD 3200.11* and AFI 99-103, *Capabilities-Based Test and Evaluation*.)

14.12.6. Use procurement or O&M funds, as appropriate, to pay for testing not associated with RDT&E, such as:

14.12.6.1. Acceptance, quality control, Weapon System Evaluation Program, tactics D&E, and surveillance testing of articles obtained for purposes other than RDT&E.

14.12.6.2. Routine testing for logistic support.

14.12.6.3. Testing related to operating and maintaining equipment and material bought under appropriations other than RDT&E.

14.12.6.4. Testing needed to show a plant can produce items approved for production. Charge to procurement as part of the initial acquisition cost.

14.12.7. Use O&M or procurement funds (based upon expense/investment criteria) to fund commercial and non-developmental items which do not require RDT&E engineering, design or integration. Pay for personnel and command support costs from O&M when field units test and evaluate operation of commercial items for doctrine, operations, or organization.

14.12.8. Apply guidance in [paragraph 14.12.6](#) for all operational testing conducted after accepting an item for operational use. Also apply it for operational tests showing how the item operates or to develop operational tactics.

14.12.8.1. Use O&M or procurement funds (based on expense/investment criteria) to acquire test articles.

14.12.8.2. Use O&M for personnel and command support.

14.12.9. Use procurement funds (subject to expense/investment criteria) to buy off-the-shelf equipment. But use RDT&E if the equipment supports RDT&E-funded T&E. Also, use RDT&E for items, including special purpose software, that require engineering design, integration, testing, or evaluation.

14.12.10. Use RDT&E for DT&E and operational testing of special-purpose equipment and software for ADPE or software prior to full-rate production or acceptance for operational use.

14.12.10.1. Use RDT&E where specially designed to meet a military operational requirement or to do only a predetermined set or series of computations or acceptance for operational use.

14.12.10.2. Use RDT&E if needed to meet specific physical or environmental conditions or acceptance for operational use.

14.12.10.3. Use RDT&E if physically or functionally integral to a higher order system or acceptance for operational use.

14.12.10.4. Use O&M or procurement funds (based on expense/investment criteria) to buy and test these items after acceptance for operational use.

14.12.11. See [Chapter 5, Section 5B](#), for additional information on budgeting and funding for IT efforts.

14.13. Funding for Operational Testing.

14.13.1. Types of Funds. Except when this chapter states otherwise, tests conducted by operational test organizations (i.e., the AF Operational Test Evaluation Center (AFOTEC) and MAJCOM operational test organizations) before full-rate production decisions or fielding are paid with RDT&E funds. **(T-1)**. Qualification OT&E is funded with O&M or procurement funds through regular O&M or procurement channels. (See Chapter 1 and Chapter 5 of *DoD 7000.14-R*, Volume 2.)

14.13.2. Test Items. The developing or owning command pays the cost of procuring the test item and its direct support based on the purpose of the test. Direct support, funded either by the operational or implementing command, includes maintaining the test item (including contractor support), supply items to keep the test item serviceable, and petroleum, oils, and lubricants for the test item.

14.13.3. Operational Test Organization Support of Operational Testing. Operational test organizations (i.e., AFOTEC and MAJCOM operational testers) will use O&M appropriations to support the following operational test activities:

14.13.3.1. Administering operational test organization policies and programs. **(T-1)**.

14.13.3.2. Analyzing test results not related to specific programs. **(T-1)**.

14.13.3.3. Supporting scientific, technical, planning, or analytical work under contract but not related to specific programs. **(T-1)**.

14.13.4. Implementing Command Support to Operational Testing. The implementing command uses O&M or RDT&E funds (as appropriate) to pay for their own travel, per diem, overtime, and other support costs.

14.13.5. TWCF Support to T&E.

14.13.5.1. Use as a Test Vehicle. If one of AMC's TWCF aircraft is needed for a dedicated test role, AMC, as owning command, will provide the aircraft without reimbursement from test funds based on the purpose of the test. **(T-2)**. An example would be an aircraft required to airdrop test material or fly approaches to test a navigational aid. Headquarters AMC budgets and funds flying hours dedicated to test and evaluation (i.e., Special Assignment Airlift Mission missions).

14.13.5.2. Use to Transport Test Articles or People. Customers will pay transportation costs when airlift must move test articles or people. **(T-2)**. Request support through the airlift validator command or agency.

14.13.6. Post-test Costs. When AFOTEC conducted IOT&E or Operational Utility Evaluation is over, AFOTEC will continue to use RDT&E funds for any additional operational testing (i.e., Follow-On Operational Test and Evaluation (FOT&E)) that occurs as a result of test reports and decision briefings. **(T-2)**. After AFOTEC involvement ends, the operating or supporting command conducts and finances operational testing based on the purpose of the test.

14.13.7. Personnel Pay Costs. Use RDT&E or O&M (based on the nature of the test) to reimburse overtime and pay temporary overhires directly supporting the test for operations, such as ranges. **(T-2)**. Do not use RDT&E or O&M to reimburse supporting commands regular base pay (base and benefits) of permanently authorized personnel.

14.13.8. Funding Production Acceptance Test and Evaluation Tests. Use procurement appropriations to pay for these tests (including verification of technical data) performed during the production cycle. **(T-2)**. The implementing command pays temporary duty costs with O&M funds.

14.13.9. Budgeting and Funding DT&E. The implementing command budgets and funds DT&E requirements with RDT&E funds as part of the total development budget for weapon system.

14.13.10. Budgeting and Funding for Operational Testing.

14.13.10.1. AFOTEC and MAJCOM operational test organizations will fund operational test requirements for assigned programs via the Program Objective Memorandum (POM) and budget submissions. **(T-1)**. There are two **Exceptions**: 1) AFOTEC identifies requirements for Major Force Program-11 funded operational testing to United States Special Operations Command (USSOCOM) who is responsible for POM and budget submissions; and 2) case-by-case exceptions where large operational test programs (approximately \$2,000,000) are concerned. In the year of execution, if the test organization has not programmed and/or budgeted for the test activity, program funding may be used to conduct and/or support testing as required by the test organization. Program funding will be available to conduct and/or support testing of block upgrades and major modifications to fielded systems when such testing is assigned to MAJCOMs

and the upgrades and modifications are managed by the acquisition or sustainment program offices. **(T-2)**. In these cases, the test organizations will submit funding estimates to the respective program offices when test requirements are issued. **(T-2)**. This should not become the standard practice and does not alleviate Test Organization responsibility to POM for resources to support their known requirements.

14.13.10.2. For large operational test programs only: Headquarters USAF/TEP, SAF/AQX, SAF/FMB, AFOTEC, and program office representatives will review each large operational test program during POM development. **(T-1)**. AFOTEC will bring the issue into the DAF corporate process in their POM. **(T-1)**. The outcome of this effort results in programming of operational test funding requirements, lead-time away, into the correct PEC. The final independent assessment for determining the organization responsible for funding the test program resides with SAF/FMB. **(T-1)**. For remaining programs, operational test funding requirements will be identified budget lead-time away to the operational test organization to be included in their POM submission. **(T-2)**. Otherwise, funding must accompany the test program for the operational test organization to conduct the testing. **(T-2)**. If there are additional operational testing costs as a result of program slippage or deferments, the customer must provide additional funding as appropriate. **(T-2)**. Headquarters USAF/TEPR will confirm that operational test funding levels in the POM and Budget Estimate Submission exercises are adequate, and identify any shortfalls to SAF/AQXR to ensure proper programming. **(T-1)**.

14.13.10.3. If an operational test team member requires Type I factory training (as defined in *AFI 36-2670*), to meet test team requirements, the acquisition or development agency will provide funding to AETC irrespective of any follow-on benefits the training might provide. **(T-1)**. This includes the contract cost itself and related TDY travel. Type I training will be funded with O&M appropriations for qualification operational test and evaluation and MAJCOM-operational testing in support of O&M-funded activities. **(T-1)**. If a separate training contract is impractical, the program manager may recommend the contracting officer include Type I training as a line item in the acquisition contract, as provided in *AFI 36-2670*.

14.13.10.4. When combining DT&E and operational testing, the implementing command programs and budgets the DT&E portion. The operational test organization will program and budget net additive costs for operational testing that support those activities assigned to the operational tester in the T&E Master Plan and associated Test Resource Plan. **(T-2)**.

14.13.10.5. In determining the type(s) of funding for operational testing for budget formulation, use the scheduled major production or acceptance for operational use date directed when preparing field budget submissions. In general, use RDT&E funds prior to acceptance for operational use, to include block upgrades and major modifications managed by the acquisition or sustainment program office, and use O&M or procurement funds after acceptance for operational use. For programs using an Economic Analysis (EA) strategy (i.e., fielding increments of capability), fund test costs based on the purpose of the test(s) for each increment. For programs that do not have major production or acceptance for operational use decisions, use the net additive costs for operational testing as determined by the operational test organization(s) for planning, budgeting and funding.

14.13.11. Funding Responsibilities for Designated MRTFB Activities. The OSD designates the following DAF activities as DoD major ranges and test facilities (see *AFI 99-103*):

Table 14.2. MRTFB Facilities.

MRTFB Facilities
45th Space Wing (USSF Eastern Range), Patrick AFB
30th Space Wing (USSF Western Range), Vandenberg AFB
Arnold Engineering Development Complex, Arnold AFB-Includes 704 th Test Group, Holloman AFB
McKinley Climatic Lab, Eglin AFB
National Full Scale Aerodynamics Complex (NFAC), Moffett Field, CA
Tunnel 9, White Oak, MD

14.13.11.1. The institutional and overhead costs of facilities or resources within MRTFB program areas are to be funded through the major T&E type/related budget accounts. Commanders ensure that MRTFB activities are funded in a uniform manner. **(T-3)**. Commanders ensure that the categories of goods and services charged to the MRTFB customers are applied consistently among all the MRTFB activities. **(T-3)**. Commanders ensure that MRTFB activities establish procedures to ensure costs are uniformly and consistently charged to customers in accordance with this manual. **(T-3)**.

14.13.11.2. MRTFB Funding. MRTFB activities are funded with institutional funds, direct budget authority and customer funds, reimbursable authority. The type of customer determines the level of reimbursable authority charged to the customer and whether they are charged only direct costs or direct costs plus a level of indirect costs. The following describes the types of costs included in the direct and indirect costs categories.

14.13.11.2.1. Direct Costs: Those costs that are directly attributable to the use of the facility or resource for testing under a particular program, over and above the institutional (appropriated) and overhead (indirect) costs with respect to the facility or resource.

14.13.11.2.1.1. By mutual agreement, investments in new or existing Test and Evaluation facilities may be funded in whole or in part by one or more DoD customers of a MRTFB activity.

14.13.11.2.1.2. Commanders ensure that this agreement delineates responsibilities for funding, staffing, operating, and maintaining the facility and is approved by all parties prior to obligation of any funds for the project. **(T-3)**.

14.13.11.2.2. Indirect Costs: The costs of maintaining, operating, upgrading and modernizing the facility or resource are indirect costs.

14.13.11.3. Commanders will ensure that institutionally funded (appropriated) and overhead (indirect) costs are not charged to DoD component users, and remain as costs fully borne by the institutionally funded PE accounts comprising the MRTFB structure. (T-3).

14.13.11.4. DoD Component Users. DoD customers reimburse MRTFB activities for direct costs readily identifiable to use of the facility or resource for testing under a particular program, over and above the institutional and overhead costs with respect to the facility or resource.

14.13.11.5. Non-DoD Component Users. This includes federal, state or local government agencies, allied foreign governments, defense contractors, and when authorized, private organizations and US commercial enterprise customers. MRTFB commanders shall charge all direct costs associated with a customer order. (T-2).

14.13.11.5.1. MRTFB commanders may charge indirect costs at their discretion. Commanders ensure that any indirect costs incurred, but not billed to a customer, are billed to the activity institutional funds. (T-3). Commanders ensure that institutional funding levels, however, are not increased to finance any additional indirect cost incurred due to sales to non-DoD activities. (T-3).

14.13.11.5.2. The commander of the MRTFB activity has been delegated the authority to determine appropriateness of the amount of indirect costs included in such a contract provision. Commanders ensure that neither military retirement, unfunded civilian retirement, asset capitalization, nor depreciation is charged to the commercial customer. (T-3). However, there are three **Exceptions**: (to using provisions under Public Law 103-160, *National Defense Authorization Act for Fiscal Year 1994*.)

14.13.11.5.2.1. First, commanders ensure that commercial space launch activity at the 30th and 45th Space Wings is priced under provisions of the *Commercial Launch Act* of 1984 (amended in 1988 and 1991). (T-0).

14.13.11.5.2.2. Second, when the use of a T&E activity has been included in a contractual agreement with a commercial user as government furnished services, commanders ensure that the commercial user is charged based on the category of the contractual federal agency (*DoD 7000.14-R*, Volume 11A, Chapter 12). (T-0).

14.13.11.5.2.3. Third, commanders ensure that foreign governments are billed full cost, unless a government agreement is in force (treaty, FMS agreement, or other negotiated agreement). (T-0). Reimbursable orders indicate if the test effort is in support of FMS. Commanders ensure that commercial users meet the intent of the requirements in support of non-government T&E. (T-0). In some cases the direction in Domestic Technology Transfer may apply.

14.13.11.6. Satisfy these criteria before using standard rates: (**NOTE**: “Standard rates” are computed cost rates that are set up for products and services and used to determine charges to the job order. By definition, standard rates are a proration of direct costs across the base to which they are applied. They are average costs that can be used in estimating and charging, and the use of such rates is encouraged).

14.13.11.6.1. Commanders ensure that the rates are applicable to the product or service. **(T-3)**. Costs of products and services that drastically change, or volume that cannot be easily identified are not considered for standard rate computation.

14.13.11.6.2. Major range and test facilities use an approved accounting system or procedure to accumulate historical standard rate data providing for an audit trail. **(T-3)**.

14.13.11.6.3. Major range and test facilities validate standard rates at least annually. Adjust the rate if a rate cannot be validated within plus or minus five percent. **(T-3)**.

Chapter 15

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Chapter 16

AIR FORCE RESERVE APPROPRIATIONS

16.1. Overview. This chapter covers Reserve Personnel (57*3700) and O&M, AFR (57*3740) appropriations. For the MILCON, AFR (57*3730) appropriation, apply the guidance in [Chapter 10](#), MILCON.

16.2. Reserve Personnel, DAF (57*3700). Use these funds for pay and allowances, clothing, subsistence, gratuities, travel, transportation, per diem and related expenses for personnel of the AFR on Active Duty under Title 10 United States Code Sections 10211 and Title 10 United States Code Section 10305, or while serving on Active Duty under Title 10 United States Code Section 12301, in connection with performing duty specified in 10 USC 12310, or while undergoing reserve training or while performing drills or equivalent duty or other duty, and expenses authorized by Title 10 United States Code Chapter 1606 as authorized by law. **(T-0)**. See *AFMAN 65-604* for specific program and project codes.

16.3. O&M, AFR (57*3740). Use these funds for expenses, not otherwise provided for, necessary for the O&M, including training, organization, and administration of the AFR. **(T-1)**. See *AFMAN 65-604* for specific budget activity codes.

16.4. Using Other DAF Appropriations.

16.4.1. Sometimes active DAF appropriations may finance the AFR. This includes (but is not limited to) using:

16.4.1.1. DAF Procurement appropriations to fund investment type items related to TFI. (Examples are aircraft spares, vehicular equipment, base support equipment, etc.)

16.4.1.2. DAF O&M (57*3400) to fund Environmental Restoration Account support for AFR units.

16.4.2. The DAF finances without reimbursement O&M costs associated with DAF centrally controlled education and training courses provided by Air University and AETC. Units reimburse organizational equipment issued to individuals or units (for example, field jackets).

16.5. Preparing Budget Estimates and Financial Plans. The Chief of AFR will develop, justify, and present annual budget estimates and execution plans for Budget Project 720, within the Reserve Personnel, DAF appropriation, and all BP within the O&M AFR, and MILCON, AFR appropriations. **(T-1)**. The Directorate of Personnel Programs (AF/A1G) and Surgeon General (HAF/SGHP) will perform these functions for BP 780, of the Reserve Personnel appropriation. **(T-1)**.

16.6. Sourcing APF RegAF for Certain ARC Personnel Activities.

16.6.1. Scope. This guidance provides policy concerning when DAF appropriations (Regular AF) may be used to support activities performed by members and military technicians of the ARC who are performing duties (Title 10 or Title 32) properly funded by ARC funding (for civilian salaries) or ARC Military Personnel (MILPERS) appropriations. The guidance also addresses scenarios where a Regular AF member may be assigned to a TFI position within an ARC organization.

16.6.1.1. Presumption. There is a presumption that, unless the circumstances fit into one of the exceptions in the following paragraphs, the component whose appropriation is paying for an activity's personnel cost is also the component whose appropriation should cover the associated travel and mission costs. This is because where there is a nexus between a component and an activity, there is also a nexus between that activity and the component's appropriations. If a specific activity is a necessary expense of a component, then all costs for that activity are usually necessary expenses of each applicable appropriation of that component - including personnel costs (MILPERS or O&M civilian pay) and operations costs (O&M). This presumption constitutes a general rule. **(T-1)**.

16.6.1.2. Apply the following **Exceptions**: In some cases, more than one appropriation may be available to pay for the costs of an activity. When an activity is a necessary expense of two appropriations and either can be identified as the more specific, unless Congress has explicitly authorized the use of multiple or augmenting appropriations, the agency must elect the appropriation it will use. **(T-1)**. This generally occurs when an activity simultaneously supports both an ARC mission requirement and a Regular AF mission requirement. The distinct but concurrent purposes of such activities, in conjunction with the mutually-exclusive purpose of the potential supporting appropriations, mean that the DAF must elect which appropriation it will use. **(T-1)**. Once an election is made (as below), use of the appropriation selected must be consistent and may not be changed without Congressional notice. **(T-1)**. The following O&M election rules shall apply:

16.6.1.2.1. ARC Incidental Support of Regular AF. Use Regular AF appropriated funding for all non-personnel costs (travel and operational support costs) for members providing operational support in ADT or FTNGD status (Title 10 or Title 32) as follows:

16.6.1.2.1.1. Where an ARC member performs in an ADT or FTNGD status (initial Active Duty, annual, seasonal, pipeline, or other training duty) and is funded by a reserve component (ARC MILPERS) but is also simultaneously supporting a Regular AF operational requirement at the request of the Regular AF. **(T-1)**.

16.6.1.2.1.2. Where a military technician, performing training or engaging in their primary ARC duties to OAIT, including repair of equipment of the armed forces and is funded by the ARC component but is also supporting a Regular AF operational mission at the formal request of the Regular AF. **(T-1)**. Use of ARC O&M appropriations is not authorized except for technician payroll cost. **(T-1)**. This paragraph does not include Individual Mobilized Augmentees. Refer to [paragraph 16.6.1.2.2](#) below for Individual Mobilized Augmentees.

16.6.1.2.2. TFI TDY Costs - ARC Members/Military Technicians. In TFI or associated units, ARC members or military technicians (whose personnel costs are funded from ARC appropriations) shall have TDY costs funded as follows, based upon the purpose of the TDY. **(T-1)**. This paragraph does not address ARC members on Active Duty funded by the RegAF MILPERS appropriation. Alternative use of funding is not authorized. **(T-1)**.

16.6.1.2.2.1. If the travel is to fulfill a requirement of the ARC, then the pertinent ARC appropriations shall be used. **(T-1)**.

16.6.1.2.2.2. If the travel has mutual benefit (ARC and RegAF) and representatives from each component will participate, then ARC appropriations shall be used. **(T-1)**.

16.6.1.2.2.3. If the travel has mutual benefit (ARC and RegAF) and the RegAF requests ARC to represent both commands, RegAF O&M appropriations shall be used. **(T-1)**.

