



DEPARTMENT OF DEFENSE

FINANCIAL MANAGEMENT REGULATION

**VOLUME 2B: "BUDGET FORMULATION
AND PRESENTATION (CHAPTERS 4-19)"**

**UNDER SECRETARY OF DEFENSE
(COMPTROLLER)**

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VOLUME 2B, CHAPTER 4: “PROCUREMENT APPROPRIATIONS”**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue and underlined font***](#).

The previous version dated [December 2016](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
2.2 (040202)	Restores the threshold for submitting procurement budget exhibits to \$5.0 million in the Budget Year (BY).	Revision
2.2. (040402)	Revises guidance for the P-3a budget exhibit, restoring the requirement to submit outyear cost element detail.	Revision

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CHAPTER 4

PROCUREMENT APPROPRIATIONS

1.0 GENERAL (0401)

1.1 Purpose (040101)

This chapter provides instructions applicable to budget formulation and congressional justification for procurement and production activities. Unless otherwise specified, these instructions apply to all procurement appropriations and to all budgets.

1.2 References (040102)

Volume 2A, Chapter 1, Section 0102, provides policies and definitions concerning costs that are to be financed by the procurement appropriations.

1.3 Submission Requirements (040103)

1.3.1. General guidance with regard to submission requirements is presented in Volume 2A, Chapter 1. This chapter provides guidance for the preparation of procurement appropriation backup material required to support the Budget Estimates Submission (BES) and the President's budget request. The procurement accounts should also submit applicable exhibits required by other chapters in the Financial Management Regulation. The Components will also submit any exhibits required by the Office of Management and Budget (OMB) Circular A-11, Preparation and Submission of Budget Estimates.

1.3.2. Military Departments and Defense Agencies are responsible for clearing the justification material with the Washington Headquarters Services, Directorate for Freedom of Information and Security Review, prior to transmittal to OMB and the congressional committees.

1.4 Classification (040104)

The budget justification material should be unclassified. All classified material shall be submitted separately. Components must include a P-40 Budget Justification exhibit for special access programs (SAPs) that are not labeled as secret. The P-40 exhibits for SAPs must only include funding streams and cite the following justification: "This program is reported in accordance with Title 10, United States Code, Section 119(a)(1) in the Special Access Program Annual Report to Congress." All other (non-intel and non-SAP) classified funding requests must be identified (submit a one page P-40 exhibit) within unclassified justification budget materials.

2.0 PROCUREMENT EXHIBIT REQUIREMENTS (0402)

2.1 Purpose (040201)

This section prescribes instructions for the preparation and submission of procurement appropriations budget material to support the BES and the President's budget request. See Volume 2A, Chapter 1, Section 0104, for specific printing requirements.

SUMMARY OF EXHIBIT REQUIREMENTS

<u>Exhibit</u>	<u>Appropriation</u>
P-1 Procurement Program	All
P-1M Procurement Program - Modification Summary	Aircraft/Missiles
P-1R Procurement Program - Reserve Components	All, except SCN
P-3a Individual Modification Program	All, except SCN
P-5 Cost Analysis	All
P-5a Procurement History and Planning	All, except SCN
P-8a Analysis of Ship Cost Estimates - Major Equipment	SCN
P-10 Advance Procurement Requirements Analysis	All, as applicable
P-18 Initial and Replenishment Spares Requirements	All, except SCN
P-20 Requirements Study	All, as applicable
P-21 Production Schedule	All
P-27 SCN Ship Production Schedule	SCN
P-29 SCN Outfitting Costs	SCN
P-30 SCN Post Delivery Costs	SCN
P-35 Major Ship Component Fact Sheet	SCN
P-40 Budget Item Justification Sheet	All
P-40a Budget Item Justification for Aggregated Items	All
MYP-1 Multiyear Procurement Criteria (SNaP)	All, as applicable
MYP-2 Total Program Funding Plan (SNaP)	All, as applicable
MYP-3 Contract Funding Plan (SNaP)	All, as applicable
MYP-4 Present Value Analysis (SNaP)	All, as applicable

2.2 Submission Requirements (040202)

2.2.1. Extensible Markup Language (XML) Exhibits. All Components must submit required budget exhibits as PDFs with the source XML file embedded. These PDFs will be generated by one of the following two processes:

2.2.1.1. Submit an XML file to the XML Tools section of the Comptroller XML Exhibits web site, <https://exhibits.dtic.mil/r2/app> (for Components capable of building an XML file from an internal system). The XML files submitted through the XML Tools section must be compliant with the latest Procurement XML schema, located within the same section of the web site; or,

2.2.1.2. Create a Procurement exhibit manually within the "Create New P-40" section of the Comptroller XML Exhibits web site, <https://exhibits.dtic.mil/p40>.

2.2.1.3. The result of either process will be a PDF file with an XML file embedded. All Procurement exhibit PDFs/XMLs must be assembled into a Justification Book(s) within the same website using one of the Justification Book tools and posted to the SIPRNET website <https://cisweb.ousdc.osd.smil.mil/>.

2.2.1.4. Formats and examples of the exhibits are contained in Section 3.0.

2.2.2. Each backup book will include an Exhibit P-1, Procurement Program, an index of procurement lines (including P-1 line number, line item title, line item number, and backup book page number), and specific exhibits for those items covered by the backup book.

* 2.2.3. All applicable budget exhibits will be prepared for those programs with a budget year (BY) funding value of \$5 million or greater. For non- Major Defense Acquisition Programs (MDAPs)/Major Automated Information Systems (MAIS) programs with a BY funding value less than \$5 million, only the P-40 exhibit is required. No other subordinate exhibits will be submitted for those programs with a total BY funding value less than \$5 million. MDAP/MAIS programs must submit all required budget exhibits regardless of BY funding value.

2.2.4. Periodically, changes to standard budget exhibit formats may be directed through separate guidance (for example, through the Budget Estimates Submission guidance). This guidance may precede formal adoption of exhibit changes into the Financial Management Regulation, or direct temporary exhibit changes, such as including funding for Overseas Contingency Operations (OCO). These changes will be incorporated into the applicable XML exhibit templates.

2.2.5. The exhibits will be aggregated in the following order for each P-1 line item, as applicable to that line item and submitted in P-1 line item order.

Arrangement of Exhibits – General (except as noted below)

P-1	Procurement Program
P-40	Budget Item Justification
P-40a	Budget Item Just for Aggregated Items
MYP 1-4	Multiyear Procurement
P-10	Advance Procurement Requirements Analysis
P-5	Cost Analysis
P-5a	Procurement History and Planning
P-21	Production Schedule
P-25	Production Support and Industrial Facilities Cost Analysis
P-18	Initial and Replenishment Spares Requirements
P-20	Requirements Study (BES only, as applicable)

Arrangement of Exhibits for Modifications

P-1	Procurement Program
P-1M	Modification Summary
P-40	Budget Item Justification
MYP 1-4	Multiyear Procurement
P-3a	Individual Modification Program
P-40a	Budget Item Just for Aggregated Items

Arrangement for Ship Procurement Accounts

P-1	Procurement Program
P-40	Budget Item Justification
MYP 1-4	Multiyear Procurement
P-10	Advance Procurement Requirements Analysis
P-5	Cost Analysis
P-27	Ship Production Schedule
P-8a	Analysis of Ship Cost Estimates - Major Equipment
P-29	Outfitting Costs
P-30	Post Delivery Estimates
P-35	Major Ship Component Fact Sheet

Arrangement for Ammunition Accounts

P-1	Procurement Program
P-40	Budget Item Justification
P-40a	Budget Item Just for Aggregated Items
P-5	Cost Analysis
P-5a	Procurement History and Planning
P-21	Production Schedule
MYP 1-4	Multiyear Procurement
P-18	Initial and Replenishment Spares Requirements
P-20	Requirements Study (BES only, as applicable)

Chemical Agents and Munitions Destruction

The Chemical Agents and Munitions Destruction, Defense appropriation contains multiple types of funds (Operation and Maintenance (O&M), Research, Development, Test and Evaluation (RDT&E), and Procurement) in separate budget activities. While the RDT&E and O&M efforts may be incrementally funded, the Procurement program must comply with the full funding policy. The Army is required to provide the justification book in the following order:

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Appropriation Language

Appropriation Justification

Part I	Purpose and Scope
Part II	Justification of Funds Required
Part III	Milestones

Budget Activity 1: Operation and Maintenance

Part I	Purpose and Scope
Part II	Justification of Funds Required
Part III	Financial Summary

Budget Activity 2: Research, Development, Test and Evaluation

Part I	Purpose and Scope
Part II	Justification of Funds Required
Part III	Financial Summary
RDT&E	RDT&E Exhibits (See Chapter 5)

Budget Activity 3: Procurement

Part I	Purpose and Scope
Part II	Justification of Funds Required
Part III	Financial Summary
P-40	Budget Item Justification
P-5	Cost Analysis
P-5a	Procurement History & Planning
OP-5 (Pt 1)	Budget Activity Summary (See Volume 2A, Chapter 3)
OP-5 (Pt 2)	Activity Group Detail, Including a Reconciliation of Increases and Decreases (See Volume 2A, Chapter 3)
OP-32	Summary of Price and Program Changes (See Volume 2A, Chapter 3)

2.2.6. P-Series Major Platform Quantities

Congress requires that all Major Platform end items, including Service Life Extension Programs, Major Defense Acquisition Programs (MDAPs), and Major Automated Information Systems (MAIS), reflect quantities on all P-series (i.e., P-1, P-40, P-5, etc.) budget exhibits. For those Major Platform end items where there are different variants being procured (e.g., Family of Medium Tactical Vehicles), total quantities should not be entered on the P-1 exhibit or in the Program Resources Collection Process (PRCP) database, but specific quantities by variant must be provided on all other P-series documents. Major Platform end items are defined as the new procurement of:

- Aircraft
- Unmanned Air Vehicles
- Ships
- Missiles
- Tanks
- Combat and Tactical Vehicles
- Satellites

For programs that are not considered Major Platforms, quantities are to be included in all P-series exhibits (e.g., P-40, P-5, P-5a, etc.) with the exception of the P-1 exhibit.

2.2.7. Major Defense Acquisition Programs (MDAPs)/Major Automated Information Systems (MAIS)

2.2.7.1. Joint budget guidance from the Under Secretaries of Defense for Acquisition, Technology & Logistics (AT&L) and Comptroller directs that all MDAPs or MAIS will be budgeted in separate, dedicated Procurement (P-1) line items, and associate all of the funding for a given MDAP/MAIS with a PRCP Program Number (PNO).

2.2.7.2. For all MDAP/MAIS programs, the P-40 Budget Item Justification exhibit must include the PNO. Components must also ensure that all applicable years of the PRCP and FYDP annex data bases are updated to reflect the program budget estimates for all MDAP/MAIS programs, including all prior years and cost-to-complete columns. Each MDAP/MAIS subprogram is a component that will be identified by appropriation, budget line item, and budget activity under the End Item P-1 Line Item header.

2.2.8. Multiyear Procurements (MYP)

2.2.8.1. Volume 2A, Chapter 1, section 010203, provides guidance for MYP programs. The MYP exhibits are required for new candidate systems seeking MYP funding in the budget year (BY); multiyear contracts approved in prior years that have been significantly restructured; and MYP candidates that are requesting BY advance procurement funding in support of a later year MYP contract. Any changes to the MYP budget justification and backup materials, as approved by OUSD(C), must be re-submitted via SNaP. The approved MYP exhibits must be included in the Justification book along with the other procurement exhibits for that program.

2.2.8.2. Annual Congressional Multiyear Reporting Requirement. Section 2306b(1) of Title 10, United States Code (Multiyear Contracts) directs the Secretary of Defense to submit an annual report to the congressional defense committees regarding multiyear contracts. The OUSD(C) is responsible for coordinating the consolidated report.

2.2.9. Subsystem Budget Estimates

Any platform that includes funding for subsystems that are designated as Defense Acquisition Executive Summary or Selected Acquisition Reporting programs must identify the specific subsystem funding by fiscal year and by subsystem on the P-5 exhibits (or P-35 exhibit for SCN). The program must be labeled “MDAP/MAIS Subprogram: Program Name” and include the associated PNO. For example, “MDAP/MAIS Subprogram: Air Missile Defense Radar (AMDR), PNO: 384.”

2.2.10. Congressionally authorized and requested Advance Procurement funds for major end items must be clearly identified on all P-series exhibits for each end item by fiscal year for the program. Programs authorized to execute advance construction labor within their advance procurement must cite in the P-10 Exhibits description that “advance procurement items, including advance construction labor, is limited to components whose long-lead times require purchase early in order to reduce the overall procurement leadtime of the major end item.”

2.2.11. If an amended budget is submitted, applicable revised budget exhibits are required.

2.2.12. Guard and Reserve Procurement

2.2.12.1. Exhibit P-1R, Procurement Program - Reserve Components, shows all investment funding allocated for National Guard and Reserve Component equipment, to include quantities and costs of procurement items. The Military Departments are required to identify the applicable memo entries by P-1 Budget Line Item those lines that include quantity and funding for the National Guard and Reserve Components for each fiscal year (PY, CY, BY, BY+1 through BY+4, To Complete). The Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) generates the P-1R based on the FYDP data in PRCP.

2.2.12.2. All supporting procurement justification documentation must clearly annotate equipment allocated to the National Guard and Reserves. Specifically, the P-40 Budget Item Justification exhibit and the P-21 Production Schedule exhibit must contain a non-add memo entry indicating the funding and delivery schedule for all of the items being procured for allocation

to the National Guard and Reserve Components. This data must balance to the data in the PRCP database.

2.2.13. Dual-Use Equipment

All Components must include the following statement on their P-40 exhibit for all Army, Navy, Marine Corps, and Air Force Active and Reserve dual-use equipment items: “In accordance with section 1815 of the FY 2008 National Defense Authorization Act (P.L. 110-181), this item is necessary for use by the active and reserve components of the Armed Forces for homeland defense missions, domestic emergency responses, and providing military support to civil authorities.”

3.0 CONGRESSIONAL JUSTIFICATION/PRESENTATION (0403)

This Section presents the backup book organization and the exhibit requirements for submission to Congress. See Volume 2A, Chapter 1, Section 0104 for specific printing requirements. Justification material will be organized into a Committee Staff Procurement Backup Book. Volume 2A, Chapter 1, Section 010403 provides a detailed distribution schedule for the procurement backup books. A separate congressional committee backup book will be prepared for the President’s budget request for each procurement appropriation.

Department of Defense
FY 20BY President’s Budget Submission
Justification Book Volume X of X
Appropriation

Section 1 - Summary Material

Table of Contents

P-1 listing (P-1 Exhibits will be prepared using the OUSD(C) automated system with input from the Services and Defense Agencies)

Section 2 - Budget Appendix Extract Language

Section 3 - P-1 Line Item Detail. Procurement budget exhibits will be organized as discussed in paragraph 040203.D.

4.0 PROCUREMENT APPROPRIATION BUDGET EXHIBIT FORMATS (0404)

4.1 Standardized budget exhibit formats. (040401)

Section 4.2 describes the use of XML budget exhibits for procurement appropriations. In addition to the key attribute of making budget exhibit data electronically searchable, the XML exhibits standardize the various budget displays, enabling more effective and efficient budget formulation, review, analysis, and submission.

4.1.1. The exhibit formats provided on the following pages reflect guidance presented in previous sections.

4.1.2. The use of XML exhibits is mandatory for BES and President's budget request backup justification material.

4.1.3. XML exhibits will automatically standardize formatting, to include:

4.1.3.1. Exhibits displayed on 8 1/2 inch by 11 inch paper in landscape format.

4.1.3.2. Actual fiscal years (e.g., FY 2016, FY 2017, etc.) rather than the template entries (i.e., Prior Years (PYs), Prior Year (PY), Current Year (CY), Budget Year (BY), BY+1, BY+2, BY+3, and BY+4 and "to complete" where applicable).

4.1.3.3. Annotating the applicable P-1 line item number (using the number shown on the OSD-generated P-1 exhibit from PRCP) and page number within the line item (e.g., Item 1-1 of 5, 2-1 of 1, 3-1 of 20, etc.) at the bottom center of each exhibit page.

4.1.3.4. Properly paginate the backup book.

***4.2 Procurement exhibit formats (040402)**

There are 22 procurement exhibits that support the formulation and submission of the BES and the President's budget request. The exhibits provide data and information that justifies budgetary requirements for the various procurement appropriations. The exhibit formats follow. Volume 2B, Chapter 19, Other Special Analyses, also identifies budget exhibits that may be required.

Exhibit P-1, Procurement Program

Exhibit P-1, Procurement Program

Department of the _____

Appropriation: _____

Date: _____

Budget Activity: _____

P-1 Line Item No	Item Nomenclature	Ident Code	Prior Year		Current Year		Budget Year		Budget Year OCO		Budget Year Total	
			Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

Exhibit P-1, Procurement Program
(Exhibit P-1, page 1 of 6)

Exhibit P-1M, Procurement Programs - Modification Summary

Exhibit P-1M, Procurement Programs - Modification Summary
(TOA, \$ in Millions)

<u>System/ Modification</u>	<u>Prior Years</u>	<u>PY</u>	<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
EXAMPLE:								
<u>A-10 Modifications</u>								
AIM-9L Capability				x.x	x.x			
Chem/Bio Protection				-	x.x	x.x		
Outer Wing Fatigue Reskin					x.x	x.x		
Integrated Drive Generator					x.x	x.x	x.x	
ALE-40 Correction of Def					x.x	x.x		
Engine Monitoring Sys				xx.x	xx.x	xx.x		
Skin & Lgnrn Strengthening					x.x	x.x		
Total for A-10				xx.x	xx.x	xx.x	x.x	
<u>S-3 Modifications</u>								
AIM-9L Capability				x.x	x.x			
Chem/Bio Protection				-	x.x			
Total for S-3				x.x	xx.x			

Exhibit P-1M, Procurement Program - Modification Summary
(Exhibit P-1, page 2 of 6)

Exhibit P-1R, Procurement Program - Reserve Components

Exhibit P-1R Procurement Program - Reserve Components

Department of the _____

Appropriation: _____

Date: _____

Budget Activity: _____

P-1 Line Item No	Item Nomenclature	Ident Code	PY		CY		BY		TOA, \$ in Millions		BY +2		BY +3		BY +4	
			Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost

Examples:

F-16 Modifications
National Guard
Reserve

Exhibit P-1R, Procurement Program- Reserve Components
(Exhibit P-1, page 3 of 6)

Instructions – Procurement ProgramExhibit P-1, Procurement ProgramExhibit P-1M, Procurement Program - Modification SummaryExhibit P-1R, Procurement Program - Reserve Components

General.

A. A summary by budget project/activity will be prepared for each appropriation, showing the amount for each project/activity and the total program for each appropriation. The detail of the consolidated line items in this entry should be available upon request. There should be no consolidation into a "Less than \$5.0 million" line item for any line item requiring specific quantity authorization and for any Code B item (i.e., items not approved for Service use).

B. Unless otherwise prescribed for a specific commodity area, only procurement line items with funding of \$5.0 million or more in the Prior Year (PY), Current Year (CY) or Budget Year (BY) will be listed individually. Items less than \$5.0 million should be consolidated into a single line item entry, "Items less than \$5.0 million," under each budget activity.

Exhibit P-1, Procurement Program Instructions. Provide funding and applicable quantities by budget activity and line item. Data must match submission to the PRCP data base.

Advance Procurement. Advance procurement should be debited and credited according to the lead-times of the advance procurement. For instance, if FY 2015 and FY 2016 Advance Procurement funds are required for a FY 2017 procurement, the FY 2015 Advance Procurement funds would be debited in FY 2015, the FY 2016 Advance Procurement funds would be debited in FY 2016, and the total of the FY 2015 and FY 2016 Advance Procurement funds would be credited in FY 2017.

Advance Procurement

FY TOA	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
FY 2015 for FY 2017 (memo)	x					
FY 2016 for FY 2017 (memo)		x				
FY 2016 for FY 2018 (memo)		x				
FY 2017 (memo)			-x			
FY 2017 for FY 2018 (memo)			x			
FY 2017 for FY 2019 (memo)			x			
FY 2018(memo)				-x		
FY 2018 for FY 2019 (memo)				x		
FY 2018 for FY 2020 (memo)				x		
FY 2019(memo)					-x	
FY 2019 for FY 2020 (memo)					x	
FY 2019 for FY 2021 (memo)					x	
FY 2020(memo)						-x
FY 2020 for FY 2021 (memo)						x
FY 2020 for FY 2022 (memo)						x

(Exhibit P-1, page 4 of 6)

Exhibit P-1 Instructions (Continued)

List each aircraft and missile type and model separately, for both new procurement and modifications. Each ship type, Outfitting, Post Delivery, Cost Growth, Escalation, Service Craft, and Landing Craft will be listed as separate line items.

Include initial and replenishment spares financed in procurement appropriations in a single line item. Indicate the amounts included for initial and replenishment spares separately as subentries. For this purpose, all spare aircraft engines shall be considered initial spares.

All line items will be double spaced.

Costs will be expressed in millions of dollars using one decimal place, i.e.:

(\$ in Millions)
15.6

List the following Support Equipment and Facilities as separate line items:

Common Ground Equipment
Industrial Facilities
War Consumables
Other Production Charges
Classified Projects
Production Base Support
Space Programs (list separately)
Astronautics

Specific instructions.

Appropriation. Include the title and number of the appropriation, i.e., 2034A, Procurement of Ammunition, Army.

Budget Activity. Include the number and title of the budget activity, i.e., Budget Activity 04, Spare and Repair Parts.

Column 1: Include the P-1 line item number (generated from the OSD PRCP database).

Column 2: Item Nomenclature. Identify the name of the program. This must match what is shown in PRCP.

Exhibit P-1 Instructions (Continued)

Column 3: Identification Code. The letter "A" or "B" will be entered in this column. Line items will be appropriately coded according to the status of the item at the time the exhibit is prepared as follows:

Code "A". Line items of material that have been approved for Service use. The term "approved for service use" means that:

Army. The item has been type-classified as Standard (STD) and excludes Limited Procurement (LP) type-classification that is included in the development category.

Navy. The item has been approved for full rate production.

Air Force. The item has been approved for full rate production.

USSOCOM. The system is effective, suitable, safe, and logistically supportable. Release for Special Operations Forces is in conjunction with full rate production decision.

Code "B". Line items or material that has not been approved for Service use.

Columns 4-11: Self-explanatory.

Exhibit P-1M, Procurement Program - Modification Summary Instructions

This exhibit will be prepared for all years reflected on the sample P-1M exhibit and will represent a summary by weapon system of all individual modifications that are requested for that weapon system.

Show the total procurement cost in millions using at least one decimal place for each individual modification and total cost for that weapon system or family of models of that weapon system. For example, all models of the F-4 aircraft would be included in the F-4 line (e.g., RF-4B, F-4B, F-4E, F-4G, etc.), and all models of the AIM-7 missile would be included in the AIM-7 line (e.g. AIM-7E, AIM-7F, AIM-7M, etc.). Total modification cost will include only those costs budgeted in the individual P-1 line item, including installation costs.

Exhibit P-1R, Procurement Program - Reserve Components Instructions

In addition to the instructions for the P-1, Procurement Program, the P-1R line item entries will be exactly the same line item entries as the P-1. The Exhibit P-1R line items will include 2 sub-line items. One is for the National Guard and one is for the Reserve. Subtotal of the two lines is not required, but the total for the Reserve Components cannot exceed the amount of funding included in the P-1 line item. All procurement line items having funding for National Guard and Reserve requirements, including advance procurement, ammunition, and spares and repair parts, will be included in the P-1R exhibit and be provided for all years (i.e., for PY, BY, BY+1 – BY+4). Each Military Department is required to update the PRCP database for this information supporting the National Guard and Reserve for both the BES and the President's Budget submissions.

Exhibit P-3a, Individual Modification

Exhibit P-3a, Individual Modification

MODELS OF SYSTEMS AFFECTED: _____ TYPE MODIFICATION: _____ MODIFICATION TITLE: _____

DESCRIPTION/JUSTIFICATION:

DEVELOPMENT STATUS/MAJOR DEVELOPMENT MILESTONES:

FINANCIAL PLAN: (TOA, \$ in Millions)																						
	Prior Yrs		PY-1		PY		CY		BY		BY+1		BY+2		BY+3		BY+4		TC		Total	
	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$
RDT&E																						
PROC																						
A Kit NRE			25	2.0	10	1.0	15	1.5	15	1.5	25	2.0	25	2.0	25	2.0	90	7.5			255	21.5
A Kit			25	2.0	10	1.0	15	1.5	15	1.5	25	2.0	25	2.0	25	2.0	90	7.5			255	21.5
Comp A			25	2.5	10	1.0	15	1.5	15	1.5	25	2.5	25	2.5	25	2.5	90	9.0			255	25.5
Comp B			50	1.0	20	0.4	30	0.6	30	0.6	50	1.0	50	1.0	50	1.0	180	3.6			510	10.2
Comp C			75	3.6	30	1.5	45	2.2	45	2.2	45	2.2	45	2.2	45	2.2	270	13.0			765	36.7
Eqpt NRE																						
Eqpt																						
Eqpt A																						
Eqpt B																						
ECP 1 Gp A																						
ECP 1 Gp B																						
ECP 2 Gp A																						
ECP 2 Gp B																						
ECP 3 Gp A																						
ECP 3 Gp B																						
Data																						
Training Eq																						
SE																						
Other																						
Other																						
Other																						
ICS																						
Install Cost					25	.3	10	.1	15	.2	25	.3	25	.3	25	.3	115	1.5			255	3.2
Total Proc																						

P-1 Line- Item No X
(Page X of X)

(Exhibit P-3a, page 1 of 5)

Exhibit P-3a, Individual Modification (Continued)

Exhibit P-3a, Individual Modification (Continued)

MODELS OF SYSTEMS AFFECTED: _____ MODIFICATION TITLE: _____

INSTALLATION INFORMATION:

METHOD OF IMPLEMENTATION: _____

ADMINISTRATIVE LEADTIME: Months PRODUCTION LEADTIME: Months

CONTRACT DATES: Prior Year: _____ Current Year: _____ Budget Year 1: _____ Budget Year 2: _____

DELIVERY DATES: Prior Year: _____ Current Year: _____ Budget Year 1: _____ Budget Year 2: _____

(\$ in Millions)

Cost:	Prior Yrs		PY-1		PY		CY		BY		BY+1		BY+2		BY+3		BY+4		TC		Total	
	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$
(PY-25 kits)					15	0.2	10	0.1														
(FY(CY) 10 kits)									10	0.2												
(FY(BY) - 15 kits)											5	0.1										
(FY(BY+1) - 25 kits)													10	0.2	15	0.3						
etc.																						
					15	0.2	10	0.1	10	0.2	10	0.2	20	0.4	15	0.3						

Installation Schedule

	PY	CY				BY				BY+1				BY+2				BY+3				BY+4				TC
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
In																										
Out																										

P-1 Line Item No X
(Page X of X)

(Exhibit P-3a, page 2 of 5)

Instructions - Exhibit P-3a, Individual Modification

* This exhibit will be submitted for all individual modifications whose costs are greater than \$5.0 million in the budget year. Except as noted, individual modifications whose costs are less than \$5.0 million in the budget year will not submit this exhibit.

For Other Procurement appropriations, when only a simple modification kit is being procured and installation is being performed at the organizational level, there is no need to submit an Exhibit P-3a as long as the P-5 and P-21 include the necessary information.

The sample exhibit displays additional line items for equipment and Group A installation kits. Tailor line item entries to the modification content. Use additional lines when quantities for these components differ from the quantity of end items being procured or when a unit cost comparison between years cannot be performed.

Model. Enter the model and series designation (e.g., A-10, AGM-86, F/A-18, etc.).

Classification. Enter the modification classification or type (e.g., safety, reliability, added capability, etc.), as applicable.

Modification No. And Title: Identify the modification number and title.