16.6.1.2.2.4. If the travel is primarily for RegAF purposes, RegAF O&M appropriations shall be used. **(T-1)**.

16.6.2. TFI Unit TDY Costs - RegAF Members. In TFI or USAF associated units, RegAF members (funded from RegAF MILPERS) shall have TDY costs funded as follows, based upon the purpose of the TDY. **(T-1)**. For the purpose of this paragraph, ARC members on Title 10 Active Duty orders (funded by the RegAF MILPERS appropriations) shall be considered RegAF. Alternative use of funding is not authorized. **(T-1)**.

16.6.2.1. If the travel is to fulfill a requirement of the RegAF, then the pertinent RegAF appropriations shall be used. **(T-1)**.

16.6.2.2. If the travel has mutual benefit (RegAF and ARC) and representatives from each component will participate, then RegAF appropriations shall be used. **(T-1)**.

16.6.2.3. If the travel has mutual benefit (RegAF and ARC) and the RegAF members will participate on behalf of both the RegAF and ARC, ARC O&M appropriations shall be used. **(T-1)**.

16.6.2.4. If the travel is primarily for ARC purposes, ARC appropriations shall be used. **(T-1)**.

16.6.3. AGRs and Individual Mobilized Augmentees embedded in active units or serving as liaisons. (See [paragraph 16.6.1.2.2](#) above).

16.6.4. DAF Exercises. Where ARC members participate in DAF exercises in an ADT or FTNGD status (funded by an ARC MILPERS appropriation) all costs shall be borne out of ARC appropriations. **(T-1)**. Similarly, where a military technician participates in such exercises to meet ARC training requirements or engage in their OAIT or repair functions, all costs shall be borne out of ARC appropriations. **(T-1)**. When ARC members are called to Active Duty by the RegAF (MILPERS appropriation) to support an exercise, RegAF appropriations shall be used for both MILPERS and O&M costs. **(T-1)**.

16.7. Compliance. Compliance with the aforementioned mixed funding election above rules exceptions is mandatory. Any other "mixing of resources" within or across ARC and active component (RegAF) appropriations is expressly prohibited unless an exception to policy is first obtained from SAF/FMB. In addition, be advised this guidance does not address flying hour scenarios, which should be accomplished separately with SAF/FMBO. All components must budget consistent with this guidance; any activities not covered in this attachment shall follow the general rule noted in [paragraph 16.6.1.1](#) above. **(T-1)**.

Chapter 17

AIR NATIONAL GUARD APPROPRIATIONS

17.1. Scope. There are several funding sources supporting the ANG: Funds appropriated by Congress for the ANG in the annual DoD Appropriations Act include the NG Personnel, DAF account (57*3850), appropriated under Title I; the ANG O&M account (57*3840), appropriated under Title II; and the NG and AFR Equipment Account appropriated under Title III. The annual DoD Appropriations Act also includes Counterdrug funding and Overseas Contingency Operations (OCO) funding for the ANG. Separately, funds are appropriated by Congress in the annual MILCON (57*3830) appropriation for ANG construction activities.

17.1.1. Funds Appropriated by Congress for the ANG.

17.1.1.1. NG Personnel, DAF Appropriation (57*3850). This appropriation is used for pay, allowances, clothing, subsistence, gratuities, travel and related expenses for personnel of the ANG while on duty under 10 USC § 10211, 10305, 12402, 12301(d) and; Title 32 United States Code Section 502(f) or Title 32 United States Code Section 708; while undergoing training,; performing drills, or equivalent duty. Also, this appropriation is used to pay expenses authorized by Title 10 United States Code Section 16131 and for payments to the DoD Military Retirement Fund.

17.1.1.2. ANG O&M Appropriation (57*3840). This appropriation is used for expenses of training (assigned by ANG or specifically for ANG), and organizing and administering the ANG including: 1) medical and hospital treatment and related expenses in non-federal hospitals; 2) maintenance, operation, and repairs to structures and facilities; 3) transportation of things and hire of passenger motor vehicles; 4) supplying and equipping the ANG as authorized by law; 5) expenses for repair, modification, maintenance and issue of supplies and equipment, including those furnished from stocks under the control of agencies of DoD; 6) travel expenses (other than mileage) on the same basis as authorized by law for ANG personnel on active federal duty; and 7) ANG commanders while inspecting units in compliance with NGB regulations when specifically authorized by the Chief, NGB.

17.1.1.3. National Guard and Reserve Equipment Account. This appropriation is used to pay for procurement of rotary-wing aircraft; combat, tactical and support vehicles; other weapons; and other procurement items for the reserve components of the Armed Forces. The appropriation is available provided, that the Chiefs of National Guard and Reserve components individually submit to the Congressional defense committees within 30 days, the modernization priority assessment for their respective component. None of these funds are available to procure manned fixed wing aircraft or to procure or modify missiles, munitions or ammunition.

17.1.1.4. ANG MILCON Appropriation (57*3830). This appropriation is used for construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the ANG as authorized by MILCON Authorization Acts. The appropriation may include funding for studies, planning, design, and Architectural and Engineering services as authorized by law.

17.1.1.5. The ANG Counterdrug Activities are funded via appropriation within Title VI of the DoD Appropriations Act under Other DoD Programs and is transferred to the applicable ANG appropriations for execution and is available for the same time period as specified by the appropriation to which it is transferred.

17.1.1.6. OCO funding, which is appropriated by Congress under Title IX of the DoD Appropriations Act, is an addition to the Personnel and O&M appropriations specifying the OCO funding to be used to support ANG OCO operations.

17.1.2. Funds provided by the sovereign States, Commonwealth of Puerto Rico, Virgin Islands, Guam, and the District of Columbia for their respective ANG activities. (T-0). NOTE: Refer to this manual, **Chapter 5, Section 5L**, for guidelines involving split or cross-component funding situations that are driven by the Title 10 or Title 32 purpose of the requirement. This chapter will only address those situations that involve ANG funding exclusively. (T-0).

17.2. Using the NG Personnel, DAF Appropriation (57*3850).

17.2.1. Personnel and Operations Costs (including Travel). Refer to this manual, **Chapter 5, Section 5L**, for a detailed discussion of the exceptions to this general rule. The component whose appropriation is paying for an activity's personnel cost is also the component whose appropriation should cover the associated travel and mission costs. This is because where there is a nexus between a component and an activity, there is also a nexus between that activity and the component's appropriations. Further, if a specific activity is a necessary expense of a component, then all costs for that activity are usually necessary expenses of each applicable appropriation of that component – including personnel costs (ANG Personnel, DAF or ANG O&M Civilian Pay) and operations costs (ANG O&M). (T-1).

17.2.2. Training that is assigned specifically to the ANG for an ANG purpose is funded from the ANG O&M appropriation, unless one of the exceptions in **Chapter 5, Section 5L**, apply (e.g., deployment related training specific to a Combatant Command or training funded by the MILPERS appropriation). If the purpose of ANG participation is to meet ANG personnel training requirements that are assigned by the ANG or assigned to the ANG specifically, charge the costs to the NG Personnel, DAF appropriation. (T-1). **NOTE:** Education and training courses provided by Air University and AETC (as part of their centrally managed education program) are provided at no cost to the unit or student. (T-1). **Exceptions:** Organizational equipment issued to individuals or units (field jackets only) will be reimbursed and ANG reimburses AETC for expenses associated with uniforms issued to ANG members attending Basic Military Training. (T-1).

17.2.3. Follow *AFMAN 65-604* which provides the budget structure to categorize expenses within this ANG appropriation. (T-1).

17.2.4. Ensure use of applicable fund citations for Active Duty or training orders for pay and allowances, travel, and transportation costs. **(T-1)**. In general, charge expenses to the appropriation current when the government incurs the expense; if travel and transportation straddle two FYs, charge the costs to the FY(s) in which they are actually incurred. **(T-1)**. **NOTE:** The issuance of a travel order does not constitute a contractual obligation; the obligation is not incurred until the travel is performed, or until a ticket is purchased (the travel being performed in the same FY the ticket was purchased). **(T-1)**. Per diem allowances are chargeable to appropriations current when the allowances accrue; where travel begins in one FY and extends into the next FY, the per diem obligation must be split along FY lines even through the cost of the travel itself may have been chargeable in its entirety to the prior FY. **(T-1)**.

17.2.5. The Air Directorate, NGB, prepares and submits budget estimates for the aforementioned requirements to OSD, OMB, and Congress. **(T-1)**.

17.3. Using O&M, ANG Appropriation (57*3840).

17.3.1. This appropriation is structured into two direct funded BA codes: Operating Forces, BA01; and Administrative and Service-Wide Activities, BA04. There are two reimbursement funded BAs; R1 for BA01 reimbursements; and R4 for BA04 reimbursements. See [Table 17.1](#) for details on the types of costs within each BA. **(T-1)**.

Table 17.1. O&M, ANG, (57*3840) Budget Activity Codes.

Use This Budget Activity Code	For These Costs
Operating Forces 01	Direct expenses of flying hours, depot level aircraft repair and modification, repair of other major end items, sustaining engineering applicable to ANG aircraft and equipment, civilian personnel, travel, transportation, rents, contract services, supplies, and equipment for the operation, maintenance, and support of ANG flying and non-flying units, and those bases for which the ANG has been designated as the host. See <i>AFMAN 65-604</i> for complete expense categories.
Reimbursements R1	All reimbursable authority, funding, execution and reimbursements for BA01.
Administrative and Service-Wide Activities 04	Pay of civilian personnel for Management Headquarters, and support of Recruiting and Advertising activities (e.g., TDY, contract services, supplies, etc.). See <i>AFMAN 65-604</i> for complete expense categories.
Reimbursements R4	All reimbursable authority, funding, execution, and reimbursements for BA04.

17.3.2. ANG O&M (57*3840). ANG O&M may be charged directly for support provided, may reimburse another appropriation for support provided, or the ANG may be provided support from other DAF appropriations on a non-reimbursable basis (see [paragraph 17.3.3](#)). Contact NGB/FMA for additional guidance.

17.3.3. As a general rule, ANG tenant units fund directly, or reimburse the host for costs resulting from their tenancy. These are costs charged to, or reimbursed from, the O&M, ANG appropriation (57*3840):

17.3.3.1. All depot maintenance operations, including contractual maintenance (see [paragraph 17.6](#)). **(T-1)**.

17.3.3.2. Civil engineering services for facilities, including overhead and similar service charges, provided for the exclusive use of the ANG for year-round training facilities. The cost of maintaining and operating DAF facilities that the ANG and USAF units use jointly is reimbursable according to mutual or negotiated intra-service agreements between local commanders. **(T-3)**.

17.3.3.3. Civil engineering services for summer training facilities on USAF installations made available for summer training, including opening and closing costs. If the facilities are used jointly with components of the USAF, commanders will ensure that the using ANG agencies reimburse for services according to intra-service agreements between local commanders. **(T-3)**.

17.3.3.4. UMMC for \$2,000,000 or less for the exclusive use of the ANG. **(T-0)**.

17.3.3.5. Expenses of utilities for facilities used exclusively by the ANG tenant. For facilities used jointly by ANG and USAF units, reimburse for identifiable utility services according to intra-service agreements between the local commanders. **(T-3)**.

17.3.3.6. Cost of services or maintenance beyond the USAF host's in-house capability, where the host has to establish a capability to provide the services or maintenance. **(T-3)**.

17.3.3.7. Major repair projects for jointly used facilities. Charge the cost on a pro-rata basis tied to the percentage of occupancy or utilization.

17.3.3.8. Contract maintenance and repair of ground powered vehicles and other equipment possessed by the ANG. **(T-3)**.

17.3.3.9. Expense materiel (exceeding \$250,000 per intermediate work order) required for specialized maintenance and repair of equipment whether performed in-house or by contract. An example would be equipment (unique to the ANG tenant) being repaired in the host base precision measurement equipment laboratory which requires special parts or expense materiel to accomplish the repair. Determine these special support requirements pertaining to repair and calibration of the tenant's unique equipment (excluding aircraft and missiles) during *AFI 25-201* negotiations.

17.3.3.10. Expenses of toll calls or other specialized communications required.

17.3.3.11. TDY-to-school or courses in an air technician status, provided the school or course is part of the required ANG training program. **(T-1)**.

17.3.3.12. ANG funds all expense materiel not managed by the CSAG - Supply. The ANG also funds all issues of expense materiel (from the CSAG – Supply) to the ANG. ANG units are authorized customers of the DWCF; installations will provide them customer status equal to that furnished other USAF organizations. **(T-3)**. Determine and administer credits earned according to the current directives governing returns to the DWCF by any authorized DAF customer. **(T-3)**.

17.4. Sourcing APF RegAF for Certain ARC Personnel Activities. This guidance provides policy concerning when DAF appropriations (Regular AF) may be used to support activities performed by members and military technicians of the ARC who are performing duties (Title 10 or Title 32) properly funded by ARC funding (for civilian salaries) or ARC Military Personnel (MILPERS) appropriations. The guidance also addresses scenarios where a Regular AF member may be assigned to a TFI position within an ARC organization.

17.4.1. Scope. This guidance provides policy concerning when DAF appropriations (Regular AF) may be used to support activities performed by members and military technicians of the ARC who are performing duties (Title 10 or Title 32) properly funded by ARC funding (for civilian salaries) or ARC Military Personnel (MILPERS) appropriations. The guidance also addresses scenarios where a Regular AF member may be assigned to a TFI position within an ARC organization.

17.4.2. Presumption. There is a presumption that, unless the circumstances fit into one of the exceptions in the following paragraphs, the component whose appropriation is paying for an activity's personnel cost is also the component whose appropriation should cover the associated travel and mission costs. This is because where there is a nexus between a component and an activity, there is also a nexus between that activity and the component's appropriations. If a specific activity is a necessary expense of a component, then all costs for that activity are usually necessary expenses of each applicable appropriation of that component - including personnel costs (MILPERS or O&M civilian pay) and operations costs (O&M). This presumption constitutes a general rule. **(T-1)**.

17.4.2.1. Apply the following **Exceptions**: In some cases, more than one appropriation may be available to pay for the costs of an activity. When an activity is a necessary expense of two appropriations and either can be identified as the more specific, unless Congress has explicitly authorized the use of multiple or augmenting appropriations, the agency must elect the appropriation it will use. **(T-1)**. This generally occurs when an activity simultaneously supports both an ARC mission requirement and a Regular AF mission requirement. The distinct but concurrent purposes of such activities, in conjunction with the mutually-exclusive purpose of the potential supporting appropriations, mean that the DAF must elect which appropriation it will use. **(T-1)**. Once an election is made (as below), use of the appropriation selected must be consistent and may not be changed without Congressional notice. **(T-1)**. The following O&M election rules shall apply:

17.4.2.2. ARC Incidental Support of Regular AF. Use Regular AF appropriated funding for all non-personnel costs (travel and operational support costs) for members providing operational support in ADT or FTNGD status (Title 10 or Title 32) as follows:

17.4.2.2.1. Where an ARC member performs in an ADT or FTNGD status (initial Active Duty, annual, seasonal, pipeline, or other training duty) and is funded by a reserve component (ARC MILPERS) but is also simultaneously supporting a Regular AF operational requirement at the request of the Regular AF. **(T-1)**.

17.4.2.2.2. Where a military technician, performing training or engaging in their primary ARC duties to OAIT, including repair of equipment of the armed forces and is funded by the ARC component but is also supporting a Regular AF operational mission at the formal request of the Regular AF. **(T-1)**. Use of ARC O&M appropriations is not authorized except for technician payroll cost. **(T-1)**. This paragraph does not include Individual Mobilized Augmentees. Refer to [paragraph 17.4.2.3](#) for Individual Mobilized Augmentees.

17.4.2.3. TFI TDY Costs.

17.4.2.3.1. ARC Members/Military Technicians in TFI or USAF associated units whose personnel costs are funded from ARC appropriations shall have TDY costs funded based on the purpose of the TDY as follows: **(T-1)**.

17.4.2.3.1.1. If the travel is to fulfill a requirement of the ARC, then the pertinent ARC appropriations shall be used. **(T-1)**.

17.4.2.3.1.2. If the travel has mutual benefit (ARC and RegAF) and representatives from each component will participate, then ARC appropriations shall be used. **(T-1)**.

17.4.2.3.1.3. If the travel has mutual benefit (ARC and RegAF) and the RegAF requests ARC to represent both commands, RegAF O&M appropriations shall be used. **(T-1)**.

17.4.2.3.1.4. If the travel is primarily for RegAF purposes, RegAF DAF O&M appropriations shall be used. **(T-1)**. **NOTE:** This paragraph does not address ARC members on Active Duty funded by the RegAF MILPERS appropriation.

17.4.2.3.2. Alternative use of funding is not authorized. **(T-1)**.

17.4.2.4. RegAF Members in TFI or USAF associated units whose personnel costs are funded from RegAF MILPERS appropriations shall have TDY costs funded based on the purpose of the TDY as follows: **(T-1)**.

17.4.2.4.1. If the travel is to fulfill a requirement of the RegAF, then the pertinent RegAF appropriations shall be used. **(T-1)**.

17.4.2.4.2. If the travel has mutual benefit (RegAF and ARC) and representatives from each component will participate, then RegAF appropriations shall be used. **(T-1)**.

17.4.2.4.3. If the travel has mutual benefit (RegAF and ARC) and the RegAF members will participate on behalf of both the RegAF and ARC, then ARC O&M appropriations shall be used. **(T-1)**.

17.4.2.4.4. If the travel is primarily for ARC purposes, ARC appropriations shall be used. **(T-1)**.

17.4.2.4.5. For guidance on AGRs and Individual Mobilized Augmentees units or serving as liaisons, see [paragraph 17.4.2.3](#) above.

17.4.2.4.6. For the purpose of [paragraph 17.4.2.4](#), ARC members on Title 10 Active Duty orders (funded by the RegAF MILPERS appropriations) shall be considered RegAF. Alternative use of funding is not authorized. (T-1).

17.4.2.5. DAF Exercises. Where ARC members participate in DAF exercises in an ADT or FTNGD status (funded by an ARC MILPERS appropriation) all costs shall be borne out of ARC appropriations. (T-1). Similarly, where a military technician participates in such exercises to meet ARC training requirements or engage in their OAIT or repair functions, all costs shall be borne out of ARC appropriations. (T-1). When ARC members are called to Active Duty by the RegAF (Military Personnel appropriation) to support an exercise, RegAF appropriations shall be used for both MILPERS and O&M costs. (T-1).

17.4.2.6. Compliance. Compliance with the aforementioned mixed funding election rule exceptions is mandatory. Any other "mixing of resources" within or across ARC and active component (RegAF) appropriations is expressly prohibited unless an exception to policy is first obtained from SAF/FMB. In addition, this guidance does not address flying hour scenarios (contact SAF/FMBO).

17.4.3. All components must budget consistent with this guidance; any activities not covered shall follow the general rule (presumption) noted in [paragraph 17.4.2](#) above. (T-1).

17.5. Not Chargeable to or Reimbursable from the O&M, ANG appropriation (57*3840). Provide the following to the ANG without charge:

17.5.1. Hospitalization in DAF medical facilities for ANG personnel entitled to hospitalization according to *AFMAN 41-210*. (T-1).

17.5.2. Aircraft, aircraft engines, and initial base stock level of aircraft spares, spare parts, and supplies related to transferring those aircraft to the ANG inventory, or for other investment property procured with DAF major procurement appropriations. Items from the CSAG – Supply (DWCF) are transferred as an intra-stock fund transfer to the supply account, if capitalized. If not capitalized, reimbursement is necessary. (T-1).

17.5.3. Maintaining and operating facilities at RegAF installations, which are used jointly and operated for DAF flying activities. These facilities include runways, taxiways, aprons, control towers, crash, protective equipment, structural firefighting, and general internal security services if they do not exceed those provided by the host for its own use. (T-1).

17.5.4. Weather and flight clearance services, or aeronautical charts furnished to transient ANG flight crews when required for continuation of flight. (T-1).