Description/Justification: Provide a description of what additional capability is added to the system by this modification, and why the modification is necessary (i.e., to increase reliability, maintainability, or mission capability). If the modification is related to reliability and maintainability, indicate the current Mean-Time Between Failure (MTBF) rate of the system, what MTBF will be specified in the development/production contract, and the estimated annual savings. Identify all engineering change proposals included in the modification and provide a brief description of each and how they relate to the particular overall effort. Identify the operational requirement document (ORD) that validates the modification. Identify the quantity of aircraft in the inventory and the quantity that will receive the modification, as identified in the ORD. For example, the total objective for a radar modification might be 75 units at an estimated unit cost of \$300,000 each or total cost of \$23.5 million. Twenty units have been procured in prior years, 10 units are included in the budget year leaving 45 units to be procured in subsequent years. Identify when a different number of Group A and Group B kits are being procured (the ORD should also include this information). Identify the applicable quantity of National Guard and Reserve end items ensuring quantities and costs match the P-1R. Do not use abbreviations or acronyms of a highly technical nature. Spell the acronyms the first time and abbreviate thereafter.

Development Status/Major Development Milestones: Provide status of engineering effort testing and data package availability as of the budget submission date. Provide significant accomplished and planned milestone dates such as Preliminary Design Review (PDR), Critical Design Review

Exhibit P-3a Instructions (Continued)

(CDR), completion of Contractor Test and Evaluation (CTE), completion of Development Test and Evaluation (DTE), completion of Initial Operational Test and Evaluation (IOT&E), etc.

Financial Plan:

Note: Prior year column includes all funding from beginning of program through the Prior Year-2 (PY-2). Quantities and costs should be provided for all applicable line items. PY-1, PY, and CY are the fiscal years currently available for obligation.

RDT&E: Enter programmed RDT&E resources by fiscal year. These resources should be consistent with the Program Element Summary Data Sheets for RDT&E programs.

* Procurement: Categories of cost shall be tailored to the individual system consistent with the program's approved work breakdown structure (WBS) elements or modification content. Use as many line items as necessary to show this data. Enter the recurring and nonrecurring cost of the installation kits. Installation kits (Group A kits) are the provisions (e.g., cables, brackets, interface devices) necessary to prepare the system to accept the new equipment. Enter the recurring and nonrecurring cost of the equipment (Group B kits) to be installed (e.g., radar, ECM, engine etc.). If different quantities of kits are being procured for various engineering change proposals within a modification (or operational system improvement program), list the ECP A kit and ECP B kit as separate line item entries (i.e., a line item for the A kit and a line item for the B kit). Do not use an asterisk to indicate that the quantity cannot be shown because a mix of end items with different procurement quantities is being procured. This precludes the need for an addendum and presents all cost information together. Exhibits should reflect all costs and quantities from prior years (PYs) through To Complete (TC).

Installation. The installation costs should be portrayed in the year of actual installation so that the total cost of the installation is portrayed for each year's procurement of end items. Procurement quantities and installation quantities reflected in the procurement detail should equal the quantity displayed in the installation schedule.

Method of Implementation: Indicate how installation will be accomplished (e.g., Contractor, Depot field team, Depot modification line, etc.).

Contract Date: Enter the actual/estimated contract date (month/year, not quarter) for the item with the longest lead time.

Production Delivery Date: Enter the actual/estimated production delivery dates (month/year, not quarter) for the initial item of installed equipment for the current year and budget year.

Exhibit P-3a Instructions (Continued)

Installation Schedule: For modifications procured through the Budget Year (BY), show system inductions and modification completions by quarter. An installation schedule is required for all programs requiring installation funds. However, if the modification is being installed organically (i.e., by service managed and operated depots or field activities) and no installation funds are required, then no schedule is required. The schedule will include completed inductions for total Prior Years, Prior Year, and planned inductions for all uninstalled equipment for CY, BY, BY+1, BY+2, BY+3, and BY+4, and To Complete, as necessary, to account for installation of all modifications procured through the BY. Input and output must equal each other, as well as equal the total quantity of kits procured. Input and output refer to the start and end date of the modification into the aircraft (or end item). This information is required to determine when kits need to be procured. The input and output date is used as a barometer to determine the feasibility of the schedule (and thus, the procurement profile). For ongoing programs, identify the separate program using alpha or alpha-numeric suffixes to the current modification number. Include separate installation schedules for those items that have more than one method of implementation.

Exhibit P-5, Cost Analysis

Exhibit P-5 Cost Analysis			Weapon System				Date:	
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number					D Code		P-1 Line Item Nomenclature	
WBS COST ELEMENTS (Tailor to System/Item Rqmts)	Prior Years Unit Cost	Prior Years Total Cost	PY Unit Cost	PY Total Cost	CY Unit Cost	CY Total Cost	BY Unit Cost	BY Total Cost
Quantity								
Airframes/CFE								
Engine/Accessories								
CFE Avionics								
GFE Avionics								
Armament								
ECO (Flyaway)								
Nonrecurring Costs								
Tooling								
Software Costs								
Other Costs								
Subtotal Flyaway								
Airframe PGSE								
Engine PGSE								
Avionics PGSE								
Peculiar Training Eqpt								
Publications/Tech Data								
ECO (Support Items)								
Other								
Subtotal Support Costs								
Gross-P-1 End Item Cost								
Less PY Adv Proc (by PY FY)								
Net P-1 Full Funding Cost								
Plus CY Adv Proc								
Other Non-P-1 Costs								
Initial Spares								
Total								

P-1 Line Item No X
(Page X of X)

Exhibit P-5, Cost Analysis
(Exhibit P-5, page 1 of 8)

Instructions - Exhibit P-5, Cost Analysis

Purpose. The purpose of this exhibit is to provide detailed cost information in support of Exhibit P-1 line items consistent with the appropriate work breakdown structure (WBS) elements for the program. It is essential that this exhibit be complete and accurate, as it is the most important exhibit in the backup book. Requirement exhibits and production schedules are related to the entries on this exhibit, and it is used as the framework for line item review. The program and budget review submission will include P-5 exhibits containing detailed cost element data for fiscal years (FYs) from prior years (PYs) through the Budget Year (BY). Out-year cost element data is no longer required and will not be submitted.

General. This exhibit will be prepared for all procurement programs for which funds are requested in the P-1 exhibit. If two or more Services procure the same system, the P-5 exhibit cost elements should be as identical as possible except for Service unique requirements. A P-5 exhibit is not required for those programs that use a P-40a exhibit to display items included in an aggregated line item or if an Exhibit P-3a Modification Summary, has been prepared for a line item.

Entries:

Heading. Insert Appropriation, Budget Activity, and identification code (as identified on the Exhibit P-1 generated from the OSD PRCP database) in the appropriate block. Insert the Exhibit P-1 line item title and add after the title the subhead number for the line item in parenthesis.

Elements of Cost. Categories of cost shall be tailored to the individual system consistent with the program's approved work breakdown structure (WBS) elements. Standard categories are to be used for similar type systems (i.e. aircraft, ships, missiles, tanks, satellites, ammunition, etc.).

Production Support Services. Use generic entries such as Production Engineering, Engineering Services, Quality Assurance, Acceptance Testing, Product Improvement, etc. Include the name of the performing activity (for example, Production Support - NOP Indian Head, or Material Handling - Iowa AAP) only when needed to further clarify the generic categories.

Quantity/Total Cost entries. The quantity related to any cost element will be stated in units (not thousands). Only those entries where quantitative measurement is applicable should have entries in the quantity column. For example, the term "1 set" should not be used for publications, entries, documentation, etc. If the item is not subject to quantitative measurement, leave the column blank. The total cost for a cost element entry will be shown in millions, using 3 decimal places, i.e., 1.225. All cost columns will be totaled.

Advance Procurement Funding. Add (debit) the advance procurement funding in each fiscal year and subtract the advance procurement funding (credit) from the fiscal year the advance procurement supports. Ensure the credit is against the correct fiscal year (check leadtimes). Generally, Advance Procurement debits and credits will net to zero in the "total costs" column. If they do not net to zero, Components must provide rational why they do not.

Initial Spares. Separately identify initial spares funding and include in the total for the net weapon system/end item cost.

(Exhibit P-5, page 2 of 8)

Instructions - Exhibit P-5, Cost Analysis (Continued)

Unit Cost. The unit cost should be displayed for each flyaway cost element on the P-5 exhibit. This should be a manual entry, not computed. Otherwise, there could be lost budget authority if a reviewer (OSD, GAO, or congressional staff) asks to see the unit cost for a particular item from the contract. The last entry line, or overall weapon system unit cost, for each FY is the procurement unit cost.

Aircraft Cost Element Categories.

Airframes/Contractor Furnished Equipment (CFE): Enter estimate for recurring airframe cost, airframe contractor furnished equipment, and engineering changes.

Engine/Accessories: Enter total engine cost including accessories. As part of stub entry, enter quantity of engines per aircraft and indicate model designation including all “dash” designators (example: Engines (4) 53-L-13). Engine unit cost column will reflect the cost of one engine.

Avionics: Separately identify CFE and Government Furnished Equipment (GFE) avionics equipment.

Armament: Enter costs for all armament.

Software: Software costs are to be separately identified.

Other GFE: Enter costs for all Other GFE.

Engineering Change Orders (ECOs) - Flyaway: Include cost of anticipated, but unknown ECOs and value engineering changes for all installed aircraft components (CFE or GFE). Engineering Change Orders should be funded commensurate with the level of risk in the program.

Nonrecurring Costs: Enter total nonrecurring costs associated with production of the flyaway article. Identify and separately display funds budgeted for production tooling in the nonrecurring cost category.

Other Costs: Use as many line items as necessary to identify elements and associated costs.

Airframe Peculiar Ground Support Equipment (PGSE): Enter cost of peculiar airframe ground support equipment.

Engine PGSE: Enter cost of peculiar engine ground support equipment.

Peculiar Training Equipment: Enter cost of all peculiar training equipment.

Publications/Technical Data: Enter cost of all CFE/GFE publications and technical data.

ECOs - All Support Items. Enter cost of ECOs anticipated but unknown for all support and training equipment.

Other: Use as many line items as necessary (example: aerial cameras, or jammer transmitter sets, receiver sets or sensor sets for special mission aircraft). These items are not necessarily procured on a one-for-one basis with aircraft.

(Exhibit P-5, page 3 of 8)

Exhibit P-5 Instructions (Continued) Missile Cost Analysis

A missile P-5 exhibit will be submitted by all Services for each missile/drone type and model. If more than one model or configuration is procured in the same P-1 line item, then individual P-5 exhibits will be prepared for each model or configuration and a summary P-5 exhibit will also be prepared for the P-1 line item. Weapon systems that are composed of fire units or launchers that are procured in the same P-1 line item as the missile will provide separate cost identification for each vehicle of the fire unit or launching system (launcher, launch control center, radar set, vehicle, etc.). The cost categories on the P-5 exhibit represent a number of elements and the list should be tailored as appropriate to adequately depict the missile system cost. The flexibility exists to revise the elements to depict unique system characteristics, but a comparable cost detail to that shown in the P-5 exhibit format should be maintained.

Missile P-5 Cost Element CategoriesMissile Hardware - Recurring

- Airframe
- Propulsion (By stage, where applicable)
- Target Detection Device
- Guidance & Control
- Warhead
- Fuze
- Safe & Arm
- Engineering Change Orders
(Value Engineering)
- Government Costs
 - Integration & Assembly (Labs, etc.)
 - Acceptance Test Program
- Other (Specify)
- Subtotal Missile Hardware

Nonrecurring and Ancillary Equipment

- Tooling and Test Equipment
- Missile Ancillary Hardware
(Containers, etc.)
- Total Missile Flyaway

Command and Launch Hardware

- Launcher
- Launch Control Center
- Radar Set
- Platform/Track Vehicle
- Engineering Change Orders
- Other (Specify)
- Subtotal Command and Launch Equipment

(Exhibit P-5, page 4 of 8)

Exhibit P-5 Instructions (Continued)Support Costs

Peculiar Support Equipment (Specify, e.g., test, handling, etc.)
Special Handling Equipment
Training Equipment
Publications/Technical Data
Engineering Change Orders
Other (Specify)
Subtotal Support
Gross P-1 End Cost
Less: Prior Year Adv. Procurement (Breakout by Prior FY of funding)
Net P-1 Full Funding Cost (Must equal FY amount displayed on the P-40 exhibit)
Plus Current Year Advance Procurement.
Other Non-P-1 Weapon System Costs
Initial Spares

Ship Cost Element Categories

Include the following format for every year from construction inception for which there are undelivered ships through the end of the FYDP:

Plan Costs
Basic Construction/Conversion
Change Orders
Electronics
Propulsion Equipment
HM&E
Other Cost
Ordnance
Escalation
Project Manager's Growth
Total Ship Estimate
Less: Advance Procurement FY (specify by individual fiscal year)
Net P-1 Line Item
Ship/Unit Cost

Space System Cost Analysis.

A P-5 exhibit is required for each space weapon system employing a launch vehicle or satellite.

(Exhibit P-5, page 5 of 8)

Exhibit P-5 Instructions (Continued)Satellite Cost Element CategoriesLaunch Vehicle:

- Airframe/Integ & Assembly
- Stage I
- Stage II
- Stage III
- Stage IV
- Guidance and Control
- Other (specify)
- Nonrecurring (specify)

Stage Vehicle:

- Airframe/Integ & Assembly
- Propulsion
- Guidance and Control
- Other (specify)
- Nonrecurring (specify)

Space Vehicle:

- Integration & Assembly
- Spacecraft
- Payload
- Reentry Vehicle
- Other (specify)
- Nonrecurring (specify)
- Engineering Change Orders (ECO)
- In-House Production Support
- Total Flyaway Cost

Checkout and Launch:

- Storage, Reactivation, and Transport
- Integration and Checkout
- Propellants
- Orbital Incentives
- Other (specify)
- Total Checkout and Launch

Support:

- Technical Support
- On-Orbit Support
- Flight Support
- Other Support (specify)
- Total Support

- Total Systems Cost
- Less Advance Procurement, Prior Year
- Net P-1 Line Item Cost

(Exhibit P-5, page 6 of 8)

Exhibit P-5 Instructions (Continued)**Other Procurement Cost Analysis.**

A. Unique entries will vary depending on the nature of the procurement item. Most line items require more than one procurement action to complete the program. If only one contract is involved, the line item is composed of several separate cost elements such as the end item itself, publications, engineering services, production support, etc. Each of these elements (called "building blocks" for simplicity) carries its own dollar value. The sum of the building block values equals the line item value. In general, entries on this form should be structured in the same way that procurement has been accomplished (or is planned) and/or the way that the cost estimate for the line item was derived. For new programs, it is not always possible to predict exactly how procurement will be accomplished but the cost estimate for the line item is built up through price out of separate cost elements that are known to be required.

B. Care should be taken to ensure that the building block title accurately describes the effort. Frequently, attempts are made to use the same building block entry for more than one year when the program effort in the following year is not exactly the same. For example, Model A of particular equipment is procured in one year and an improved Model B version planned for the following year. Separate stub entries should be used to avoid comparisons of unlike items.

Ammunition Procurement Cost Analysis.

A. For items to be procured through the Single Manager for Conventional Ammunition (SMCA), the P-5 will be used to display the program cost breakdown. The Service is responsible for justifying and defending its budget request for ammunition even if the item has transitioned to the SMCA for procurement. The production support section should depict the cost of production support materials and services that are included in the P-1 line item. When the developing Service retains configuration management responsibility for a SMCA-procured item, the developing Service will formulate the production engineering cost estimate, but all other estimates will be formulated by the SMCA.

B. Actual ammunition quantities will be displayed unless the quantities being procured are in the millions (the quantities will then be displayed in thousands). Dollars will be displayed in millions, using 3 decimal places, i.e., 1.225. Normal rounding methodology will be utilized.

C. The hardware section should include the full cost of hardware incorporated into the round or item that is included in the P-1 item line. The hardware section entries should be tailored to match the major components of the ammunition item and should reflect the acquisition strategy. If two or more Services procure the same ammunition/ordnance round, the P-5 Exhibit should be as identical as possible except for Service-unique requirements. If the round is to be procured using a component breakout strategy, the entries should include, as applicable, the following: load-assemble-pack, major metal parts, fuzes, explosives, propellants and shipping containers.

(Exhibit P-5, page 7 of 8)

Exhibit P-5 Instructions (Continued)

Any small-dollar value components that are non-significant/non-problem can be rolled up into an Other, Miscellaneous line (the dollar amount of this line will not exceed 20 percent of the program value). Where an all-up round is to be delivered under a systems contract, the cost of the all-up round may be displayed as a single entry.

D. The production support section should depict the cost of production support materials and services that are included in the P-1 line item. The following standard entries should be used as applicable: production engineering, quality assurance, proof and acceptance testing, interim transportation and industrial stock support. Any other categories should be added as required and identified accordingly (e.g., special testing). When configuration management responsibility is retained by the Navy or Air Force as developing Service, the production engineering cost estimate will be formulated by the developing Service, but all other estimates will be formulated by the SMCA.

E. The nonrecurring cost section should depict the cost of such items as first article testing, product improvement, value engineering, tooling and test equipment, procurement technical data package updates, start-up/layaway costs and/or other special requirements identified accordingly. In the event that applying government-furnished material or components can reduce the cost of the round, the negative entry will be shown in this section.

F. Each section's subtotal should be displayed at the end of the subentries listing.

G. The total P-1 line item is equal to the sum of subtotal cost of hardware, procurement support and nonrecurring less the Government Furnished Material (GFM) applications. This entry must agree with the P-1 value for the ammunition item.

(Exhibit P-5, page 8 of 8)

Exhibit P-5a Procurement History and Planning

Exhibit P-5a, Procurement History and Planning

Exhibit P-5a, Procurement History and Planning (Page 1)				Weapon System			DATE:			
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number						P-1 Line Item Nomenclature				
WBS COST ELEMENTS Tailor to System/Item Requirements)	Qty	Unit Cost	Location of PCO	RFP Issue Date	Contract Method and Type	Contractor and Location	Award Date	Date of First Delivery	Tech Data Available Now?	Date Revisions Available
Prior Year (or last yr of proc)										
Airframes/CFE										
Engine/Accessories										
CFE Avionics										
GFE Avionics										
Armament										
Tooling										
Airframe PGSE										
Engine PGSE										
Avionics PGSE										
Peculiar Training Equipment										
Current Year										
Airframes/CFE										
Engine/Accessories										
CFE Avionics										
GFE Avionics										
Armament										
Tooling										
Airframe PGSE										
Engine PGSE										
Avionics PGSE										
Peculiar Training Equipment										

P-1 Line Item No X

Exhibit P-5a, Procurement History and Planning

Exhibit P-5a, Procurement History and Planning (Continued)

Exhibit P-5a, Procurement History and Planning (Continued)

[illegible]

P-1 Line Item No X

Exhibit P-5a, Procurement History and Planning

Instructions - Exhibit P-5a, Procurement History and Planning

1. Purpose. This exhibit provides detailed information on the P-5 entries regarding all prior years having contracts with undelivered assets, current year (CY) and budget year (BY). Contract information is used to compare cost estimates between fiscal years by comparing unit costs on previous contracts. For example, if an item was awarded in FY 2015 using FY 2014 funding, is the FY 2017 cost based on an FY 2014 cost inflated 3 years, or to an FY 2016 cost inflated one year? The contract information is used to determine if there has been a problem awarding the contract early or late in the fiscal year and if it occurred as planned. The contract information also is used to identify potential current year assets and to answer congressional inquiries.

2. Submission. Exhibit P-5a will be submitted for all P-5 elements of cost (building block) entries involving quantities in the current or budget year. Information for PY, CY, and BY will be updated for each succeeding submission.

3. Entries.

Cost Elements (Building Blocks)/Fiscal Year. The cost element/building block title is to be taken from the Exhibit P-5 Cost Analysis for items meeting the criteria of paragraph 2. For each cost element, provide information for the PY, CY, and BY. The first fiscal year line will provide information on the last buy prior to the current year (if the item was procured in a fiscal year that is no longer available for obligation, identify the fiscal year for which the item was last procured. Update CY and PY entries to show actual contractor and contract award dates. For the BY, use best estimates.

If Advance Procurement funding is part of the program, then provide contract data for each subsequent year to support the leadtime of the advance procurement. For example, if advance procurement is required 2 years in advance of BY, then provide contract data through BY+2.

Quantity and Unit Cost. Insert PY actual quantity procured and actual unit cost. For the CY and BY lines, insert actual or estimated unit costs. The quantities and unit costs should agree with entries on the Exhibit P-5 Cost Analysis exhibit, except for the ammunition items that are fixed standard priced. For these ammunition items, the entries should be the actual unit costs that were negotiated and/or estimated. This update is necessary for the initial starting point for computing future fixed standard prices. Provide an explanation in the remarks block for all items for which the actual unit costs vary significantly with the forecasted unit costs.

Procurement Contracting Office (PCO) Location. Identify the organization that will award the contract. Also identify the organization preparing the purchase request, if different.

Contractor. For each fiscal year, insert actual contractor name, and facility or plant location (city and state). For the current year, insert contractor name if item is to be sole source or if procurement has been accomplished; otherwise insert "Unknown". For budget year, insert contractor name if sole source; otherwise use "Unknown". Identify the city/state location of the contractor plant.

(Exhibit P-5a, page 3 of 5)

Instructions - Exhibit P-5a, Procurement History and Planning (Continued)

Contract Method/Type. The following codes will be used to identify the "Contract Method/Type":

Contract Method

SS - Sole Source
C - Competitive
MIPR - Military Interdepartmental Purchase Request (use only if MIPR obligates funding)
PO - Project Order
WR - Work Request
Allot - Allotment
Reqn - Requisition
Other - Explain by footnote

Contract Type

FP - Fixed Price
CPIF - Cost Plus Incentive Fee
CPAF - Cost Plus Award Fee
FPI - Fixed Price Incentive
Option - Option to prior year contract
Other - Explain by footnote

Additionally, indicate those contracts that are multiyear procurements by placing the code "MYP" and a corresponding number to indicate the year of the MYP after the Contract Method/ Contract Type as in the following 5-year MYP example:

SS/FPIF/MYP-1 (indicates this is the first year of the MYP)
SS/FPIF/MYP-2
SS/FPIF/MYP-3
SS/FPIF/MYP-4
SS/FPIF/MYP-5

Follow the pattern of the "Contractor" block in displaying actual and estimated contract method and type. "Option" refers to an existing contract that contains an option clause for future procurement. Identify whether the option is priced (already negotiated) or unpriced.

Award Date. For the last actual buy, provide the date that the contract was awarded. For the current year, provide the actual or estimated date. Provide estimated contract award dates for the BY. If the contract is a multiyear contract or a contract with options, identify the date that the option will be exercised.

Date of First Delivery. Same basis as Award Date.

Technical Data Package Available Now. Answer "yes" or "no" for the current year and budget year. No entry is required for prior year. The answer is to be provided as of the time the exhibit is prepared. The term "specifications" refers to full competitive specifications (or their equivalent in the case of a sole source contract).

(Exhibit P-5a, page 4 of 5)

Instructions - Exhibit P-5a, Procurement History and Planning (Continued)

Date Revisions Available. No entry is required for the prior year line if the contract has been awarded. If revisions are required, provide in last column the date or estimated date when they will be available.

Use Footnotes to provide reasons for Sole Source procurement; to provide reasons for use of letter contracts; to provide reasons why a multiyear contract cannot be used; to explain significant variations in unit cost from year to year, etc.

(Exhibit P-5a, page 5 of 5)

Exhibit P-8a, Analysis of Ship Cost Estimate - Major Equipment

Date: _____

Shipbuilding and Conversion, Navy (Continued)
Exhibit P-8a, Analysis of Ship Cost Estimate - Major Equipment

Ship Type: _____

	<u>FY 20PY</u>		<u>FY 20CY</u>		<u>FY 20BY</u>	
	<u>Qty</u>	<u>Amt</u>	<u>Qty</u>	<u>Amt</u>	<u>Qty</u>	<u>Amt</u>
Electronics Equipment						
Ordnance Equipment						
Propulsion Equipment						
HME Equipment						

Instructions: List the major equipment for each of these cost codes shown on the P-35 exhibit and include the next 10 high dollar value items. All other items can be summarized in one line item. System engineering, spares, documentation, and other equipment costs should be included in the equipment estimate. Value engineering changes should be included in the change order cost category.

Analysis of Ship Cost Estimate – Major Equipment
 (Exhibit P-8a, page 1 of 1)

Exhibit P-10, Advance Procurement Requirements Analysis

Exhibit P-10 Advance Procurement Requirements Analysis				Date:		
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number				P-1 Line Item Nomenclature		
Weapon System		First System (BY1) Award and Completion Date		Interval between Systems		
	PLT	When Rqd	Prior Years	PY	CY	BY
End Item Qty						
CFE						
Engines						
GFE						
GFE						
GFE						
EOQ						
Design						
Term Liab						
Other*						
Total AP						

P-1 Line Item No X

Exhibit P-10, (Page 1 of 4)

Exhibit P-10, Advance Procurement Funding (Continued)

Exhibit P-10, Advance Procurement Funding

Exhibit P-10 Advance Procurement Requirements Analysis (Page 2 - Budget Justification)							Date:		
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number					Weapon System		P-1 Line Item Nomenclature		
(TOA, \$ in Millions)									
	PLT	QPA	Unit Cost	BY QTY*	BY Contract Forecast Date	BY Total Cost Request			
End Item		N/A				N/A			
CFE									
GFE									
GFE									
GFE									
EOQ									
Design									
Termination Liability									
Other									
Other									
Other									
Other									
Total Advance Proc									
Description: *When the advance procurement funding supports more than one subsequent program year end item, then the funding for each line item entry must be separately identified for each applicable end item fiscal year (i.e., when lead-times are greater than one year). (Use continuation pages, as necessary)									

P-1 Line Item No X

Exhibit P-10, Advance Procurement Funding
(Exhibit P-10, page 2 of 4)

Instructions - Exhibit P-10, Advance Procurement Requirements Analysis**Page 1 - Budget Justification entries.**

This format will include funding for all Prior Years through the Budget Year (BY). Out-year data is not required and will not be submitted.

Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number. This entry should match the procurement annex.

P-1 Line Item Nomenclature: Self-explanatory.

Weapon System Type: End item for which advance procurement is required.

First System Award and Completion Date: Enter the month/year (do not use quarters) of the projected contract award for the end item for which the funds in the budget year supports. For example: FY 2017 advance procurement funds are required in support of an FY 2018 procurement. The FY 2017 AP supporting the FY 2018 end item procurement will be awarded in March 2017 and the FY 2018 procurement will be awarded in January 2018. Enter March 2017. If the manufacturing processes require 24 months, then the item will be delivered in March 2019. Enter March 2019.

Interval Between Systems: Enter the time between end item deliveries.

Column 1. The first entry should be the procurement quantity budgeted for each year (specify the actual fiscal year rather than showing the template years) for the end item for which the advance procurement is requested. In addition, list the items that are required to be purchased ahead of the end item. Be specific as possible. Some examples are:

Contractor Furnished Equipment (CFE): This entry includes all advance procurement funding associated with effort accomplished by the prime weapon system contractor (e.g. airframe contractor for aircraft; guidance and control contractor for missiles, satellites; chassis contractor for tanks, engines, nuclear propulsion equipment for ships).

Government Furnished Equipment (GFE): This entry should include a separate entry for each major subcomponent furnished by the government (e.g. engines and radars for ships and aircraft; warhead, fuzes, and rocket motors for missiles; engines and major electronic subsystems for tanks, satellites).

Economic Order Quantity (EOQ): This entry includes items for which an economic order is justified. List each item separately. The entry will require additional justification showing the analysis that supports an EOQ procurement in an advance procurement line.