17.5.5. Replacement parts issued for transient ANG aircraft from DAF base stocks, when required for continuation of flight. If less than \$20,000, the servicing base will order the DLR part. (T-3). The AFMC CAM office will pay for parts if the servicing base is DAF O&M funded, otherwise the servicing base pays for the DLR. (T-1). If more than \$20,000, the transient aircraft's home station pays for the part.

17.5.6. Permanent-Safety modifications of aircraft, components, or equipment, including installation costs. (T-1).

17.5.7. Intermediate and organizational maintenance on transient ANG aircraft. Conversely, if organized to do so, ANG activities perform intermediate and organizational maintenance on transient DAF aircraft on a non-reimbursable basis. **(T-1)**.

17.5.8. Locally procured investment equipment required for the ANG. **(T-1)**.

17.5.9. Communications facilities (USAF military flight service network) are made available to transient DAF flight crews. Long distance telephone calls or telegrams that involve a toll charge are made on a collect basis or paid for by the ANG personnel concerned. **(T-1)**.

17.5.10. Billeting and messing facilities are made available to transient ANG flight crews and passengers in the same manner as for other transient military personnel. Such facilities are furnished on a cash sale basis. **(T-1)**.

17.5.11. Meteorological equipment maintenance support furnished to ANG weather flights. **(T-1)**.

17.5.12. Other RegAF support as authorized by the SecAF.

17.6. Basis for Reimbursing for Depot Maintenance. This paragraph explains how the ANG reimburses the DAF for depot maintenance support.

17.6.1. The ANG O&M appropriation (57*3840) reimburses the Consolidated Sustainment Activity Group - Maintenance (CSAG-M) Division of the DWCF for depot-level support in these areas:

17.6.1.1. Aircraft maintenance. **(T-1)**.

17.6.1.2. Engine overhaul. **(T-1)**.

17.6.1.3. Other major end items repair. **(T-1)**.

17.6.1.4. Area support. **(T-1)**.

17.6.1.5. Service engineering. **(T-1)**.

17.6.2. Accomplish reimbursement for the items shown above as follows:

17.6.2.1. Aircraft maintenance, other major end item repair (except generators) and area support are funded by direct cite. Therefore, ANG issues funds by responsibility center/cost center, PEC, EEIC, and program control number to the ANG Readiness Center, Accounting and Disbursing Station Number 415300, Stop 18, Joint Base Andrews. ANG Readiness Center, in turn, issues AF Forms 185, *Project Order* (PO), to the Air Logistic Complexes, who then sign and return them to ANG Readiness Center. These signed POs obligate ANG funds. The ANG Readiness Center then disburses the direct cite funds upon receipt of the SF 1080 billings, providing sufficient funds have been obligated by responsibility center/cost center or program control number. For backup information, when work is ordered through the Air Logistic Complex, ANG funds are reflected by the AFMC on AFMC Form 181, *Project Order*. The Air Logistic Complex will forward information copies of these forms (annotated by program control number) to ANG Readiness Center as evidence of actions taken toward accomplishing the work orders. **(T-1)**.

17.6.2.2. The ANG reimburses the DWCF for engine overhaul, generators, exchangeable repairs, and service engineering. Therefore, the ANG issues funds directly to the Air Logistic Complex using an ANG assigned Operating Agency Code/OBAN number. Specific instructions for each area follow:

17.6.2.2.1. Engine Overhaul. On a monthly basis, the Oklahoma City Air Logistics Complex/ACFSA furnishes their engine managers the reimbursable customer engine input report that provides quantities (by type/model/series) of the engines scheduled into work, by customer. The Oklahoma City Air Logistic Complex /ACFSA will charge monthly for the standard reimbursable unit cost for each engine input, against funding received from the ANG. **(T-1)**. This standard cost is composed of the current DWCF engine unit sales price, plus the repair cost of its related exchange material.

17.6.2.2.2. Generators. The annual requirement, as estimated by AFMC, is made available at the beginning of the FY. Accept bills as work is performed. **(T-1)**.

17.6.2.2.3. Sustaining Engineering. The ANG budgets for its pro-rata share of the total sustaining engineering cost based on data provided by HQ AFMC; HQ AFMC identifies to the Air Logistic Complex reimbursable line items and planning costs for the ANG, at the beginning of the FY, based on the estimated annual requirement. The ANG issues funding directly for all Sustaining Engineering costs. **(T-1)**.

17.6.2.2.4. The Air Directorate, NGB, prepares, submits and justifies budget estimates for the aforementioned requirements to the Office of the Secretary of Defense and Office of Management and Budget. **(T-1)**.

17.7. Supporting ANG Conversions. The active USAF gaining command will fund TDY costs for USAF augmentees supporting ANG conversions (i.e., support to those ANG wings changing mission, aircraft, etc.). **(T-1)**.

Chapter 18

SECURITY COOPERATION (SC) AND SECURITY ASSISTANCE (SA) PROGRAM

18.1. Overview. SC comprises all activities undertaken by the DoD to encourage and enable international partners to work with the US to achieve strategic objectives. It includes all DoD security interests, and develops allied and friendly military capabilities for self-defense and multinational operations interactions with foreign defense and security establishments. All DoD-administered SA programs that build defense and security relationships, promote specific US, and provide US forces with peacetime and contingency access to host nations are included.

18.1.1. SC Programs. SC program authorizations and appropriations are provided to OSD primarily under the annual National Defense Authorization Act. They are provided by statute, and they sometimes are required to be exercised in coordination with the DoS. These programs vary greatly in terms of the agency or DoD activity responsible, and the manner in which they are planned for and funded. See the Defense Security Cooperation Agency Manual 5105.38-M, *Security Assistance Management Manual*, for more detailed information.

18.1.2. SA Programs. SA is a group of programs authorized by Title 22 United States Code, *Foreign Relations and Intercourse*, or other legal authorities under which the US provides defense articles, military training, and other defense-related services by grant, loan, credit, cash sales, or lease, in furtherance of national policies and objectives. All SA programs are subject to the continuous supervision and general direction of the DoS to best serve US foreign policy interests; however, programs are variously administered by DoD or DoS.

18.1.3. DoD SA Programs. SA programs that are administered by DoD are a subset of SC. DoD administers seven major SA programs, which are: FMS; Foreign MILCON Services; Foreign Military Financing Program; Leases; Military Assistance Program; International Military Education and Training; and Drawdowns.

18.2. FMS Trust Fund. All levels of command involved with FMS funds must comply with the terms of *DoD 7000.14-R*, Volume 14. **(T-0)**. Funds available to agencies are considered appropriated if made available for collection and expenditure pursuant to specific statutory authority, regardless of their source; this includes the FMS Trust Fund. **(T-0)**.

18.2.1. Potential Types of Violations. Potential violations may occur in FMS Trust Fund transactions when: (1) issuing obligation authority or awarding an FMS contract without a signed/implemented Letter Of Offer and Acceptance Agreement; or (2) obligating or expending FMS case funds for an unauthorized purpose, including purposes not provided for by law. Other violations may occur related to apportionments or indemnity clauses. See *DoD 7000.14-R*, Volume 14, for additional information.

18.2.2. See *DoD 7000.14-R*, Volume 15, for additional financial policy guidance.

18.2.3. See DSCA Manual 5105.38-M, *Security Assistance Management Manual*, for additional financial policy guidance.

18.2.4. See AFI 65-607, *Foreign Military Sales Specialized/Dedicated Training Program*, for financial policy guidance on specialized/dedicated training programs.

18.2.5. Contact SAF/FMB, Policy and Fiscal Control (SAF/FMB P&FC) for financial policy questions on SC and SA.

18.2.6. Contact SAF/FMB, Budget Operations (SAF/FMBOO) for financial execution questions on the FMS Trust Fund and Foreign Military Financing funds.

18.2.7. Contact AFMC/FM for financial oversight of major DAF Multinational/NATO cooperative programs including the NATO Airborne Early Warning and Control System, Multinational Fighter Program, and NATO Alliance Ground Surveillance Programs.

18.2.8. Contact AETC/International Affairs for oversight of FMS Tuition Pricing, and Specialized/Dedicated Training Program Compliance.

18.2.9. Contact AF Security Assistance and Training Squadron/Financial Management (AFSAT/FM) for tuition pricing guidance for FMS and AF Specialized/Dedicated Training, and International Military Education and Training funds.

18.2.10. Contact AFSAT/FM AETC/FM for oversight of the Euro-NATO Joint Jet Pilot Training Program.

18.2.11. Contact AFSAC/FM and DAF Life Cycle Management Center/Financial Management (DAFLCMC/FM) for financial guidance concerning FMS Direct Cases.

Chapter 19

DEFENSE WORKING CAPITAL FUND

19.1. Overview. The DWCF was established to satisfy DoD requirements using a buyer-and-seller approach. Unlike profit-oriented commercial businesses, the DWCF goal is to break even over the long term. The basic principle of the DWCF structure is to create a customer-provider relationship between military operating units and support organizations. This relationship is designed to make managers of support organizations funded through DWCF and decision-makers at all levels more cost conscious. Requiring the operating forces to pay for support they receive provides increased assurance that services supplied and paid for are actually needed. See *DoD 7000.14-R*, Volume 2B, Chapter 9 for in depth guidance on WCF. The DWCF was created to execute DoD requirements using buyer-seller principles, building on revolving fund principles previously used for industrial and commercial-type activities. The DWCF goal is to break even over time as military operating units pay for the support they receive. See *DoD 7000.14-R*, Volume 2B, Chapter 9 for in depth guidance on WCF.

19.1.1. General Concepts. DAF manages its component piece of the DWCF, the AFWCF under Treasury Code (97*4930.003). Customers establish requirements and are charged through the rate structure for the cost of industrial and commercial-type services, and products provided. Providers, in turn, produce quality goods and services which satisfy customer requirements at the lowest cost.

19.1.2. Support organizations incur costs based on customer orders. Unit cost goals and customer prices are set for DWCF activities for the budget year, ensuring resources are available to finance all related costs.

19.2. AFWCF. The AFWCF consists of an Operating Budget and a Capital Budget.

19.2.1. Operating Budget. The Operating Budget consists of the CSAG, the Supply Management Activity Group-Retail, and the Transportation WCF. This budget includes annual operating costs, including depreciation and amortization expenses. In order to minimize costs within activity groups, all goods and services should be purchased, whenever possible, from the source providing them at least cost, unless there are other considerations which may prohibit that approach.

19.2.2. Capital Budget. The Capital Budget, also known as the Capital Investment Program (CIP), justifies the purchase of capital assets that equal or exceed capitalization thresholds, and have a useful life of two or more years. Separately identify budgetary resources for capital investments in an approved capital budget and amortize or depreciate their costs over a predetermined period. Capital assets include such items as equipment, minor construction, and management information systems. The capital asset threshold amount equal to or greater than \$250,000 pertains to: 1) an UMC or UMMC project (per 10 USC § 2805 and 10 United States Code Section 2208(u)); 2) ADPE or software; 3) any other equipment; and 4) any other capital type improvement. **(T-1)**. See *DoD 7000.14-R*, Volume 2B, Chapter 9, CIP policy for additional details or contact SAF/FMBOR for further guidance.

19.2.2.1. The acquisition of a capital asset must satisfy the numerous criteria for justification and backup documentation purposes; see *DoD 7000.14-R*, Volume 2B, Chapter 9, for detailed guidance or contact SAF/FMBOR for additional assistance. **(T-1)**.

19.2.2.2. Depreciation - all capital assets owned by the AFWCF (in excess of the \$250,000 capitalization threshold, and having an expected life of two years or more than two years) will be depreciated and included within stabilized rates and prices billed to customers; this includes assets acquired through the CIP, Asset Capitalization Program (establishes a threshold for determining whether assets are expensed or capitalized) and donated assets (e.g., items provided as support equipment in conjunction with weapon system acquisition or modifications). (T-1).

19.2.2.2.1. AFMC will use the straight-line method for calculating and accumulating budgeted depreciation; straight-line is calculated by dividing the amount to be recouped by the useful life of the asset, based on established depreciation schedules. Reference *DoD 7000.14-R*, Volume 2B, Chapter 9, for general guidance. (T-1). Reference *DoD 7000.14-R*, Volume 4, Chapter 26, for Plant, Property, and Equipment recovery periods.

19.2.2.2.2. For projects installed and operational after 1 October of a given FY, AFMC will depreciate software development and modernization costs beginning the month in which the project is installed and operational, even though it may not be used in operations for that month; activities will depreciate any incremental deliveries of these projects if the cost of the delivery equals or exceeds \$250,000. (T-1).

19.2.2.3. AFWCF activities derive resources needed for new capital assets mainly from depreciating DWCF assets. Subject to SAF/FMBOR review and OUSD (C) approval a capital-purchase surcharge may be included to pay for whatever depreciation does not cover. (T-1). Contact SAF/FMBOR for additional guidance.

19.2.2.4. Full funding rules apply to orders to or from a DWCF activity. (T-1). AFMC must fully fund an order placed with a central design activity regardless of whether accomplished in-house or by contract; the funded order must reflect the total cost of the improvement and will not be incrementally funded over a number of years. (T-1).

19.2.2.5. Capital improvements to real property assets must be capitalized when: (1) the improvement increases the asset's useful life by two or more years, or increases its capacity or size, and (2) the cost of the improvement equals or exceeds the capitalization threshold. (T-1). If capital improvements do not meet these two criteria, they should be expensed. Improvements to real property greater than, or equal to, \$250,000 will be capitalized. Improvements to Real Property are funded by either the operating or capital budget depending upon classification of the work and amount. (T-1). Contact SAF/FMBOR for further guidance.

19.2.2.6. AFMC will not use the capital budget to establish a new (or to expand) organic capability except as approved by SAF/FMBOR (and included within) a capital budget. (T-1).

19.3. Budget Execution Guidance - Complying With Budget Authority Documents.

19.3.1. Unit Cost Goals. The OUSD (C) uses unit cost resourcing for DWCF fund financial management, including cost measurement, control, and funding allocations.

19.3.2. OUSD (C), DAF, and AFMC issue Annual Operating Budget documents to support unit cost goals, based on approved operating and capital budgets.

19.3.2.1. Some business areas, such as supply operations, are authorized to incur costs while anticipating customer orders; other business area costs (such as depot maintenance) are authorized only after receiving a customer order.

19.3.2.2. DAF and AFMC may issue activity goals that vary from the total goal for an activity group, without exceeding the sum of activity goals (i.e., total contract authority). **(T-1)**.

19.3.2.3. DAF Commands will not exceed the total capital cost limitation in their Annual Operating Budget Document, per 31 USC § 1517. **(T-0)**.

19.4. Budget Execution Guidance - Reprogramming and Transfers.

19.4.1. Operating Budget – DAF activities may reprogram within business areas as long as the actions do not exceed overall contract authority authorized in the OUSD (C) Annual Operating Budget. **(T-0)**. Contact SAF/FMBOR for additional guidance.

19.4.2. Capital Budget – DAF activities may reprogram capital funds between DWCF activities, categories or projects within a DWCF activity; reference *DoD 7000.14-R*, Volume 2B, Chapter 9, for detailed reprogramming and transfer instructions, including exceptions, approval levels and dollar thresholds. **(T-1)**. Contact SAF/FMBOR for additional guidance.

19.5. Budget Preparation Guidance – General Instructions. All activity groups must set operating and capital prices to recover the full cost of goods and services (plus the total cost of production and changes in customer workload) which includes all direct costs, indirect costs, and General and Administrative support provided by others. **(T-1)**. These costs will be included in the operating budget, reviewed and approved and remain fixed through the year of execution (reference *DoD 7000.14-R*, Volume 11B, Chapter 15, for a list of prior approval exceptions for supply). **(T-0)**. AFMC, the USAFA, and the Medical Dental Division will:

19.5.1. Evaluate actual costs against revenue generated by workload at established prices; this includes careful examination of all projected operational costs and proposing the least expensive operations method possible. In addition, AFMC will project customer requirements based on identified outputs, and in conformance with OUSD and OMB guidance regarding inflation, pay adjustments, and other programmatic and policy changes as appropriate. **(T-1)**.

19.5.2. Evaluate positive and negative Accumulated Operating Results. **(T-1)**.

19.5.3. Ensure imputed (unfunded) costs (e.g., kits in the – Maintenance Division (CSAG-M)) are tracked but are not included in DAF rates. **(T-1)**.

19.5.4. Ensure FMS customers are billed imputed costs (e.g., unfunded civilian retirement) per *DoD 7000.14-R*, Volume 15. **(T-1)**.

19.5.5. Ensure non-DAF customers are billed per *DoD 7000.14-R*, Volume 11A. **(T-1)**.

19.5.6. Activity groups will set prices for the budget year to break even over the long run at the activity level, achieving an Accumulated Operating Result of zero. **(T-1)**. During execution of the budget, activities will incur either a positive or negative Net Operating Result, which will require increasing or decreasing prices in the upcoming budget year, as appropriate. Activity group prices will match rate changes approved by the OUSD (C) during the fall budget review process. **(T-1)**.

19.5.6.1. During the budget review process, OUSD (C) reviews and approves the Services proposed stabilized rates to fully recover costs in all business areas during the upcoming FY. This process includes the issuance of program budget decisions, reconciliation of customer account funding levels, and necessary adjustments to bring the Accumulated Operating Result to zero. NOTE: Rules for pricing and operating results may be waived (reference *DoD 7000.14-R*, Volume 2B, Chapter 9). (T-1).

19.5.6.2. Contact SAF/FMBOR for additional guidance.

19.5.7. Supply Management. AFMC will use commodity costs with a surcharge, as applicable, to establish customer rates. (T-1). (See *DoD 7000.14-R*, Volume 2B, Chapter 9, and Volume 11B, Chapter 15).

19.5.8. Non-Supply Management. AFMC will use unit cost rates based on identified outputs, such as direct labor hours by product, line items received, and tons shipped, etc. to establish customer rates. (T-1). Commands will be charged the annual stabilized rate for all new CSAG-M customer orders received and accepted during that specific FY, regardless of when the work is done and billed. (T-1). For planned work, CSAG-M establishes fixed prices based on the stabilized rate times standard hours; for unprogrammed work, prices are based on stabilized rates times actual direct hours. (T-1).

19.6. Budget Preparation Guidance – Special Instructions.

19.6.1. Civilian Personnel Costs. Activities will include compensation and benefits for civilians assigned to a DWCF activity; include cost elements such as Voluntary Early Retirement Authority and reduction in force as well as costs to offset short-term buyouts. (T-1). For operating budget costs in the General and Administrative category, only civilian personnel carried (and paid for) by the DWCF activity should be reflected in personnel full-time equivalent and end strength numbers. This includes personnel paid from the activity payroll, but not General and Administrative personnel providing base operations support to the activity unless carried in the end strength of the DWCF activity. (T-1).

19.6.1.1. See *DoD 7000.14-R*, Volume 2B, Chapter 9, for additional information, or contact SAF/FMBOR for further guidance.

19.6.1.2. Incentive Program for Voluntary Separation of Civilians. Activities will finance/include in stabilized rates the cost of incentives for assigned civilian employees to separate unless offered as a result of a directed BRAC action, in which case separation incentives will be paid from the applicable BRAC Account. (T-1).

19.6.2. MILPERS Costs. Activities will reimburse the appropriate MILPERS appropriation for military positions assigned to the DWCF; amounts expensed by DWCF activities for MILPERS, and the amount reimbursed, will equal the amount budgeted for. (T-1). See *DoD 7000.14-R*, Volume 2B, Chapter 9, for additional information, or contact SAF/FMBOR for further guidance.

19.6.2.1. DWCF cost of operations will not be adjusted to reflect actual costs of MILPERS employed by DWCF activities. (T-1).

19.6.2.2. Civilian-equivalent rates provided by OUSD (C) will be used to price military labor for DWCF activities. (T-1).