Instructions-Exhibit P-10, Advance Procurement Requirements Analysis (Continued)

Other Advance Funding. This would normally include non-EOQ funding that is requested in advance of authorization of the end item and is not based on leadtime considerations but based on price/cost considerations only.

Column 2. Production Leadtime (PLT). Enter the number of months required to manufacture the end item.

Column 3. Enter the number of months after the manufacturing process begins that the item is required for incorporation into the end item.

Columns 4-15. Enter the approved funding for all years of the program.

Page 2 Entries:

Column 1. List the items that need to be purchased ahead of the end item. This column should match the entries in column 1 on page 1.

Column 2. Production Leadtime (PLT): Enter the production leadtime of this particular item.

Column 3. Quantity Per Assembly (QPA): Indicate the quantity of the item required for each end item.

Column 4. Unit Cost: Enter the unit cost in tenths of millions.

Column 5. BY Qty: Enter the total quantity being procured in the BY. For the end item enter the quantity (qty) of end items being procured in subsequent years and identify by qty and year for which the advance procurement in the BY supports.

Column 6. BY Contract Forecast Date: Enter the date of the planned contract award for each of the items listed in column 1. For the end item enter the date of planned contract award of the end items being procured in subsequent years for which the advance procurement in the BY supports.

Column 7. Cost: Enter the cost in millions with one decimal place.

Description. Describe the technique used to estimate the termination liability request. If advance procurement funding is to be applied to years beyond the immediately succeeding year, the amounts and quantities by year should be specified and explained.

Exhibit P-18, Initial and Replenishment Spares and Repair Parts Justification

Exhibit P-18 Initial and Replenishment Spare and Repair Parts Justification			Date: Month/Year		
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No		Weapon System	P-1 Line Item Nomenclature		
End Item P-1 Line Item	Prior Years	PY FY	CY FY	BY FY	
<u>INITIAL</u>					
B-1					
B-2					
F/A-18					
P-3					
UH-60					
Etc.					
TOTAL INITIAL					
<u>REPLENISHMENT</u>					
B-1					
B-2					
F-15					
Etc.					
TOTAL REPLEN					
Remarks					
(Use continuation pages, as necessary)					

P-1 Line Item No X
(Page X of X)

Exhibit P-18, Initial and Replenishment Spares and Repair Parts Justification
(Exhibit P-18, page 1 of 2)

Instructions - Exhibit P-18, Initial/Replenishment Spares Requirements

The purpose of this exhibit is to provide the funding requirements for the procurement of initial and replenishment spares and repair parts in support of end items of equipment and in support of modifications to existing end items of equipment where end items of equipment are being supported by procurement appropriations. A copy of this exhibit will be included in the budget justification book for the end item for the Budget Estimates Submission only.

Entries:

Column 1. Enter the budget Exhibit P 1 line item and end items of equipment for which the initial spares and repair parts are required.

Columns 3 through 13. Enter the total cost of the initial or replenishment spares and repair parts for each fiscal year displayed in support of the end items procured. Funding must be consistent with the P-1 and P-40 exhibits.

If some of the initial spares and repair parts are to be financed by the DWCF or for buy-out by a procurement appropriation, provide a memorandum entry to indicate the DWCF-financed portion or footnote accordingly.

Include the following information in the remarks block.

Procurement Requirement:

Funded Initial Spares.

Funded Replenishment Spares.

Funded Mobilization (War Reserve) Spares.

Total Funded.

Repair Turnaround time.

(Exhibit P-18, page 2 of 2)

Exhibit P-20, Requirements Study

Exhibit P-20, Requirements Study		Appropriation (Treasury) Code/CC/BA/BSA/Item Control No		Date	
P-1 Line Item Nomenclature (Include DODIC for Ammunition Items)			Admin Leadtime (after Oct 1): xx months		Prod Leadtime: xx months
Inventory Objective	Actual Training Expenditures	Other than Training Usage	Disposals (Vehicles/Other)	Vehicles Eligible for BY Replacement: 50	Aircraft: TOAI:
			PY FY	CY FY	BY FY
Quantity Budgeted			500	500	500
Unit Cost			.1	.1	.1
Total Cost			.5	.5	.5
Asset Dynamics					
Beginning Asset Position			500	545	545
Deliveries from all prior year funding			150	500	
Deliveries from CY funding					500
Deliveries from BY funding					
Deliveries from subsequent years' funding					
Other Gains			50	10	20
Combat Losses/Usage			0	0	0
Training Losses/Usage			-150	-500	-600
Test Losses/Usage			-5	-10	-5
Other Losses/Usage			0	0	0
Disposals/Retirements/Attritions/etc.					
End of Year Asset Position			545	545	460
Inventory Objective or Current Authorized Allowance			545	545	545
Assets Rqd for Combat Loads: 500	PY thru : 350	PY thru : 5	PY thru :: 50		PAA: TAI
WRM Rqmt: 500	PY-1: 450	PY-1: 4	PY-1: 40	Vehicle Augment: 50	Attrition Res:
Pipeline: 45	PY-2: 650	PY-2: 6	PY-2: 60		BAI
Other:	PY-3: 200	PY-3: 2	PY-3: 20		Inactive Inv:
TOTAL: 545					Storage:
REMARKS: For ammunition items, list all substitute items for the round.					

P-1 Line Item No X
(Page X of X)

Exhibit P-20, Requirements Study
(Exhibit P-20, page 1 of 4)

Instructions - Exhibit P-20, Requirements Study

1. Purpose. The purpose of this form is to provide detailed information with regard to the determination of asset availability and requirements.

2. Submission. The P-20 exhibit is required only for the Budget Estimates Submission (BES) for ammunition and weapons procurement accounts but can be used for other procurement accounts as determined by the Services and Defense Agencies. The P-20 exhibit is required for only those items costing \$20.0 million or more in the budget year (BY).

3. Entries.

Leadtimes: Administrative leadtime is the amount of time after October 1 that is required to award a contract. Procurement leadtime is the amount of time from contract award until delivery of the first unit.

Quantity Budgeted. Show the quantities, unit cost, and funding approved for this program.

Asset Dynamics. This section will reflect the changing asset position starting with the assets on hand and adjusting for gains and losses. Tailor the entries to the program being represented.

Beginning Asset Position. Use the inventory position as of the end of the prior fiscal year or specify other date. As a memo entry in the remarks section, identify assets that are not in a serviceable condition.

Deliveries from all prior year funding and deliveries from CY and BY funding. Enter the quantity funded during all prior years that are not yet delivered. Show the deliveries or other gains in the fiscal year in which they will be received. The analyst can then compare these entries to the P-21 Production Schedule (deliveries and leadtimes).

Deliveries from subsequent years' funding. Enter the quantity in the appropriate fiscal year. The due-ins should match the P-21 Production Schedule and be reflective of the procurement leadtimes and planned delivery schedules to be included on the contract.

Other Gains. Quantity due in for loans to other Services, other receipts, etc.

Usage. Identify projected annual usage, disposals, retirements, etc. that are projected for each fiscal year. There should be some correlation of the projected usage to actual expenditures. For aircraft, usage equates to attrition, retirement, FMS sales, etc. For vehicles, usage equates to disposals (quantity of vehicles scheduled for disposal through sale, salvage or transfer to another agency).

End of Year Asset Position. Add the gains and subtract the losses from the beginning of the year asset position.

Exhibit P-20 Instructions (Continued)

Inventory Objective (IO). Identify the elements of the IO and the Approved Acquisition Objective, as applicable and approved through the Program Objective Memorandum process. For missiles, munitions, and munitions-related items, use the capabilities based munitions requirements process. Annotate in the Remarks block if the IO is different for any of the FYDP years. Cite the document and the date of the document that established the IO.

Actual Expenditures (for ammunition items). Identify actual expenditures for training and other than training for at least 3 years. For example, for the FY 2018 submission, FY 2017 will be the current year but no usage will have occurred. FY 2016 would be the Prior Year but data will probably not be available for the entire fiscal year prior to the submission. Therefore, show actual usage for FY 2016 through June 30, 2016 and the usage for 3 fiscal years (FY 2015 (Prior Year minus one, PY-1), FY 2014 (Prior Year minus two, PY-2), and FY 2013 (Prior Year minus three, PY-3)).

Authorized Allowances. Enter the authorized Vehicle allowances for units, installations, and activities supported by the appropriations of the service preparing the form. Replacement requirements will be excluded.

Vehicles Eligible for Replacement: Enter the quantity of vehicles eligible for replacement during the budget year funded leadtime based upon the age, repair limits and mileage criteria of DoD 4500.36-R, Acquisition, Management, and Use of DoD Non-Tactical Vehicles.

Vehicle Augmentation. Enter the quantity that represents an augmentation to the inventory. On a separate sheet, list the organizational units and quantities for each unit involved in the augmentation and include a full justification for the augmentation.

Aircraft. Include memo entries for each configuration of aircraft. Identify the acquisition objective determined by The Joint Staff (TJS) inventory category (see Chairman of the Joint Chiefs of Staff Instruction (CJCSI) 4410.01G, Standardized Terminology for Aircraft Inventory Management) for each FY. Explain the basis for the approved acquisition objective and identify the applicable requirements document and approval authority (e.g., TJS/Service) that provides the basis for the approved acquisition objective number.

Also each Service should submit documentation, by aircraft type, that provides the average age and average hours projected for the aircraft and the current age and hours. This documentation is required for all aircraft being procured and modified, as well as for the aircraft that are being replaced. Identify Active, National Guard and Reserve aircraft. Each Service may submit this documentation in formats currently used by each Service, as long as the above information is incorporated.

Entries should include: (1) total overall aircraft inventory; (2) active aircraft inventory, including primary aircraft inventory (with appropriate subcategories for mission aircraft, training aircraft, dedicated test aircraft, etc.), backup aircraft inventory, and attrition/reconstitution reserve; (3) inactive aircraft inventory, including bailment's, drones, foreign military sales or other transfers, leases, loans, maintenance training, reclamation, and storage; and (4) the Joint Staff approved inventory requirements.

Exhibit P-20, Requirements Study (Continued)

Not Installed Nonconsumables. Tailor the asset position to elements that pertain to this category. Include a brief explanation in the remarks block to explain why the entire quantity to meet the IO is not being procured. Include memo entries for those items that total to the entire program inventory objective. Where applicable, the IO will be supported by showing the number of units or activities, by type and quantity required per unit or activity. Example:

	<u>Required</u>
20 Units	40
30 Activities	60
Spares	10
Total IO	110

REMARKS: Identify any items that can be substituted and explain why substitutes cannot be used to satisfy the IO, why expenditures do not represent an accurate portrayal of usage, and any other anomalies.

Exhibit P-21, Production Schedule

Exhibit P-21, Production Schedule															Date															
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No										Weapon System					P-1 Line Item Nomenclature															
										PRODUCTION RATE					PROCUREMENT LEADTIMES															
Item		Manufacturer's Name and Location			MSR		ECON		MAX		ALT Prior to Oct 1		ALT After Oct 1		Initial Mfg PLT		Reorder Mfg PLT		Total		Unit of Measure									
List each end item																														
Fiscal Year										Fiscal Year																				
Calendar Year										Calendar Year																				
ITEM	F Y	S V	Q T	D E	B A	O C	N O	D E	J A	F E	M A	A P	M A	J U	J U	A U	S E	O C	N O	D E	J A	F E	M A	A P	M A	J U	J U	A U	S E	B A L
5.56	94	A	.5	.2	.3	.1	.1	.1																						
	95	A	.5	0	.5									.1	.1	.1	.1	.1												
	96	A	.5	0	.5																		.1	.1	.1	.1	.1			
	94	M	.5	0	.5				.1	.1	.1	.1	.1																	
	95	M	.5	0	.5												.1	.1	.1	.1	.1									
	96	M	.5	0	.5																						.1	.4		
	96	F	.5	0	.5																							.1	.5	
Fiscal Year										Fiscal Year																				
Calendar Year										Calendar Year																				
ITEM	F Y	S V	Q T	D E	B A	O C	N O	D E	J A	F E	M A	A P	M A	J U	J U	A U	S E	O C	N O	D E	J A	F E	M A	A P	M A	J U	J U	A U	S E	B A L
5.56	94	A	.5	.2	.3	.1	.1	.1																						
	95	A	.5	0	.5									.1	.1	.1	.1	.1												
	96	A	.5	0	.5																		.1	.1	.1	.1	.1			
	95	M	.5	0	.5													.1	.1	.1	.1	.1								
	96	M	.5	0	.5																						.1	.4		

REMARKS: Use continuation pages as necessary to complete all procurements. If only one component or item is being delivered, show deliveries on one page.

P-1 Line Item No X

Exhibit P-21, Production Schedule
(Exhibit P-21, page 1 of 3)

Instructions - Exhibit P-21, Production Schedule

1. Purpose. The purpose of this exhibit is to provide detailed information with regard to the monthly production of all applicable items.

*2. Submission. Exhibit P-21 will be submitted to show the planned contractual production deliveries for Exhibit P-5 cost elements that have a value of \$5.0 million or more in the budget year (BY). Exhibit P-5 cost elements that have a value of less than \$5.0 million in the BY will not submit Exhibit P-21. Each Service, whether a leader or follower, is to provide the delivery schedule for the entire program. This ensures that each Service has the opportunity to adjust procurement quantities in terms of contractor capability to deliver all assets during the funded delivery period.

3. Entries.

a. Entries will be displayed in the same order as they appear on the Exhibit P-5 Cost Analysis.

b. Use "E" for "each," "M" for "millions" and "K" for "thousands" for unit of measure.

c. Production rates should be yearly rates. The following definitions apply.

Minimum Sustaining Rate. This is the production rate that is necessary to keep production lines open while maintaining a base of responsive vendors and suppliers; the quantity that will preclude start-up costs in the case of a production break; or the quantity that the contractor is willing to accept and produce at a reasonable cost

Economical Production Rate. This is the most efficient production rate for each budget year at which the item can be produced with existing or planned plant capacity and tooling, with 1 shift a day running for 8 hours a day and 5 days a week (1-8-5).

Maximum Production Rate. This is the maximum capacity rate that a contractor can produce with extant or PY planned tooling. Indicate the number of shifts.

d. The following leadtime definitions apply.

Administrative Leadtime (ALT). This is the amount of time required to complete the administrative actions leading to contract award. Since these actions do not require funding, the ALT can be separately identified into prior to October 1 and after October 1. The ALT is used to forecast contract awards. Longer leadtimes require that a larger quantity be purchased to support yearly requirements. Leadtimes should therefore reflect an accurate assessment of the time required to process the administrative actions.

Production Leadtime (PLT). This is the amount of time required by a contractor to produce an item once a contract is awarded. Leadtimes should be based on a realistic projection of a contractor's capability.

(Exhibit P-21, page 2 of 3)

Exhibit P-21 Instructions (Continued)

Procurement Leadtime. This is the total of ALT (post October 1) and PLT.

e. Where procurements are being made for customers such as the FMS program or another Service, a separate line will be used to reflect each customer's planned buy and phased deliveries with a total provided by item by manufacturer. Use A for Army, N for Navy, AF for Air Force, F for FMS, and O for Other (and explain in the remarks section).

f. Enter respective schedules for all prior fiscal years with undelivered assets, for CY, and BY. Show detail of production by month so that analysis can be accurately performed.

g. Missile Delivery Schedule. A separate P-21 exhibit will be prepared for each missile system reflecting the latest actual deliveries and scheduled outyear requirements. When the missile system includes the procurement of fire units or launching systems within the P-1 line item, the missiles and the major components of the fire unit or launching system (launcher, launch control center, radar set, track vehicle) will be depicted on the P-21 exhibit.

h. Ammunition. The total production plan for hardware items should be displayed to include time-phased schedules for LAP and the major limiting or pacing component as applicable. For Improved Conventional Munitions, display schedules for all major components. Provide separate information in those cases where procurement leadtimes for LAP and major components differ.

(Exhibit P-21, page 3 of 3)

Exhibit P-25, Production Support and Industrial Facilities Cost Analysis

Exhibit P-25, Production Support and Industrial Facilities Cost Analysis					Date					
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number					P-1 Line Item Nomenclature and Project Number					
Project Title/Type					End Item Supported Model					
Project Number			Annual Capacity Before Project (1-8-5)		Annual Capacity after Project (1-8-5)					
ELEMENT OF COST	PY FY	CY FY	BY FY		Facility Name: _____					
Construction					Location: _____					
Equipment					Type: (GOGO, GOCO, COCO): _____					
Equipment					Related Projects					
Equipment					Project # and Title	FY & Appn	Value	Facing	Start Date	Compl Date
Equipment										
Equipment Install										
Contract Support										
Corps of Engrs										
Other										
Total Fac Costs										
Other-Prove-out										
MILCON					Principal Milestones					
					Concept Design Complete: _____					
					Final Design Complete: _____					
					Initial/Final Project Award: _____					
					Construction Complete: _____					
					Equipment Installation Complete: _____					
					Prove out begins: _____					
					Prove out completes: _____					
Narrative Explanation										

P-1 Shopping List - Item No 20-1 of 20-20

Exhibit P-25, Production Support and Industrial Facilities Cost Analysis
(Exhibit P-25, page 1 of 2)

Instructions - Exhibit P-25 Production Support and Industrial Facilities Cost Analysis

The P-25 exhibit will be used to display costs for each funded production facilities project at all government owned, government operated (GOGO) and government owned, contractor operated (GOCO) facilities. In addition the exhibit will display the costs associated with a facilities project for those government owned lines that are located at contractor owned, contractor operated (COCO) facilities. The cost categories on the P-25 exhibit represent a number of elements and the list should be tailored to adequately depict the production facility project cost. This exhibit is to be submitted only when funding for production support and facilities is part of the current year budget or requested for the budget year. The sections on the P-25 exhibit are to be completed as follows.

Entries:

Construction Cost. The Construction Cost depicts the cost for construction that is funded in this line. If construction funds are required that are programmed in another appropriation, these funds and the associated amount should be identified in the Other Costs section.

Equipment Cost. The Equipment Cost identifies the cost for individual equipment (list separately) costing more than \$0.5 million and a cumulative cost line for all equipment costing less than \$0.5 million.

Equipment Installation Cost. The Equipment Installation Cost identifies the cost to install all the equipment listed.

Contractor Support Cost. The Contractor Support Cost identifies any cost for contractor support included in the production facility project.

Corps of Engineers Support Cost. The Corps of Engineers Support Cost identifies any cost for the Corps of Engineers support included in the production facility project.

Other In-house Support Cost. Should identify any cost for other in-house support (excluding the Corps of Engineers support costs) included in the production facility project.

Other Cost. The Other Cost reflects other costs associated with the project such as facility prove-out cost, military construction appropriation costs, etc.

Facility. The Facility specifies the name, location, and type of facility.

Related Projects. The Related Projects include prior year and outyear funding required to complete the project.

Industrial Facilities - Provide specific line item identification for each project. Group projects under each appropriate subclassification, such as facility expansion, machine tool replacement, etc.

A DD Form 1391, Military Construction Project Data, is required for each project for proposed construction, alteration, expansion, or modernization of government owned facilities.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-25, page 2 of 2)

Exhibit P-27, SCN - Ship Production Schedule

[illegible]

Exhibit P-27, SCN - Ship Production Schedule
(Exhibit P-27, page 1 of 2)

Instructions - Exhibit P-27, SCN – Ship Production Schedule

Purpose. The purpose of this exhibit is to provide information concerning production of ships authorized for construction, but not yet delivered, and for each ship programmed for construction in the Future Years Defense Program (FYDP).

General. This exhibit will be prepared for all Ship Construction, Navy (SCN) programs for which ship construction funds are requested in the P-1 exhibit. Ships will be listed in chronological order by the year authorized, then date of contract award, and then by start of construction.

Entries:

Heading. Insert Appropriation, Budget Activity, and identification code (as identified on the Exhibit P-1 generated from the OSD PRCP database) in the appropriate block. Insert the Exhibit P-1 line item title and add after the title the subhead number for the line item in parenthesis.

Ship. Identify each individual ship by Ship Class and hull number (e.g., SSN 792, CVN 79) that has previously been authorized for construction, but has not yet delivered, and each ship that is programmed for construction in the FYDP.

Shipbuilder. Identify the shipbuilder(s) for each ship.

Fiscal Year. List the year funds were appropriated or are programmed for each ship.

Contract Award. Enter the month and year of the shipbuilding contract award (actual or planned) using “MMM YYYY” format (e.g., Dec 2017).

Start of Construction. Enter the month and year that construction began/is scheduled to begin using “MMM YYYY” format.

Delivery Date. Enter the month and year each ship is planned to deliver using “MMM YYYY” format.

Exhibit P-29, SCN Outfitting Costs

[illegible]

P-1 Line Item No X

Exhibit P-29, SCN Outfitting Costs
(Exhibit P-29, page 1 of 3)

Instructions - Exhibit P-29, SCN – Outfitting Costs

Purpose. The purpose of this exhibit is to provide detailed information concerning Outfitting funds for ships authorized for construction, but not yet delivered, and for each ship programmed for construction in the Future Years Defense Program (FYDP).

General. This exhibit will be prepared for all Ship Construction, Navy (SCN) programs for which ship Outfitting funds are requested. Outfitting funds are used to acquire on board repair parts, other secondary items, equipage, recreation items, pre-commissioning crew support and general use consumables furnished to the shipbuilder or the fitting-out activity to fill the ship's initial allowances as defined by the baseline coordinated shipboard allowance list (COSAL). Outfitting funds are also budgeted for contractor-furnished spares, at lead-time away from delivery. The SCN funding for the initial fill of allowance list items are limited to those items on the COSAL and authorized requirements through the Obligation Work Limiting Date (OWLD). While most outfitting funds are executed prior to ships' completion of fitting out dates, some outfitting funding may be required in the fiscal year following the scheduled Delivery Date.

Ships will be listed by Ship Class, then in chronological order by the year authorized, then date of contract award, and then by start of construction.

Entries:

Heading. Insert Appropriation, Budget Activity, and identification code (as identified on the Exhibit P-1 generated from the OSD PRCP database) in the appropriate block. Insert the Exhibit P-1 line item title and add after the title the subhead number for the line item in parenthesis.

Ship Class and Hull Number. Identify each individual ship by Ship Class and hull number (e.g., SSN 792, CVN 79) that has previously been authorized for construction, but has not yet delivered, and each ship that is programmed for construction in the FYDP.

Program Year. List the year ship construction funds were appropriated or are programmed for each ship.

Contract Award. Enter the month and year of the shipbuilding contract award (actual or planned) using “MMM YYYY” format (e.g., Dec 2017).

Start of Construction. Enter the month and year that construction began/is scheduled to begin using “MMM YYYY” format.

Delivery Date. Enter the month and year each ship is planned to deliver using “MMM YYYY” format.

Completion of Fitting Out (CFO). Enter the month and year each ship is planned to complete fitting out using “MMM YYYY” format.

Post-Shakedown Availability (PSA) Start. Enter the month and year each ship is planned to begin PSA using “MMM YYYY” format.

PSA Finish. Enter the month and year each ship is planned to finish PSA using “MMM YYYY” format.

Obligation Work Limiting (OWL) Date. Enter the OWLD for each ship using “MMM YYYY” format.

Funding. Enter Outfitting funding for each ship. Annual funding will be provided in the Prior Year (PY), Current Year (CY) and Budget Year (BY) columns only. Total Outfitting funding received in all fiscal years before the Prior Year (PY) will be entered in the Prior Years column. All Outfitting funds programmed in the FYDP years (i.e., BY+1 through BY+4) will be entered in the To Complete column. The total Outfitting cost for each ship will be entered in the Total column.

Exhibit P-30, SCN Post Delivery Costs

Exhibit P-30, Shipbuilding and Conversion (SCN) Post Delivery Costs							Date:									
Appropriation (Treasury) Code/BA/BSA							P-1 Line Item Nomenclature									
Ship Class	Hull No	Prog Year	Contract Award	Start of Construction	Delivery Date	CFO Date	PSA Start	PSA Finish	OWL Date	Prior Years	PY	CY	BY	To Complete	Total	
Comments																

P-1 Line Item No X

Exhibit P-30, SCN Post Delivery Costs
(Exhibit P-30, page 1 of 3)

Instructions - Exhibit P-30, SCN – Post Delivery Costs

Purpose. The purpose of this exhibit is to provide detailed information concerning Post Delivery funds for ships authorized for construction, but not yet delivered, and for each ship programmed for construction in the Future Years Defense Program (FYDP).

General. This exhibit will be prepared for all Ship Construction, Navy (SCN) programs for which ship Post Delivery funds are requested. Post Delivery funding covers the fixing of government-responsible items which were believed to have been complete to standard and/or operable at delivery, as well as funding to conduct tests and trials after delivery. The Post Shakedown Availability (PSA) is a shipyard availability assigned to commence after delivery and to be completed prior to the expiration of the SCN Obligation Work Limiting Date (OWLD). Funding is used for corrections authorized by the ship's Program Manager as a result of builders' trials (pre-delivery), acceptance or underway trials, final contract trials, trial board items, and correction of production-related defects or deficiencies which develop during the post delivery period. Although the majority of post-delivery funding occurs after ships' delivery dates, some funding is required prior to the delivery date in preparation for post-delivery events.

Ships will be listed by Ship Class, then in chronological order by the year authorized, then date of contract award, and then by start of construction.

Entries:

Heading. Insert Appropriation, Budget Activity, and identification code (as identified on the Exhibit P-1 generated from the OSD PRCP database) in the appropriate block. Insert the Exhibit P-1 line item title and add after the title the subhead number for the line item in parenthesis.

Ship Class and Hull Number. Identify each individual ship by Ship Class and hull number (e.g., SSN 792, CVN 79) that has previously been authorized for construction, but has not yet delivered, and each ship that is programmed for construction in the FYDP.

Program Year. List the year ship construction funds were appropriated or are programmed for each ship.

Contract Award. Enter the month and year of the shipbuilding contract award (actual or planned) using “MMM YYYY” format (e.g., Dec 2017).

Start of Construction. Enter the month and year that construction began/is scheduled to begin using “MMM YYYY” format.

Delivery Date. Enter the month and year each ship is planned to deliver using “MMM YYYY” format.

Completion of Fitting Out (CFO). Enter the month and year each ship is planned to complete fitting out using “MMM YYYY” format.

Post-Shakedown Availability (PSA) Start. Enter the month and year each ship is planned to begin PSA using “MMM YYYY” format.

PSA Finish. Enter the month and year each ship is planned to finish PSA using “MMM YYYY” format.

Obligation Work Limiting (OWL) Date. Enter the OWLD for each ship using “MMM YYYY” format.

Funding. Enter Post Delivery funding for each ship. Annual funding will be provided in the Prior Year (PY), Current Year (CY) and Budget Year (BY) columns only. Total Post Delivery funding received in all fiscal years before the Prior Year (PY) will be entered in the Prior Years column. All Post Delivery funds programmed in the FYDP years (i.e., BY+1 through BY+4) will be entered in the To Complete column. The total Post Delivery cost for each ship will be entered in the Total column.

Exhibit P-35, Major Ship Component Fact Sheet

Exhibit P-35, Major Ship Component Fact Sheet
(TOA, \$ in Millions)

Ship Type - (SSN-21)

Equipment Item - (AN/BSY-2 Combat System)

PARM Code - (NAVSEA PMS XXX)

Description/Characteristics/Purpose:

Current Funding	FY 20PY		FY 20CY		FY 20BY			
Major Hardware	Hull	Total FY	Hull	Total FY	Hull	Total FY	Hull	Total FY
Hardware								
Warranty								
Battle Spare/Trainer								
GFE								
Ancillary Equipment								
Test Equipment								
Shipping and Installation Fix								
Technical Data and Documentation								
Spares								
Installation & Checkout								
Installation & Sup Spt								
System Engineering								
Technical Engineering Services								
Contract Field Services								
Govt Field Services								
Other Costs (List separately)								
Other Costs								

Contract Data (major hardware)	Prime Contractor	Contract Award Date (indicate if estimated)	Contract Type	New/Option	Contract Qty	Contract Hardware Unit Cost
PY						
CY						
BY						

Delivery Data	Earliest Ship Delivery Date	Months Required before Delivery	Production Leadtime	Required Award Date
PY				
CY				
BY				

V. Competition/Second-Source Initiatives:

P-1 Line Item No X

Exhibit P-35, Major Ship Component Fact Sheet
(Exhibit P-35, page 1 of 2)

Instructions - Exhibit P-35, Major Ship Component Fact Sheet

Item: A separate sheet is to be submitted for each component having a unit cost of \$3.0 million or more.

Description/Characteristics/Purpose. Self-explanatory.

Current Funding. The cost details will be provided for each ship type for which equipment is being procured on a hull basis for the prior year (PY), current year (CY), and budget year (BY).

Identify estimates on an end item cost basis. If equipment was procured in a prior year with advance procurement funds, it should be reflected on the exhibit next to the end cost estimates in parenthesis. The equipment costs in this section of the exhibit will include the building block elements listed below:

- Major Hardware
- Ancillary Equipment
- Technical Data and Documentation
- Spares
- System Engineering
- Technical Engineering Services
- Other Costs

Major hardware costs in excess of \$20 million must be broken down into sub-element hardware components that comprise the equipment cost estimate included on the P-5a cost analysis.

Contract Data. This section will be prepared for major hardware procurement. The exhibit will include the contract plans for the BY, the planned or actual contract information for the current year (CY) and the actual information for the last buy prior to the current year. The last buy should be included even though it is two or more years prior to the current year. The following codes should be used for indicating contract types: Fixed Price Incentive (FPI); Cost Plus Incentive Fee (CPIF); Fixed Price (FP); Sole Source (SS); and Competitive (C). Indicate whether it is a new contract or an option to an existing contract. Also indicate estimated or actual award dates and item delivery dates. List quantities for each fiscal year and the production leadtime associated for each type of equipment.

Delivery Data. This section should indicate delivery plans for BY, CY and Prior Year (PY) programs contained in Section II of this exhibit. The required award date entry is determined by subtracting the months required before delivery and production leadtime from the earliest ship delivery date.

Competition/Second Source Initiatives. Describe any competition or second source initiatives associated with major hardware items.

(Exhibit P-35, page 2 of 2)

Exhibit P-40, Budget Item Justification

Exhibit P-40, Budget Item Justification						Date							
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number						P-1 Line Item Nomenclature							
Program Element for Code B Items:						Other Related Program Elements							
	ID Code	Prior Years	PY FY	CY FY	BY FY		BY+1 FY	BY+2 FY	BY+3 FY	BY+4 FY	To Complete	Total	
Proc Qty													
Gross Cost													
Less PY Adv Proc													
Plus CY Adv Proc													
Net Proc (=P-1)													
Initial Spares													
Total Proc Cost													
Flyaway U/C													
Wpn Sys Proc U/C													
Description													
(Use continuation pages, as necessary)													

P-1 Line Item No X
(Page X of X)

Exhibit P-40, Budget Item Justification
(Exhibit P-40, page 1 of 4)

Instructions - Exhibit P-40, Budget Item Justification

1. Purpose. The purpose of this exhibit is to provide overall narrative justification and total procurement costs for each P-1 line item. Include all advance procurement, initial spares and repair parts for acquisition category 1 programs.

* 2. Submission. A separate P-40 exhibit will be submitted to support each P-1 line item with funding of \$5.0 million or more in the budget year (BY) or \$5.0 million or more in either the Prior Year (PY) or Current Year (CY). Funding will be provided for all years displayed on the P-40 exhibit for all programs for both the program and budget review submission and the President's budget submission. If the prior years and to complete data are not relevant (i.e., items have a continuing requirement such as vehicles or ammunition), then leave those fields blank. In order to ensure compliance with the Department's policy to fully fund procurement programs, exhibits must reflect all costs and quantities from prior years through to complete for those programs buying a finite quantity. Note: for non- Major Defense Acquisition Programs (MDAPs)/Major Automated Information Systems (MAIS) programs with a funding value less than \$5.0 million, only the P-40 exhibit is required. No other budget exhibits will be submitted for programs with a funding level less than \$5.0 million in the BY. MDAP/MAIS programs must submit all required budget exhibits if a P-40 exhibit is required.

3. Entries.

a. Enter the applicable information that identifies the appropriation number and title, budget activity, procurement line item number, and serial number (the combination of these codes should match the procurement annex). Include the P-1 line item title (must be identical to what is shown in PRCP for that line item) and identify nicknames in parenthesis. Identify the program element for all Code B items shown on the P-5. Also list all other Program Elements associated with this procurement.

b. Funding will be presented for all Prior Years before the current prior year (i.e., PY-1, PY-2, PY-3, etc.), the Prior Year, the Current Year, the Budget Year, the FYDP years, to complete, and total on all line items having a finite quantity requirement. It is not relevant to show funding or quantities for items that are continuing requirements such as ammunition or non-tactical vehicles. It is relevant to show funding for all fiscal years for items being procured to specified quantity, such as aircraft, missiles, tactical vehicles, or modifications. The funding should agree with the funding approved in the FYDP Procurement Annex. Omit line items that do not apply (for example, ammunition items would not include an initial spares line).

c. Procurement programs that include funding for National Guard and Reserve Components will list Secondary Distribution to Active, National Guard, and Reserve Components, as applicable. Secondary Distribution will include quantity and funding for each component for the Prior Year, the Current Year, the Budget Year, and the FYDP years. This data must match submission to the PRCP data base.

d. A complete narrative description of the line item will be provided. The description will include, but not be limited to, the nature, purpose and intended use of the item with sufficient depth of information to serve as a justification for funding.

(Exhibit P-40, page 2 of 4)

e. If the item is a Code B item, provide the month and calendar year, actual or projected, for each applicable Developmental Test & Evaluation (DTE), Initial Operational Test & Evaluation (IOT&E), Operational Test & Evaluation (OTE), and technical data package (TDP) or performance specification milestone date. The TDP is assumed to be the date when all data necessary to initiate the procurement is available. Also provide the planned date for type classification as Standard or Alternate Standard (Army and Air Force) or approved by the Chief of Naval Operations (CNO) or other responsible official (Navy). Provide the nomenclature and model number of each item (as applicable) that will be replaced, as well as the comparative information in definitive terms with units of measure such as range, speed, cycle rate, meantime before failure, useful life, etc. Enter a brief but specific discussion of pertinent test results and development effort to date (i.e., successful firings, slippages, test failures, cost overruns, etc.).

f. For those programs that include advance procurement funds that support more than just the next or one subsequent FY program, specific FY detail needs to be provided to identify which FY programs are supported by prior year advance procurement. Advance procurement should be debited and credited according to the leadtimes of the advance procurement. For instance, if FY 2015 and FY 2016 Advance Procurement funds are required for a FY 2017 procurement, the FY 2015 Advance Procurement funds would be debited in FY 2015, the FY 2016 Advance Procurement funds would be debited in FY 2016, and the total of the FY 2015 and FY 2016 Advance Procurement funds would be credited in FY 2017.

Advance Procurement

FY TOA	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
FY 2015 for FY 2017 (memo)	.x					
FY 2016 for FY 2017 (memo)		.x				
FY 2016 for FY 2018 (memo)		x				
FY 2017 (memo)			-.x			
FY 2017 for FY 2018 (memo)			.x			
FY 2017 for FY 2019 (memo)			.x			
FY 2018(memo)				-.x		
FY 2018 for FY 2019 (memo)				x		
FY 2018 for FY 2020 (memo)				x		
FY 2019(memo)					-.x	
FY 2019 for FY 2020 (memo)					x	
FY 2019 for FY 2021 (memo)					x	
FY 2020(memo)						-.x
FY 2020 for FY 2021 (memo)						x
FY 2020 for FY 2022 (memo)						x

(Exhibit P-40, page 3 of 4)

Instructions Exhibit P-40, Budget Item Justification (Continued)4. Specific Guidance by Program Type.a. Shipbuilding and Conversion, Navy Programs. Include the following information:

Mission

Characteristics (hull length overall, beam, displacement, draft)

Armament

Major Electronics

Production status, by hull

Contract Award Planned (Month/Year)

Months to Complete

a) Award to Delivery

b) Construction

Start to Delivery

Delivery Date

Completion of Fitting Out

Obligation Work Limiting Date (OWLD)

The P-40 exhibit must list all Service and Other Small Craft Items by types and provide funding for all years still being executed.

b. Modification Programs. For procurement modification programs the P-40 exhibit shall include the following information; a complete narrative description of the weapon system, its overall mission, number of aircraft in the inventory (include a breakout by Active, National Guard and Reserve), the designed service life, and the average service life remaining. The exhibit will, just below the narrative, include the specific modifications budgeted and programmed displayed in the format provided below:

Mod/	Total	(TOA, \$ in Millions)			
OSIP <u>No.</u>	<u>Title</u>	<u>PYs</u>	<u>PY</u>	<u>CY</u>	<u>BY</u>

Mod/OSIP No. Enter the modification number as applicable. List each modification on the aircraft P-40 exhibit. All P-3a exhibits must be included in the budget backup book in this numerical order.

Exhibit P-40a, Budget Item Justification for Aggregated Items

[illegible]

P-1 Line Item No X
(Page X of X)

Exhibit P-40a, Budget Item Justification for Aggregated Items
(Exhibit P-40a, page 1 of 2)

Instructions - Exhibit P-40a, Budget Item Justification for Aggregated Items

1. Purpose. The purpose of this exhibit is to provide the quantities and funding covering the procurement programs included in aggregated P-1 line items such as "Items Less Than \$5.0 million." A P-5 exhibit is not required for items included on a P-40a exhibit.

2. Entries.

a. Enter the applicable information that identifies the appropriation, budget activity, and title. There should be no Code B (not approved for service use) items on the P-40a exhibit. If an item is a Code B item, however, the item must be listed as separate line items in the P-1, P-5 and P-40 exhibits.

b. Unit Cost, Quantity and Total Cost will be presented for all Prior Years, Prior Year (PY), Current Year (CY), Budget Year (BY). The funding should agree with the funding approved in the FYDP Procurement Annex.

(Exhibit P-40a, page 2 of 2)

Exhibit MYP-1, Multiyear Procurement Criteria Content

Date: _____

Exhibit MYP-1, Multiyear Procurement Criteria Content

Program _____

1. Multiyear Procurement Description.
2. Benefit to the Government.
 - a. Substantial Savings
 - b. Stability of Requirement
 - c. Stability of Funding
 - d. Stable Configuration
 - e. Realistic Cost Estimates
 - f. National Security

3. Source of Savings \$ in Millions

Inflation	
Vendor Procurement	
Manufacturing	
Design/Engineering	
Tool Design	
Support Equipment	
Other	
Total	

P-1 Line Item No X
(Page X of X)

Exhibit MYP-1, Multiyear Procurement Criteria
MYP, page 1 of 8

Exhibit MYP-1, Multiyear Procurement Criteria Content

Exhibit MYP-1, Multiyear Procurement Criteria Content (Continued)

Program _____

4. Advantages of the MYP

5. Impact on Defense Industrial Base

6. Multiyear Procurement Summary

Annual Contracts

Multiyear Contract

Quantity

Total Contract Price

Cancellation Ceiling (highest point)

Funded

Unfunded

\$ Cost Avoidance Over Annual

% Cost Avoidance Over Annual

P-1 Line Item No X

Exhibit MYP-1, Multiyear Procurement Criteria
MYP, page 2 of 8

Exhibit MYP-2, Total Program Funding Plan

Exhibit MYP-2, Total Program Funding Plan						Date				
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No						P-1 Line Item Nomenclature				
	PY	BY	BY +1	BY +2	BY +3	BY+4	BY +5	BY +6	BY +7*	Total
Procurement Quantity										
Annual Procurement										
Gross Cost										
Less PY Adv Procurement										
Net Procurement (= P-1)										
Plus CY Adv Procurement										
Weapon System Cost										
Multiyear Procurement										
Gross Cost (P-1)										
Less PY Adv Procurement										
Net Procurement (= P-1)										
Advance Procurement										
For BY	xx.x									xx.x
For BY +1		xx.x	xx.x							xxx.x
For BY +2		xx.x	xx.x	xx.x						xxx.x
For BY +3		xx.x	xx.x	xx.x	xx.x					xxx.x
Plus CY Adv Procurement	xx.x	xxx.x	xxx.x	xx.x	xx.x					xxx.x
Weapon System Cost										
Multiyear Savings (\$)										
Multiyear Savings (%) (total only)										
Cancellation Ceiling -Funded										
Cancellation Ceiling -Unfunded										
Outlays										
Annual										
Multiyear										
Savings										
Remarks.										

P-1 Line Item No X

Exhibit MYP-2, Total Program Funding Plan
MYP, page 3 of 8

Exhibit MYP-3, Contract Funding Plan

Exhibit MYP-3, Contract Funding Plan						Date				
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No						P-1 Line Item Nomenclature				
	PY	BY	BY +1	BY +2	BY+3	BY +4	BY +5	BY +6	BY +7*	Total
Procurement Quantity										
Annual Procurement										
Gross Cost										
Less PY Adv Procurement										
Net Procurement (= P-1)										
Plus CY Adv Procurement										
Contract Price										
Multiyear Procurement										
Gross Cost (P-1)										
Less PY Adv Procurement										
Net Procurement (= P-1)										
Advance Procurement										
For BY	xx.x									xx.x
For BY +1		xx.x	xx.x							xxx.x
For BY +2		xx.x	xx.x	xx.x						xxx.x
For BY +3		xx.x	xx.x	xx.x	xx.x					xxx.x
Plus CY Adv Procurement	xx.x	xxx.x	xxx.x	xx.x	xx.x					xxx.x
Contract Price										
Multiyear Savings (\$)										
Multiyear Savings (%) (total only)										
Cancellation Ceiling -Funded										
Cancellation Ceiling -Unfunded										
Outlays										
Annual										
Multiyear										
Savings										
Remarks. Explain assumptions (outlay rate, contractor termination liability, other - explain what's behind the numbers).										

P-1 Line Item No X

Exhibit MYP-3, Contract Funding Plan
MYP, page 4 of 8

Exhibit MYP-4, Present Value Analysis

Exhibit MYP-4 Present Value Analysis						Date				
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No						P-1 Line Item Nomenclature				
	PY	BY	BY +1	BY +2	BY +3	BY +4	BY +5	BY +6	BY +7	Total
Annual Proposal										
Then Year Cost										
Constant Year Cost										
Present Value										
Multiyear Procurement										
Then Year Cost										
Constant Year Cost										
Present Value										
Difference										
Then Year Cost										
Constant Year Cost										
Present Value										
Remarks										
Explain assumptions (outlay rate, contractor termination liability, other - explain what's behind the numbers).										

P-1 Line Item No X

Exhibit MYP-4, Present Value Analysis
MYP, page 5 of 8

Instructions - Exhibit Multiyear Procurement

1. Provide a narrative justification (MYP-1 Multiyear Procurement Criteria) for all proposed multiyear procurements candidates regardless of costs. Exhibits MYP-1, MYP-2 Total Program Funding, MYP-3 Total Contract Funding and MYP-4 Present Value Analysis will be included for all MYP candidate systems in the Program Budget Review submission. The President's Budget request will include a P-5a MYP-annotated entry for those multiyear programs not requiring congressional authorization and appropriation language and exhibits. Exhibits MYP-1 through MYP-4 are required for all multiyear candidate systems for which any of the following is true:
 - a. The anticipated multiyear procurement contract is \$500 million or greater.
 - b. There are economic order quantity (EOQ) procurements in excess of \$20 million in any one year.
 - c. There are EOQ procurements in advance of an MYP contract in excess of \$20 million in any one year.
 - d. There will be an unfunded contingent liability in excess of \$20 million in any one year.
 - e. The procurement quantities of a previously approved MYP have been adjusted.
2. Detailed instructions for filling out MYP exhibits are published in SNaP on the home page of the SNaP-Multiyear Procurement (MYP) application.
3. If a system proposed for a multiyear contract includes more than one P-1 line item, prepare combined MYP-1 and MYP-2 exhibits. Prepare separate exhibits for the remaining MYP exhibit formats. All the exhibits associated with the system will be combined in one package, and submitted in numerical order MYP-1, MYP-2, MYP-3¹, MYP-3², etc.
4. If multiple MYPs are proposed for components of the same P-1 line item, prepare a separate set of exhibits for each component. Note that the MYP-3 will be the same in each package.
5. If a joint Service program is proposed for multiyear procurement, the executive Service is responsible for submission of all multiyear exhibits and the congressional authorization language.
6. Provide the narrative description in sufficient detail to define the multiyear procurement, i.e., this multiyear procurement will procure "x" number of units over "x" number of fiscal years by using one (or more) multiyear contract.

7. Describe in detail the benefit to the government of the MYP. The process of deciding to use or not to use a multiyear procurement (MYP) for production programs as well as how best to tailor and structure the MYP requires management judgment. A MYP should yield substantial cost avoidance or other benefits when compared to conventional annual contracting methods. Any MYP alternatives with greater risk to the government should demonstrate increased cost avoidance or other benefits over those with lower risk. Savings can be defined as significant either in terms of dollars or percentage of total costs. Detailed descriptions of benefits justifying the MYP should cover the following: Substantial Savings, Stability of Requirements, Stability of Funding, Stable Design, Realistic Cost Estimates, and National Security.

8. Identify the Substantial Savings detailing the sources of savings to include, as appropriate, inflation, vendor procurement, manufacturing, design/engineering, tool design, and support equipment. Each identified source of savings must include a narrative description of the specific savings, an estimate for that specific source and how the estimate was derived. The sum of the detailed sources should equal the total savings.

9. The narrative justification for Stability of Requirement must contain the statement that “the minimum need for the property to be purchased is expected to remain substantially unchanged during the contemplated contract period in terms of production rate, procurement rate, and total quantities.” The item should be technically mature, have completed RDT&E (including development testing, or equivalent) and Initial Operational, Test and Evaluation (IOT&E), with relatively few changes in item design anticipated. Deliveries of production items will indicate that the underlying technology is stable. This does not mean that changes will not occur but that the estimated cost of such changes is not anticipated to drive total costs beyond the proposed funding profile.

10. Identify the advantages the MYP will achieve and how they will achieve them. These advantages include: production of items in economic order quantities, thereby resulting in lower costs; enhancement of standardization; reduction of administrative burden in the placement and administration of contracts; substantial continuity of production or performance, thus avoiding annual startup costs, pre-production testing costs, make-ready expenses, and phase-out costs; stabilization of contractor and subcontractor work forces; avoiding the need to establish quality control techniques and procedures for a new contractor each year; broadening the competitive base with opportunity for participation by firms not otherwise willing or able to compete for lesser quantities, particularly in cases involving high startup costs; providing incentives to contractors to improve productivity through investment in capital facilities, equipment, and advanced technology; enhancing partnering efforts between contractors/government and prime contractor/subcontractor; providing stable environment; and enhancing best commercial practices.

11. Exhibit MYP-2, Total Program Funding Plan, will compare the funding for the annual proposal and the multiyear proposal and Exhibit MYP-3, Total Contract Funding Plan, will compare the funding for the annual proposal and the multiyear proposal for the multiyear contract.

12. All multiyear procurements (MYP), regardless of cost, require the use of a present value analysis to determine lowest cost compared to an annual procurement. This analysis will be completed by the SNaP based on funding plans provided and results displayed as Exhibit MYP-4, Present Value Analysis. Present value analysis will be calculated in accordance with DoD Instruction 7041.3, Economic Analysis for Decision Making, and OMB Circular A-94.

**VOLUME 2B, CHAPTER 5: “RESEARCH, DEVELOPMENT, TEST, AND
EVALUATION APPROPRIATIONS”****SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [**bold, italic, blue and underlined font**](#).

The previous version dated [November 2017](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated hyperlinks and ensured compliance with administrative instructions.	Revision
1.2	Added Authoritative Guidance section in compliance with administrative instructions	Addition
1.5.8	Incorporated definition of BA 08 and cancelled the OUSD(C) “Software & Digital Technology Pilot Programs Interim Financial Management Regulation Policy” dated June 4, 2020.	Addition
Exhibit R-3	Updated required Test & Evaluation cost categories and updated instructions	Revision

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CHAPTER 5

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION APPROPRIATIONS

1.0 GENERAL

1.1 Purpose

This chapter provides instructions applicable to budget formulation and congressional justification for Research, Development, Test, and Evaluation (RDT&E) appropriations. Unless otherwise specified, these instructions apply to all RDT&E appropriations and to all budgets.

***1.2 Authoritative Guidance**

1.2.1. The instructions and related requirements prescribed in this chapter are derived primarily from, and in accordance with Title 10, United States Code, section 113 ([10 U.S.C. §113](#)).

1.2.2. The [Office of Management and Budget \(OMB\) Circular A-11](#) is the governing document for preparation, submission and execution of the budget.

1.2.3. Volume 2A, Chapter 1, Section 2.13 provides policies and definitions concerning costs that are to be financed in RDT&E appropriations.

1.3 Submission Requirements

1.3.1. General guidance on submission requirements is in Volume 2A, Chapter 1. This chapter provides guidance for the preparation of RDT&E appropriation backup material required to support the Budget Estimates Submission (BES) and the President's budget request. Other chapters in the Financial Management Regulation require additional exhibits. The Components will also submit any exhibits required by the Office of Management and Budget (OMB) Circular A-11, Preparation and Submission of Budget Estimates.

1.3.2. Military Departments and Defense Agencies will be responsible for clearing the justification material with the Washington Headquarters Services, Directorate for Office of Security Review, prior to transmittal to the OMB, the Office of the Secretary of Defense (OSD), and the congressional committees.

1.4 Classification

The budget justification material should be unclassified. All classified material **must** be submitted separately. Components must include a R-2 RDT&E Budget Justification exhibit for special access programs (SAPs) that are not labeled as secret. The R-2 exhibits for SAPs must only include funding streams and cite the following justification: "This program is reported in accordance with Title 10, United States Code, Section 119(a)(1) in the Special Access Program Annual Report to Congress." All other (non-intel and non-SAP) classified funding requests must be identified (i.e., submit a one page R-2 exhibit) within unclassified justification budget materials.

1.5 RDT&E Budget Activities

The RDT&E budget activities are broad categories reflecting different types of RDT&E efforts. The definitions are provided in [section 1.5.1 through 1.5.8 below](#). The acquisition milestones identified in the definitions are established by Department of Defense Instruction 5000.02, "Operation of the Defense Acquisition System." Acquisition program developmental criteria and administrative requirements for each milestone are set forth in this instruction.

1.5.1. Budget Activity 1, Basic Research. Basic research is systematic study directed toward greater knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications towards processes or products in mind. It includes all scientific study and experimentation directed toward increasing fundamental knowledge and understanding in those fields of the physical, engineering, environmental, and life sciences related to long-term national security needs. It is farsighted high payoff research that provides the basis for technological progress. Basic research may lead to: (a) subsequent applied research and advanced technology developments in Defense-related technologies, and (b) new and improved military functional capabilities in areas such as communications, detection, tracking, surveillance, propulsion, mobility, guidance and control, navigation, energy conversion, materials and structures, and personnel support. Program elements in this category involve pre-Milestone A efforts.

1.5.2. Budget Activity 2, Applied Research. Applied research is systematic study to understand the means to meet a recognized and specific need. It is a systematic expansion and application of knowledge to develop useful materials, devices, and systems or methods. It may be oriented, ultimately, toward the design, development, and improvement of prototypes and new processes to meet general mission area requirements. Applied research may translate promising basic research into solutions for broadly defined military needs, short of system development. This type of effort may vary from systematic mission-directed research beyond that in Budget Activity 1 to sophisticated breadboard hardware, study, programming and planning efforts that establish the initial feasibility and practicality of proposed solutions to technological challenges. It includes studies, investigations, and non-system specific technology efforts. The dominant characteristic is that applied research is directed toward general military needs with a view toward developing and evaluating the feasibility and practicality of proposed solutions and determining their parameters. Applied Research precedes system specific technology investigations or development. Program control of the Applied Research program element is normally exercised by general level of effort. Program elements in this category involve pre-Milestone B efforts, also known as Concept and Technology Development phase tasks, such as concept exploration efforts and paper studies of alternative concepts for meeting a mission need.

1.5.3. Budget Activity 3, Advanced Technology Development (ATD). This budget activity includes development of subsystems and components and efforts to integrate subsystems and components into system prototypes for field experiments and/or tests in a simulated environment. Budget Activity 3 includes concept and technology demonstrations of components and subsystems or system models. The models may be form, fit, and function prototypes or scaled models that serve the same demonstration purpose. The results of this type of effort are proof of technological feasibility and assessment of subsystem and component operability and producibility

rather than the development of hardware for service use. Projects in this category have a direct relevance to identified military needs. Advanced Technology Development demonstrates the general military utility or cost reduction potential of technology when applied to different types of military equipment or techniques. Program elements in this category involve pre-Milestone B efforts, such as system concept demonstration, joint and Service-specific experiments or Technology Demonstrations and generally have Technology Readiness Levels of 4, 5, or 6. (For further discussion on Technology Readiness Levels, see the Assistant Secretary of Defense for Research and Engineering's Technology Readiness Assessment (TRA) Guidance.) Projects in this category do not necessarily lead to subsequent development or procurement phases but should have the goal of moving out of Science and Technology (S&T) and into the acquisition process within the Future Years Defense Program (FYDP). Upon successful completion of projects that have military utility, the technology should be available for transition.

1.5.4. Budget Activity 4, Advanced Component Development and Prototypes (ACD&P). Efforts necessary to evaluate integrated technologies, representative modes, or prototype systems in a high fidelity and realistic operating environment are funded in this budget activity. The ACD&P phase includes system specific efforts that help expedite technology transition from the laboratory to operational use. Emphasis is on proving component and subsystem maturity prior to integration in major and complex systems and may involve risk reduction initiatives. Program elements in this category involve efforts prior to Milestone B and are referred to as advanced component development activities and include technology demonstrations. Completion of Technology Readiness Levels 6 and 7 should be achieved for major programs. Program control is exercised at the program and project level. A logical progression of program phases and development and/or production funding must be evident in the FYDP.

1.5.5. Budget Activity 5, System Development and Demonstration (SDD). System Development and Demonstration (SDD) programs have passed Milestone B approval and are conducting engineering and manufacturing development tasks aimed at meeting validated requirements prior to full-rate production. This budget activity is characterized by major line item projects, and program control is exercised by review of individual programs and projects. Prototype performance is near or at planned operational system levels. Characteristics of this budget activity involve mature system development, integration, demonstration to support Milestone C decisions, conducting live fire test and evaluation, and initial operational test and evaluation of production representative articles. A logical progression of program phases and development and production funding must be evident in the FYDP consistent with the Department's full funding policy.

1.5.6. Budget Activity 6, RDT&E Management Support. This budget activity includes management support for research, development, test, and evaluation efforts and funds to sustain and/or modernize the installations or operations required for general research, development, test, and evaluation. Test ranges, military construction, maintenance support of laboratories, operation and maintenance of test aircraft and ships, and studies and analyses in support of the RDT&E program are funded in this budget activity. Costs of laboratory personnel, either in-house or contractor operated, would be assigned to appropriate projects or as a line item in the Basic Research, Applied Research, or ATD program areas, as appropriate. Military construction costs directly related to major development programs are included in this budget activity.

1.5.7. Budget Activity 7, Operational System Development. This budget activity includes development efforts to upgrade systems that have been fielded or have received approval for full rate production and anticipate production funding in the current or subsequent fiscal year. All items are major line item projects that appear as RDT&E Costs of Weapon System Elements in other programs. Program control is exercised by review of individual projects. Programs in this category involve systems that have received approval for Low Rate Initial Production (LRIP). A logical progression of program phases and development and production funding must be evident in the FYDP, consistent with the Department's full funding policy.

* 1.5.8. Budget Activity 8, Software and Digital Technology Pilot Programs.