19.6.2.3. DWCF activities augmenting manpower with ANG or AFR personnel (including those participating in the Personnel Force Innovation program) will reimburse the appropriate MILPERS appropriation at DWCF civilian-equivalency rates. **(T-1)**.

19.6.3. TDY/PCS Travel and Transportation Costs. Activities will finance the cost of civilian and military TDY for personnel assigned to the DWCF. **(T-1)**. The gaining DWCF business area may pay for PCS except in the case of a reduction in force, transfer of function, movement under DoD Priority Placement Program, or transfer from an Activity OCONUS to DWCF Activity in CONUS. **(T-1)**. See *JTR*, Chapter 5, Transportation for civilian employees, their dependents, and HHG. DWCF activities affected by a BRAC decision involving PCS moves may temporarily charge the DWCF for recruiting, hiring, and PCS costs of civilian personnel, provided the DWCF is reimbursed with BRAC (or O&M funds) by the end of the FY in which the costs are incurred. **(T-1)**.

19.6.4. Transportation Costs. Activities will finance within the DWCF first FDT and SDT costs associated with DWCF property. **(T-1)**. Follow [Table 19.1](#) through [Table 19.3](#)

19.6.5. Materiel and Supply Costs. Activities will include costs of expense materiel consumed in performance of a DWCF activity's mission, including in-house and government furnished materiel issued to contractors. **(T-1)**. Charge the DWCF operating account for expense materiel (i.e., non-procurement funded) including inventory adjustments, price revisions, and non-creditable returns. **(T-1)**.

19.6.6. Tool and Equipment Costs. Activities will ensure the costs of tools and equipment associated with organic depot maintenance, and having a unit value less than \$250,000 are charged and expensed to the DWCF regardless of life expectancy. **(T-1)**. When the unit cost of tools and equipment is \$250,000 or more, and useful life is two years or more than two years, activities will ensure the DWCF pays for, capitalizes, and depreciates the items. **(T-1)**.

19.6.7. Contractual Service Costs. Activities will include the cost of in-house workload performed under contract to accomplish DWCF mission projects, and any other services procured on a reimbursable basis from other government agencies; this includes general and administrative costs, equipment rental, utilities, training, printing and reproduction, custodial, and other contractual services a DWCF activity may require. **(T-1)**. In cases where CSAG-M facilities cannot accept workload in-house, a commercial contract may be utilized instead; the cost of this commercial work will be directly cited to customer funds listed on contract documentation, and not charged to the CSAG-M account. **(T-1)**.

19.6.8. Type 1 Factory Training Costs. Factory training course costs for initial cadre training are considered investment costs and should be budgeted and funded in the investment appropriation and the specific program used to procure the development, acquisition, or modification of the related end item. TDY travel costs of military or civilian personnel attending factory training courses are funded in the O&M appropriations. Factory training courses acquired for end items no longer in production are to be funded in the O&M appropriations. Activities will budget and fund initial factory training course costs from the Investment account (APF) that finances the related equipment or system; TDY costs for personnel attending this type of training will be funded within the O&M appropriation by the command to which the personnel are assigned. **(T-1)**.

19.6.9. Base Support Costs. DWCF activities must reimburse host activities for base support, in accordance with *DoDI 4000.19* to the extent the specified support to the DWCF activity increases the host activity's direct costs. **(T-0)**. Other support, incidental to a DWCF activity's primary mission or purpose, shall be budgeted for based on direct costs measurable and directly attributable to the DWCF activity; only incremental direct costs attributable to the DWCF activity shall be charged to the DWCF activity. Overhead costs are not included as a cost to the DWCF activity. **(T-1)**.

19.6.9.1. Costs for DWCF mission products and services shall be budgeted for based on the approved, stabilized rate; other support, incidental to a DWCF activity's primary mission or purpose, shall be budgeted for based on direct costs measurable and directly attributable to the DWCF activity; only incremental direct costs attributable to the DWCF activity shall be charged to the DWCF activity. **(T-1)**.

19.6.9.2. Overhead costs (such as supervisory position costs of reimbursable positions) are not included as a cost to the DWCF activity. **(T-1)**.

19.7. Excluding Costs from the DWCF Budget.

19.7.1. Mobilization, Surge, Capacity, and Mission Critical Costs. Direct appropriations must be used to reimburse all DWCF costs related to maintaining capacity to meet mobilization requirements; these costs will be excluded from the DWCF rate structure. **(T-1)**. Mobilization costs are elements of business area costs, and must be fully justified within WCF budget estimates. **(T-1)**.

19.7.1.1. Unutilized capacity associated with the ability to satisfy a projected surge capability is considered a mobilization requirement eligible for separate appropriation funding if it is utilized only 20 percent or less of available workdays in a month. The DWCF rates must not include the cost of unutilized capacity. **(T-1)**. Instead, the host activity will budget direct APF support (labor, materials, contractual support, and overhead) for the unutilized capacity and will reimburse the DWCF activity for costs incurred in the DWCF. **(T-1)**. Direct appropriations also support equipment utilized at 20 percent or less of capacity, with a requirement to support surge and/or replenishment; these are not considered excess capacity, rather necessary for supporting core industrial maintenance requirements. **(T-1)**.

19.7.1.2. Prices of DWCF outputs should reflect peacetime operating costs only. Charges for goods and services provided through a working capital fund may not include amounts necessary to recover the costs of functions designated by OSD as mission critical, such as ammunition handling safety, and amounts for ancillary tasks not directly related to the mission of the function or activity managed through the fund. See 10 USC § 2208.

19.7.2. WRM Costs. The initial procurement of WRM is financed from a direct appropriation to the fund (not through customer rates). Since supply management businesses manage WRM they must be described and justified in DWCF budget estimates using the SM-6 exhibit. **(T-1)**. See *DoD 7000.14-R*, Volume 2B, Chapter 9.

19.7.3. MILCON Project Costs. Charges for goods and services provided through the DWCF may not include amounts necessary to recover the costs of a MILCON project (as defined in 10 USC § 2801(b)) other than for a minor construction project financed by the DWCF pursuant to 10 USC § 2805(c). DWCF may also be used to fund an unspecified minor military construction project under 10 USC § 2805 for the revitalization and recapitalization of a defense industrial base facility (i.e., any Department of Defense depot, arsenal, shipyard, or plant located within the United States) owned by the United States and under the jurisdiction of the Secretary of the Department of the Air Force. The dollar limitation specified in 10 USC § 2805(a)(2), subject to adjustment as provided in subsection (f) of such section, shall apply to such defense industrial base facility revitalization and recapitalization projects rather than the dollar limitation specified in 10 USC § 2805(c). **(T-0)**. The authority to use DWCF for defense industrial base facility revitalization and recapitalization projects expires on September 30, 2023. **(T-0)**.

19.7.4. Other Costs. Do not use the DWCF for plant closing, layaway and preservation, or redistribution of residual inventories (packing, crating, handling, and transportation). In addition, do not use the DWCF for O&M costs of facilities and equipment in standby mode or pending disposition (unless the DWCF may be using those items on an intermittent basis). **(T-1)**.

19.7.5. BRAC Costs. Use the appropriate BRAC account to pay for costs of implementing BRAC Commission recommendations; do not include BRAC in DWCF rates or costs. DWCF activities may incur BRAC expenses prior to receiving an allocation of BRAC funding, however, all costs properly charged to the BRAC account must be reimbursed with BRAC funds. **(T-1)**. Reference *DoD 7000.14-R*, Volume 2B Chapter 9, sub-paragraph I for additional details, or contact SAF/FMBOR for guidance.

19.8. Revenue Recognition. Revenue must be recognized in the same manner for all activities within a DWCF activity, except non-supply DWCF activities must use the Percentage of Completion Method; the amount of revenue recognized cannot exceed the amount specified in the order. **(T-1)**. Revenue recognition procedures must include gain and loss recognition in the same period so activity managers can evaluate the organization performance. **(T-1)**. See *DoD 7000.14-R*, Volume 2B, Chapter 9.

Table 19.1. *Budgeting And Funding For CSAG-S Supply Transportation Charges, Excluding Bulk Fuels.

NOTE: Over-ocean via AMC/MSC includes outbound and inbound CONUS and inter- or intra- the water moves. *Cite DWCF CSAG-S funds when shipping CSAG-S property.			
R U L E	A	B	C
	If item is	and item movement is	then
1A	Produced in Continental United States	to Continental United States base	(1) DWCF*FDT pays to first point of use or storage.
1B		to overseas base	(2) DWCF*FDT pays to aerial or water port in Continental United States. (3) DWCF*SDT pays Continental United States port handling services provided by SDDC, over-ocean transportation (including National Military Command System (NMCS)// 999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, and overseas port handling.
			(4) The overseas receiving MAJCOM pays for overseas inland transportation from operating funds.
2A	Produced overseas	to overseas bases	(1) DWCF*FDT pays overseas inland transportation.
2B		to Continental United States base/depot or other overseas base requiring over-ocean transportation	(2) DWCF*FDT pays overseas inland transportation.

NOTE: Over-ocean via AMC/MSC includes outbound and inbound CONUS and inter- or intra- the water moves. *Cite DWCF CSAG-S funds when shipping CSAG-S property.			
R U L E	A	B	C
	If item is	and item movement is	then
			(3) DWCF*SDT pays overseas port handling, over-ocean transportation (including NAMCO/999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling services provided by SDDC, and Continental United States inland transportation.
3A	Depot shipment DLA	to other depots and Continental United States bases	(1) Shipping depot pays transportation.
3B		to all overseas bases	(2) Depot pays to aerial or water port in Continental United States, Continental United States port handling services provided by SDDC, over ocean transportation (including NMCS /999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, and overseas port handling.
			(3) The overseas receiving MAJCOM pays overseas inland transportation from operating funds.

NOTE: Over-ocean via AMC/MSC includes outbound and inbound CONUS and inter- or intra- the water moves. *Cite DWCF CSAG-S funds when shipping CSAG-S property.			
R U L E	A	B	C
	If item is	and item movement is	then
4A	Return of Repairables to Depot/Contractor Facility in Continental United States	from Continental United States base	(1) DWCF*SDT pays Continental United States transportation.
4B		from overseas base	(2) The overseas MAJCOM operating funds pay overseas inland transportation.
			(3) DWCF*SDT pays overseas port handling, over-ocean transportation (including NMCS //999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/- MSC, Continental United States port handling, and Continental United States inland transportation.
5A	Return of Repairables to Contractor Facility overseas	from Continental United States base	(1) DWCF*SDT pays Continental United States inland, Continental United States port handling, over ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement port handling.

NOTE: Over-ocean via AMC/MSC includes outbound and inbound CONUS and inter- or intra- the water moves. *Cite DWCF CSAG-S funds when shipping CSAG-S property.			
R U L E	A	B	C
	If item is	and item movement is	then
			(2) Overseas MAJCOM operating funds pay overseas inland transportation.
5B		from overseas base	(3) Overseas MAJCOM operating funds pay overseas inland transportation.
6A	Repaired CSAG-S Division Asset from Contractor Facility Worldwide	Worldwide	(1) DWCF*SDT pays Continental United States inland transportation, Continental United States port handling, over-ocean transportation (including NAMCO/999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, and overseas port handling. (2) DLA Receiving MAJCOM pays overseas inland transportation.

<p>NOTE: Over-ocean via AMC/MSC includes outbound and inbound CONUS and inter- or intra- the water moves. *Cite DWCF CSAG-S funds when shipping CSAG-S property.</p>			
<p>R U L E</p>	A	B	C
	If item is	and item movement is	then
<p>7A</p>	<p>Redistribution Order, DWCF * Item Manager. directed (DWCF * Item Manager)</p>	<p>from Continental United States base</p>	<p>(1) DWCF*SDT pays Continental United States inland transportation, Continental United States port handling, over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, and overseas port handling.</p>
			<p>(2) Overseas MAJCOM operating funds pay overseas inland transportation</p>
<p>7B</p>		<p>from overseas base</p>	<p>(3) DWCF*SDT pays overseas port handling, over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.</p>
<p>8A</p>	<p>Lateral Support, non-DWCF * Item Manager directed</p>	<p>from Continental United States base</p>	<p>(1) Shipping activity pays Continental United States inland transportation.</p>

NOTE: Over-ocean via AMC/MSC includes outbound and inbound CONUS and inter- or intra- the water moves. *Cite DWCF CSAG-S funds when shipping CSAG-S property.			
R U L E	A	B	C
	If item is	and item movement is	then
8B	Lateral Support, non-DWCF * Item Manager directed	from overseas base	(3) Overseas MAJCOM operating funds pay overseas inland transportation and overseas port handling. (4) AFMC SDT pays over ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.
9A	Returned excesses, creditable or non-creditable	from Continental United States base	(1) DWCF*SDT pays transportation.
9B		from overseas base	(2) Shipping MAJCOM operating funds pay overseas inland transportation.

NOTE: Over-ocean via AMC/MSC includes outbound and inbound CONUS and inter- or intra- the water moves. *Cite DWCF CSAG-S funds when shipping CSAG-S property.			
R U L E	A	B	C
	If item is	and item movement is	then
			(3) DWCF*SDT pays overseas port handling, over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.
10A	Shipment in error	Worldwide	<p>(1) DWCF*SDT pays overseas port handling, over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.</p> <p>(2) Shipping MAJCOM operation funds pay overseas inland transportation.</p>

NOTE: Over-ocean via AMC/MSC includes outbound and inbound CONUS and inter- or intra- the water moves. *Cite DWCF CSAG-S funds when shipping CSAG-S property.			
R U L E	A	B	C
	If item is	and item movement is	then
11A	Lateral Support, DWCF and non-DWCF, other than Item Manager-directed	Worldwide	(1) Activity requesting lateral support item pays Continental United States inland transportation.
12A	Repair Network Integration repairable asset	to a Continental United States Centralized Repair Facility	(1) AFMC SDT pays over ocean transportation (including NMCS//999 commercial express shipments to Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.
			(2) Overseas MAJCOM operating funds pay overseas inland transportation.
		from a Centralized Repair Facility to a Continental United States base	(3) AFMC SDT pays over ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.

NOTE: Over-ocean via AMC/MSC includes outbound and inbound CONUS and inter- or intra- the water moves. *Cite DWCF CSAG-S funds when shipping CSAG-S property.			
R U L E	A	B	C
	If item is	and item movement is	then
12B	Repair Network Integration serviceable asset	from a Centralized Repair Facility to a Continental United States base	(4) AFMC SDT pays over ocean transportation (including NMCS//999 commercial express shipments to Continental United States /overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.
		from a Centralized Repair Facility to an Outside Continental United States base	(5) AFMC SDT pays over ocean transportation (including NMCS/999 commercial express shipments to Continental United States /overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation

Table 19.2. *Budgeting and Funding for General Support Division Transportation Charges, Excluding Fuels.

R U L E	A	B	C
	If item is	and item movement is	Then
1A	Procured in Continental United States from GSA	to Continental United States base	(1) GSA pays Continental United States inland transportation.
1B		to overseas bases	<p>(2) GSA pays Continental United States inland transportation to aerial or water port.</p> <p>(3) DWCF General Support Division (GSD) SDT pays Continental United States port handling services provided by SDDC, over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, and overseas port handling.</p> <p>(4) DLA Overseas receiving MAJCOM/AFIMSC pays for overseas inland transportation from operating funds.</p>
2A	Procured in Continental United States from DLA or Other Services Supply Management business activities (Other Services Stock Fund)	to Continental United States base	(1) DLA or Other Services Stock Fund (OSSF) pays Continental United States inland transportation.

RULE	A	B	C
	If item is	and item movement is	Then
2B		to overseas base	<p>(2) DLA or OSSF SDT pays Continental United States inland transportation, Continental United States port handling services provided by SDDC, over ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, and overseas port handling.</p> <p>(3) The overseas receiving MAJCOM pays for overseas inland transportation from operating funds.</p>
3A	Local Purchase within Continental United States	to Continental United States base	(1) Continental United States MAJCOM/base operating funds pay Continental United States inland transportation.
3B		to overseas base	<p>(2) DLA receiving overseas MAJCOM operating funds pay Continental United States commercial inland (GBL/Commercial Bill of Lading (CBL)) transportation.</p> <p>(3) DWCF GSD SDT pays Continental United States port handling services provided by SDDC, over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, and overseas port handling.</p>

R U L E	A	B	C
	If item is	and item movement is	Then
			(4) The DLA overseas receiving MAJCOM pays overseas inland transportation from operating funds.
4A	Redistribution Order, DWCF Item Manager directed	from Continental United States base	(1) DWCF GSD SDT pays Continental United States inland transportation, Continental United States port handling, over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, and overseas port handling.
			(2) Overseas MAJCOM operating funds pay overseas inland transportation.
4B		from overseas base	(3) Overseas MAJCOM operating funds pay overseas inland transportation.
			(4) DWCF GSD SDT pays overseas port handling, over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.
5A	Lateral Support, non-DWCF Item Managed directed	from Continental United States base	(1) AFMC SDT pays Continental United States inland transportation.

R U L E	A	B	C
	If item is	and item movement is	Then
			(2) AFMC SDT pays Continental United States port handling and over- ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC.
5B		from overseas base	(3) Overseas MAJCOM operating funds pay overseas inland transportation and overseas port handling.
			(4) AFMC SDT pays over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.
6A	Returned excesses, credit able or non-creditable	from Continental United States base	(1) DWCF GSD pays Continental United States commercial inland (GBL/CBL) transportation.
6B		from overseas base	(2) Shipping MAJCOM operating funds pay overseas inland transportation.

R U L E	A	B	C
	If item is	and item movement is	Then
			(3) DWCF GSD SDT pays overseas port handling, over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.
7	Shipment in error	Worldwide	(1) DWCF GSD SDT pays overseas port handling, over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation. (2) Shipping MAJCOM operating funds pay overseas inland transportation.
8	Lateral support, DWCF or non-DWCF, other than Item Manager-directed	Worldwide	(1) Activity requesting lateral support item pays Continental United States inland transportation.

RULE	A	B	C
	If item is	and item movement is	Then
9A	Repair Network Integration repairable asset	to a Continental United States Centralized Repair Facility	(1) AFMC SDT pays over ocean transportation (including NMCS//999 commercial express shipments to Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.
		to an Outside Continental United States Centralized Repair Facility	(2) AFMC SDT pays over ocean transportation (including NMCS//999 commercial express shipments to Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.
			(3) Overseas MAJCOM operating funds pay overseas inland transportation.
9B	Repair Network Integration serviceable asset	from a Centralized Repair Facility to a Continental United States base	(4) AFMC SDT pays over ocean transportation (including NMCS//999 commercial express shipments to Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.

R U L E	A	B	C
	If item is	and item movement is	Then
		from a Centralized Repair Facility to an Outside Continental United States base	(5) AFMC SDT pays over ocean transportation (including NMCS//999 commercial express shipments to Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.
			(6) Overseas MAJCOM operating funds pay overseas inland transportation.

Table 19.3. Budgeting and Funding For Medical-Dental Division Transportation Charges, Excluding Bulk Fuel.

R	A	B	C
U L E	If item is	and item movement is	then
1A	Procured in Continental United States	to Continental United States base	(1) DLA or OSSF pays Continental United States inland transportation.
1B	DLA or Other Services Stock Fund	to overseas base	(2) DLA or OSSF SDT pays Continental United States inland transportation, Continental United States port handling services provided by SDDC, over ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, and overseas port handling.
			(3) Overseas receiving MAJCOM pays overseas inland transportation from operating funds.
2A	Local Purchase within Continental United States	to Continental United States base	(1) Continental United States MAJCOM or base pays Continental United States inland transportation from operating funds.
2B		to overseas base	(2) DLA Receiving overseas MAJCOM operating funds pay Continental United States inland transportation to aerial or water port.