1.5.8.1. Software and Digital Technology Pilot Program requirements for funding in BA 8 includes software, electronic tools, systems, applications, resources, acquisition of services, business process re-engineering activities, functional requirements development, technical evaluations, and other activities in direct support of acquiring, developing, deploying, sustaining, enhancing, and modernizing Software Digital Technology Pilot Programs.

1.5.8.2. Pilot programs may purchase Commercial off the Shelf (COTS) software, tools, and services necessary to meet the program's requirements.

1.5.8.3. Software and Digital Technology Pilot Programs may be nominated to Under Secretary of Defense (Acquisition & Sustainment). Approved pilot program nominations will be submitted with the President's Budget request.

1.5.8.4. A system project participating in the Pilot Program may be removed from BA 8 if the project has not been successful in meeting criteria established for the Pilot Program by the Secretary of Defense.

1.6 Establishing RDT&E Program Elements

1.6.1. The program element is the primary data element in the FYDP and is the major aggregation, at which RDT&E efforts are organized, budgeted, and reviewed. All funding associated with a major system new start must be identified in a unique program element. Requests to establish program elements should be forwarded to Office of the Secretary of Defense (OSD) Cost Assessment and Program Evaluation (CAPE) for coordination and approval.

1.6.2. In general, the coding symbology identifies the RDT&E budget activity for the program element. Program elements in RDT&E budget activities 1 through 6 will have "06" in the first two positions; "06" indicates it is part of Major Force Program 6, Research and Development. The third and fourth position will identify the specific budget activity (e.g., 0602 is an RDT&E budget activity 2 program element). Program elements in RDT&E budget activity 7 reflect the Major Program of the fielded system in the first two positions (e.g., "01" indicates a strategic system).

2.0 RDT&E EXHIBIT REQUIREMENTS

2.1 Purpose

This section prescribes instructions for the preparation and submission of RDT&E appropriations budget material to support the BES and the President's budget request. See Volume 2A, Chapter 1, Section 4.0, for specific printing requirements.

SUMMARY OF EXHIBIT REQUIREMENTS

<u>Exhibit Reference</u>	<u>Exhibit</u>	<u>Appropriation</u>
R-1	RDT&E Programs	All
R-2	RDT&E Budget Item Justification	All
R-2a	RDT&E Project Justification	All
R-3	Cost Analysis	All
R-4	RDT&E Program Schedule Profile	All
R-4a	RDT&E Program Schedule Detail	All

2.2 Submission Requirements

2.2.1. Extensible Markup Language (XML) Exhibits. All Components must submit required budget exhibits as PDFs with the source XML file embedded. These PDFs will be generated by one of the following two processes:

2.2.1.1. Submit an XML file to the XML Tools section of the Comptroller XML Exhibits web site, <https://exhibits.dtic.mil/r2/app> (for Components capable of building an XML file from an internal system). The XML files submitted through the XML Tools section must be compliant with the latest RDT&E XML schema, located within the same section of the website; or

2.2.1.2. Create a RDT&E exhibit manually within the "Create New R-2" section of the Comptroller XML Exhibits web site, <https://exhibits.dtic.mil/r2>.

2.2.1.3. The result of either process will be a PDF file with an XML file embedded. All RDT&E exhibit PDFs/XMLs must be assembled into a Justification Book(s) within the same website using one of the Justification Book tools and posted to the SIPRNET website <https://cisweb.ousdc.osd.smil.mil/>.

2.2.1.4. Formats and examples of the exhibits are contained in Section 3.0.

2.2.2. Each backup book will include an Exhibit R-1, RDT&E Program, two indices of program elements (including R-1 line number, program element title, program element number, and backup book page number), one alphabetically by program element title and on by budget activity and R-1 line number, and specific exhibits for those items covered by the backup book.

2.2.3. The exhibits will be aggregated in the following order for each R-1 line item, as applicable to that line item and submitted in R-1 line item order.

Arrangement of Exhibits – General

- R-1 RDT&E Programs
- R-2 RDT&E Budget Item Justification
- R-2a RDT&E Project Justification
- R-3 RDT&E Project Cost Analysis
- R-4 RDT&E Program Schedule Profile
- R-4a RDT&E Program Schedule Detail

Note: The R-3/R-4/R-4a supporting each R-2a Project Justification will be arranged immediately following the R-2a.

2.2.4. Major Defense Acquisition Programs (MDAPs)/Major Automated Information Systems (MAIS)

2.2.4.1. Joint budget guidance from the Under Secretaries of Defense for Acquisition, Technology & Logistics (AT&L) and Comptroller directs that all MDAPs or MAIS will be budgeted in separate, dedicated Program Elements (R-1 line items), and associate all of the funding for a given MDAP/MAIS with a PRCP Program Number (PNO).

2.2.4.2. For all MDAP/MAIS programs, the R-2 RDT&E Budget Item Justification exhibit must include the PNO. Components must also ensure that all applicable fiscal years of the PRCP and FYDP annex data bases are updated to reflect the program budget estimates for all MDAP/MAIS programs, including all prior years and cost-to-complete columns. Each MDAP/MAIS subprogram is a component that will be identified by appropriation, budget line item, and budget activity under the End Item R-1 Line Item header.

2.2.5. If an amended budget is submitted, identify the revised budget exhibits accordingly.

2.2.6. Facilities Exhibit. For improvements to and construction of government-owned facilities funded in the RDT&E appropriation, a DD Form 1391, Military Construction Project Data, must be provided separately for each Budget Year (BY) project and any Prior Year (PY) or Current Year (CY) projects not previously reported. These exhibits will be included with the program element justification. In addition, a copy of all DD Forms 1391 should be packaged together and a copy provided to the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) Program/Budget (P/B) Investment Directorate and to the Military Personnel and Construction Directorate. A copy of the form and the instructions are in Chapter 6.

3.0 CONGRESSIONAL JUSTIFIATION/PRESENTATION

This Section presents the backup book organization and the exhibit requirements for submission to Congress. See Volume 2A, Chapter 1, Section 4.0 for specific printing requirements. Justification material will be organized into a Committee Staff Procurement Backup Book. Volume 2A, Chapter 1, Section 4.3 provides a detailed distribution schedule for the procurement backup books. A separate congressional committee backup book will be prepared for the President's budget request for each RDT&E appropriation.

Cover

Department of Defense

FY 20BY President's Budget Submission

Justification Book Volume X of X

Appropriation Title

Section 1 - Summary Material

Table of Contents

R-1 listing (R-1 Exhibits will be prepared using the OUSD(C) automated system with input from the Services and Defense Agencies)

Section 2 - Budget Appendix Extract Appropriation Language

Section 3 - R-1 Line Item Detail. RDT&E budget exhibits will be organized as discussed in paragraph 2.2.3.

4.0 RDT&E APPROPRIATION BUDGET EXHIBIT FORMATS

4.1 Standardized budget exhibit formats

Section 2.2 describes the use of XML budget exhibits for RDT&E appropriations. In addition to the key attribute of making budget exhibit data electronically searchable, the XML exhibits standardize the various budget displays, enabling more effective and efficient budget formulation, review, analysis, and submission.

4.1.1. The exhibit formats provided on the following pages reflect guidance presented in previous sections.

4.1.2. The use of XML exhibits is mandatory for BES and President's budget request backup justification material.

4.1.3. XML exhibits will automatically standardize formatting, to include:

4.1.3.1. Exhibits displayed on 8 1/2 inch by 11 inch paper in landscape format.

4.1.3.2. Actual fiscal years (e.g., FY 2016, FY 2017, etc.) rather than the template entries (i.e., Prior Years (PYs), Prior Year (PY), Current Year (CY), Budget Year (BY), BY+1, BY+2, BY+3, and BY+4).

4.1.3.3. Annotating the applicable R-1 line item number and page number within the line item (e.g., Item 1-1 of 5, 2-1 of 1, 3-1 of 20, etc.) at the bottom center of each exhibit page.

4.1.3.4. Properly paginate the backup book.

4.2 RDT&E exhibit formats

There are six RDT&E exhibits that support the formulation and submission of the BES and the President's budget request. The exhibits provide data and information that justifies budgetary requirements for the various RDT&E appropriations. The exhibit formats follow. Volume 2B, Chapter 19, Other Special Analyses, also identifies budget exhibits that may be required.

Exhibit R-1: RDT&E Programs

Exhibit R-1, RDT&E Programs								
Appropriation: _____			Department of the _____			Date: _____		
						<u>TOA, \$ in Millions</u>		
R-1 Line Item No	Program Element Number	Item	Budget Activity	Prior Year Cost	Current Year Cost	Budget Year Cost	Budget Year OCO Cost	Total Budget Year Cost
Exhibit R-1, RDT&E Programs								

Exhibit R-1: RDT&E Programs (Continued)

Exhibit R-1: RDT&E Programs

A. General Instructions:

Unless otherwise specified, this format will be used to present the Research, Development, Test and Evaluation (RDT&E) program to:

1. The Office of the Under Secretary of Defense (Comptroller) in support of the OSD/OMB budget review and,
2. The Congress in support of the President's budget request.

B. RDT&E Line Item Content:

The basic document for presenting RDT&E requirements is the Exhibit R-1, RDT&E Programs. The R-1 line items are program elements, which define a development effort with specific design, cost, schedule and capability parameters. All costs of basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, and lease/operation of facilities and equipment will be included in appropriate R-1 line items. The R-1 exhibit will contain the following information:

1. Program element title and number. Appropriate security classification coding should be included as part of each program element title listed. All classified material should be bracketed.
2. Line items will be arranged in ascending program element order within each budget activity.
3. Approved funding for the Prior Year (PY), the Current Year (CY), and Budget Year (BY).
4. Subtotals by Budget Activity and total funding for the appropriation for the Prior Year (PY), the Current Year (CY), and Budget Year (BY).

Exhibit R-2: RDT&E Budget Item Justification

Exhibit R-2, RDT&E Budget Item Justification: BES/PB 20xx Service/Agency										DATE: Month/Year	
APPROPRIATION/BUDGET ACTIVITY Appropriation Code: Appropriation Name BA Number: Budget Activity Title						R-1 ITEM NOMENCLATURE Program Element Number: Program Element Title					
COST (\$ in Millions)	FY PY	FY CY	FY BY Base	FY BY OCO	FY BY Total	FY BY+1	FY BY+2	FY BY+3	FY BY+4	Cost to Complete	Total Cost
Total Program Element											
Project Number: Project Title 1											
Project Number: Project Title N											
Note Identify when a Program Element or a Project: 1) is a new start, 2) was terminated/completed, 3) was previously funded, or will be funded, in a different Program Element, or 4) has had a Title change. For Program Element or Project transfers, include the current and previous Program Element number and title, and Project number and title, if applicable.											
A. Mission Description and Budget Item Justification The R-2 shall include a general description and justification of the efforts included in the program element. The R-2A shall include a detailed description and justification of the efforts included in the specific project. Every Project shall include an R-2A exhibit; including where a Project is an aggregate of Congressional Adds. An exception may be to create an R-2 without an R-2A for Single Project PEs. For ACAT 1D programs, identify Cost to Complete and Total Cost for the program and all projects; otherwise, the appropriate value shall be "Continuing". An R-3 Exhibit must be provided for Budget Activity 4, 5, and 7 Programs.											
B. Program Change Summary (\$ in Millions)						<u>FY PY</u>	<u>FY CY</u>	<u>Base FY BY</u>	<u>OCO FY BY</u>	<u>Total FY BY</u>	
Previous President's Budget											
Current President's Budget											
Total Adjustments											
Congressional General Reductions											
Congressional Directed Reductions											
Congressional Rescissions											
Congressional Adds (appropriated)											
Congressional Directed Transfers											
Reprogrammings											
SBIR/STTR Transfer											
Other Adjustment Title 1											
Other Adjustment Title N											
Congressional Add Details (\$ in Millions, and includes General Reductions)							<u>FY PY</u>	<u>FY CY</u>			
Project Number, Project Title 1											
Congressional Add Title:											
Congressional Add Title:											
Subtotal for Project 1											
Project Number, Project Title N											
Congressional Add Title:											
Subtotal for Project N											
Total for all Projects											
Change Summary Explanation											
R-2 Schema 3.4 Template as of 5-19-2010											

Exhibit R-2a: RDT&E Budget Item Justification (Project)

Exhibit R-2, RDT&E Budget Item Justification: BES/PB 20XX Service/Agency										Date: Month Year		
Appropriation/Budget Activity Appropriation Code/BA Number					R-1 Program Element (Number/Name) Program Element Number/Title				Project (Number/Name) Project Number/Title			
COST (\$ in Millions)	Prior Years	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total	FY 2017	FY 2018	FY 2019	FY 2020	Cost To Complete	Total Cost
Project Number: Title												
Quantity of RDT&E Articles												
MDAP/MAIS Code: (if applicable)												
A. Mission Description and Budget Item Justification Provide a Project overview. For BAs 1,2, and 3, specify the technology area as defined in annual budget guidance. Provide a description and justification. Identify the military requirement(s) that this Project will meet. Identify New Start efforts for the Budget Year (BY). New Start details shall be displayed on the R-2a rather than the R-2.												
B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)								FY PY	FY CY	FY BY Base	FY BY OCO	FY BY Total
Title: Accomplishments/Planned Program Title 1 FY CY Justification: FY BY Base Justification: FY CY to FY BY Increase/Decrease Statement: FY BY OCO Plans:												
Title: Accomplishments/Planned Program Title 2 FY CY Justification: FY BY Base Justification: FY CY to FY BY Increase/Decrease Statement: FY BY OCO Plans:												

Exhibit R-2a: RDT&E Budget Item Justification (Project) (Continued)

C. Other Program Funding Summary (\$ in Millions)															
Product Development (\$ in Millions)				FY PY		FY CY		FY BY Base		FY BY OCO		FY BY Total			
Cost Category Item	Contract Method	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of
Subtotal															
Remarks															
Discuss Acquisition Strategy and items of interest. Acquisition Strategy is NOT required for BA 1, 2, 3, or 6.															

Exhibit R-2a: RDT&E Budget Item Justification (Project) (Continued)

Exhibit R-2a: RDT&E Budget Item Justification (Project)

Exhibit R-2: RDT&E Budget Item Justification

A. General Instructions:

1. An Exhibit R-2 **must** be prepared for each program element. An Exhibit R-2a **must** be prepared for each RDT&E project, even if there is only one project and even if a project is funded only in a Prior Year (PY) and/or a Current Year (CY), regardless of funding amount. To provide full-funding visibility, every program, project, and activity specifically added by Congress to the President's Budget Request (a.k.a. Congressional Adds) **must** be identified within an Exhibit R-2a. The programs, projects, and activities may be treated as individual projects, grouped, but separately identified, in one or more "Congressional Adds" projects, and/or included within "core" projects. Classified material will be submitted separately.

2. All funding within any R-exhibit will be expressed in millions, with three decimal places, unless specifically noted otherwise.

3. Care should be taken to see that exhibits are clear and concise. Abbreviations **must** be identified on the page on which they occur.

B. Exhibit Instructions:

1. Date. Include the month and year of submission of the exhibit. If an Amended Budget is submitted, identify the date of the revised submission.

2. Exhibit R-2 RDT&E Budget Item Justification. Identify the Budget Cycle/Budget Year/Service Agency Name. Identify BES (Budget Estimates Submission) or PB (President's Budget) for Budget Cycle, the Budget Year, and the Service Agency Name. Information **must** match the Program Resources Collection Process (PRCP) (R-1) data base lock position.

3. Appropriation/Budget Activity. Identify Appropriation Code (Treasury Account Symbol) and Name/Budget Activity Number and Title. Identify the appropriation and budget activity. Information **must** match the RDT&E PRCP (R-1) data base lock position.

4. R-1 Item Nomenclature/Title (Program Element Name). Identify the name of the R-1 line item. Information **must** match the RDT&E PRCP (R-1) data base lock position.

5. Program Element Number. Identify the program element. Information must match the RDT&E PRCP (R-1) data base lock position.

6. Project Number and Nomenclature. Identify the project number and nomenclature.

Exhibit R-2a: RDT&E Budget Item Justification (Project) (Continued)

7. Resource Summary. The Exhibit R-2 **must** include a fiscal resource summary total for the total program element and, if there is more than one project in that program element, a fiscal resource summary for each project in that program element. Ensure the total funding for the program element matches the RDT&E PRCP (R-1) data base lock position by budget line item and that total costs for Acquisition Category 1 (ACAT) programs are consistent with Selected Acquisition Reports.

8. For ACAT 1 programs, identify Cost-to-Complete and Total Cost for the program and all projects; otherwise, the appropriate value **must** be “Continuing”. The XML process will automatically insert “Continuing” if no data is submitted.

9. RDT&E Articles (R-2a only). Identify the test articles (engineering development models, test articles, low rate initial production test article, government furnished equipment articles) that are being procured and why. Test Articles can be identified for a project and/or for activities identified in Accomplishments/Planned Programs.

10. Program Element and Project Notes. Identify when a program element or project is: (1) a new start, (2) was terminated/completed, (3) was previously funded, or (4) will be funded in a different program element, or Title changes.

11. For program element or project transfers, include the current and previous program element number and names, and projected number and name if applicable.

12. Mission Description and Budget Item Justification. The R-2 will include a description and justification of the efforts included in the program element. The R-2a will include a description and justification of the efforts included in the specific project.

13. Program Change Summary. If there have been changes to the total funding, schedule, or technical parameters since the previous President’s budget submission, the Exhibit R-2 **must** include a concise narrative summary explaining the changes in the total program element for the PY, CY, and BY. Further adjustments will be broken out into the following categories:

- Congressional General Reductions
- Congressional Directed Reductions
- Congressional Rescissions
- Congressional Adds
- Congressional Directed Transfers
- Reprogrammings

- SBIR/STTR* Transfers

- Total Other Adjustments – (unique titles may be added to describe the change)

- Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR)

Exhibit R-2a: RDT&E Budget Item Justification (Project) (Continued)

14. Congressional Add Details (Exhibit R-2). Each “Congressional Add” will be identified separately by project and may be included as: (1) an individual project, (2) as groups in one or more “Congressional Add” projects, and/or (3) within “core” projects. The title (provided by Congress) and the funding for PY and CY will be listed in a bullet format. Congressional Adds should include only the funding provided by Congress.

15. Change Summary Explanation. Provide a separate, concise narrative summary explaining the changes in the total program element in the Prior Year, the Current Year, and the Budget Year, as applicable.

* 16. Accomplishments/Planned Programs (Exhibit R-2a). Provide a concise narrative summary and associated funding for each project for CY, and BY in a bullet format. The PY narrative summary is deleted. The total funding reflected should match the total project funding. Briefly discuss why project funding changed from the CY to the BY in the Increase/Decrease Statement. The explanation must be sufficient to justify the BY request but should not be a restatement of Planned Program in the BY. (For example: “Funding increases \$30 million due to procurement of 2 System Development Test Articles (STDA).”) MINOR changes in funding from CY to BY need not be addressed. [Each Software and Digital Technology Pilot Program will specifically identify Operation & Maintenance \(O&M\) efforts and Procurement efforts as separate entries.](#)

17. Other Program Funding Summary (Exhibit R-2a). Development projects often lead to subsequent development phases, production, and military construction. Also, some projects may depend on concurrent development in other projects. These related efforts and the funding profiles for other appropriation efforts [must](#) be identified by appropriation, budget activity, R-1 line item and program element, and P-1 line item title and number. If there are funding dependencies among related research, development, test, and evaluation programs, then the funding profiles for these related programs [must](#) be included.

18. Acquisition Strategy (Exhibit R-2a). An explanation of acquisition, management, and contracting strategies [must](#) be provided for each project in the Remarks section. This section is not required for the program element budget line items in Budget Activities 1 (Basic Research), 2 (Applied Research), 3 (Advanced Technology Development) and 6 (RDT&E Management Support).

*Exhibit R-3: RDT&E Project Cost Analysis

Exhibit R-3, RDT&E Project Cost Analysis: BES & PB 20XX Service/Agency										DATE: Month/Year			
APPROPRIATION / BUDGET ACTIVITY					R-1 ITEM NOMENCLATURE					PROJECT NAME AND NUMBER			
Appropriation Code / BA Number					Program Element Number: Program Element Name					Project Number: Project Title			
Product Development (\$ in Millions)				FY CY		FY BY Base		FY BY OCO		FY BY Total			
	Contract Method & Type	Performaing Activity & Location	Total Prior Year Costs	Cost	Award Date	Cost	Award Date	Cost	Award Date	Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item 1	See Notes Below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Cost Category Item N	See Notes Below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Subtotal:													
Remarks: Typical Cost Categories are: Primary Hardware Development, Ancillary Hardware Development, Systems Engineering Licenses, Tooling, GFE, and Award Fees.													
Support (\$ in Millions)				FY CY		FY BY Base		FY BY OCO		FY BY Total			
	Contract Method & Type	Performaing Activity & Location	Total Prior Year Costs	Cost	Award Date	Cost	Award Date	Cost	Award Date	Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item 1	See Notes Below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Cost Category Item N	See Notes Below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Subtotal:													
Remarks: Typical Cost Categories are: Development Support, Software Support, Training Development, Integrated Logistics Support, Configuration Management, Technical Data, and GFE.													
Test & Evaluation (\$ in Millions)				FY CY		FY BY Base		FY BY OCO		FY BY Total			
	Contract Method & Type	Performaing Activity & Location	Total Prior Year Costs	Cost	Award Date	Cost	Award Date	Cost	Award Date	Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item 1	See Notes Below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Cost Category Item N	See Notes Below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Subtotal:													
Remarks: Required Cost Categories are: Developmental Test & Evaluation (DT&E), Operational Test & Evaluation (OT&E), and Live Fire Test & Evaluation (LFT&E) .													
Management (\$ in Millions)				FY CY		FY BY Base		FY BY OCO		FY BY Total			
	Contract Method & Type	Performaing Activity & Location	Total Prior Year Costs	Cost	Award Date	Cost	Award Date	Cost	Award Date	Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item 1	See Notes Below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Cost Category Item N	See Notes Below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Subtotal:													
Remarks: Typical Cost Categories are: Contractor Engineering Support, Government Engineering Support, Program Management Support, Program Management Personnel, Travel, Labor (Research Personnel), and Overhead.													
				CY Cost		Cost		Total Cost	Cost	Total Cost	Cost To Complete	Total Cost	
Project Total Cost:													
Remarks:													
An R-3 Exhibit shall be provided for Budget Activity Number 4, 5, and 7 PE's.													
The Project Total Cost shall be equal to the Project Cost on the R-2A.													
Contract Method may be any one of C, SS, TBD, or Various.													
Contract Type may be any one of CPAF, DPFF, DPIF, FFP, FPI, TBD, or Various.													
Funding Vehicle may be any one of Allot, BPA, FFRDC, MIPR, PO, Reqn, RO, TM, of Various.													

Exhibit R-3: RDT&E Project Cost Analysis (Continued)

Exhibit R-3: RDT&E Project Cost Analysis

A. General Instructions:

1. The R-3 exhibit is required for programs funded in budget activities 4 (Advanced Component Development and Prototypes), 5 (System Development and Demonstration), and 7 (Operational System Development) only. A separate R-3 exhibit **must** be prepared for each project in an applicable R-1 line item.

2. These exhibits **must** be printed on 8 1/2 by 11 inch paper in landscape format. Classified material **must** be submitted separately.

3. All funding within any R-exhibit will be expressed in millions, with three decimal places.

B. Exhibit Instructions:

1. Identify the month and year of submission of the exhibit. If an Amended Budget is submitted, identify the date of the revised submission.

2. Appropriation Code (Treasury Account Symbol)/ and Name/Budget Activity Number and Title. Identify the appropriation and budget activity. This information must match the PRCP (R-1) lock position.

3. R-1 Item Nomenclature/Title (Program Element Name): Identify the name of the R-1 line item as identified in PRCP (R-1) lock position. This information must match the PRCP (R-1) lock position.

4. Program Element Number: The Program Element must be unique. An R-2 Exhibit with a Budget Activity Number that is different from the previous years should include PY and CY information within the current R-2 Exhibit.

5. Project Number and Nomenclature: Identify the project number and nomenclature as identified in PRCP (R-1) lock position.

6. Project Cost Categories. Cost information **must** be provided for each project regardless of funding amount, with project costs broken down into cost categories. Total of all project costs **must** equal the project funding for any funding years. Sample cost categories shown are typical of various types of defense research and development efforts. Costs **must** be distributed among categories in accordance with the project work breakdown structure (WBS) or other categories used by the project office in project execution.

Exhibit R-3: RDT&E Project Cost Analysis (Continued)

* a. For the T&E information category, the Project Cost Categories must be Developmental Test & Evaluation (DT&E), Operational Test & Evaluation (OT&E), and Live Fire Test & Evaluation (LFT&E).

* b. For the other information categories (Product Development, Support Costs, and Management Services), the illustrated sample cost categories may be used if they correspond to the project's work breakdown structure. There is no requirement to use Project Cost Categories other than those used by the project office in project execution.

Sample cost categories not used in project execution need not be included in the exhibit for that project.

7. If the program office tracks efforts by major contract, then display the information accordingly. The cost categories **must** be separated into 4 information categories as follows:

a. Product Development. Efforts associated with the delivery of a fully integrated system that are in direct support of the system and essential to the development, training, operation, and maintenance of the system. Include all efforts directly supporting system development and delivery to include primary contracts, major component contracts, contracted services, in-house support, and government furnished property. Contracts or government efforts greater than \$1 million in any displayed budget year **must** be reported individually.

b. Support Costs. Efforts not directly associated with the delivery of the primary product, including technical engineering services, research studies, and technical support not related directly to product development or to testing and evaluation. Contracts or government efforts greater than \$1 million in any displayed budget year **must** be reported individually.

c. Test and Evaluation. Efforts (other than those included within contracts or government efforts) associated with engineering or support activities to determine the acceptability of a system, subsystem, or component. Contracts or government efforts greater than \$1 million in any displayed budget year **must** be reported individually. **For the T&E information category, the Project Cost Categories must be Developmental Test & Evaluation (DT&E), Operational Test & Evaluation (OT&E), and Live Fire Test & Evaluation (LFT&E).**

d. Management Services. Efforts associated with services provided in support of program office management and administration processes such as: program oversight, resource justification, budget and programming, milestone and schedule tracking. Federally Funded Research and Development Centers (FFRDCs) are in this category. Contracts or government efforts greater than \$1 million in any displayed budget year **must** be reported individually.

Exhibit R-3: RDT&E Project Cost Analysis (Continued)

8. Government Furnished Property. Property, such as hardware, software, or information, which the government is contractually obligated to furnish a contractor or government performing activity **must** be identified. Provide a brief identification of the item to be provided, and the contractor or government activity providing the item. Provide the estimated date that the government furnished property will be provided to the requiring contractor or activity. Provide the name of the requiring contractor or activity.

9. Award Fees. Identify amounts budgeted for award fees and indicate contractor performance and percentage of award fees actually awarded in past award fee periods.

10. Contract Method/Type or Funding Vehicle. The following codes **must** be used to identify the contract method, contract type, and funding vehicle:

<u>Contract Type</u>	<u>Contract Method</u>
CPIF	Cost Plus Incentive
SS	Sole Source
TBD	To Be Determined
VAR	Various
FFP	Firm Fixed Price
FP	Fixed Price
FPI	Fixed Price Incentive
C	Competitive
CPAF	Cost Plus Award Fee
CPFF	Cost Plus Fixed Fee

Funding Vehicle (when a government agency is the performing activity)

MIPR	Military Interdepartmental Purchase Request
PO	Project Order
WR	Work Request
Allot	Allotment
Reqn	Requisition
BPA	Blanket Purchase Agreement
FFDC	Federally Funded Research and Development Center
VAR	Various

11. Performing Organizations. Identify each contractor and government or performing activity and the location for each effort greater than \$1 million in any of the displayed years.