R	A	B	C
U L E	If item is	and item movement is	then
			<p>(3) DWCF Medical Dental Division (MDD) SDT pays Continental United States port handling services provided by SDDC, over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, and overseas port handling.</p> <p>(4) DLA overseas receiving MAJCOM pays overseas inland transportation from operating funds.</p>
3A	Redistribution Order, DWCF Item Manager directed	to Continental United States base	(1) DWCF MDD SDT pays Continental United States inland transportation, Continental United States port handling, over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, and overseas port handling.
3B		from overseas base	(2) Overseas MAJCOM operating funds pay overseas inland transportation.

R	A	B	C
U L E	If item is	and item movement is	then
			(3) DWCF MDD SDT pays overseas port handling, over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.
4A	Lateral Support, non-DWCF Item Manager directed	from Continental United States base	(1) Shipping MAJCOM/base operating funds pay Continental United States commercial inland (Government Bill of Lading (GBL)/(CBL)) transportation.
			(2) AFMC SDT pays Continental United States port handling and over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC.
			(3) Overseas MAJCOM operating funds pay overseas inland transportation and overseas port handling.

R	A	B	C
U L E	If item is	and item movement is	then
4B		from overseas base	<p>(4) Overseas MAJCOM operating funds pay overseas inland transportation and overseas port handling.</p> <p>(5) AFMC SDT pays over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.</p>
5A	Returned excesses, credit able or non-creditable	from Continental United States base	(1) DWCF MDD pays Continental United States commercial inland (GBL/CBL) transportation.
5B		from overseas base	<p>(2) Shipping MAJCOM operating funds pay overseas inland transportation.</p> <p>(3) DWCF MDD SDT pays overseas port handling, over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.</p>

R	A	B	C
U L E	If item is	and item movement is	then
6A	Shipment	Worldwide	<p>(1) DWCF MDD SDT pays overseas port handling, over-ocean transportation (including NMCS//999 commercial express shipments between Continental United States/overseas when AMC cannot meet the delivery requirement) via AMC/MSC, Continental United States port handling, and Continental United States inland transportation.</p> <p>(2) DWCF MDD SDT pays overseas inland transportation.</p>

Chapter 20

OFFICIAL VISITS CONCERNING BUDGET MATTERS

20.1. Conducting Budget Liaison Functions. SAF/FMB is the official liaison on all budget matters between the DAF and OMB, OSD, or the Appropriations and Budget Committees of Congress. (T-1). Follow this guidance for reporting official visits by representatives of these organizations to DAF MAJCOMs, installations, and activities to SAF/FMB. For visits by members of Congress, see AFI 90-401, *Relations With Congress*.

20.2. Notifying Budget Officials about Visits.

20.2.1. Visits by Representatives of Congressional Appropriations and Budget Committees. The Deputy Assistant Secretary of the DAF, Congressional Budget & Appropriations Liaison Directorate, SAF/FMBL, will announce visits to Directors of Financial Management and Comptroller, and others who need to know at MAJCOM, centers, installations, or activities. (T-1). When representatives visit activities below the MAJCOMs/Centers level, SAF/FMBL will send an e-mail to the MAJCOM/Centers comptroller and the installation or activity. If time is short, SAF/FMBL will telephone the comptroller liaison at the MAJCOMs/Centers and confirm later in writing. Comptroller liaisons will provide SAF/FMBL the name of their point of contact by e-mail, or telephone. (T-1).

20.2.2. Visits by House Appropriations Committee Survey and Investigation Staff. The HAF Team Chief (appointed by SAF/FMBL) will notify commands of visits by members of the House Appropriations Committee Survey and Investigation Staff. (T-1). When visits are below the MAJCOMs/Centers level, send a copy of the notice to the MAJCOM/Centers comptroller, and a copy to the activity (functional area). If time is short, telephone the MAJCOM/Centers and confirm later in writing. (T-1).

20.2.3. Visits by Representatives of OMB or OSD. SAF/FMB directorate responsible for the visit subject matter inquiry will e-mail the comptroller of the appropriate MAJCOM, installation or activity. (T-1). When visits are to activities below the MAJCOM/Centers level, the directorate will send an e-mail to the MAJCOM/Centers comptroller and the installation or activity comptrollers affected. If time is short, telephone the comptroller liaison at the MAJCOM/Centers, and confirm later in writing. (T-3). Provide the appropriate SAF/FMB directorate (by e-mail or telephone) the name of the point of contact for the visit. (T-1).

20.3. Reporting Official Visits Concerning Budget Matters.

20.3.1. Reporting House Appropriations Committee Survey and Investigation Staff Visits. Within one duty day following the end of the visit, or periodically if the Survey and Investigation team is working on location, the main contact at the location should send a visit report to the Team Chief; coordinate the report with the local comptroller before transmission to the Team Chief, and send an information copy to SAF/FMBL if an action affects the budget or includes something controversial. Send copies of any additional information or data requested by visitors to the Team Chief within five days. Attach a cover letter, referring to the original report of visit, and send it through Command channels.

20.3.2. Reporting Visits by Representatives of the OMB, OSD, or Congressional Appropriation and Budget Committees. Information discussed with, or data provided to visitors that is considered to be of importance in current or future budget matters should be provided by fax, phone, or e-mail to SAF/FMBL. Providing this information enables the Air Staff to correct problems during apportionment reviews, and to discuss deficiencies or corrections with higher authorities. Present the information clearly and accurately; cite the source of the information, the time period covered by the data, and where relevant, how it applies to the requested, approved, or revised execution plans. Follow this same approach when citing any programs or activities, such as flying hours, maintenance, or people programs. **(T-1)**. Send any additional information requested by visitors to SAF/FMB within five days after submitting the report; attach a cover letter, referencing the original report of visit, and send it through Command channels. Address House Appropriations Committee Survey and Investigation information to the Team Chief. **(T-1)**.

20.4. Command Actions. MAJCOMs and intermediate commands will review the reports and other information for accuracy and completeness. (T-1). In the command's forwarding letter:

20.4.1. Correct errors in the basic report.

20.4.2. Clarify unusual problems or conditions.

20.4.3. State corrective action being taken or recommended, or deficiencies found during the visits.

20.4.4. Supplemental data or recommendations that help SAF/FM understand the basic report.

Chapter 21

DEPARTMENT OF THE AIR FORCE CONSERVATION PROGRAM ON MILITARY RESERVATIONS (57*5095)

21.1. DAF Conservation Funds, Treasury Account 57*5095. DAF organizations will use the special fund expenditure account (*DoD 7000.14-R*, Volume 12, Chapter 1) to carry out wildlife, fish and game conservation and rehabilitation under the authority of Title 16 United States Code Sections 670-670f. (T-0).

21.1.1. Sourcing Funds/Indefinite Appropriations. Installation commanders sell hunting and fishing permits. FSO/FMA collect the proceeds into Receipt Account **5095.001 citing their Air Force Civil Engineer Center assigned Operating Agency Code/OBAN. (T-1). SAF/FMBO will allocate funds to Air Force Civil Engineer Center, who will in turn transfer funds to the designated commands installations under account 57*5095 after OMB apportionments funds to the DAF. (T-1). These receipts are available by permanent appropriation under account 57*5095, Wildlife Conservation, Military Reservations, DAF. (T-0). The amount authorized may be all or a portion of the receipts under a receipt account, but they may not be available until a warrant is issued by Treasury. Anticipated amounts of indefinite appropriations (derived from available receipts) must be reported as anticipated budgetary resources until the amounts are realized. (T-0). Contact SAF/FMB P&FC for additional guidance. Amounts, once made available, may be used to carry out the purposes of 16 USC §§ 670-670f. Execute each FY funding as an annual account. Unexecuted apportionment and funding will be withdrawn at the end of each FY. (T-1).

21.1.2. Budgeting. Installations identify requirements for Fish and Wildlife funds to support their Fish/Wildlife/Outdoor Recreation Resources Program. (T-1). (See AFMAN 32-7003, *Environmental Conservation*.) Per *DoD 7000.14-R*, Volume 2B, Chapter 11, offsetting receipts will be included in the annual program and budget submission. (T-1). Further, for indefinite appropriations of receipts (e.g., Wildlife Conservation), the amount of estimated collections will be equal to the related budget estimates of an appropriation.

21.1.3. Use of NAF. In addition to the APF described in **paragraph 21.1** organizations may use NAFs as authorized in *DoDI 1015.15* and *AFMAN 34-201* for NAF activities.

21.2. Other Program Requirements/Procedures. Refer to *AFMAN 32-7003*. The Integrated Natural Resources Management Plan should address the installation procedures for the collection of fees for hunting, fishing, trapping and access to outdoor recreation areas. Use DD Form 1131 to report cash collections to 57*5095 account. Alternatively, permit fees can be sold online over the internet if collected into the DAF Fish and Wildlife account using the Department of the Treasury Pay.gov application <https://fiscal.treasury.gov/pay.gov/>.

Chapter 22

MILITARY FAMILY HOUSING APPROPRIATIONS

Section 22A—The Defense MFH Property Account

22.1. Property Types Within the Defense MFH Property Account. Reference *DoD 7000.14-R*, Volume 2B, Chapter 6, for the type of properties the government has right, title, or interest in, as well as those properties excluded from MFH accounts.

*Section 22B—MFH Construction Account (57*0740)*

22.2. MFH Construction Account. Descriptions of BP/project codes for account 57*0740 (P-710-construction, P-711- new construction, P-713-construction improvements, P-714-planning and design, and P-719-reimbursements) are located in *AFMAN 65-604*. Include the following costs:

22.2.1. Architecture and engineering services and construction contracts. **(T-1)**.

22.2.1.1. DAF BCE direct labor hours for people who help design, manage the design, or manage construction of the project. Include people in support jobs, such as clerical and drafting. **(T-1)**.

22.2.1.2. Government vehicles that directly support the housing project, leased vehicles, or mileage costs for civilian privately owned vehicles where authorized and used instead of government vehicles. **(T-1)**.

22.2.1.3. Include and reimburse costs for government vehicles under the shop-rate distribution; do not record costs elsewhere. **(T-1)**.

22.2.1.3.1. Directly cite project construction (P-71X) funds when civilian mileage costs are authorized. Establish a BCE work order to account for funds paid. **(T-1)**.

22.2.1.3.2. Directly cite project construction funds (P-71X) when government vehicles are not available and leasing vehicles for direct support of housing projects is authorized. Establish a BCE work order number and include it in the procurement documentation. **(T-1)**.

22.2.2. Printing and reproduction charges directly related to the project. **(T-1)**.

22.2.3. TDY expenses directly related to the project for military personnel or civilian employees. **(T-1)**.

22.2.4. All direct and non-BCE costs. **(T-1)**.

22.2.5. Government furnished material and equipment. **(T-1)**.

22.3. Classification of Project Costs. Classify construction and improvement project costs as funded or unfunded.

22.3.1. Funded Project Costs: count these toward the statutory limit on the projects programmed amount. **(T-1)**. Funded costs include:

22.3.1.1. Construction Contract Costs: directly cite P-711 or P-713 funds.

22.3.1.2. Installed Government Furnished Equipment; reimburse the appropriate Consolidated Sustainment Activity Group - Supply (DWCF) from P-711 or P-713 funds.

22.3.1.3. Contingency: directly cite P-711 or P-713 funds.

22.3.1.4. Supervision, Inspection, and Overhead Costs; reimburse from P-711 or P-713 funds.

22.3.2. Unfunded Project Costs: count these costs toward the total project cost. However, do not count unfunded costs toward the statutory limit on the project programmed amount. **(T-1)**.

22.3.2.1. BCE direct supervision, inspection, and overhead (non-reimbursable) costs for managing construction (labor and materiel). For funded labor costs, use the shop rate(s) less military cost.

22.3.2.2. Title I - Architecture and engineering design service fee; directly cite P-714 funds.

22.3.2.3. Title II - Architecture and engineering fee; directly cite P-711 or P-713 funds.

22.3.2.4. BCE direct costs for in-service design (labor and materiel); use the shop rate cost less the military cost.

22.3.2.5. Base-level TDY expenses directly related to the MFH project for MILPERS and civilian employees.

22.3.2.6. Direct, non-BCE, costs of procurement, accounting and finance, and legal functions directly related to the MFH project. **(NOTE: Do not reimburse military labor)**. **(T-1)**.

22.3.2.7. Printing and reproduction.

Section 22C—Military Family Housing O&M Account (57*0745)

22.4. Charging Costs to MFH O&M.

22.4.1. This appropriation pays for the following key elements: utilities (BA 05), operations (BA 06), leasing (BA 07), maintenance of real property facilities (BA 08), mortgage insurance premiums (BA 11), and MFH privatization (BA 12). See *AFMAN 65-604*, Chapter 6, for additional project and sub-project details within each BA.

22.4.2. Funds made available for O&M of family housing for repair and maintenance of all family housing units, including general or flag officer quarters, shall be limited by the annual MILCON Appropriations Act. **(T-0)**.

22.4.3. In addition, the MILCON Appropriations Acts limit the amount of funds that may be spent annually per unit without 30 days prior notification (or 14 days for a notification provided in an electronic medium pursuant to Title 10 United States Code Sections 480 and 2883) to the committees on appropriations of both houses of Congress, except that an after-the-fact notification shall be submitted if the limitation is exceeded solely due to costs associated with environmental remediation that could not be reasonably anticipated at the time of the budget submission. **(T-1)**. Contact SAF/FMBIC for latest limits and information. See *AFI 32-6000*.

22.4.4. Given the aforementioned language in the MILCON Appropriations Acts, DAF O&M (57*3400) funds will not be used for the operation, repair, and maintenance of the MFH program. (T-1).

22.5. Include these costs within the MFH O&M appropriation.

22.5.1. Civilian Personnel Costs. All civilian pay charges directly supporting the MFH property account and MFH management offices will be directly cited to MFH O&M appropriation (FC 3Y). (T-1). **EXCEPTION:** Maintenance personnel. Since maintenance personnel costs are earned by the BCE, they are first paid by the O&M appropriation (FC 30), and reimbursed by the MFH O&M appropriation (FC 3Y) for any support provided to MFH. (T-1).

22.5.2. Other Costs. TDY Travel, transportation, vehicles, leases, utility and contract services, facility projects, expense material, equipment, etc. costs will be directly cited to the MFH O&M appropriation (FC 3Y) whenever possible. (T-1). Where costs cannot be separately identified, the MFH O&M appropriation will reimburse the provider appropriation in accordance with approved procedures and methodologies (e.g., fair-share, etc.). (T-1). **NOTE:** Under the authority of Title 10 United States Code Section 2829, contracts can be made for periods of up to four years for supplies and services for the management, maintenance, and operation of MFH and may pay for the costs of each year out of annual appropriations for that year. Because these services are generally paid for using the O&M appropriation (3400), the entire contract (two, three, or four years) may not be funded using the FY funds available when the contract is signed; funds in each of the FYs in which the supplies or services are provided must be used to pay that FY bill. (T-1).

22.6. Procurement of Flags for MFH Units.

22.6.1. Government-Owned/leased Government Officers Quarters - flags of the US, Combatant Commands, Service and Host Nations and appropriate apparatus (poles, stanchions) for flying them may be purchased and installed using MFH O&M (appropriation 57*0745, FC 3Y) Maintenance and Repair (P-722) funds (reference *AFMAN 65-604*, Chapter 6, for further details). Only two flags per government Officers quarters may be purchased. All MAJCOMs should use discretion in implementing this policy as prudent custodians of public funds. Purchase of government Officer flags, state, and other organizational flags is not authorized.

22.6.2. Government-Owned/Leased Non-Government Officers Quarters units - Commanders may use MFH O&M appropriation 57*0745, (FC 3Y) funds to purchase and install US (American) flags.

22.6.3. Privatized Housing – MFH O&M funds privatized housing funding will not be used to purchase any flags. (T-1). The purchase of state, MAJCOM/Centers and other organizational flags for military housing units is a personal expense of the member and may not be purchased with MFH O&M (or other APF). Contact SAF/FMBIC and AF/A4 for additional functional guidance in this arena.

22.7. Funding MFH Units Temporarily Diverted for Use as Unaccompanied Housing. Unless a unit is permanently taken out of service and removed from the MFH property records, it remains as MFH regardless of its temporary use as unaccompanied housing. Only MFH O&M funds may be used for repair and maintenance of a temporarily diverted unit, not DAF O&M (3400) funds.

22.8. Maximum Annual Lease Costs. Check the annual MILCON Authorizations Acts for changes to maximum costs per unit for leased MFH. OUSD, Installations and Environment issues annual cost limits, per leased unit, for domestic and foreign leases reflecting national median housing cost adjustments to the previous year domestic lease cost limits, and Consumer Price Index adjustments to foreign lease cost limits based on unadjusted limits established in accordance with the requirements of Title 10 United States Code Section 2828.

22.9. Reprogramming. See *DoD 7000-14R*, Volume 3, Chapter 7, for guidance addressing reprogramming of MFH O&M funds. (T-1).

22.10. Providing Common-Service and Inter-agency Support for MFH Occupancy and Services. Apply the following guidance:

22.10.1. Common Services. Do not charge or collect reimbursements when military members of one DoD component occupy housing owned by another DoD component.

22.10.2. Support Agreements. Establish a local agreement for inter-service support when other agencies (DAF organizations and non-DoD government agencies) occupy MFH.

22.10.2.1. Charge billings received for DAF occupancy of non-DoD federal government housing (such as VA and Family Housing Allowance) to Project 721, EEIC 599XX.

22.10.2.2. Credit proceeds from occupancy of leased units to Programs 723/725, Operation of Leased Foreign/Domestic MFH.

22.10.3. Utilities and Maintenance. Reimburse for these services when one service or agency provides them to support the MFH owned by another service or agency.

Chapter 23

CIVILIAN PERSONNEL SERVICES

23.1. Overview. Within fund limitations, the DAF uses in-service civilian personnel and contract services to complete workloads that do not require military incumbents.

23.2. Coordinating Personnel Authorizations with Funding Authorizations. HAF, MAJCOMs/Centers must review funding and manpower authorization documents before issuing them. (T-2). In determining employment levels, managers must consider manpower authorizations, funding priorities, employment capability, lapse (the length of time vacated positions are normally vacant), and overhire requirements. (T-2). Pay personnel from the same appropriation and PE in which manpower spaces are authorized.

23.3. PCS Travel.

23.3.1. The *JTR*, Chapter 5, prescribes the activity responsible for paying authorized direct travel and transportation expenses.

23.3.2. Record an obligation based on the costs itemized on the traveler's initial order. (T-0).

23.3.2.1. AFMC is responsible for funding PCS expenses for transportation by MSC for civilian personal effects.

23.3.2.2. Headquarters AMC centrally funds transportation of unaccompanied baggage and HHG on aircraft operated under the TWCF.

23.4. Paying Civilian Personnel Working on Major Repair Projects. Charge the pay of personnel engaged in maintenance and repair projects and in the design and inspection of construction projects to elements of expense/investment code for civilian pay (11X) under O&M appropriations. (T-1).

23.4.1. For MFH Account, Construction Projects, apply the following **EXCEPTION:** Charge all personnel costs incurred for MFH new construction to BP 710. Units may hire personnel solely for this work and directly cite O&M (appropriation 3400, FC 30) for their payroll costs. Charge these personnel services to the base O&M appropriation. (T-1). Then, reimburse the base O&M appropriation from BP 710, as follows:

23.4.1.1. For direct civilian personnel services, include actual payroll costs plus actual cost of benefits. (T-1).

23.4.1.2. For foreign national labor services (local wage rate), commanders ensure that both direct and indirect hire labor is reimbursed, at 100 percent of total labor costs (BCE and non-BCE), including government contributions for employee benefits. (T-1).

23.4.1.3. For bases operating under the Automated Civil Engineer System, charge the labor costs to MFH at the shop rate prescribed by that system. (T-1). **NOTE:** If the shop rate includes military labor costs, record it as an unfunded cost.

23.4.2. Expense of Operating and Maintaining MFH. Civilian pay must be directly charged to MFH O&M. **EXCEPTION:** Maintenance personnel. (T-1). For any civilian pay in support of MFH that cannot be directly cited to MFH O&M, commanders will ensure reimbursement from BP 720, as follows: (T-1).