12. Total Prior Year (PY) Cost. Provide actual amounts for the total of all years before the Current Year (CY).

13. CY - BY. Provide actual or budget amounts for each year for the Current Year (CY) and the Budget Year (BY).

Exhibit R-3: RDT&E Project Cost Analysis (Continued)

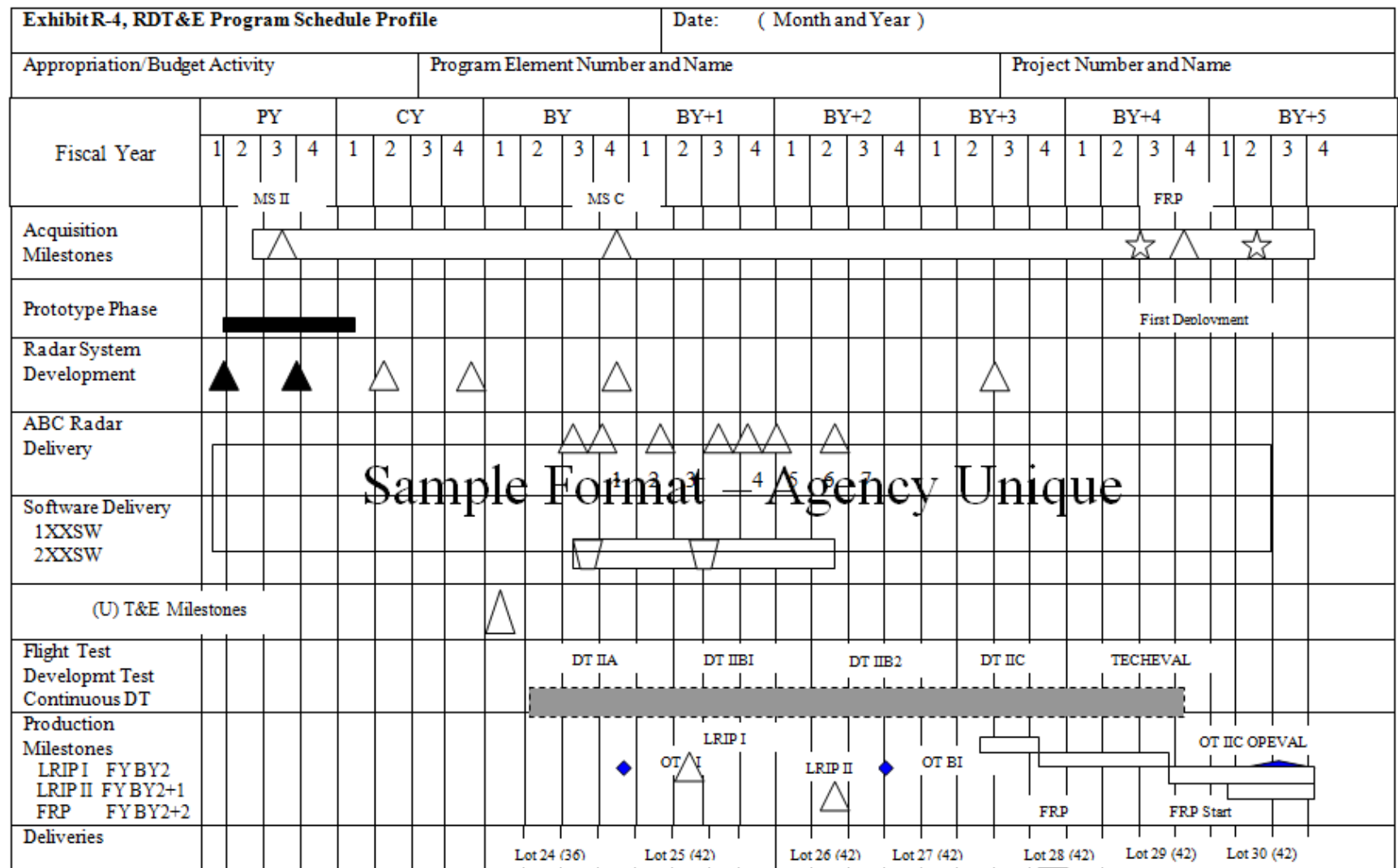
14. Award or Obligation Date. Provide actual or estimated date of contract award or the estimated date that funds will be obligated to government performing activities.

15. To Complete. Provide the amount required to complete this effort beyond.

16. Total Cost. Provide the cumulative total of all budgeted funds for the program (including funds obligated/budgeted for PY, CY, BY and to complete). Provide a comment in the Remarks section when the Project Office Estimate at Completion (EAC) differs from the total cost. Also provide a comment when the Performing Activity EAC differs from the Project Office EAC.

17. Target Value of Contract. Identify the target value of the contract and explain those cases where total cost differs significantly. For example, if the budget is at ceiling value of the contract vice target value or if budget is "program manager's best estimate" vice target value, then explain.

Exhibit R-4: RDT&E Schedule Profile



R-1 Line Item No. XX

(Page X of X)

R-4 Program Schedule Profile

Exhibit R-4a: RDT&E Schedule Detail

[illegible]

Exhibit R-4a: RDT&E Schedule Detail (Continued)

A. General Instructions:

1. The R-4 and R-4a exhibits are required for programs or projects funded in budget activities 4 (Advanced Component Development and Prototypes), 5 (System Development and Demonstration), and 7 (Operational System Development) only. Separate R-4 and R-4a exhibits **must** be prepared for each project in an applicable R-1 line item.

2. These exhibits **must** be printed on 8 1/2 by 11 inch paper in landscape format. If a program element is not divided into projects, then the program element itself is defined as a project for purposes of submitting R-4 and R-4a exhibits, and the exhibits and instructions apply to the entire program element. Classified material **must** be submitted separately.

B. Detail Instructions:

1. Date: Identify the month and year of submission of the exhibit. If an Amended Budget is submitted, identify the date of the revised submission.

2. Appropriation Code (Treasury Account Symbol) and Name/Budget Activity Number and Title. Identify the appropriation and budget activity. The budget activity title **must** match the RDT&E annex and the Program Resources Collection Process (PRCP) (R-1) locked position.

3. R-1 Item Nomenclature: Identify the name of the R-1 line item as identified in PRCP (R-1) locked position.

4. Program Element Number and Name: Identify the number and nomenclature of the program element as identified in PRCP (R-1) locked position.

5. Project Number and Nomenclature: Identify the project number and nomenclature on each page as identified in PRCP (R-1) locked position.

6. For the R-4, Schedule Profile, provide a schematic display (in image file format: tif, jpeg, gif, bmp, or png) of major program milestones that reflect engineering milestones, acquisition approvals, test and evaluation events, and other key milestones for the program events. Cover the program years, not just the budget year. Stub entries should be tailored to the events and activities of the reported program. Congressional “staffer day” briefing schematics are desired to minimize potential schedule display inconsistencies. However, the option to build the Schedule Profile using XML software is still available.

7. For the R-4a, Schedule Detail, provide a tabular display of the major program milestones identified on the R-4 as well as any additional programmatic events that contribute to and support the schedule profile identified on the R-4.

VOLUME 2B, CHAPTER 6: “MILITARY CONSTRUCTION/FAMILY HOUSING APPROPRIATIONS”

SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also denoted by [blue](#) font.

Substantive revisions are denoted by an (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue and underlined font***](#).

The previous version dated [June 2013](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated and changed paragraph numbering system throughout the chapter.	Revision
All	Changed “Planning & Design” to “Design” to reflect the Under Secretary of Defense for Acquisition and Sustainment’s guidance.	Revision
All	Updated authoritative guidance references throughout the chapter.	Revision
1.0	Substantively revised the General paragraph to update the Purpose narratives and add the required list of Authoritative Guidance information. Added the Military Unaccompanied Housing Improvement Fund (MUHIF) and the Military Housing Privatization Initiative (MHPI) Investments and Credit Financing to the list of appropriations and accounts.	Revision/ Addition
2.0	Established the Policies and Procedures paragraph to capture policies and procedures previously included in paragraph 1.0. Updated narratives to reflect the current offices responsible for managing and/or overseeing the programs in this chapter. Added MUHIF to description of Treasury Accounts.	Revision/ Addition
3.0	Moved the Uniform Budget and Fiscal Accounting Classification paragraph from 2.0 to 3.0 and updated contents for relevancy. Updated the unspecified minor military construction (MILCON) thresholds and added the MUHIF as a Major Functional Category.	Revision/ Addition

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
4.0	Moved the Program and Budget Review Submission paragraph from 3.0 to 4.0. and updated contents for relevancy. Updated full funding policy, Economic Analysis requirements, and DD 1391 requirements. Added Exhibit UH-6 MHPI - Military Unaccompanied Housing Privatization to the submission for MILCON appropriations and updated narratives detailing the current process for MHPI credit financing and investment information reflected in the President's Budget. Added clarification for use of category codes applicable to MILCON. Added reference to Building Condition Index (BCI) and replaced Q-Ratings with BCI. Added the MUHIF.	Revision / Addition
3.2.2.13, 3.2.2.20.3, & 3.2.2.20.5 (previous version)	Removed requirement to report Family Housing (FH) maintenance and repair costs over \$20,000 per unit. Removed Exhibits FH-6 Budget Estimate Submission (BES) and FH-13 Detail of Awarded Family Housing Privatization Projects because the consolidated Exhibit FH-6 replaced these exhibits.	Deletion
5.0	Moved the Congressional Justification/Presentation paragraph from 4.0 to 5.0. and updated contents for relevancy. Removed reference to Exhibit FH-6 BES because it is not applicable.	Revision/ Deletion
6.0	Established the MILCON/Family Housing Appropriation Exhibits paragraph to display the list of required exhibits.	Addition
Appendix A	Created appendix to capture detailed instructions and formats/templates for BES MILCON exhibits previously included in paragraph 5.2. Added the Exhibit UH-6 MHPI.	Revision/ Addition
Appendix B	Created appendix to capture detailed instructions and formats/templates for BES Family Housing exhibits previously included in paragraph 5.3. Replaced Exhibit FH-6 BES with the FH-6 Consolidated MHPI exhibit. Deleted FH-10, General and Flag Officer Quarters 6,000 Net Square Feet (NSF). Updated the FH-11 exhibit to include BCI. Removed Exhibit FH-13, Detail of Awarded FH Privatization Projects (replaced with consolidated FH-6 exhibit).	Revision/ Addition
Appendix C	Created appendix to capture detailed instructions and formats/templates for BES Homeowners Assistance exhibits previously included in paragraph 5.4.	Revision/ Addition
Appendix D	Created appendix to capture detailed instructions and formats/templates for BES NATO Security Investment exhibits previously included in paragraph 5.5.	Revision/ Addition

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CHAPTER 6**MILITARY CONSTRUCTION/FAMILY HOUSING APPROPRIATIONS*****1.0 GENERAL****1.1 Purpose**

1.1.1. This chapter provides instructions for budget formulation and congressional justification of Military Construction (MILCON), Family Housing, Homeowners' Assistance Program (HAP), North Atlantic Treaty Organization (NATO) Security Investment Program, Family Housing Improvement Fund (FHIF), Military Unaccompanied Housing Improvement Fund (MUHIF), and Military Housing Privatization Initiative (MHPI) Investments and Credit Financing appropriations. This chapter covers specific back-up material requirements for these accounts and provides additional specific guidance for the back-up material required for MILCON, Family Housing, Homeowners' Assistance Program and NATO Security Investment Program appropriations.

<u>Paragraph</u>	<u>Appropriations and Accounts</u>
3.1:	<u>MILCON</u> MILCON, Army MILCON, Navy and Marine Corps MILCON, Air Force MILCON, Defense-Wide MILCON, Army National Guard MILCON, Air National Guard MILCON, Army Reserve MILCON, Navy Reserve MILCON, Air Force Reserve Chemical Demilitarization Construction, Defense
3.2:	<u>Family Housing</u> Family Housing, Army Family Housing, Navy and Marine Corps Family Housing, Air Force Family Housing, Defense-Wide
3.3:	<u>Homeowners' Assistance Program</u> Homeowners' Assistance Fund, Defense
4.4:	<u>NATO Security Investment Program</u>
4.5:	<u>NATO Security Program Expansion Costs</u>
4.6:	FHIF/MUHIF Program
4.7:	MHPI Investments and Credit Financing

1.1.2. Volume 2A, Chapter 1 provides general guidance for submission requirements, format, preparation of material, policies, and definitions concerning costs. The definitions clarify costs for MILCON appropriations to finance, as opposed to other appropriations for Research and Development facilities.

1.1.3. The covered appropriations/accounts will also submit any applicable exhibits required in Chapter 19.

1.2 Authoritative Guidance

The financial management and requirements prescribed by this chapter are in accordance with the applicable provisions of:

1.2.1. Title 2, United States Code, Chapter 17A, SUBCHAPTER III, ([2 U.S.C., Chapter 17A, Subchapter III](#)), “Federal Credit Reform Act of 1990”

1.2.2. [10 U.S.C. Chapter 169](#), “Military Construction and Military Family Housing”

1.2.3. [10 U.S.C. Chapter 169, Subchapter IV](#), “Alternative Authority for Acquisition and Improvement of Military Housing”

1.2.4. [10 U.S.C. § 114](#), “Annual authorization of appropriations”

1.2.5. [10 U.S.C. § 2667](#), “Leases: non-excess property of military departments and Defense Agencies”

1.2.6. [10 U.S.C. § 2672](#), “Protection of buildings, grounds, property, and persons”

1.2.7. [10 U.S.C. § 2686](#), “Utilities and services: sale; expansion and extension of systems and facilities”

1.2.8. [10 U.S.C. § 2801](#), “Scope of chapter; definitions”

1.2.9. [10 U.S.C. § 2802](#), “Military construction projects”

1.2.10. [10 U.S.C. § 2804](#), “Contingency construction”

1.2.11. [10 U.S.C. § 2805](#), “Unspecified minor construction”

1.2.12. [10 U.S.C. § 2806](#), “Contributions for North Atlantic Treaty Organization’s Security Investment”

1.2.13. [10 U.S.C. § 2807](#), “Architectural and engineering services and construction design”

- 1.2.14. 10 U.S.C. § 2809, “Long-term facilities contracts for certain activities and services”
- 1.2.15. 10 U.S.C. § 2812, “Lease-purchase of facilities”
- 1.2.16. 10 U.S.C. § 2824, “Authorization for acquisition of existing family housing in lieu of construction”
- 1.2.17. 10 U.S.C. § 2828, “Leasing of military family housing”
- 1.2.18. 10 U.S.C. § 2835, “Long-term leasing of military family housing to be constructed”
- 1.2.19. 10 U.S.C. § 2836, “Military housing rental guarantee program”
- 1.2.20. 10 U.S.C. § 2837, “Housing Requirements and Market Analysis”
- 1.2.21. 10 U.S.C. § 2851a, “Supervision of military housing by Chief Housing Officer”
- 1.2.22. 10 U.S.C. § 2865, “Work in Process Curve charts and outlay tables for military construction projects”
- 1.2.23. 10 U.S.C. § 2884, “Reports”
- 1.2.24. 12 U.S.C. Chapter 13: “National Housing”
- 1.2.25. 31 U.S.C. SUBTITLE II, Ch 15, Subchapter III, “Transfers and Reimbursements”
- 1.2.26. 37 U.S.C. § 403, “Basic allowance for housing”
- 1.2.27. Public Law 101-526 (P.L. 101-526), “Title II - Closure and Realignment of Military Installations”
- 1.2.28. P.L. 101-510, “Title XXIX - Defense Base Closures and Realignments”
- 1.2.29. Fiscal Year 2009 National Defense Authorization Act, Section 2801 (FY09 NDAA § 2805), “Imposition of requirement that acquisition of reserve component facilities be authorized by law”
- 1.2.30. (FY 96 NDAA § 2801), “Alternative authority for construction and improvement of military housing”
- 1.2.31. Office of Management and Budget Circular A-11 (OMB Circular A-11), “Preparation, Submission, and Execution of the Budget”

1.2.32. [OMB Circular A-76](#), “Performance of Commercial Activities”

1.2.33. [OMB Circular A-94](#), “Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs”

1.2.34. DoD Directive 2010.05 ([DoDD 2010.05](#)), “The North Atlantic Treaty Organization Security Investment Program”

1.2.35. [DoDD 4165.06](#), “Real Property”

1.2.36. [DoDD 4165.50E](#), “Homeowners Assistance Program (HAP)”

1.2.37. [DoDD 4270.5](#), “Military Construction”

1.2.38. DoD Instruction 1225.08 ([DoDI 1225.08](#)), “Reserve Component (RC) Facilities Programs and Unit Stationing”

1.2.39. [DoDI 4165.03](#), “DoD Real Property Categorization”

1.2.40. [DoDI 4165.63](#), “DoD Housing”

1.2.41. [DoDI 4165.71](#), “Real Property Acquisition”

1.2.42. [DoDI 7041.03](#), “Economic Analysis for Decision-making”

1.2.43. DoD Manual 4165.63 ([DoDM 4165.63](#)), “DoD Housing Management”

***2.0 POLICIES AND PROCEDURES**

2.1 Family Housing Program Policies and Guidelines

2.1.1. Policy

2.1.1.1. It is DoD Policy: 1) to provide Military Family Housing for military families and for eligible civilian families only when suitable housing in the community does not exist; 2) to provide for the housing and support services, as authorized by law, that are necessary to meet the requirements of the DoD; 3) that the program **must** be financed and managed in the most cost effective and efficient manner possible in order to support these requirements and to maximize the use of available program resources; 4) that the program **must** include the provision of assistance to all military personnel and certain eligible civilians in locating and utilizing privately owned housing including leasing; 5) that the program **must** include, within available resources, the provision of Government-owned or leased family housing and furnishings (referred to as Defense Family Housing Property); and 6) that the program **must** include the efficient and effective financial and program management of Defense Family Housing Property, including acquisition, privatization, operation, improvement, maintenance, debt financing, leasing, and family housing support programs.

2.1.1.2. The Family Housing Program encompasses Military Family Housing as defined and authorized by the provisions of 10 U.S.C. Chapter 169 and includes all DoD Component family housing in the Defense Family Housing Property Account, leases of real property utilized by DoD Components for family housing, and associated family housing support services programs.

2.1.2. Responsibilities

2.1.2.1. The Under Secretary of Defense for Acquisition and Sustainment (USD(A&S)) is responsible for program management as set forth in the DoDI 4165.63, and DoDM 4165.63, which also addresses Unaccompanied Housing. 10 U.S.C. § 2851a established the Assistant Secretary of Defense for Energy, Installations, and Environment (ASD(EI&E)) as the DoD Chief Housing Officer (CHO). The CHO oversees family and unaccompanied housing under the jurisdiction of the DoD or acquired or constructed under the MHPI. The Office of the Deputy Assistant Secretary of Defense for Housing (ODASD(H)) carries out the day-to-day responsibilities of the CHO with respect to the creation and administration of policies and processes regarding privatized, DoD-owned, and DoD-controlled family and unaccompanied housing. The ODASD(H) also has responsibility for overseeing the HAP. The Under Secretary of Defense (Comptroller) (USD(C)) is responsible for financial management, program budget policies, program accounting policies, and financial reporting. As prescribed by the USD(C), the Director, Defense Finance and Accounting Service, is responsible for central accounting and financial reporting for the program. As prescribed by DoDI 4165.63, the Secretaries of the Military Departments and the Directors of the Defense Agencies are responsible for execution of the program for personnel under their respective jurisdictions, including program and financial management, accounting and reporting.

2.1.2.2. In the financial management and execution of the program, DoD Components **must** conduct program budget formulation, presentation, and execution in accordance with the guidance and provisions contained in this chapter and adhere to the program accounting and financial reporting guidance and provisions contained in Volume 4.

2.1.3. Objectives and Procedures

2.1.3.1. Assistance in Locating and Utilizing Privately Owned Family Housing. Assistance provided to DoD personnel to obtain privately owned family housing under the program includes privatized housing referral service, including administration of private rental housing for DoD personnel overseas; DoD leasing of private housing; rental guarantee payments pursuant to 10 U.S.C. § 114 and service members' mortgage insurance payments on their privately owned housing made pursuant to 12 U.S.C. Chapter 13.

2.1.3.2. Defense Family Housing Property. The Family Housing Program will manage and control all DoD-owned or DoD-controlled physical property described in subparagraph 2.1.3.2.1. The properties will be recorded in a property account entitled the Defense Family Housing Property Account, which should be fully consistent with the DoD Real Property Inventory and Select & Native Programming (SNaP) databases. Guidance for the maintenance of property accounting records is contained in Volume 4. A continuing permanent accounting record

will be maintained of the real property included in each installation's Family Housing Property Account. Appropriate classifications will be entered on the records to distinguish between real and personal property. Property will be removed from the Defense Family Housing Property account when the property is disposed of as (DoD property), when it is transferred to DoD non-family housing use. The Report Control Symbol assigned to the special record keeping requirements is DD-COMP (AR)1501.

2.1.3.2.1. The Defense Family Housing Property Account includes the following properties, under the jurisdiction of the DoD, to which the Government has a right, title, or interest, with exceptions noted in paragraph 2.1.3.2.2.

2.1.3.2.1.1. All types of family dwelling units and mobile home park facilities, without regard to the military status of the occupant and including housing that is: located on or off station, owned or leased, occupied or unoccupied; situated in dispersed locations or in community-type areas; located at an active, inactive, standby, or reserve facility; or, operated or maintained by the Government, directly or by contract.

2.1.3.2.1.2. Non-dwelling buildings directly associated with family dwelling units or a family housing area, including structures outside the housing area required solely for family housing support.

2.1.3.2.1.3. Roads, driveways, walks, and utility systems which primarily serve family housing units or areas.

2.1.3.2.1.4. The grounds area of a group of family housing units and the yards of dispersed family housing units or areas.

2.1.3.2.1.5. Community facilities which are integral to a family housing area and are available for use only by family housing area residents and their house guests.

2.1.3.2.1.6. Fixtures and other appliances or equipment in a housing unit that are either integral components or movable items, such as: refrigerators, kitchen ranges and, when authorized, food freezers, room air conditioners, washing machines, clothes dryers, dishwashing machines, garbage disposals, exhaust fans, roof or attic television antennas; and those appliances provided for family housing rented privately by DoD personnel in areas outside the conterminous United States, pursuant to DoDM 4165.63.

2.1.3.2.1.7. Furniture, furnishings, and other personal property that are directly associated with providing and supporting family housing units, including personal property provided for use outside the conterminous United States, pursuant to DoDM 4165.63.

2.1.3.2.2. The Defense Family Housing Property Account excludes the following properties, irrespective of the Government's right, title, or interest therein:

[2.1.3.2.2.1.](#) Aerial roads, public walks, utility lines, and utility mains that may pass through or in front of family housing locations but serve those locations as an incidental or secondary purpose to other station requirements.

[2.1.3.2.2.2.](#) Facilities similar to hotels or motels, which are provided for temporary family occupancy.

[2.1.3.2.2.3.](#) Community facilities which are not integral to a family housing area or are available for use by other than family housing area residents and their house guests.

[2.1.3.2.2.4.](#) Educational facilities.

[2.1.3.2.2.5.](#) Telephone and other communication facilities for official use, and telephone facilities for unofficial use, installed in a family housing unit.

[2.1.3.2.2.6.](#) Community Antenna Television distribution service by other Government agency, commercial cooperative, or private enterprise.

[2.1.3.2.2.7.](#) Properties financed by and supporting the Defense Security Assistance Program.

[2.1.3.2.2.8.](#) Food service facilities.

[2.1.3.2.2.9.](#) Facilities used primarily for religious services or religious activities.

[2.1.3.3.](#) Management of Defense Family Housing Property. Management undertakings, which arise in connection with the DoD responsibility for and jurisdiction over Defense Family Housing Property, include:

[2.1.3.3.1.](#) The acquisition, privatization, construction, and replacement of family housing facilities and the preliminary design studies on prospective projects, including housing requirement surveys.

[2.1.3.3.2.](#) The conversion of other real property facilities to family housing quarters.

[2.1.3.3.3.](#) The upgrading to “adequate public quarters” of those family dwelling units designated as rental, substandard, or inadequate.

[2.1.3.3.4.](#) The alteration of, or addition, expansion, or extension to, family housing facilities.

[2.1.3.3.5.](#) The outfitting of family housing facilities, as defined in [subparagraph 2.1.3.1.2.](#), with fixtures and other equipment that are either integral components or

movable items of major equipment of a housing unit, including major appliances; and furniture, furnishings, and other personal property. This function includes maintenance and repair (M&R).

2.1.3.3.6. The M&R of family housing facilities.

2.1.3.3.7. The furnishing of the following services to family housing facilities: utilities services, except telephone service and cable television; refuse collection and disposal; insect and rodent control; snow removal; handling and moving Government-owned furnishings; police and fire protection; and administrative, supervisory and clerical services related to the performance of services rendered the family housing facilities.

2.1.3.3.8. The maintenance and security of family housing property declared excess to DoD needs, which rests with the DoD Component until the DoD is relieved of this responsibility. The following rules and principles apply:

2.1.3.3.8.1. If the General Services Administration (GSA) is disposing the property, the transfer of financial responsibility to GSA will be in accordance with Federal Property Management Regulations, Part 101-47, 402.

2.1.3.3.8.2. When the DoD recommends to GSA that disposal of excess property be delayed because of economic considerations and a contract has been made with a local agency to rent the property and to protect and maintain it, the residual financial responsibility for maintenance and security rests with the DoD.

2.1.3.3.8.3. It has been agreed with the GSA that, in interpreting property disposal regulations, the DoD will be deemed to have declared the property excess to GSA on the date that the protection and maintenance contract is discontinued.

2.2 Family Housing Procedures for Administration and Management of Program Funds

2.2.1. Treasury Accounts

For Family Housing Construction, funds are appropriated to remain available for five years. For Family Housing Operation and Maintenance (O&M), funds are appropriated with annual account limitations. For the DoD FHIF and MUHIF, funds are appropriated to support MHPI administrative program expenses, including accounting and financial reporting services, and remain available until expended. These and other funds made available for family housing are administered under the Treasury accounts outlined in Volume 2A, Chapter 1, paragraph 6.3.

2.2.2. Funding the Family Housing Program

2.2.2.1. The Family Housing Program will be financed from:

2.2.2.1.1. Those funds primarily appropriated for family housing purposes.

2.2.2.1.2. Authorized reimbursements and collections from housing rentals and services furnished as set forth in subparagraphs 2.2.2.1.2.1 through 2.2.2.1.2.8.

2.2.2.1.2.1. Charges will be made for rentals and services furnished certain occupants or users of family housing facilities. Determine the amount of rent charged in accordance with the provisions of DoDM 4165.63. Disposition of the proceeds of handling or disposal of excess family housing property is treated in subparagraph 2.2.2.1.3.

2.2.2.1.2.2. Collections for rents and services to finance family housing expenses in accordance with applicable statutes are listed in subparagraphs 2.2.2.1.2.3 through 2.2.2.1.2.8. Such reimbursements will be utilized within the financial authority issued by the USD(C) but limited to the amount of reimbursements earned.

2.2.2.1.2.3. Utilize the collections received for rental of Defense housing within the applicable DoD Component family housing account to defray O&M expenses. If the housing is rented with Government furniture provided, treat the combined total charge for shelter rent and furniture rent as indicated in subparagraph 2.2.2.1.2.2.

2.2.2.1.2.4. Utilize the collections from the sale of utilities and services within the appropriation currently available for the supply of that utility or service in accordance with the authority set forth in 10 U.S.C. § 2686.

2.2.2.1.2.5. Collections from other agencies related to O&M charges pursuant to 31 U.S.C. Chapter 15, Subchapter III will be affected.

2.2.2.1.2.6. When non-excess family housing property is leased, pursuant to 10 U.S.C. § 2667, deposit the rental moneys received in a special account in the U.S. Treasury established for DoD Components for allocation as prescribed in 10 U.S.C. § 2667. Deposit the moneys received for utilities or services to the applicable DoD Component family housing account.