23.4.2.1. For DAF civilian personnel in direct support of the MFH property account and MFH management, include actual payroll costs plus the actual cost of benefits.

23.4.2.2. For foreign national labor services (local wage rate), reimburse for both direct and indirect hire at 100 percent of total labor costs (BCE and non-BCE), including government contributions for employee benefits.

23.4.2.3. Charge the labor costs to MFH at the prescribed shop rates. **(T-1)**. **NOTE:** If the shop rate includes military labor costs, record it as an unfunded cost. **(T-1)**.

23.4.3. MILCON Projects. Charge civilian personnel services (in-house or contract) required for in-house design and inspection of construction projects to O&M funds. **(T-1)**.

23.4.4. Pay of Other Government Agency Personnel. Treat services provided by district engineers or other government agencies as contractual services. Program and finance them under the element of expense codes for design and construction. **(T-1)**.

23.5. Awards Guidance. For Suggestion Awards, see *AFI 38-402* and *DoDI 1400.25V451_AFI 36-1004*.

23.6. Pay of Civilian Personnel Employed in Certain Specialized Functions. Follow this guidance in charging for salaries in the following specialized functions:

23.6.1. Service Club and Library Personnel. Use APF to pay salaries, including assistants, when manpower authorization documents include these authorizations. **(T-1)**.

23.6.2. Property Disposal Program. Charge the pay of DAF civilian employees assigned to O&M activities who perform services directly related to preparing and disposing of scrap, salvage, excess, surplus, or foreign excess personal property, to the appropriation from which the employee is usually paid. **(T-1)**.

23.7. Collecting for Utilities. Handle utility charges collected by payroll deductions or cash, by charging the gross salary to the appropriation from which the employee is paid and credit the amount representing collection for utility services to the appropriation available for supply of the utility services. **(T-1)**. Provide for the total salary of the employee in the budgets. **(T-1)**.

23.8. Reimbursement of Professional Liability Insurance Premiums. *DoD 7000.14-R*, Volume 10, Chapter 12, authorizes agencies to reimburse qualified employees for not to exceed one-half of the costs incurred annually for professional liability insurance. Employees eligible to receive reimbursement are law enforcement officers, supervisors, and management officials.

Chapter 24

BASE REALIGNMENT AND CLOSURE APPROPRIATIONS

Section 24A—Appropriation Structure and Data Codes

24.1. BRAC Appropriations – Overview.

24.1.1. Funding in these appropriations are approved by Congress, and appropriated and authorized in a lump sum to be spent for construction, planning and design, civilian severance pay, civilian PCS, transportation of things, and other costs related to the realignment or closure of bases.

24.1.2. Public Law 112-239, *National Defense Authorization Act for Fiscal Year 2013*, Section 2711 included language that closed BRAC Treasury accounts 97*0510 and 97*0512, and established the DoD BRAC account 97*0516, effective 1 October 2013. With the enactment of the *Public Law 112-239*, the previous DoD BRAC accounts (97*0510 and 97*0512) remain as no-year accounts, and must be accounted for the same as an expired appropriation. (T-0). NOTE: The unobligated balances from those accounts were transferred to the new BRAC account (0516) in January 2014.

24.1.3. Funds within this account are available only to incur new obligations for environmental restoration, property management and disposal, and other caretaker costs at closed or realigned installations for the purpose of recording, adjusting and liquidating obligations properly chargeable to the account under 31 USC § 1553. (T-1). Funds made available are subdivided and distributed by OSD to the Services; separate allocations are made for each of the accounts, by PY.

24.1.4. Reporting requirements for these appropriations include: MILCON; Planning and Design; MFH (Construction and Operations); Environmental; O&M; Homeowners Assistance; Civilian Severance Pay; Civilian PCS costs; transportation of things; facility maintenance; program management; military personnel (limited to PCS expenses dedicated to implementation efforts); and other costs (includes procurement items).

24.1.5. See *DoD 7000.14-R*, Volume 2B, Chapter 7, for additional guidance, including program and budget review submission information, Congressional justification and presentation details.

24.2. Installations, Codes, and Structure of the Accounts.

24.2.1. *AFMAN 65-604*, Chapter 11, lists the installations and approved recommendations from BRAC rounds 88, 91, 93, 95, and 05 which are eligible for 97*0516 funding. Activities not associated with installations and approved recommendations listed in *AFMAN 65-604* will not be funded by 97*0516. (T-1).

24.2.2. *AFMAN 65-604* includes specific appropriation codes for each PY. Each year has a separate appropriation code/limit, and any appropriation code/limit under appropriation 97*0516 may be used to fund requirements for any eligible BRAC requirement, regardless of which BRAC round from which it originated.

24.2.2.1. Starting in FY 2019, limit codes in the Program Budget Accounting System and Enterprise Funds Distribution for BRAC account 97*0516 will be Limit 0200; this code will remain constant in future FYs. (T-1). Maintaining a constant limit going forward is a result of an accounting streamlining effort mandated by the Deputy Chief Financial Officer.

24.2.2.2. PYs will be distinguished by the actual year of appropriation.

24.2.3. The structure of the base closure accounts is arranged by base "package" and by commodity (e.g., MILCON, O&M, etc.).

24.2.3.1. DAF uses uniform BP and project numbers to identify expenses for budget formulation and execution purposes. In addition, a discrete budget authorization account number is assigned to identify each closure or realignment package.

24.2.3.2. See [Table 24.1](#) for a list of BP and project numbers. **NOTE:** DAF currently receives BRAC funds each FY for only BAs 03 (O&M) and BA 06 (Environmental).

Section 24B—Budget Development and Budget Execution

24.3. Budget Development.

24.3.1. The Center/RMP develops and validates BRAC O&M requirements, including requirements for closed installations/sites within BRAC total obligation authority.

24.3.2. The SAF/IEI program management office reviews and approves all requirements, presents BRAC funding requests to the DAF Corporate Structure, and prepares budget justification materials.

24.4. Budget Execution.

24.4.1. SAF/FMBIC allocates BRAC funds to the Center/RMAs based on Center/CI requirements. Center/RMA issues funding to the appropriate OBAC for execution.

24.4.1.1. Center/CI submits a funding request through Center/RMA, to SAF/FMBIC including the operating agency code, limit, fund and program code, dollar amount, and remarks. **NOTE:** When feasible, funding in prior-year appropriation limits within 97*0516 shall be requested/executed before funding in the current-year appropriation limit. (T-1).

24.4.1.2. Center/RMA and Center/CI regularly monitor open obligations for potential deobligation, and monitor deobligated funding for pullback and reissuance by SAF/FMBIC, as necessary.

24.4.2. When required, SAF/FMBIC will provide instructions on using BRAC funds when operating under CRA; amounts and availability of funds will be allocated to Center/RMA, as made available to SAF/FMBIC through the OUSD (C). (T-1).

24.4.3. Use of funding by Center/RMA is limited to the purposes defined by the administrative codes listed on the BA document issued by SAF/FMBIC. (T-1). Realignment of funding for alternate use on a new budget authorization account number requires pullback and reissuance of funding by SAF/FMBIC. (T-1).

24.4.4. Center/RMA will not move funds between Operating Agency Codes. (T-1).

24.4.5. Center/RMA will not incur obligations for more than the amount stated for each BP, or each line item contained in the BA document issued by SAF/FMBIC. **(T-1)**.

24.4.6. SAF/FMBIC will issue, as necessary, a reprogramming request to OUSD (C) for transferring BRAC funds across fund types (e.g., from BRAC O&M to BRAC environmental). **(T-1)**.

24.4.7. The following costs do not qualify for BRAC funding: **(T-1)**.

24.4.7.1. Force structure drawdowns or realignments made outside the BRAC process, e.g., via Program Change Request actions.

24.4.7.2. Civilian or military salaries, except where authorized and approved by SAF/IEI.

24.4.7.3. Normal upkeep for base facilities through the closure date.

24.4.7.4. Installation level closure or realignment management office manpower, and normal operating expenses except where approved by SAF/IE.

24.4.7.5. Unit operating expenses such as telephone service, janitorial services, utilities, and airfield operating costs incurred through the closure date.

24.4.7.6. Corrections of existing deficiencies.

24.4.7.7. Normal rotation PCS moves, both military and civilian.

24.4.7.8. PCS moves associated with emergency evacuation, accession, training, retirements, and separations.

24.4.7.9. Costs incurred to recruit and hire civilian personnel (including associated PCS costs) to fill vacant positions resulting from a realignment of an activity, from a closing or realigning installation to a receiving installation, in accordance with a BRAC recommendation, except in the case of DWCF activities (see *DoD 7000.14-R*, Volume 2B, Chapter 9).

Table 24.1. BP and Budget Project Numbers.

BP #	BP & Project Numbers
100	Construction
110	Construction (major)
120	Planning & Design (for major projects)
300	O&M
310	Civilian Severance Pay
320	Civilian PCS
330	Transportation of Things
340	Facility Sustainment, Restoration and Modernization
341	Facility Sustainment, Restoration and Modernization --Civilian Pay
342	Facility Sustainment, Restoration and Modernization --Travel
343	Facility Sustainment, Restoration and Modernization --Communications
344	Facility Sustainment, Restoration and Modernization --Utilities and Rent
345	Facility Sustainment, Restoration and Modernization --Purchased Equipment Maintenance
346	Facility Sustainment, Restoration and Modernization --Other Purchased Services
347	Facility Sustainment, Restoration and Modernization --Supplies
348	Facility Sustainment, Restoration and Modernization --Equipment
349	Facility Sustainment, Restoration and Modernization --Minor Construction Project
350	Program Management - Other (non-Air Force Civil Engineer Center)
351	Program Management -O-Civilian Pay
352	Program Management -O-Travel
353	Program Management -O-Communications
354	Program Management -O-Utilities and Rent
355	Program Management -O-Purchased Equipment Maintenance
356	Program Management -O-Other Purchased Services
357	Program Management -O-Supplies
358	Program Management -O-Equipment
360	Program Management (Air Force Civil Engineer Center Only)
361	Program Management --Civilian Pay
362	Program Management --Travel
363	Program Management --Communications
364	Program Management --Utilities and Rents
365	Program Management --Purchased Equipment Maintenance
366	Program Management --Other Purchased Services
367	Program Management --Supplies
368	Program Management --Equipment
369	Caretaker Costs
400	MILPERS
470	Officer
476	Officer – PCS Operational Move

480	Enlisted
486	Enlisted – PCS Operational Move
500	Other
510	Base Procured Equipment
520	AFRC Training
530	ANG Training
600	Environmental
606	Overhead
607	Installation Restoration Overhead
616	Civilian Personnel
617	Installation Restoration Civilian Personnel
620	Installation Restoration
621	Installation Restoration Preliminary Assessments/Site Inspection
622	Installation Restoration Remedial Investigation/Feasibility Study
623	Installation Restoration Remedial Design
624	Installation Restoration Remedial Action
625	Remedial Operations
626	Training and TDY
627	Installation Restoration Training and TDY
636	Supplies
637	Installation Restoration Supplies
646	Equipment
647	Installation Restoration Equipment
662	Air Quality
663	Water and Waste Water
664	Solid and Hazardous Waste
665	Petroleum, Oil and Lubricants and Underground Storage Tanks
666	Asbestos, Radon and Polychlorinated Biphenyls
667	Natural, Historical and Cultural Resources
668	Other
669	Environmental Impact Statements/Environmental
676	State Oversight Costs
700	MFH
710	MFH Construction
720	MFH Planning and design
900	Homeowners Assistance Program

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Air Force
(Financial Management and Comptroller)

Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

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Adopted Forms

AF Form 100, *Request and Authorization for Separation*

AF Form 150, *Drayage/Storage Authorization – Government Quarters*

AF Form 185, *Project Order*

AF Form 847, *Recommendation for Change of Publication*

AF Form 899, *Request and Authorization for Permanent Change of Station –Military*

AF Form 1269, *Request for Load or Change in Fund Targets*

AFMC Form 181, *Project Order*

CAP Form 108, *Reimbursement for Individual CAP Member Expenses*

DD Form 282, *DoD Printing Requisition/Order*

DD Form 448, *Military Interdepartmental Purchase Request*

DD Form 1131, *Cash Collection Voucher*

DD Form 1144, *Support Agreement*

DD Form 1150, *Request for Issue/Transfer/Turn-In*

DD Form 1391, *FY__ Military Construction Project Data*

DD Form 1414, *Base for Reprogramming Actions*

DD Form 1415-3, *Internal Reprogramming (IR) Actions*

DD Form 2875, *System Authorization Access Request (SAAR)*

Exhibit P3A, *Individual Modification*

SF Form 30, *Amendment of Solicitation/Modification of Contract*

SF Form 44, *Purchase Order Invoice-Voucher*

SF Form 1080, *Voucher for Transfers Between Appropriations and/or Funds*

SF Form 1081, *Voucher and Schedule of Withdrawal and Credits*

SF Form 1151, *Nonexpenditure Transfer Authorization*

SF Form 1164, *Claim for Reimbursement for Expenditures on Official Business*

Prescribed Forms

None

Abbreviations and Acronyms

AAFES—Army and Air Force Exchange Service

ACC—Air Combat Command

ADA—Antideficiency Act

ADPE—Automatic Data Processing Equipment

ADT—Active Duty Training

AEF—Air Expeditionary Force

AETC—Air Education and Training Command

AF—Air Force

AFAFO—Air Force Accounting and Finance Office

AFB—Air Force Base

AFCARO—The Air Force Civilian Appellate Review Office

AFI—Air Force Instruction

AFIMSC—Air Force Installation and Mission Support Center

AFM—Automated Funds Management

AFMAN—Air Force Manual

AFMC—Air Force Materiel Command

AFMRA—Air Force Medical Readiness Agency

AFOTEC—Air Force Operational Test and Evaluation Center

AFPC—Air Force Personnel Center

AFPD—Air Force Policy Directive

AFR—Air Force Reserve

AFRL—Air Force Research Laboratory

AFSOC—Air Force Special Operations Command

AFWCF—Air Force Working Capital Fund

AGR—Active Guard and Reserve

AIC—Activity Identifier Code

AMC—Air Mobility Command

ANG—Air National Guard

AOR—Area of Responsibility
APF—Appropriated Funds
ARC—Army Reserve Component
ATE—Automatic Test Equipment
BCE—Base Civil Engineer
BP—Budget Program
BPAC—Budget Program Activity Code
BRAC—Base Realignment and Closure
BTR—Below-threshold Reprogramming
CAM—Centralized Asset Management
CAP—Civil Air Patrol
CBL—Commercial Bill of Lading
C-E—Communications-Electronic
CG—Comptroller General
CIM—Centralized Item Management
CIP—Capital Investment Program
CLS—Contractor Logistics Support
CMA—Centrally Managed Allotment
CONUS—Continental United States
CRA—Continuing Resolution Authority
CSAG-M—Consolidated Sustainment Activity Group – Maintenance
CSAG-S—Consolidated Sustainment Activity Group – Supply
DAF—Department of the Air Force
DAFI—Department of the Air Force Instruction
DAFMAN—Department of the Air Force Manual
DAPS—Document Automation and Production Service
DD—Department of Defense
DDR—Drug Demand Reduction
DEAMS—Defense Enterprise Accounting and Management System
DFARS—Defense Federal Acquisition Regulation Supplement
DFAS—Defense Finance and Accounting Service
DHP—Defense Health Program

DLA—Defense Logistics Agency
DLR—Depot Level Repairable
DoD—Department of Defense
DoDM—Department of Defense Manual
DoS—Department of State
DRU—Direct Reporting Unit
DSCA—Defense Support of Civil Authorities
DT&E—Developmental Test and Evaluation
DTR—Defense Transportation Regulation
DWCF—Defense Working Capital Fund
EA—Economic Analysis
EEIC—Element of Expense/Investment Code
EEO—Equal Employment Opportunity
ESP—Emergency and Special Program
FAR—Federal Acquisition Regulation
FC—Fund Code
FDT—First Destination Transportation
FM—Financial Management
FMA—Financial Management Analysis Office
FMDQS—Financial Management Data Quality Service
FMF—Financial Management Flight
FMR—Financial Management Regulation
FMS—Foreign Military Sales
FOA—Field Operating Agency
FOT&E—Follow-On Operational Test and Evaluation
FRP—Full-Rate Production
FSO—Financial Services Office
FTNGD—Full-Time National Guard Duty
FY—Fiscal Year
GAFS—General Accounting and Finance System
GAO—Government Accountability Office
GBL—Government Bill of Lading

GSA—General Services Administration
GSD—General Support Division, SMAG-R, DAF WCF
HAF—Headquarters Air Force
HHG—Household Goods
IFP—Intermediary Funding Point
IOT&E—Initial Operational Test and Evaluation
IT—Information Technology
JCS—Joint Chiefs of Staff
JTR—Joint Travel Regulation
MAJCOM—Major Command
MDD—Medical Dental Division
MFH—Military Family Housing
MILCON—Military Construction
MILPERS—Military Personnel
MIPR—Military Interdepartmental Purchase Request
MMC—Major Military Construction
MRTFB—Major Range and Test Facility Base
MSC—Military Sealift Command
MTF—Military Treatment Facility
MWR—Morale, Welfare, and Recreation
NAF—Nonappropriated Funds
NAFI—Nonappropriated Fund Instrumentality
NATO—North Atlantic Treaty Organization
NG—National Guard
NGB—National Guard Bureau
NMCS—National Military Command System
OAIT—Organize, Administer, Instruct, or Train
OASD—Office of the Assistant Secretary of Defense
OBAN—Operating Budget Account Number
OC—Object Class
OCO—Overseas Contingency Operations
OCONUS—Outside the Continental United States

OMB—Office of Management and Budget
O&M—Operation And Maintenance
OCP—Operational Camouflage Pattern
OSD—Office of the Secretary of Defense
OSSF—Other Services Stock Fund
OT&E—Operational Test and Evaluation
OUSD (C)—Office of Under Secretary of Department of Defense (Comptroller)
PCCIE—Power Conditioning and Continuation Interfacing Equipment
PCS—Permanent Change of Station
PDS—Permanent Duty Station
PE—Program Element
PEC—Program Element Code
P&FC—Policy and Fiscal Control
PO—Project Order
POM—Program Objective Memorandum
QRP—Qualified Recycling Program
RDT&E—Research, Development, Test, and Evaluation
R&D—Research and Development
RegAF—Regular Air Force
RMA—Resource Management Analysis
ROTC—Reserve Officer Training Corps
RPIE—Real Property Installed Equipment
SA—Security Assistance
SC—Security Cooperation
SDDC—Surface Deployment and Distribution Command
SDT—Second Destination Transportation
SECAF—Secretary of the Air Force
SF—Standard Form
SFIS—Standard Financial Information Structure
TAC—Transportation Account Code
TDY—Temporary Duty
T&E—Test and Evaluation

TFI—Total Force Integration
TPS—Test Program Set
TR—Transportation Request
TWCF—Transportation Working Capital Fund
UCA—Undefinitized Contractual Action
UMC—Unspecified Minor Construction
UMMC—Unspecified Minor Military Construction
UOA—Upward Obligation Adjustment
US—United States
USAF—United States Air Force
USAFA—United States Air Force Academy
USAFHP—United States Air Force Heritage Program
USAID—United States Agency for International Development
USCENTCOM—United States Central Command
USG—US Government
USSF—United States Space Force
USSOCOM—United States Special Operations Command
USTRANSCOM—United States Transportation Command
WCF—Working Capital Fund
WRM—War Reserve Materiel

Terms

Accessorial Costs—Certain expenses (for example, packing, crating, and SDT) incident to issues, sales, or transfers of material.

Accounts Receivable—An amount due from a customer for goods delivered or services performed. Uncollected deliveries represent Accounts Receivable whether billed or not.