2.2.2.1.2.7. For accounting purposes, identify those reimbursements described in subparagraph 2.2.2.1.2 to be used for O&M purposes as financing the operations portion of the O&M expenses.

2.2.2.1.2.8. Deposit all collections for family housing rents or services, other than those described in subparagraph 2.2.2.1.2 and in subparagraph 2.2.2.1.3 to Treasury Miscellaneous Receipt Account 1830, "Rent of Real Property not Otherwise Classified," under a citation which includes the appropriate DoD Component two-digit prefix symbol. Such collections include those to cover costs of repairing damages to family housing facilities (including replacement of items) caused by family housing occupants.

2.2.2.1.3. Other funds which are available from disposal of excess family housing property as set forth in subparagraphs 2.2.2.1.3.1 through 2.2.2.1.3.4.

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2.2.2.1.3.1. In the case of family housing in the United States disposed of pursuant to P.L. 101-526, Title II, the Defense Authorization Amendments and Base Closure and Realignment Act or P.L. 101-510, Defense Base Closure and Realignment Act of 1990, deposit the proceeds in the DoD Base Closure Account 1990.

2.2.2.1.3.2. In the case of family housing disposed of under authorities contained in 10 U.S.C. Chapter 169, Subchapter IV, as added by FY96 NDAA § 2801, for purposes of using the proceeds to carry out activities authorized under those provisions, deposit the proceeds in the DoD FHIF. 10 U.S.C. Chapter 169, Subchapter IV, § 2883(d) limits the funds that can be expended from the account to such amounts as provided in the appropriations act. Therefore, non-appropriated proceeds deposited into the FHIF account cannot be used to fund privatization projects, without it being appropriated, first.

2.2.2.1.3.3. In the case of family housing overseas disposed of under circumstances which fall within the provisions of P.L. 101-510, § 2921 as amended, the deposit the proceeds in the Defense Overseas Military Facility Investment Account.

2.2.2.1.3.4. In the case of family housing disposed of under other circumstances, deposit the proceeds in the appropriate military family housing account.

2.2.2.2. The DoD Component having responsibility for the Defense installation or housing area will program, budget, and account for Family Housing Program costs, regardless of the DoD Component of the housing occupant. Reimbursement for such costs will not be made between DoD Components.

2.2.2.3. Funding will be on a program-year basis. The detailed program-year criteria for the major functional categories and for the immediate subordinate accounts is set forth in subparagraphs 2.2.2.3.1 through 2.2.2.3.3.

2.2.2.3.1. The program year for the undertakings (projects for new construction, acquisition of housing, construction improvements, and minor construction) must be the same as the year of the applicable annual MILCON Authorization Act.

2.2.2.3.2. After the program year for a specific project is established, administer the related appropriation for that project under the designated program year, irrespective of when the work is undertaken. In the event there are savings due to lower bids or change in scope, these savings may be reprogrammed for projects authorized in different program years in accordance with guidance provided in Volume 3, Chapter 7, “Reprogramming of Military Construction and Family Housing Appropriated Funds.”

2.2.2.3.3. For design, which is a “level of effort” type activity, the following program year concept applies:

2.2.2.3.3.1. Budget estimates for the budget year (BY) and each future year will include the design work programmed to be placed on contract or intragovernmental order during the program year and the design work expected to be performed with in-house

capabilities during the program year. [Determine](#) the dollar value of a planned program on the basis of estimated obligations to be incurred during the program year for the program scope embraced by subparagraphs [2.2.2.3.1](#) and [2.2.2.3.2](#).

[2.2.2.3.3.2. Request and issue](#) obligation authorities by program year on the basis of obligations estimated to be incurred as a result of the issuance during the program year of contracts or other orders which constitute valid obligations pursuant to Volume 4 for design work, irrespective of when the work [will](#) be performed and the accomplishment during the program year of design work with in-house capability. [Charge](#) obligations by program year on these same bases.

[2.2.2.3.3.3. Make](#) adjustments to obligations charged against a prior program year only to the extent of an adjustment in the amount of an obligation recorded for specific work ordered in that prior program year or de-obligations to reflect cancellation of work ordered in that prior year ([PY](#)). New obligations for design work for a particular project which are in addition to that ordered in prior program years for that project are charges against the program year in which those new obligations are incurred.

[2.2.2.3.3.4.](#) For rental guarantee payments, the program year [must](#) be the fiscal year in which the rental guarantee payments are obligated. No new obligations may be incurred under a program year obligation authority after the close of that program fiscal year. [Make necessary](#) adjustments to obligations for rental guarantee payments to reflect actual obligations incurred during the fiscal program year in accordance with existing procedures covering adjustment to annual accounts.

[2.2.2.3.3.5.](#) The major functional categories of O&M and debt payment are considered “level of effort” type activities. [Develop](#) program planning and budget estimates for these categories in accordance with that concept. [Request and issue](#) obligational authority for O&M and debt payment by program year [because the authority](#) will not be available for new obligations after the close of the fiscal year for which such authority is issued. [Make necessary](#) adjustments to obligations for O&M and debt payment to reflect actual obligations incurred during the fiscal program year in accordance with existing procedures covering adjustment to annual accounts.

[2.2.2.4. Apply economic analysis](#) to all program investment proposals in accordance with this [chapter](#) which sets forth budget submission requirements.

[2.2.2.5. Obtain apportionment of funds and issuance of financial authorities](#) as follows: each DoD Component (except Defense Agencies) [must](#) submit to the OUSD(C) an apportionment request, as prescribed in Volume 3, Chapter 2, “Apportionment/Reapportionment and Funds Distribution.” The OUSD(C) will issue specific financial authority to the DoD Components concerned in such amounts and at such levels as appropriate for efficient and economical administration of the Family Housing Program.

[2.2.2.6.](#) For the Construction category, [provide the](#) Office of the Secretary of Defense (OSD) program approval and obligating authority by fiscal year, generally at the

construction element level (immediate subordinate account level) or at project level where circumstances warrant. Volume 3 defines the scope of realignment authority delegated to the DoD Components. [Report](#) all program/fund realignments in accordance with Volumes 2 and 4.

[2.2.2.7. Record and report](#) obligations, incurred costs, accrued expenditures, accrued revenues, disbursements and receipts in accordance with Volume 4. When another appropriation, e.g., O&M, initially incurs a funded cost, [bill](#) the applicable DoD Component family housing account at least monthly. [Charge the](#) obligations, incurred costs, accrued expenditures and disbursements to the applicable accounts.

[2.2.2.8.](#) The balance due on indebtedness previously assumed should be in a “Borrowing Account” in conformance with Federal budget concepts.

[2.2.2.9. Record](#) the acquisition of property in accordance with Volume 4. [Record](#) the amount of the mortgage assumed as an increase in the “Borrowing Account” and report [it](#) to the Treasury under Code (97).

[2.3](#) Use of O&M Funds under Contingency Construction Authority

The criteria and procedures for the use of O&M funds under Contingency Construction Authority (also known as [§ 2804](#) Authority) are listed in Volume 3, Chapter 17, [paragraph 3.3](#).

[*3.0](#) UNIFORM BUDGET AND FISCAL ACCOUNTING CLASSIFICATION

[3.1](#) [MILCON](#) Appropriations

[Accomplish](#) programming, budgeting, financing, and accounting for the [MILCON](#) Program under an account structure uniformly used for these purposes by all DoD Components. The uniform account structure and scope of each account prescribed for the administration of the [MILCON](#) Program are as follows:

[3.1.1.](#) Major Functional Category: Construction

[3.1.1.1. Immediate Subordinate Account: Major Construction.](#) Includes construction projects authorized under 10 U.S.C. § 2801 and § 2802 for the purposes of erection, installation, or assembly of a new facility; the addition, expansion, extension, alteration, conversion, or replacement of an existing facility; or the relocation of a facility from one installation to another. Includes equipment installed and made a part of such facilities, and related site preparation, demolition, excavation, filling and landscaping, or other land improvements.

[3.1.1.2. Immediate Subordinate Account: Minor Construction.](#) Includes any construction project not otherwise authorized by law having a cost equal to or less than [\\$9,000,000](#). Minor construction projects costing more than \$750,000 may not be carried out unless 10 U.S.C. § 2805 requirements are met. This includes advance approval by the Secretary concerned, and notification to the Congress [if the project amount is more than \\$4,000,000](#). An

unspecified MILCON project costing not more than \$4,000,000 may be funded from appropriations available for O&M.

3.1.1.3. Immediate Subordinate Account: Design. Includes architectural and engineering services, construction design, working drawings, specifications and estimates for construction projects. 10 U.S.C. § 2807 pertains to architectural and engineering services and construction design.

3.1.1.3.1. Design Status. Consider projects with parametric cost estimates and supporting documentation, e.g., site plan, economic analysis, and National Environment Policy Act (NEPA) documentation, at the 15 percent design level.

3.1.1.3.2. Projects using the traditional method of design, being designed in-house, using a standardized design, or site adapting a previous design should use the milestone chart to gauge their design status.

Milestone Chart	
Design Milestone	Design Status
1% Design Complete	Design instructions issued to major command.
2% Design Complete	Major command design instructions issued to design agent.
3% Design Complete	Notice to proceed issued to architect/engineering firm (A&E) by the design agent.
30% Design Complete	Concept plan, early preliminary working drawings, design analyses, and outline specifications issued by the designer.
35% Design Complete	Concept or early preliminary review comments forwarded to the design agent.
60% Design Complete	Regular preliminary working drawings, design analyses, and updated cost estimate and outline specifications issued by the designer
65% Design Complete	Regular preliminary review comments forwarded to the design agent.
90% Design Complete	Final design (working drawings, design analyses, cost estimates, and specifications) completed by the designer.
95% Design Complete	Final design review comments forwarded to the design agent
100% Design Complete	Corrected final design accepted by the DoD Component.

3.1.1.4. Immediate Subordinate Account: Supporting Programs. Includes Defense access roads and land acquisitions.

3.1.2. Major Functional Category: NATO Security Investment Program

Includes contributions for the United States share of the cost of multilateral programs for the acquisition and construction of military facilities and installations (including international military headquarters) and for the related expenses for the collective defense of the North Atlantic Treaty Area. 10 U.S.C. § 2806 pertains to contributions for NATO Security Investment Program.

3.2 Family Housing

DoD Components will use the uniform account structure established for programming, budgeting, financing and accounting for the family housing program. [Administer](#) the account structure so as to provide program and financial control of the family housing program consistent with applicable statutes. The uniform account structure and scope of each account for the family housing program are as follows:

3.2.1. Major Functional Category: Construction

3.2.1.1. Immediate Subordinate Account: New Construction (by Installation and Project). Includes the erection, installation, assembly, relocation or replacement of single or multifamily dwelling units, related land acquisition, site preparation, excavation, filling and landscaping, or other land improvements. Also included are the initial outfitting during construction of a dwelling unit with fixtures and other requirements which are either integral components or movable items of major equipment thereof, including major appliances, and architectural and engineering supervision and inspection of construction. Includes design costs of contractor to perform a turnkey contract. New construction also includes the construction of items included in subparagraphs [2.1.3.2.2.1 through 2.1.3.2.2.3](#) and [2.1.3.2.2.5](#).

3.2.1.2. Immediate Subordinate Account: Construction Improvements (formerly Post Acquisition Construction). Includes major construction projects (projects beyond those authorized under the minor construction program) for the following (by installation and project): upgrading inadequate public quarters, rental housing and acquired units to produce adequate public quarters; conversion of existing facilities to public quarters; alterations, additions-expansions-extensions; construction of family housing real property, other than dwelling units required subsequent to and because of previously acquired dwelling units; and the payments made to military personnel for telephone reconnection charges [must](#) be included in project costs under this subaccount when a construction project involves relocation, alteration, improvement, or other work necessitating Government directed, non-Permanent Change of Station moves between Government quarters. However, in cases where concurrent maintenance/repair work is involved, telephone reconnection costs [must](#) be charged to the maintenance account.

3.2.1.3. Immediate Subordinate Account: Design. Includes the [design](#), working drawings, specifications and estimates for construction projects approved by the Secretary of Defense for inclusion in the President's Budget. Also includes consolidated DoD guide drawings, specifications, and [design](#) efforts on projects which are not subsequently constructed.

3.2.2. Major Functional Category: O&M

3.2.2.1. Immediate Subordinate Account: Operation. This account includes the costs associated with Management, Services, Furnishing, and Miscellaneous subaccount categories identified in subparagraphs [3.2.2.1.1 through 3.2.2.1.4](#).

3.2.2.1.1. Management. This account includes costs for management, administrative, and support-type services at the installation level, such as, inspection of

construction and administration of rental guarantee projects, housing referral administration, housing office base support costs, surveys, engineering studies, and other identifiable management costs.

3.2.2.1.2. Services. This account includes cost associated with refuse collection and disposal, fire protection, police protection, entomological services, custodial services, snow removal, street cleaning, and other municipal-type services.

3.2.2.1.3. Furnishings. This account includes initial acquisition, maintenance, repair and replacement of furniture, furnishings and other personal property (see subparagraph 2.1.3.2.1.7); the furnishing of services included in subparagraph 2.1.3.3.7.

3.2.2.1.4. Miscellaneous. This account includes other family housing program operational costs that do not fall into the other Operation categories.

3.2.2.2. Immediate Subordinate Account: Housing Privatization Support. Includes the costs that the government incurs in direct support of the family housing privatization program under the authorities of 10 U.S.C. Chapter 169, Subchapter IV, **except for** those costs that will be included as part of the privatization project. These costs include all administrative, planning, development, solicitation, award, transition, construction oversight, and portfolio management activities associated with military housing privatization and specifically for:

3.2.2.2.1. Site Assessment Costs. Includes all costs in direct support of the family housing privatization program for environmental baseline assessments, environmental assessments, environmental impact statements, and any efforts required to be accomplished by the government prior to privatization for, environmental mitigation, site surveys, or real estate costs.

3.2.2.2.2. Project Costs. Includes all costs in direct support of the family housing privatization program for project feasibility studies, concept development, consultant fees, solicitation, procurement, contracting, execution, transition, construction management (supervision, inspection and overhead), post award management/monitoring, and portfolio management.

3.2.2.2.3. Administrative Costs. Includes all costs in direct support of the family housing privatization program for civilian pay, travel, training, supplies, equipment, and for any services provided by a Component in support of the privatization program.

3.2.2.3. Immediate Subordinate Account: Maintenance of Real Property Facilities. This account includes **M&R** of buildings, roads, driveways, walks, exterior and interior utility systems and grounds care; and maintenance, repair and replacement of fixtures and other equipment which are integral components of a housing unit. This account also finances the costs of reimbursements made to military personnel for telephone reconnection charges when maintenance or repair work necessitates Government-directed, non-PCS moves. This includes such charges resulting from improvement/repair projects funded in part from the family housing construction account.

3.2.2.4. Immediate Subordinate Account: Leasing. This account includes leasing of family housing facilities by the Government as outlined in subparagraph 2.1.3.1.

3.2.2.5. Immediate Subordinate Account: Utilities. This account includes costs for utilities consumed in government-owned family housing, including electricity, water, sewage, natural gas, fuel oil, or other heating fuels. It excludes the costs associated with the M&R of utility systems covered under the Maintenance of Real Property Facilities Account.

3.2.2.6. Immediate Subordinate Account: Mortgage Insurance Premiums (or also known as Servicemen's Mortgage Insurance Premiums). This account includes payments of servicemen's mortgage insurance premiums pursuant to 12 U.S.C. Chapter 13, as amended.

3.2.3. Major Functional Category: DoD FHIF. Includes activities required for family housing in connection with the MHPI program planning, execution, accounting and financial reporting, and administration of contracts entered into under the authorities of 10 U.S.C. Chapter 169, Subchapter IV.

3.2.4. Major Functional Category: MUHIF. Includes activities required for unaccompanied housing in connection with the MHPI program planning, execution, accounting and financial reporting, and administration of contracts entered into under the authorities of 10 U.S.C. Chapter 169, Subchapter IV.

3.3 Homeowners' Assistance Fund, Defense

Exhibits HA-1 through HA-4 in Appendix C prescribe the program/budget account classification structure for the HAP.

*4.0 PROGRAM AND BUDGET REVIEW SUBMISSION

4.1 MILCON

4.1.1. General Guidance. Concurrently submit supporting data for each of the MILCON appropriation requests with all other DoD appropriation requests. To facilitate the review and decision-making process, it is essential that the packaging of justification materials conform to the uniform facility category structure established by DoDI 4165.03.

4.1.1.1. Determine construction requirements in consonance with Program Decision Memorandum (PDM) guidance and with applicable Executive Orders, OMB Circulars, and relevant DoD instructions and directives.

4.1.1.2. Support each proposed construction project with DD Form 1391/1391C, MILCON Project Data and a DoD Construction Agent assessment. Prepare these exhibits in accordance with guidance contained in Appendix A. Projects associated with intelligence or intelligence-related operations will be so identified. Block 5, Program Element, DD Form 1391, will include the annotation National Intelligence Program (NIP) or Military Intelligence Program (MIP) as appropriate. Prepare DD Form 1390, MILCON Program, for each installation at which

major construction is planned, utilizing the format prescribed in [Appendix A](#). The Guard and Reserve Components will utilize DD Form 1390S, Guard and Reserve Forces MILCON. Additionally, for projects over \$90 million each Component must submit a Work-in-Progress curve in accordance with 10 U.S.C. § 2865.

4.1.1.3. Each Component will also submit a Major Initiative code for every MILCON budget line item in the electronic Next Generation Resource Management System.

4.1.1.4. OMB is enforcing the full funding policy contained in OMB Circular A-11. The Components are required to ensure that all projects are fully funded in compliance with OMB Circular A-11. However, DoD Components may submit an exception request from the full funding policy with the Budget Estimate Submission (BES) to the OUSD(C) for construction projects over \$250 million. OUSD(C) will request an exception to the full funding policy from OMB. If granted, components may budget increments for the construction project. Additionally, for projects costing less than \$250 million, the Components may break projects down into complete and usable phases, with phases in multiple years.

4.1.1.5. In the case that OMB grants a waiver to allow budgeting for the incremental funding of a project, the Components have the flexibility to move funding between increment/years to allow for flexibility, but only if there is no increase in the total cost of the project or number of increments. When projects fully funded in a given year's President's Budget request are incrementally funded by Congress, the Components must fund the remaining amount within two subsequent increments (for a total of no more than three increments). Budget justification materials (1391/1391C) should include a chart depicting all outyear liabilities resulting from incremental funding decisions.

4.1.1.6. To ensure prudent and economic investments, a life cycle, net present value economic cost analysis is required to support all new construction or renovation projects estimated to cost in excess of the amount specified in 10 U.S.C. § 2805(a)(2), as adjusted by paragraph (f). DoD Components must retain copies of these studies and provide them, when requested, during the OSD - OMB program and budget review. In accordance with Volume 2A, Chapter 1, subparagraph 3.3.1.3.3, components are required to indicate on the justification page for each individual construction project whether or not an economic analysis is applicable or pertinent. If not applicable, a statement is required indicating why.

4.1.1.7. In accordance with guidance provided in DoDD 2010.05 Section 2.5.d, components are required to indicate on the justification page for each individual construction project for U.S. forces committed to NATO, a statement whether or not the project is planned for prefinancing, with appropriate explanation as to: (a) why U.S. unilateral financing is being proposed; and (b) as appropriate, follow-on actions planned to seek reimbursement through NATO channels. A similar statement is required for any other overseas construction, describing why the project is not eligible for host nation funding. DoDD 2010.05 provides more specific guidance.

4.1.1.8. [Submit](#) justification materials DD Forms 1390/1391/1391C in book form, with appropriate cover, bound on the left margin. [Submit](#) classified materials in separate volumes, with appropriate security classification markings on covers.

4.1.1.9. The following [paragraphs](#) outline the specific materials to be provided including special guidance as to formats to be followed. [Volume 2A, Chapter 1](#) identifies the numbers of copies required. [Volume 2B, Chapter 16](#) outlines other special materials required for intelligence activities.

4.1.1.10. All budget submissions for [MILCON](#) and family housing programs should include outyear project level detail in the format specified in [Appendix A](#).

4.1.1.11. For any joint funded Guard or Reserve [MILCON](#) project, the lead component [must](#) submit a DD Form 1391 for the complete joint facility and a signed Memorandum of Agreement (MOA). Additionally, the lead component will submit the Guard and Reserve Joint [MILCON](#) Project Exhibit, MC-2, in accordance with the format contained in [Appendix A](#).

4.1.2. Construction Programs for the Active Forces and Defense Agencies. [Arrange](#) the books containing the DD Forms 1391/1391C by facility category, following the guidelines established by DoDI 4165.03. For each project, the DD Form 1390 will immediately precede the DD Form 1391/1391C. In each DD Form 1391/1391C provided for the OSD submission, the following design status is required: (1) date of design or parametric cost estimate initiation; (2) percentage of design complete on the OSD submission date; (3) date on which 35 percent design or a parametric cost estimate (15 percent design level) will be or has been completed (including review and approval of 35 percent drawings); (4) projected or actual date of design completion; (5) percentage of design utilizing standard design, (6) if the project cost is based on parametric estimates, include the annotation "Parametric estimates have been used to develop project costs;" and (7) type of design contract, i.e. design-build, design-bid-build, or other. [If other, provide a brief explanation of the design contract.](#) [The information should be displayed on the DD Form 1391, section 12, Supplemental Data.](#) Projects proposed for alternative construction methods such as turnkey, or private financing alternatives, for which percent design is not appropriate, should be noted in place of the design status required for normal projects. Prior to the submission of the President' Budget to Congress, [notify](#) the OUSD(C) Military Personnel and Construction (MPC) Directorate of any projects in the request where the cost estimate is not based on either 35 percent design or a parametric cost estimate (15 percent design level).

4.1.2.1. Major Construction. For purposes of the OSD and OMB review:

4.1.2.1.1. [The project will identify and list each distinct facility indicating the appropriate five- or six-digit Military Department category code adjacent to the item description. A distinct facility possesses a unique real property category code described by the functional requirement and a quantity in the unit measure for the category code. When a project includes multiple distinct facilities, the project title must correspond to the code of the predominant use for the facility. Components of distinct facilities, even if quantified, do not constitute distinct facilities. Items such as cost premium for design features \(e.g., sustainable design\) that are](#)

represented by “lump sum” quantities do not constitute distinct facilities. See paragraph Appendix A for further instructions on submission formats.

4.1.2.1.2. Each DD Form 1391 for a major construction project must show the construction contract award date. Indicate month and year the contract is planned to be awarded to the construction firm. Indicate month and year construction is planned to start (construction start date) and indicate month and year construction is planned to be completed (construction completion date). The information should be displayed on the DD Form 1391, section 12, Supplemental Data.

4.1.2.1.3. All DD Forms 1391 for projects submitted in the BES must include the office and phone number of the installation responsible for the requested project. Display this information on the bottom left-hand corner of the last page of the DD Form 1391.

4.1.2.2. Minor Construction. The total minor construction program request should be submitted as a lump sum submission on a single Form DD Form 1391, specifying the amount proposed for unspecified (unforeseen) minor construction projects costing up to \$9.0 million per project.

4.1.2.3. Supporting Activities. The funding request for Supporting Activities will continue to be reflected as a lump sum amount on DD Form 1391. Supporting detail (location/cost) will be shown parenthetically following the lump sum estimate. While this item will be addressed for decision making purposes in the document covering Utilities and Real Estate, it should be listed separately and not included in the indexes for either Utilities or Real Estate, which fall under different facility category codes.

4.1.2.4. Restrictions on Omnibus Construction Packages. Apart from the specific exceptions noted for the pollution abatement, energy conservation, and minor construction programs, which are discrete decisions, there are to be no other omnibus packages or breakouts in the DD Form 1391 justification books. List all other projects under the appropriate facility category. In this respect, the Marine Corps facilities program will be integrated with the Navy facilities program so that all Navy and Marine facilities are included in a single Department of Navy facility category listing covering the entire “MILCON, Navy and Marine Corps” appropriation request. However, a separate “non-add” listing or index of all Marine Corps unique facilities, similar to those provided in the past, is both useful and desired.

4.1.2.5. Budget Summary and Indexing. Each Component will provide a one-page Budget Summary at the front of the justification book that provides a summary of the total construction program request. The summary will show, by column, the Total Obligation Authority (TOA), Budget Authority (BA), and authorization requested with subtotals by budget activity. Additionally, the books containing the DD Forms 1391/1391C should provide, immediately preceding each category section, an index showing facility category code numbers, installation and location, project number and title, cost, and DD Form 1391 page number. The index should also identify each project as either new mission or current mission.

4.1.2.6. Multi-service and National Level Support Programs. [Program/Budget](#) projects providing multi-service or national level support under the appropriation “MILCON, Defense-Wide,” or, in the case of NATO Security Investment Program, under the appropriation “NATO Investment Program.” These are to be determined on a case-by-case basis and should be identified as early as possible in the program planning phase. [Identify](#) such items in the Program Objective Memorandum (POM) and PDM process with appropriate programmatic adjustment or treatment during that phase of the review.

4.1.2.7. Should, on rare occasions, other candidates surface outside of the POM/PDM process, they will require review in the budget review process. The following guidelines apply:

4.1.2.7.1. The individual military departments will serve in an executive agency capacity for support of those construction items. The military department assigned executive agency responsibility will continue to provide all necessary and appropriate management support for such projects, including preparation of budget justification materials, and will continue to fully manage and execute the program including the preparation of all budget justification materials and defense of estimates submitted to Congress.

4.1.2.7.2. For those projects which have been identified and programmed as multi-service or national level support programs during the POM and PDM process, the executive agent will provide, at the time of its own budget submission, a separate submission consisting of all justification materials (DD Forms 1391/1391C) necessary for OSD and OMB review. Such projects are not to be reflected (duplicated) in the submission covering the department’s own program (i.e., financial program, facility category listings).

4.1.2.7.3. For those projects which may surface outside the POM and PDM process as possible additional candidates, the sponsoring military departments will include these in their own construction program submissions as outlined earlier in this chapter, within their own fiscal levels, and separately highlight such items, providing a narrative explaining the basis for change.

4.1.3. Construction Programs for the Guard and Reserve Forces. [Submit](#) justification materials for the Guard and Reserve construction programs on DD Forms 1391/1391C (Project Data). A separate justification book is required for each of the five Guard and Reserve appropriations.

4.1.3.1. The DD Forms 1391/1391C will be in a single volume covering total requirements for each appropriation. [Sequence](#) the materials in alphabetical order, by state and by installation within state. The justification pages covering the lump-sum amount requested for minor construction will appear last. The DD Form 1390S will be in a separate section following the DD Forms 1391/1391C. Each book [must](#) include an index in the front, showing the installation and location, project title, project cost, DD Form 1391 page number, and arranged in alphabetical order by state.

4.1.3.2. Each Guard and Reserve program submission **must** include separate listings identifying amounts requested in the budget year for: (a) air and water pollution abatement; and (b) energy conservation investment programs. Each listing **must** show the installation and location, project title, project cost, and DD Form 1391 page number. “Negative response” listings are required to assure complete coverage.

4.1.4. Construction Design. Identify and justify the annual estimates for **design** on DD Form 1391. In preparing the annual estimates, **give** full consideration to the lead-time required to meet the objective of having each construction project at the 35 percent design stage at the time the Budget is submitted to OSD. Guard and Reserve component construction projects will meet the **design** criteria established in DoDI 1225.08 at the time the budget request is submitted to OSD.

4.1.4.1. The Military Departments will develop and submit **design** estimates in support of the construction programs for the individual Active Forces, Guard and Reserve programs.

4.1.4.2. OSD will prepare a DD Form 1391, consolidating estimates to be submitted by the Defense Components having justified requirements for Defense Agencies design funds.

4.1.4.2.1. Each Defense Agency **with a** requirement for **design** funds during the current and **BYs must** submit its estimates on a DD Form 1391.