Accounts Receivable Sales Code—A two-digit code that identifies the appropriation, fund, governmental department or agency, or other source from which reimbursement is received or anticipated (see the FMDQS).

Acquisition—The acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the federal government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition begins at the point when agency needs are established and includes the description of requirements to satisfy agency needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contract.

Activity—The lowest organization within the component which is managed as a single entity, e.g., Ogden Air Logistic Complex.

Activity Groups—An aggregation of DWCF activities, within a component (Army, Navy, DAF, Defense Agency), that produces similar products and is under the management control of the same higher level organization and/or individual. Activity groups include Consolidated Sustainment Group—Maintenance Division and Consolidated Sustainment Activity Group—Supply Division.

Addition-Expansion-Extension—A physical increase to a real property facility that adds to the overall external dimensions of the facility.

Administrative Costs—Administrative and overhead expenses (for use of the DoD logistics system) incident to issue, sale, or transfer of materials, supplies, and equipment to authorized personnel, and public or private organizations outside the US government.

Advance Procurement (Long Lead time Items)—An exception to the full funding policy that allows procurement of long lead time components, materiel, parts, and effort in a FY before that in which the related end item is to be procured.

Aircraft Structural Integrity Program—A program applied to an aircraft system to improve design, diagnose possible structure failures, give a basis for corrective action, and predict operational life expectancy of the weapon system.

Airmen—Includes uniformed and DAF civilians.

Anticipated Reimbursement—The dollar amount of reimbursement estimated to be realized during the life of the appropriation. On command reimbursement reports, anticipated reimbursements received apply to each fiscal or PY.

Apportionment—A distribution by the Office of Management and Budget (OMB) of amounts available for obligation in appropriation or fund accounts of the executive branch. The distribution makes amounts available on the basis of time periods (usually quarterly), programs, activities, projects, objects, or combinations thereof. The apportionment system is intended to achieve an effective and orderly use of funds. The amounts so apportioned limit the obligations that may be incurred.

Cancellation—A procedure unique to multiyear contracts that involves the unilateral right of the government to discontinue contract performance for subsequent FYs quantities of items. Cancellation is effective only upon the failure of the government to fund successive FY quantities under a multiyear contract.

Capital Assets—Depreciable equipment acquired at a specific point in time for a determinable cost of \$250,000 or more which is to be used over some period (useful life), the length of which is estimated to be two years or greater and generally, becomes economically worthless (except for salvage value) at the end of the estimated useful life. The capital investment threshold for Minor Construction projects is \$100,000. The capitalization thresholds differ from the depreciation thresholds. The depreciation threshold is \$100,000 for automated data processing equipment (hardware and software) and non-automated data processing equipment. The depreciation threshold for Minor Construction is \$20,000.

Category one (reimbursable)—Includes all transactions performed on a reimbursable basis upon the delivery, performance, or acceptance of an order. Included are: —All requests, requisitions, or orders for delivery from stock. —All requests, requisitions, or orders filled, directly for the ordering agency by production in, or services rendered by, an activity of the procuring or performing department, whether the activity is financed by appropriations, WCF, or otherwise. Accomplish PO issued to a DoD agency only on a reimbursable basis. (Do not issue PO to any activity that is responsible for furnishing the required materiel or services without reimbursement.) —All requests, requisitions, or orders for supplies, and equipment to be obtained under coordinated procurement by consolidated contracts or PO issued by the procuring or performing activity on government-owned establishments.

Category two (direct cite)—Includes all requests, requisitions or orders for supplies, equipment, or services for accomplishment by separate contracts in behalf of the ordering agency, or by combined contracts with separate delivery schedules by contract item for each ordering agency, and citation of their funds relating to each schedule.

Centralized Item Management and Asset Control—The management in the central supply system or a DoD-wide/Service-wide acquisition and control system in which the manager has the authority for management and procurement of items of equipment. This includes such functions as requirements determination, distribution management, procurement direction, configuration control and disposal direction. Asset control includes the authority to monitor equipment availability and take such actions as necessary to restock to approved stockage levels.

Centrally Managed Item—An item of materiel subject to inventory control point (wholesale level) management.

Civil Disturbances—Riots, acts of violence, insurrections, unlawful obstructions or assemblages, or other disorders prejudicial to public law and order. The term civil disturbance includes all domestic conditions requiring or likely to require the use of federal Armed Forces pursuant to the provisions of Title 10 United States Code Chapter 15.

Closed or Cancelled Appropriation—An appropriation which is no longer available for adjustments or payments. Appropriations are closed or cancelled at the end of the five-year expired period.

Commercial Space Launch Support Services—Space launch services include organic and contract efforts such as prelaunch checkout, launch operations, engineering analyses, and support (including deficiency analyses), supply support, storage maintenance, depot-level maintenance, and other logistic and technical services normally required to support the launch of expendable launch vehicles and the Space Shuttle. Also included are shuttle user charges (orbiter flight charges), which are specified by inter-agency agreement between DoD and National Aeronautics and Space Administration.

Computer—Software—The programs, routines, and associated documentation used to extend or realize the capability of information technology equipment. There are two types of software: basic software and applications software.

Configuration Item—An aggregation of hardware and software, or any of its discrete portions, which satisfies an end use and is designated by the DAF for configuration management (for example, aircraft, missiles, support equipment, trainers, etc.).

Consolidated Contracts or Consolidated PO—Contracts or orders that include requirements for two or more ordering agencies without separate identification of the items being procured for, or citation of funds of, each ordering agency—the only citation of funds is that for funds of the procuring agency.

Consolidated Sustainment Activity Group—Is comprised of two divisions: Maintenance Division and Supply Division.

Consolidated Sustainment Activity Group—Maintenance Division (CSAG-M)—The Consolidated Sustainment Activity Group—Maintenance Division provides repair and other services to customers throughout the DAF, as well as to other DoD components, US government agencies, and foreign governments. The Consolidated Sustainment Activity Group—Maintenance Division repairs a wide range of customer assets, including aircraft, missiles, aircraft engines, and engine modules, landing gears, electronics, composites, and computer hardware and software. In addition, the Consolidated Sustainment Activity Group—Maintenance Division centers are the primary suppliers of repair services to the Supply Management Activity Group.

Consolidated Sustainment Activity Group—Supply Division (CSAG-S)—The Consolidated Sustainment Activity Group—Supply Division provides policy, guidance, and resources to meet the needs of the DAF for spare parts, in war and peace. The Consolidated Sustainment Activity Group—Supply Division manages weapons system spare parts, fuels, equipment, and items used for non-weapon system applications.

Construction—Erecting, installing, or assembling a new facility; adding, expanding, extending, altering, converting, or replacing an existing facility; or relocating an existing facility. This includes real property installed equipment and made a part of such facilities, and related site preparation (excavation, filling, landscaping, or other land improvements).

Contingency Operations Costs Pursuant to Title 10 USC § 101—These are the incremental costs that would not be incurred if the contingency operation were not being carried out (See *DoD 7000.14-R*, Volume 12, Chapter 23).

Continuing Resolution Authority—Budget authority resulting from legislation introduced as a joint resolution and enacted by Congress to provide authority for federal agencies to continue operations until a specified date or until the regular appropriations are enacted. The continuing resolution usually specifies a maximum rate at which obligations may be incurred based on the rate of the prior year, the President's Budget Request, or an appropriation bill passed by either or both houses of Congress. Obligations under Continuing Resolution Authority are usually controlled by apportionment. There is no “standard” continuing resolution authority language. Each continuing resolution authority enacted must be carefully read for the specific provisions pertaining to the particular FY being addressed.

Contract Change—A change to a contract which requires the contractor to perform additional work. Contract changes do not include adjustments to pay claims, increases under escalation costs or corrections for administrative or accounting errors.

Contractor—An authorized DAF contractor that occupies the facilities of, or receives support from, another DAF, AFR, or ANG organization.

Contractor Logistics Support—CLS is a method of contract support for a program, system, equipment or item, to provide all or part of the sustainment elements in direct support of the approved sustainment strategy. It may include work managed and/or accomplished by the government. CLS becomes the sustainment methodology after the Source of Repair Assignment Process, which is used to determine if the permanent source for accomplishment of a depot level maintenance workload generated by operational equipment will be contract or organic.

Conversion—The work required to adjust interior arrangements or other physical characteristics of a facility so it may be effectively adapted for a new designated purpose. Work necessary for conversion is properly classified as construction.

Cost Goal—The cost, measured at year-end, which may be incurred in the production of a unit of output.

Cross-servicing—That function performed by one Military Service in support of another Military Service for which reimbursement is required from the Service receiving support.

Current or Currently Available Appropriations—An appropriation which is available for new obligations and has not entered expired status. This includes all unexpired appropriations for multi-year accounts.

Customer—When used in connection with reimbursable programs, refers to: (1) another appropriation or fund within the same agency; (2) other government departments and agencies; non-federal activities, including foreign governments; (3) individuals or corporations that (by law or regulation) may be furnished materiel or services before reimbursement to DAF appropriations; and (4) when specifically authorized, another activity funded under the same appropriation as the supplying activity in the case of intra-appropriation reimbursements.

Customer Account—Funding authority, in addition to financing direct DAF requirements, specifically identified for procurement of materiel or services to support customer orders received. The term "procurement other than DAF" identifies BPs within the procurement appropriations. In other appropriations separately identify "Direct DAF" and "Reimbursable."

Development Engineering—Development engineering includes the engineering effort required to define, develop, optimize, design, integrate, test, evaluate, and verify a new weapon system, equipment, modification, or other product prior to production. Also applicable to extensive redesign and requalification of an existing item or system (including embedded automated data processing systems, both hardware and software). Development engineering effort should be focused on the achievement or improvement of the product performance as defined by the operational requirements process (see AFI 10-601, *Operational Capability Requirements Development*). Performance requirements include the range of operational, technical, and support requirements specified in the most current requirements document (e.g., Mission Element Need Statement, System Operational Requirements Document, Requirements Correlation Matrix, etc.) provided by the operational command. These performance requirements include the full range of validated operational requirements, e.g., speed, range, payload, reliability, maintainability, cost, etc., across the weapon system's life cycle as specified in the appropriate requirements document. It is intended to result in the attainment of a qualified operational configuration baseline before production of the equipment, system or modification kits.

Developmental Test and Evaluation—Test and evaluation conducted to evaluate design approaches, validate analytical models, quantify contract technical performance and manufacturing quality, measure progress in system engineering design and development, minimize design risks, predict integrated system operational performance (effectiveness and suitability) in the intended environment, and identify system problems (or deficiencies) to allow for early and timely resolution. Development Test and Evaluation includes contractor testing and is conducted over the life of the system to support acquisition and sustainment efforts. (*Defense Acquisition Guidebook* and *AFI 99-103*).

Domestic Emergencies—Emergencies affecting the public welfare and occurring within the 50 states, District of Columbia, Commonwealth of Puerto Rico, US possessions and territories, or any political subdivision thereof, as a result of enemy attack, insurrection, civil disturbance, earthquake, fire, flood, or other public disasters or equivalent emergencies that endanger life and property or disrupt the usual process of government. The term ‘domestic emergencies’ includes civil defense emergencies, civil disturbances, major disasters, natural disasters, and imminent emergencies.

Economic Order Quantity—That quantity derived from a mathematical technique used to determine the optimum (lowest) total variable costs required to order and hold inventory. When used in connection with multiyear procurement Economic Order Quantity, the procurement of materiel for future-year production quantities of items that is not required by procurement lead times but is desirable for economic reasons.

Economy Act Orders (31 USC—§ 1535)—DoD activities may place requests (orders) for materials, work, or services with another DoD component or another federal government agency under the *Economy Act*. 31 USC § 1535 requires that obligations recorded against such orders on the books of the ordering agency be reduced at the end of the period for which the appropriation is authorized for obligation, to the extent that the agency ordered upon has not incurred obligations under that order. This statutory restriction applies only to Economy Act orders. Since MIPRs are issued under the *Economy Act*, the deobligation requirement applies.

Engineering Change—An alteration in the configuration of a capital investment (including software) after formal establishment of its operational configuration baseline.

Expired Appropriation—An appropriation which is no longer available for new obligations but has not been cancelled. During the expired period, an appropriation retains its original identification (agency prefix, FY integrity, and symbol) and is available for adjusting and liquidating obligations, including within-scope contract changes.

Facility—A real property entity consisting of one or more of the following: a building, a structure, a utility system, pavement, and underlying land. (For DAF, it includes runways, taxiways, aprons, towers, docks, structural or installed training aids.)

Facility Modernization—Includes the alteration of facilities solely to implement new or higher standards (including regulatory changes), to accommodate new functions, or to replace building components that typically last more than 50 years (such as the foundations and structural members). (For more information, see *AFI 32-1020*.)

Facility Restoration—Includes repair and replacement work to restore facilities damaged by inadequate sustainment, excessive age, natural disaster (storm damage), fire, accident, or other causes.

Facility Sustainment—This category of work provides resources for annual maintenance and scheduled repair activities to maintain the inventory of real property assets through its expected life. It includes regularly scheduled adjustments and inspections, preventative maintenance tasks, and emergency response and service calls for minor repairs. It also includes major repairs or replacement of facility components (usually accomplished by contract) that are expected to occur periodically throughout the facility life cycle. This work includes regular roof replacement, refinishing of wall surfaces, repairing and replacement of heating and cooling systems, replacing tile and carpeting, and similar type work. Not included is the repair or replacement of non-attached equipment or furniture or building components that typically last more than 50 years (such as foundations and structural members). Sustainment does not include restoration, modernization, environmental compliance, historical preservation, or costs related to unexpected events, which are funded elsewhere. (For further information, see *AFI 32-1020*.)

First Destination Transportation (FDT)—Transportation required to effect the delivery of materiel from a procurement source (including DoD industrial activities that fabricate new material, but not if the industrial activity only reworks the item or component) outside the DoD supply system to the first point at which the DAF takes possession or ownership. In those cases where the DAF accepts a production item at the manufacturer plant, or source of production, and legally owns the item, FDT extends to the first point of delivery for either use or storage. It includes the charges for freight, cartage, and demurrage incurred incident to shipment of the materiel. Amplifications of this definition are as follows if materiel is: —Procured within the Continental United States, or overseas, for delivery to a Continental United States or overseas point of use or storage, FDT includes all transportation by land, air, and inland or coastal waterways, except that FDT terminates at the port of embarkation (Continental United States or overseas), when the item enters the Defense Transportation System. —Incident to a Headquarters USAF-approved package program (such as Distant Early Warning line, or Ballistic Missile Early Warning System) and provided to the contractor by the DAF for use or storage at an overseas location, FDT includes all transportation from point of origin of shipment to the point of use or storage, unless otherwise provided under the terms of the "package program." —Materiel

procured for, or on behalf of, a coproduction agreement for delivery to an overseas point of use or storage, FDT includes all transportation from point of origin of shipment (that is, contractor or government storage) to the overseas point of use or storage. Direct DAF funds pay the DAF share of transportation; the coproduction partners' share must be funded by reimbursable first destination funds.

FMSuite—Automated financial system used to complete upward obligation adjustments.

Follow-On Operational Test and Evaluation—FOT&E is the continuation of operational test and evaluation after IOT&E or qualification operational test and evaluation and is conducted only by DAF Operational and Test Evaluation Center. It answers specific questions about unresolved Course Of Instructions and test issues; verifies the resolution of deficiencies or shortfalls determined to have substantial or severe impact(s) on mission operations; or completes test and evaluation of those areas not finished during OT&E (*AFI 99-103*).

Force Development Evaluation—A type of operational testing performed by MAJCOM operational test organizations in support of system acquisition, fielding, and sustainment or in support of MAJCOM-managed system acquisition (*AFI 99-103*).

Full Funding—Funds are planned, programmed and budgeted for the total estimated cost to deliver and install a complete end item. At the time of contract award, funds are available to cover the total estimated cost to deliver the contract quantity of complete, militarily usable items. The funds in each FY appropriation request must buy complete, military usable end items. The contract is not fully funded if a future-year appropriation is required for delivery of some components of the end item. (**NOTE:** Installation funding for procurement appropriation modifications can be budgeted in the year the installation is to be accomplished.)

Funding Distribution—The process of issuing and limiting authority to incur obligations and make expenditures. An administrative action, usually within the chain of command, accomplished within appropriations made by Congress and apportionment limitations established by OMB (for example, allocation and allotment).

Host—A unit or activity that has management control of facilities, and provides services or facilities to another unit or activity (tenant). Within the DAF, the DAF MAJCOM that has jurisdiction over the installation and other real property (including use rights such as leases, permits, easements, and licenses). Also, the host may be the organization which has been designated by the MAJCOM, or by Headquarters USAF as a supplier (reference *AFI 25-201*), to furnish tenant support.

Implementing Command—The command (usually AFMC or USSF) responsible for the acquisition or modification of a system, subsystem, or item of equipment and for managing development test and evaluation, live fire test and evaluation, development test and evaluation qualification tests, qualification test and evaluation, and production acceptance test and evaluation (Production, Acceptance, Test and Evaluation).

Incremental Direct Cost—The cost of resources directly consumed to perform an individual activity that would not have been consumed if the individual activity were not performed. A cost that is specifically identified with a single cost object.

Information Technology Equipment—Information technology components and the equipment systems created from them, regardless of use, size, capacity, or price, which are designed to be applied to the solution or processing of a variety of problems or applications, but which were not specifically designed or configured for any specific application.

Initial Operational Test and Evaluation—Dedicated OT&E conducted on production, or production representative articles, to determine whether systems are operationally effective and suitable, and which supports the decision to proceed beyond low rate initial production.

Inter-service, Interdepartmental, and Inter-agency—A unit or activity of one department, agency or command that occupies the facilities of, or receives support from, another department, agency or command, usually on a continuing basis (see *DoDI 4000.19*).

Inter-service Support—Performed by a component organization by one Military Service or element thereof to provide logistic and/or administrative support to another Military Service or element thereof. Such action can be recurring or nonrecurring in character on an installation, area, or worldwide basis.

Intra-service—A DAF, AFR, or ANG unit or activity that occupies the facilities of, or receives support from, another DAF, AFR, or ANG unit.

Joint Use—Concurrent use of host facilities and equipment by both host and tenant, as required by the mission of each user.

Maintenance—The recurring, day-to-day, periodic, or scheduled work required to preserve a real property facility so it may be effectively used for its designated purpose. Includes work required to restore components which have deteriorated from fair wear and tear, and other work on a facility to prevent damage or deterioration to that facility which otherwise would be more costly to restore. Maintenance is chargeable to O&M funds. The routine, recurring work necessary to keep an end item of equipment or configuration item at its current or intended operation capability or designed performance.

Maintenance Engineering—Includes the engineering effort required to review, assess, define, and resolve technical or supportability deficiencies revealed in operational service. Maintenance engineering efforts include such tasks as accident/incident/mishap investigation, analysis of deficiency reports, identification and analysis of degraded reliability or supportability trends, etc. Maintenance engineering includes all engineering effort required to define the problem and identify the necessary corrective action.

Maintenance, Intermediate—Maintenance authorized and performed by designated maintenance activities having special personnel, equipment, and facilities and performing work beyond the capability of organizational maintenance. It includes metal processing, structural repair, corrosion control, accessory repair, engine removal and installation, inspection, etc. (See AFI 21-101, *Aircraft and Equipment Maintenance Management*.) (Not applicable to Air Logistic Complexes.)

Maintenance, Organizational—Maintenance that is the responsibility of and performed by a using organization on its assigned equipment. This maintenance usually includes inspecting, servicing, lubricating, adjusting, and replacing parts, minor assemblies, and subassemblies.

Major Disaster—Any flood, fire, hurricane, tornado, earthquake, or other catastrophe which, in the determination of the President, is or threatens to be of sufficient severity and magnitude to warrant disaster assistance by the federal government under *Public Law 91-606*, 91st Congress to supplement the efforts and available resources of state and local governments in alleviating the damage, hardship, or suffering caused thereby.

Major Procurement Appropriations—Includes the aircraft, missile, and munitions.

Military Treatment Facility—A facility established for the purpose of furnishing medical and/or dental care to eligible individuals.

Minor Construction—Minor construction projects are authorized by 10 USC § 2805. Minor construction projects are MILCON projects for a single undertaking that have an approved cost equal to or less than \$6,000,000. Minor construction projects costing \$2,000,000 or less are authorized to be funded from O&M funds. This limit is statutory and cannot be exceeded.

Modification—The alteration, conversion, or modernization of an end item of equipment or configuration item that changes or improves the operational capability in relation to safety, effectiveness, or efficiency.

Modification Engineering—Effort required to accomplish integration or installation of Group B items (including software) which have been previously developed and tested, or which have been commercially used in the same configuration in a similar environment. Effort includes "difference engineering" required to bring a previously developed item to a production configuration.

Modification Group A Kit—The items, parts or components (including software) to be permanently or temporarily installed in a capital investment to support, secure, interconnect, or accommodate the equipment in a Group B kit.

Modification Group B Kit—The items (including software) which complete a modification when installed in the capital investment. Normally, Group B items are readily removable.

Multiyear Contract—A contract covering current and future-year procurement quantities of items but not more than five years' procurement quantities as reflected in the Future Years Defense Program. Each PY is budgeted and funded annually. At the time of award, funds need only to have been appropriated for the first year.

Multiyear Procurement—A generic term describing the process, planning, and contract under which the government will commit to procurement of the current year procurement quantity of items and future quantities as reflected in the Future Years Defense Program. It does not apply to advance procurement of long lead time items.

Natural Disaster—All domestic emergencies except those created as a result of enemy attack or civil disturbance.

Obligation Authority—Authority to incur obligations and expenses for operating facilities, purchasing of materiel, etc., in direct support of unit missions and for which reimbursement is not received.

Operational Configuration Baseline—That configuration baseline which is defined or specified at the start of full-scale development (in terms of performance, reliability, supportability, etc.), and against which the test items or prototype is tested and qualified. Once the developed items or kit has been tested and accepted for production, the baseline is normally "frozen" until completion of the modification program.

Operational Test Agency—An independent agency reporting directly to the Service Chief that plans and conducts operational tests, reports results, and provides evaluations of overall operational capability of new systems as determined by effectiveness, suitability, and other operational considerations. **NOTE:** Each Service has one designated operational test agency. The DAF operational test agency is the DAF OT&E Center (*AFI 99-103*).

Operational Test and Evaluation—1. The field test, under realistic combat conditions, of any item of (or key component of) weapons, equipment, or munitions for the purpose of determining the effectiveness and suitability of the weapons, equipment, or munitions for use in combat by typical military users; and the evaluation of the results of such test (Title 10 United States Code Section 139(a)(2)). 2. Testing and evaluation conducted in as realistic an operational environment as possible to estimate the prospective system's operational effectiveness, suitability, and operational capabilities. In addition, OT&E provides information on organization, personnel requirements, doctrine, and tactics. It may also provide data to support or verify material in operating instructions, publications, and handbooks. **NOTE:** The generic term OT&E is often substituted for IOT&E, qualification operational test and evaluation, FOT&E, Operational Utility Evaluation, or Force Development Evaluation, and depending on the context, can have the same meaning as those terms (*AFI 99-103*).

Operational Testing—A generic term describing the test, evaluation, and assessment options and levels of effort available to an operational test organization (*AFI 99-103*).

Ordering Agency—Any military department or subdivision thereof that places orders for delivery from stock, manufacture, procurement of materiel, or performance of services.

Orders for Procurement by Another DoD Component (Title 10 United States Code Section 2308 and 10 USC—§ 2309)—DoD activities may place these requests (MIPR or other authorized purchase requests) for materials, supplies, or equipment with another DoD component having single service procurement assignment or procurement responsibilities, according to an agreement authorized under the *DFAR* Supplement, Part 208.

Overhead—Includes personnel services and related expenses (such as travel, transportation, printing and binding, rents and utilities, contractual services, supplies, and materiel) used to perform the following: project management and administration; inspection and supervision of construction; and direct administrative support of these two categories.

Precious Metal Recovery Program—DLA is the DoD single manager for the precious metal recovery program. The program promotes economic recovery of precious metal from all sources, and provides the reclaimed metals, as needed, to DoD components at recovery cost for use as government furnished material in support of defense contracts.

Printing—The process of composition, platemaking, presswork, and binding; also, the product of printing and duplication equipment.

Procuring or Performing Agency or Activity—Any agency or activity (military, US government, or foreign government) that receives, accepts, or fulfills orders from another agency or activity (military, US government, or foreign government) for delivery from stock, manufacture, procurement of materiel, or performance of services.

Production Acceptance Test and Evaluation—Test and evaluation of production items to demonstrate that items procured fulfill the requirements and specifications of the procuring contracts or agreements.

Production Engineering—Production engineering includes the engineering effort required to plan, design, and develop the tooling, materials, quality assurance, and manufacturing procedures necessary to achieve a cost effective, producible production article. Production engineering also includes configuration management as well as the review, evaluation, and resolution of test or service revealed production baseline technical and support deficiencies.

Project—A single undertaking that applies to one real property facility which includes land acquisition, site preparation, construction work, and items of real property installed equipment necessary to produce a complete and usable real property facility or improve a real property facility. When the land is required exclusively for one construction project and does not exceed 30 percent of the cost of the project, its acquisition is part of the project; land acquisition is treated as a separate construction project if it exceeds 30 percent.

Project Order (PO) (41 USC—§ 6307)—POs (AF Forms 185) are requests for the manufacture of materials, supplies, and equipment or other work or services placed with and accepted by a government-owned and operated establishment that meets the criteria in *DoD 7000.14-R*, Volume 11A, Chapter 2. As stated in *DoD 7000.14-R*, if the PO form is not available, the ordering activities may use DD Form 448, MIPR, as a PO form provided it contains the following specific statement: "This order is placed in accordance with the provisions of 41 USC § 6307 and *DoD 7000.14-R*, Volume 11A, Chapter 2." (*Matter of: General Counsel, Library of Congress – Inter-agency agreements/Research GOCO plants Determination*, B-246773, 72 Comp. Gen. 172 (1993)) restricts the use of POs to transactions within DoD. Transactions between DoD components and other government agencies outside of DoD are governed by the *Economy Act* (31 USC § 1535).

Qualification Operational Test and Evaluation—A tailored type of IOT&E performed on systems for which there is little to no Research, Development, Test and Evaluation-funded development effort. Commercial-off-the-shelf, non-developmental items, and government furnished equipment are tested in this manner (*AFI 99-103*).

Qualification Test and Evaluation—A tailored type of Development Test and Evaluation performed on systems for which there is little to no Research, Development, Test and Evaluation-funded development effort. Commercial-off-the-shelf, non-developmental items, and government furnished equipment are tested in this manner (*AFI 99-103*).

Real Property Facility—A separate individual building, structure or other real property, each item of which is subject to separate reporting under the DoD real property inventory.

Real Property Maintenance—(Obsolete Term. See above “Facility Sustainment, Restoration, and Modernization.”)

Reimbursable Obligation—An obligation incurred solely to support a reimbursable program.

Reimbursable Program—Requirements levied on DAF for which reimbursement will be received based on reported delivery.

Replacement—Sale of an item that requires replacement to compensate DoD inventories for the resultant loss of capability or readiness. However, because of a number of circumstances, the replacement item may not be identical to the item sold. It must, however, be a later series or "mod" designation of the same basic model or an acceptable substitute item used against the same inventory objective or authorized acquisition objective in requirements computations. In this situation, the reimbursement from the sale will be included under reimbursable financing, but the buy-back of the replacement item must be shown under the direct budget plan. Construction of a new facility to replace a real property facility that has been destroyed, damaged, or deteriorated beyond economical repair.

Replacement-in-Kind—Sale of an item of materiel that requires replacement with an item of the identical type, model, and series or "mod" designation. In this situation, the reimbursement from the sale must be included in reimbursable financing at the time of buy-back of the item. This transaction will not show in the direct budget plan.

Reproducible Copy—A copy, negative, paper master or any other media, such as sound track and film from which technical data are reproduced as printed film or sound track.

Reprogramming—Utilization of funds in an appropriation account for purposes other than those contemplated at the time of appropriation. Above threshold reprogrammings and those reprogrammings which involve general transfer authority require consolidation (Omnibus Reprogramming Request) and approval of the appropriate Congressional committees. The Omnibus Reprogramming Request is normally submitted to Office of the Secretary of Defense in the May-June timeframe.

Rescission—The consequence of enacted legislation which cancels budgetary resources previously provided by Congress prior to the time when the authority would otherwise lapse. Section 1012 of the *Impoundment Control Act of 1974* requires a special message from the President to Congress reporting any proposed rescission of budgetary resources. These proposals may be accepted in whole or in part through the passage of a rescission bill by both houses of Congress.

Second Destination Transportation (SDT)—Any transportation other than first destination. It includes port handling charges and charges for freight, cartage, demurrage (see **paragraph 11.9.9.**), and other charges incurred overseas incident to shipment of DAF property.

Services—Includes services rendered such as communications, utilities, maintenance of facilities, and other functions performed for the tenant by the host. Excludes supplies and materials issued directly to the tenant to perform the tenant's mission.

Servicing—The act or occupation of performing work or meeting a general demand.

Single Undertaking—Consists of all the construction work needed to provide a complete and usable facility, or a complete and usable improvement to an existing facility. This term implies that the project will not only produce a complete and usable facility or improvement, but work necessary to attain that end has not been divided into two or more projects for the purpose of staying beneath approval levels or statutory limits.

Software—A set of computer programs, procedures, and associated documentation concerned with the operation of a data processing system, e.g., compilers, library routines, manuals, and circuit diagrams.

Supply Management Activity Group—Retail—The Supply Management Activity Group—Retail is comprised of three divisions: General Support, Medical-Dental, and the USAFA. Within these divisions, the Supply Management Activity Group—Retail manages weapons system spare parts, medical/dental supplies and equipment, and items used for non-weapon system applications. Material is procured from vendors and held in inventory for sale to authorized customers.

Support Agreement—A host-tenant support agreement between DAF units that is drawn up under *AFI 25-201* and is recorded on DD Form 1144, *Support Agreement*.

System—Any organized assembly of resources and procedures united and regulated by interaction or interdependence to accomplish a set of specific functions.

Technical Data—A general term used when referring to any or all technical publications as a whole or separately, and without reference to any one specific type of publication, such as technical manuals, technical orders, composition, artwork, engineering data, engineering drawings, master layout drawing, undimensioned drawings, specifications, parts list, automatic equipment program master tapes or cards, microfilm, printed copies, commercial manuals, film, sound tracks, or any other media used primarily for conveying technical information. The term technical data also applies to the reproducible copy from which multiple copies of technical data are reproduced.

Technical Orders—DAF publications that give specific technical directions and information regarding inspection, storage, operation, modification, and maintenance of DAF equipment. The various types of technical orders include technical manuals, time compliance technical orders, methods and procedures technical orders, automation type technical orders (tapes and cards that are technical order data in digital, magnetic, film, or sound form), index type technical orders, and abbreviated technical orders.

Telephone—Commercial "Unofficial" Telephone Service. This means telephone service where the subscriber receives network access and service directly from the telephone company.

Termination—A procedure that may apply to any government contract, including multiyear contracts. Unlike cancellation, which is commonly effected between FYs and must apply to all subsequent FYs quantities of items, termination may be effected at any time during the life of a contract and may apply to the total quantity or to a partial quantity of items.

Test Funds—Funds specifically programmed and allocated for test and evaluation preparation, planning, conduct, and reporting, and issued to a test organization responsible for conducting test and evaluation activities.

Testing—The following two terms are frequently used when discussing the financial aspects of test and evaluation. A more detailed understanding of these terms and discussion of other test and evaluation terms and applications can be found in *AFI 99-103*.

Test Program Set—Test program is the interface equipment which allows automatic test equipment to diagnose the condition or performance level of equipment or systems. TPS is considered an integral part of the end item.

Test Resource Plan—The test resource plan is a resource management document used throughout the OT&E planning process to identify and coordinate resources required to support testing. Test resource plans are prepared and submitted by DAF OT&E Center for all DAF-directed operational test and evaluation. This includes DAF Operational Test Evaluation Center-conducted, qualification operational test and evaluation, and IOT&E; and Headquarters USAF-directed, DAF OT&E Center-conducted FOT&E. The test resource plan must be coordinated with the program office and all other agencies tasked to support the test. The test resource plan is a source of programming information and assures resources in the plan are properly identified for programming and budgeting by those agencies tasked for support.

Transfer Authority—Authority provided by Congress to transfer budget authority from one appropriation or fund account to another.

Transportation Working Capital Funds (TWCF)—US Transportation Command (USTRANSCOM) TWCF transferred from DLA Defense-Wide TWCF responsibility to the DAF in FY 98. USTRANSCOM provides air, land, and sea transportation for DoD, both in time of peace and war. As a unified command, USTRANSCOM exercises combatant command and peacetime management over the common-user aspects of the global mobility network and executes this responsibility via its transportation component commands – AMC, MSC, Military (SDDC), and Defense Courier Service.

Unit of Output—A single product or measurable service produced as defined in each business area.

Upward Obligation Adjustment or Upward Adjustment—An obligation increase in the originally recorded obligation which occurs after the period of availability for new obligations. These adjustments include claims, award and incentive fees, correction of administrative errors, correction of accounting errors, price inflation adjustments (economic or escalation price adjustments), foreign currency fluctuation charges, and others.

Value Engineering Proposal—A specific proposal by DAF personnel for economic improvement through the use of value engineering techniques. The term can also be applied to contractor-generated proposals that do not require a contract change to be implemented.

Warrant—The official document issued pursuant to law by the Secretary of the Treasury that establishes the amount of money authorized to be withdrawn from the Treasury.

Weapon System Engineering—Weapon system engineering is the application of scientific and engineering principles required to transform military requirements into operationally suitable hardware and software products. Weapon system engineering includes the definition, optimization, design, integration, interface control, test, verification, production, delivery and support of the product throughout its life cycle (see DAF Supplement 1 to DoDI 5000.02T, *Operation of the Defense Acquisition System*).

Attachment 2

FINANCIAL IMPROVEMENT AND AUDIT READINESS

A2.1. The following guidance must be adhered to:

A2.1.1. AF Form 1269, *Request for Load or Change in Fund Targets* – Use of the AF Form 1269 and maintenance of all supporting documentation for individual transactions is required. **NOTE:** The AF Form 1269 must be signed by a designated approving official, which is applicable to all transactions loaded into the General Accounting and Finance System (GAFS)-BQ, whether the result of a new funding authorization document, realignments (including realignments between elements of expense) or the correction of errors. **(T-1)**. The original AF Form 1269 must be annotated, with the correction action taken. **(T-1)**. In those cases where a feeder system (i.e., B-Tools) creates a target load sheet, that document may be used providing it contains all of the required data elements along with preparer/approver signatures and dates.

A2.1.2. Delegation of Authority – personnel who approve the loading and distribution of funds must have a signed delegation of authority memorandum. **(T-1)**. Additionally, those personnel loading funds into the accounting system must have the proper authority documented (DD Form 2875). **(T-1)**.

A2.1.3. Field Level End of Month Reconciliation, Automated Funds Management (AFM) System to GAFS-Base Level – at the end of each month, MAJCOMs and bases are required to reconcile annual and quarterly authority with supporting documentation. This includes timely resolution of “out of balance” conditions, maintaining electronic or hard copy of the reconciliations, and evidence of approval by personnel at the appropriate level (as further supported by proper delegation of authority documentation). Monthly reconciliations must include all funding withholds and reimbursements. **(T-1)**. Additionally, all tenant units loading their own targets must submit a copy of their AFM System and Program Budget Accounting System funding documents to the host FM organization. **(T-1)**. For all appropriations, SAF/FMB, ANG and AFR will suspend issuing of budget authorization documents by close of business on the 23rd of each month in order to allow field organizations time to balance before end of month closeout. **(T-1)**. **EXCEPTION:** Any bona fide emergency requirement validated by SAF/FMB (or by NGB/FMA or DAF/RECB).

A2.1.4. Intermediary Funding Points (IFPs) – starting in FY13, all IFPs must distribute funds to applicable execution OBANs; they cannot load targets or execute dollars (they will serve instead as a pass-thru to the executing OBANs). **(T-1)**.

A2.1.5. Interface Files from the AFM System to the General Accounting and Finance System (GAFS) – MAJCOMs and IFPs should send an interface file to GAFS each month (instructions are in the AFM Help Manual).

A2.1.6. Sales Codes – proper use of sales codes assists DAF financial reporting by identifying the customer, while contributing to the federal government-wide effort to reconcile inter-governmental transactions. Because there are no automated controls in place to ensure the sales code field is populated correctly, develop a manual internal control; this control must be documented and retained. **(T-1)**.

Attachment 3

PRIOR YEAR UPWARD OBLIGATION CHECKLIST

Table A3.1. Prior Year Upward Obligation Checklist.

Prior Year Upward Obligation Checklist		
TITLE:		
FY:	AMOUNT: BASE/OBAN: POARS DOCUMENT NUMBER:	EVENT TITLE:
References: 31 USC § 1553, DAFMAN65-605, V1-Chapter 7		
UOA ORIGINATOR SUBMISSION DATA		
Proper UOA title structure		
All data blocks complete and accurate		
<p>Purpose/Justification: Use this field to explain why the UOA is necessary. For all types of adjustments, provide supporting and convincing arguments for justifying the obligation of expired year funds or current year funds for a canceled appropriation. A comprehensive description and justification for the increase in obligations is necessary to evaluate the adjustment. Do not restate the purpose of the contract. Specifically state what events have occurred that require an increase in the amount of funds originally obligated for this effort. There may be situations where more than one condition is applicable. Cite all conditions and the related dollar amount to each condition to expedite processing the request. When the increase is caused by a design or specification change, state when the change was incorporated into the contract. If the increase is due to an estimating error, explain the basis of the original estimate. Include a list of all previous UOAs submitted for this contract/project.</p> <p>This block provides a stand-alone statement of facts identifying the customer, the background information (e.g., history, the document numbers, etc.), the request amount, and the type of upward obligation (e.g., claim, ratification, administrative error, etc.). This block also references the regulatory or statutory authority supporting the justification (e.g., US Code, FMR, and AFI).</p>		
Amount required and whether or not funds are currently available		
ROUTING STEPS		INITIALS
1. Did Budget Analyst review the customer’s submission and determine the bona fide need of the requested FY? Did Budget Analyst verify availability of funds?		

Did Contracting Office determine whether the change concerns a contract, and if so, whether the change is within the scope of the contract (e.g., “XX CONS determines this change does or does not concern a contracting action. The change is within/not within the scope of the contract..”)?	
Did Legal Office review the propriety of the bona fide need, antecedent liability and scope determinations (as needed)?	
Did Budget Officer or designee approve/disapprove with justification or provide recommendation statement prior to submitting to MAJCOM or SAF (e.g., “XX CPTS recommends approval/disapproval of this UOA because...”)?	
SUPPORTING DOCUMENTATION	INITIALS
Original contract or obligation document and any modifications	
Statement of Work for Original Contract and any modifications (if separate from the contractual documents)	
Documentation to support the amount requested (contractor quote or itemized government cost estimate)	
Invoices and payment vouchers and/or Commanders Resource Integration System Selective Transaction History	
Commanders Resource Integration System snapshot showing availability/non-availability of funds	
Any additional supporting documentation pertinent to the request	
UOA REQUIRING MAJCOM/SAF APPROVAL	INITIALS
Route UOA to MAJCOM/SAF as appropriate	
Support documentation uploaded	
BUDGET OFFICER / DESIGNEE SIGNATURE	
SIGNATURE:	
NAME/TITLE:	