. 4.1.4.2.2. The individual Military Departments may have a justified requirement for use of Defense-Wide **design** funds under circumstances where the Military Departments serve as executive agents for certain multi-service or national-level support projects if funding is required to design a project which will be constructed using **MILCON**, Defense-Wide funds. Under such circumstances, the Military Department **will** submit its estimates on a separate DD Form 1391.

4.1.5. Automated Data Requirement. All **MILCON** estimates for the Active Forces, Defense Agencies, Guard and Reserve Components **must** be addressed in the Exhibit C-1 Construction Annex input prescribed in Volume 2A, Chapter 1.

4.1.6. Long-Term Facilities Contracts. **Submit** DD Forms 1390 and 1391 for each project proposed under the authorities of 10 U.S.C. Chapter 169. All additional supporting justification should be included in the DD Form 1390 and DD Form 1391 Justifications. These include **10 U.S.C. § 2809, § 2812, § 2835, § 2836, and other third party financed construction authorities**. **Closely review** private financing initiatives to ensure their programmatic and budgetary viability. So that an informed decision regarding inclusion of the project in the budget may be made during the program and budget review, **support** proposed projects **with** an economic analysis. **Submit a lease-versus-buy analysis, conducted in accordance with the provisions of OMB Circular A-94, as backup documentation for the DD Form 1391** to establish a reasonable expectation that the long-term facility project meets Congressional guidance **and** that all third party financed projects,

including proposed childcare facilities, will be at least five percent less expensive than regular MILCON appropriation.

4.1.6.1. In development of cost estimates, MILCON alternatives should not exceed the published DoD pricing guidance. Private sector construction estimates should be fully supported by documentation and include all pertinent cost factors.

4.1.6.2. DoDI 7041.03 contains the guidance for development of the basic economic analysis required to support these long-term facility contracts. The separate lease-versus-buy analysis must conform with OMB Circular A-94 and include full life-cycle costs and net present value discounting of each alternative.

4.1.6.3. Proposed childcare facilities should also include in their justification the results of a market survey of childcare services available in the local community, and the results of a need assessment and installation interest survey that documents and supports the need for the proposed project.

4.1.6.4. Authorization and appropriation procedures for long-term lease and lease-purchase contracts are special cases and may not be treated as regular MILCON in some respects. General guidance for the treatment of budget authority, outlays, and scorekeeping guidelines for lease-purchase and capital lease contracts is contained in OMB Circular A-11.

4.1.6.4.1. Under the provisions of public law, these contracts may, depending on the authority used, be for periods of up to thirty-two years exclusive of the period of construction. However, for projects proposed under the authority of 10 U.S.C. § 2809, § 2835, and § 2836, the obligation of the United States to make payments under the contract in any fiscal year is subject to appropriations being provided specifically for that fiscal year and specifically for that project.

4.1.6.4.2. Annual lease or annual lease-purchase payments commence at the time of beneficial occupancy, usually after the BY in which the project is proposed for authorization.

4.1.6.4.3. Components will request authorization for the full asset value of the contract (the estimated construction or acquisition cost, the differential cost of financing, and any contract termination liability costs). Components will request budget authority for each project in the amount equal to the full extent of the Government's first year liability under the contract (the sum of all cost and contract termination liability costs), in the BY the project is submitted for approval.

4.1.6.5. Components must submit proposals for long-term facilities contracts in a separate section in the OSD/OMB Justification books. The section must be entitled "Long-Term Facilities Contracts." The section will include all DD Form 1390 and DD Form 1391's for newly proposed projects and be preceded with an index showing facility category code numbers, installation and location, project number and title, estimated MILCON cost and DD Form 1391-page number. Long-term leases and lease-purchases will be separately summarized in the index.

To assess the long-term financial impact of these proposals, the section should also include a financial table that provides project data and cumulative totals for; total estimated project authorization, estimated annual lease payment, and year of planned beneficial occupancy.

4.1.6.6. Congressional budget presentation Justification Book guidance is provided in [paragraph 5.0](#).

4.1.6.7. Following approval of projects for inclusion in the President's Budget, Components may then proceed with project development.

4.1.6.8. In accordance with 10 U.S.C. [§ 2809](#), these projects must be submitted to Congress for final review or approval 14 days in advance of contract award. Unless denied by Congress, Components may make contract award following the 14-day notification period.

4.1.6.8.1. Components will submit these projects for approval to the [USD\(A&S\)](#), and the [OUSD\(C\)](#), prior to congressional notification, and again prior to the final submission to Congress.

4.1.6.8.2. To ensure that only economical investments are approved, and that budget requests are sufficient to cover the full financing of the contract, only those projects demonstrated to be more cost effective than regular [MILCON](#) will be approved for submission to Congress.

4.1.7. Construction Programs for Working Capital Funds. The Working Capital Funds related capital construction projects costing over \$750,000 will be included in the component [MILCON](#) appropriation (including budget authority) program and budget estimates submission for review.

4.1.7.1. [MILCON](#) projects supporting the Working Capital Funds must be clearly labeled as Working Capital Fund projects. The C-1 Annex will include the Working Capital Fund projects (annotated as such) with their associated budget authority.

4.1.7.2. Provide a separate copy of [MILCON](#) projects supporting the Working Capital Funds the [OUSD\(C\) Revolving Funds Directorate, Pentagon Room 3D755](#).

4.1.7.3. Provide separate copies of associated economic analysis studies supporting the construction requirements for Fund projects to the [OUSD\(C\) MPC Directorate, Pentagon Room 3C654](#).

4.1.8. Facilities Programming and Financing at DoD Installations Utilized by Two or More DoD Components. This [paragraph](#) establishes the policy for programming and financing facilities at DoD installations where utilization by more than one DoD Component is involved, including host-tenant relationships.

4.1.8.1. Responsibilities

4.1.8.1.1. To ensure joint use construction is considered when assessing the [Department facilities'](#) needs, each DD Form 1391 must include a certification by the Secretary of Defense Agency Director concerned that the proposed project has been considered for joint use potential; a recommendation for either joint use or unilateral construction; and the reason(s) for that recommendation if joint use is not recommended. The certification may be delegated not lower than the Assistant Secretary responsible for the project. This certification is not required for family housing construction and improvement projects.

4.1.8.1.2. Single-Use Facilities. The DoD Component requiring a facility for its own use [must](#) program and budget for the construction project involved.

4.1.8.1.3. Joint-Use Facilities. The DoD Component which has jurisdiction over the host command [must](#) program and budget for a facility which is planned for the joint use or joint occupancy of two or more DoD Components.

4.1.8.1.4. Common-Purpose Facilities. On a case-by-case basis, the individual DoD Components [must](#) function as executive agents for programs whose output directly and uniquely operates to the benefit of two or more DoD Components. The executive agent [must](#) be responsible for planning and programming all facilities.

4.1.8.1.5. Required Facilities. Generally, the host Military Department will program and budget an extension, expansion, and/or increase the capacity of the main utilities and communications or transportation systems, consistent with the master plan of the installation, to support any required facilities, including those required by a tenant. However, programming and budgeting for such connecting utilities and communications or transportation systems as an integral part of any single-use facility are the responsibilities of the DoD Components requiring the facility.

4.1.8.1.6. Siting Facilities. Siting of any facility for a tenant will conform to the master plan of the installation or will be in accordance with an agreed-upon location by the DoD Components concerned.

4.1.8.1.7. Design. Standards of [design](#) and construction will conform to those of the host Military Department, consistent with the master plan of the installation. However, exceptions will be made in those instances where tactical or other operational considerations requiring limited duration of occupancy economically would not justify construction of facilities to higher standards.

4.1.8.2. Utilization

4.1.8.2.1. The tenant DoD Component will have exclusive use of any facility constructed for the duration of the tenant's requirement. Upon termination of tenancy or use by the tenant, the facility will revert to the host Military Department for utilization without fee.

[4.1.8.2.2.](#) Should the tenant DoD Component, at a later date have a requirement for use of the same facility, the host Military Department will make the facility, or an acceptable existing facility, available within a reasonable time period to the tenant. The host Military Department will not reconstruct or acquire a new facility for the tenant instead of returning the original facility or an acceptable existing substitute. If the host Military Department is not able to make a facility available to the tenant without creating unacceptable conditions for the host, the tenant will be responsible for obtaining a new facility.

[4.1.8.2.3.](#) Maintenance and Service Support. Determination as to the levels of maintenance and service support and reimbursement therefore will be made by the DoD Components concerned consistent with DoD policies for host-tenant agreements.

[4.1.9.](#) Energy Resilience and Conservation Investment Program (ERCIP). [Submit](#) DD Forms 1391s for each ERCIP project requested in the budget. These forms will include the project title, location of the project, a brief description of the scope of work, and the project cost estimated. DD Forms 1391 for energy conservation, will also include savings-to-investment ratio and simple payback estimates and measurement and verification cost estimate. DD Forms 1391 for energy resilience or energy security projects [must](#) include the rationale for how the project would enhance mission assurance, support mission critical functions, and address known vulnerabilities. The Components [will](#) submit these forms to the OUSD([A&S](#)) ERCIP Program Manager to allow sufficient time for the ERCIP Program Manager to review them prior to transmittal to OUSD([C](#)).

[4.1.10.](#) Military Unaccompanied Housing Privatization (UH-6). [Submit](#) this exhibit with the budget justification material for the Services MILCON appropriations. It compares the OSD/OMB approved privatized project scoring with the actual/current project scoring. Include the all-military unaccompanied housing privatization projects (past, current and future); privatization date; MHPI project name; each installation and state in the project; funding sources for financing and investments by appropriation, fiscal year and project (include project number); number of units conveyed; number of end-state units, and MHPI authorities. This exhibit must reflect the OSD/OMB approved project scoring with the actual/current project scoring.

[4.2](#) Family Housing

[4.2.1.](#) Budget Estimates. Each DoD Component [must](#) submit data to support the budget requirement for Family Housing [based on](#) the accounts and account structure set forth in the detail prescribed in [subparagraph 4.2.3](#). In addition, each DoD Component will address Family Housing estimates in the Exhibit C-1 Construction Annex input prescribed in Volume 2A, Chapter 1, [paragraph 5.5](#).

[4.2.2.](#) General [Instructions](#)

[4.2.2.1.](#) [Provide](#) all data (including the OP-5 exhibit) on 8-1/2 inch by 11-inch size paper, typed across the short dimension of the paper, except for the formal exhibits contained in [paragraph 5.0](#). Bind all pages on the 11-inch side.

4.2.2.2. [Bind](#) the family housing budget data in separate books for the Army, Navy (including Marine Corps, with O&M Cost and Debt Payment for Marine Corps shown separately), Air Force, and Defense Agencies.

4.2.2.3. The number of required copies of material is specified in Volume 2A, Chapter 1, paragraph [3.2](#).

4.2.3. Preparation of Material. Submit data using forms and formats as indicated [in subparagraphs 4.2.3.1. and 4.2.3.2](#). [Submit](#) separate tabbed sections for each of the categories.

4.2.3.1. Index. Provide a detailed index to the submission.

4.2.3.2. Summary

4.2.3.2.1. Provide a narrative summary describing the most significant features of the request. This summary need not cover every facet of the request and is intended to highlight those items of special significance. [10 U.S.C. § 2837 requires a listing of HRMA to be conducted in the BY. Include the following narrative as the last paragraph of “MAJOR FACTORS” under the “SUMMARY” exhibit: “In accordance with 10 U.S.C. § 2837, the \[insert Military Department name here\] plans to conduct the following Housing Requirements Market Analysis in FY 20BY: \[insert military installation here\], \[insert military installation here\].”](#)

4.2.3.2.2. Provide a one-page financial summary of the entire request. This should include, as a minimum, the amounts requested for authorization and appropriation for the major programs and their immediate subordinate accounts (Construction: New Construction, Post Acquisition Construction, Design; O&M: Operating Expenses, Utilities, Maintenance, Leasing, Housing Privatization Support, Debt Payment, Servicemen’s Mortgage Insurance Premium and Reimbursable Program).

4.2.3.2.3. Provide the summary metric tables, Exhibit FH-11, Inventory and Condition of Government-owned Family Housing Units, (which replaced the Summary of Inadequate Unit Elimination, FH-7 Exhibit) and Exhibit FH-8, Annual Inadequate Family Housing Elimination.

4.2.3.2.3.1. These exhibits support the measures and targets developed in the DoD Performance Budget, which are based on the [Building Condition Index \(BCI\)](#) and maintaining a minimum specified percentage level of adequate housing units.

4.2.3.2.3.2. All government-owned Family Housing inventory should be reflected in these exhibits, including transitional units. Inventory should be consistent with number of units and [BCI](#) contained in the Real Property Inventory database. Additional information on [BCI](#) is available [from the ASD\(EI&E\)](#).

4.2.4. Legislative Language. Provide the required authorization and appropriation language for the **BY**. The current year (**CY**) language should serve as the base, with changes and omissions bracketed.

4.2.5. New Construction

4.2.5.1. Summary. Provide a brief summary of the New Construction program. The summary should include, as a minimum: a short narrative highlighting the most significant features of the request, a comparison of the **PY** program with the request, and a listing of each project requested showing new construction or replacement, location, number of units and the estimated cost. The listing should also identify each project as either new mission or current mission requirement, as well as provide the major initiative category.

4.2.5.2. Project Justification. For each New Construction project, including the construction of mobile home spaces, the following forms and exhibits are required. Additionally, in accordance with Title 10 U.S.C. § 2824, provide documentation of consultations with the Department of Housing and Urban Development on the availability of suitable alternative housing at each construction location.

4.2.5.2.1. MILCON Project Data – DD Form 1391. Prepare form in accordance with the instructions contained in **Appendix A**. It is important to avoid the use of “boiler-plate” justification. Cost estimates for new construction projects will include the maximum level of detail practicable, including construction contract award date. Indicate month and year the contract is planned to be awarded to the construction firm. Include month and year construction is planned to start (**construction start date**) and indicate month and year construction is planned to be completed (**construction completion date**). Identify and fully justify any unusual features impacting the cost of the project. In order to ensure prudent and economic investments, a life-cycle net present value economic cost analysis is required to support all new construction projects estimated to **the amount specified in 10 U.S.C. § 2805(a)(2) as adjusted by paragraph (f)**. Provide copies of these analyses with the Family Housing budget estimates. Each DD Form 1391 will (1) state if an economic analysis has been prepared and provide a summary of the results of that analysis, including the calculated savings-to-investment ratio, or (2) provide the specific reasons why an economic analysis is not required. Assemble the DD Form 1391’s in the same sequence as the listing of projects on the summary page.

4.2.5.2.2. DD Form 1523, Military Family Housing Justification. Prepare form in accordance with DoDM 4165.63. Data supplied should be in agreement with the latest formal housing survey for the location, and with the information provided on the DD Form 1390. Specify the date of the survey. The form must include a statement indicating whether a private sector housing market analysis has been conducted and the date the market analysis was completed. When a market analysis has been conducted and is used as justification for new construction, a copy of the analysis must be available for review upon request. Since this form deals with housing deficit calculations, the DD Form 1523 is needed only for new requirements.

4.2.5.2.3. Tri-Service Family Housing Cost Model. Provide, for each housing project, the calculations on which the budget estimate is based, using Exhibit FH-1, the

“Tri-Service Family Housing Cost Model.” Use the appropriate DoD cost factors in the calculations. In addition, prepare Tri-Service Family Housing Cost Models using metric units of measure.

4.2.6. Construction Improvements

4.2.6.1. Summary. Provide a general summary of the Construction Improvements program being requested. The summary should include, as a minimum, a short narrative highlighting the most significant features of the request, and a comparison of the PY program with the request. For consistency, the program should be referred to as “Construction Improvements” rather than “Post Acquisition Construction” or any other title.

4.2.6.2. Project Justification. Provide a DD Form 1391 covering the entire Construction Improvements program and DD Form 1391C listing each project requested. Project description should be specific with the work to be done. Specify the number of units to be improved by intended occupant grade: senior officer, junior officer, or enlisted. Show any planned concurrent, non-routine, maintenance costs, including construction contract award date. Indicate month and year the contract is planned to be awarded to the construction firm). Include month and year construction is planned to start (construction start date) and indicate month and year construction is planned to be completed (construction completion date). Arrange projects alphabetically by state and country. Provide separate totals for Federal Energy Management Program funding, if any. Identify projects, or portions of projects, for General and Flag Officer Quarters (GFOQ) separately. For improvement projects, where the unit improvement cost exceeds seventy percent of the replacement cost, the project must be supported by a life-cycle economic analysis which demonstrates that renovation is more cost effective than replacement construction or other available alternatives, such as demolition and reliance on housing allowances.

4.2.6.3. Projects in Excess of \$50,000 Per Unit. A separate DD Form 1391 is required for each project for which the per unit cost exceeds \$50,000, taking into consideration the applicable area cost factor. If the improvement is required to make the unit suitable for habitation by a handicapped person, the threshold is \$60,000 multiplied by the applicable area cost factor. The cost estimate should also include concurrent repair to be funded under O&M. The justification for the project must detail the findings of an economic analysis and the resulting savings-to-investment ratio. Any unusual features impacting on the cost of the project must be clearly cited. Additionally, note the total Construction Improvements and non-routine maintenance for the unit or set of units over the past five years.

4.2.6.4. Restriction on the Amount Invested in Improving Foreign Source Housing Units. The three-year limitation on overseas units is \$35,000. If the Services intend to program improvements to specific units which exceed \$35,000 over a period of three years, total funding should be requested in one year. The justification for each unit should identify all improvements and major maintenance work done in the past three years, and all improvements and major maintenance planned in the following three years.

4.2.7. Rental Guarantee Housing. For each rental guarantee housing project, both foreign and domestic, provide a listing showing: (1) location, (2) number of units (by intended occupants

(senior officer, junior officer, enlisted), (3) term of contract, (4) FY and month of contract renewal, and (5) maximum termination costs.

4.2.8. Design. **Submit** all requirements for Design in the format prescribed for **MILCON** in **paragraph 4.1**.

4.2.9. O&M Summary

4.2.9.1. Narrative Summary. Provide a general summary of the entire O&M program being requested, excluding leasing, housing privatization support, debt, and servicemen's mortgage insurance premium, which are to be addressed elsewhere in the budget submission. The summary should include, as a minimum, a succinct narrative highlighting the significant features of the request and a comparison of the **PY** program with the budget request, particularly the reasons for any significant upward or downward shifts in funding levels.

4.2.9.2. Inventory and Funding Summary

4.2.9.2.1. Provide the data called for in Exhibit FH-2, Family Housing O&M Summary. Include for each fiscal year, as a subset of "Average Inventory for Year," the total number of units that are classified as historic (units that DoD must manage in accordance with the National Historic Preservation Act of 1966). Display the historic figures in parenthesis **underneath** the Average Inventory line.

4.2.9.2.2. Provide the total civilian personnel compensation for all U.S. Direct Hires, Foreign National Direct Hires and Foreign National Indirect Hires. **Provide** this information for the **PY**, **CY** and **BYs** in the format of Exhibit OP-8, Civilian Personnel Costs, shown in Volume 2A, Chapter 3, **paragraph 4.2**. This exhibit is only required for inclusion in the OMB and OSD review but should be provided separately for the President's Budget submission.

4.2.10. Operations. The sub-accounts of Operations are Management, Services, Furnishings and Miscellaneous. For each of these provide:

4.2.10.1. Summary. Provide a short narrative describing what the funds will be used for, how the budget was developed, major assumptions made, and highlighting the most significant features of the request. The summary should also explain the effect that the housing privatization program has on the budget estimates for each of the O&M accounts and subaccounts. For the Furnishings program only, provide additional information in the format of Exhibit FH-3, "Furnishings Summary."

4.2.10.2. Reconciliation of Increases and Decreases. **Provide** a reconciliation of increases and decreases, at the worldwide level, between the amounts requested in the President's Budget for the **CY** and **BYs**. The format of this reconciliation **must** be identical to the Exhibit OP-5 shown in **Appendix B**. For each program increase or decrease, **provide** quantitative and qualitative information relative to the proposed change. Increases and decreases should be supported by specific reasons why these adjustments in the program are necessary, particularly

changes in the number of family housing units being supported or changes in the FH-2 and FH-3 exhibits.

4.2.11. Utilities. For the Utilities program, separate from Operations, provide the following:

4.2.11.1. Provide a short narrative describing what the funds will be used for, how the budget was developed, major assumptions made, and highlighting the most significant features of the request. The summary should also explain the effect that the housing privatization program has on the budget estimates for the account. This section must address energy consumption reductions accomplished and progress made towards meeting Congressional and Defense energy conservation goals.

4.2.11.2. Include a table that breaks out, for each FY reflected in the budget submission, kilowatt hour of electricity, tons of coal, cubic feet of gas, barrels of oil, and other forms of energy that support the utilities budget request.

4.2.11.3. Reconciliation of Increases and Decreases. Provide a reconciliation of increases and decreases, at the worldwide level, between the amounts requested in the President's Budget for the CY and BYs. The format of this reconciliation must be identical to the Exhibit OP-5 shown in Appendix B. For each program increase or decrease, provide quantitative and qualitative information relative to the proposed change. Increases and decreases should be supported by specific reasons why these adjustments in the program are necessary, particularly changes in the number of family housing units being supported or changes in the FH-2 exhibit.

4.2.12. Maintenance

4.2.12.1. Provide a short narrative describing what the funds will be used for, how the budget was developed, major assumptions made, and highlighting the most significant features of the request. The summary should also explain the effect that the housing privatization program has on the budget estimates for the account.

4.2.12.2. Reconciliation of Increases and Decreases. Provide a reconciliation of increases and decreases, at the worldwide level, between the amounts requested in the President's Budget for the CY and BYs. The format of this reconciliation must be identical to the Exhibit OP-5 shown in Appendix B. For each program increase or decrease, provide quantitative and qualitative information relative to the proposed change. Increases and decreases should be supported by specific reasons why these adjustments in the program are necessary, particularly changes in the number of family housing units being supported or changes in the FH-2 exhibit.

[4.2.12.3.](#) Provide a summary on the backlog of deferred maintenance. Describe the plans for reducing the backlog to a manageable level. Provide an analysis of types of projects, type and accuracy of reporting and special efforts to reduce the backlog. Provide a table covering the Future Years Defense Program (FYDP) including: (1) backlog at beginning of year, (2) recurring maintenance arising during the year, (3) maintenance funds approved or planned, (4) backlog at end of year, and (5) backlog reduction (-) or growth (+) during the FY.

[4.2.13.](#) GFOQ [M&R](#) Cost Over \$35,000 Per Unit

[4.2.13.1.](#) Provide a narrative summary, detailing efforts to control and reduce expenditures for the “high cost” GFOQ units.

[4.2.13.2.](#) Provide a listing of all GFOQ for which total [M&R](#) cost per unit exceeds \$35,000 for the [BY](#). Listing should include, for each unit: (1) state/country/location, (2) quarters identification, (3) size of unit, (4) age of unit, (5) total operations cost, (6) total utilities cost, (7) total [M&R](#) cost, (8) total O&M cost, and (9) a short narrative description and justification of the work, including results of economic analysis and savings-to-investment ratio. In addition, identify any Construction Improvements project and funding requested for any GFOQ in the listing.

[4.2.13.3.](#) This listing will include all GFOQ projects for which total [M&R](#) cost exceeds \$35,000, including those listed in other sections of the submission.

[4.2.13.4.](#) Provide a similar listing for the [PY](#) and [CY](#) units with [M&R costs](#) over \$35,000 and which were not included in the previous budget request.

[4.2.13.5.](#) To satisfy Congressional reporting requirements, provide:

[4.2.13.5.1.](#) A report identifying each family housing unit used, or intended for use, as a quarters for a general officer or flag officer for which the total operations, utilities, leasing, maintenance, and repair costs are anticipated to exceed \$35,000 in the next fiscal year. For each family housing unit so identified, specify the total of such anticipated operation, utilities, leasing, maintenance, and repair costs for the unit. This [must](#) be reported in the format of Exhibit FH-5 General and Flag Officers Quarters (Anticipated expenditures for O&M exceeding \$35,000).

[4.2.13.5.2.](#) A report specifying for each family housing unit used as quarters for a general officer or flag officer at any time during the most recently completed fiscal year, the total expenditures for O&M, utilities, leasing, maintenance, and repair costs of the unit during that fiscal year. This [must](#) be reported in the format of Exhibit FH-9 GFOQ (O&M Expenditures for FY 20XX). [Provide](#) this report to the [OUSD\(C\) MPC](#) Directorate in electronic excel format, no later than December 1.

[4.2.13.5.3.](#) As amended by [the FY09 NDAA § 2805, 10 U.S.C. § 2884](#) requires annual reporting of privatized GFOQ units and the total operation, maintenance, and repair costs incurred by private sector developer/partners that exceed \$50,000 per housing unit. Therefore, the Components are required to complete the Exhibit FH-12, Privatized GFOQ

Operation, [M&R](#) Costs Incurred by Private Sector Developer/Partner/Owner Exceeding \$50,000 per Housing Unit, annually.

4.2.14. Reimbursable Program. Provide a detailed justification for the Reimbursable Authority requested. Include information on what precisely is funded through the reimbursable program and details on the sources of receipts for the [PY](#), [CY](#) and [BY](#).

4.2.15. Leasing

4.2.15.1. Provide a short narrative describing what the funds will be used for, how the budget was developed, major assumptions made, and highlighting the most significant features of the request. The summary [must](#) also explain the effect that the housing privatization program has on the budget estimates for the account. The summary [must](#) include a table reflecting the authorized number of leases, average number of leases supported and costs for each of the [PY](#), [CY](#), and [BY](#), for Domestic Leasing, Section 801 and Section 802 leases, and foreign leasing.

4.2.15.2. For both domestic and foreign leases, provide a summary justification statement. Also provide data on the leasing program in the format of Exhibit FH-4, “Analysis of Leased Units.” Information should be provided at the installation or community level, whichever is most applicable. For each new project requested, include a full justification and description, in the same format as for a New Construction project (see [subparagraph 4.2.6.](#)).

4.2.15.3. Reconciliation of Increases and Decreases. [Provide a](#) reconciliation of increases and decreases, at the worldwide level, between the amounts requested in the President’s Budget for the [CY](#) and [BYs](#). The format of this reconciliation [must](#) be identical to the Exhibit OP-5 shown in [Appendix B](#). For each program increase or decrease, [provide](#) quantitative and qualitative information relative to the proposed change. Increases and decreases should be supported by specific reasons why these adjustments in the program are necessary, particularly changes in the number of family housing units being supported.

4.2.15.4. For each new [10 U.S.C. § 2828](#) lease project requested, include a full justification and description, in the same format as for a New Construction project (see [paragraph 4.2.6.](#)), including the results of the economic analysis.

4.2.15.5. Under 10 U.S.C. § 2828, the Components are allowed not more than 10,000 domestic (United States, Puerto Rico, or Guam) leased family housing units. The cost of domestic leases may not exceed \$12,000 (including the cost of utilities, maintenance, and operation) per unit per year.

4.2.15.5.1. 10 U.S.C. § 2828 permits an exception for 500 of these domestic leased units that may exceed \$12,000 per unit per year but cannot exceed \$14,000 per unit per year as adjusted from time to time. At the beginning of each fiscal year, the Secretary concerned [must](#) adjust the maximum lease amount for domestic leases for the previous fiscal year by the percentage (if any) by which the national average monthly cost of housing (as calculated for purposes of determining rates of Basic Allowance for Housing under [37 U.S.C. § 403](#) for the preceding fiscal year exceeds the national average monthly cost of housing (as so calculated) for

the fiscal year before such preceding fiscal year.

4.2.15.5.2. The Army has authority to lease eight units in Miami, Florida for key and essential personnel, as designated by the Secretary, for the United States Southern Command. Total lease cost for all eight units may not exceed \$280,000 per year as adjusted from time to time. The terms of any lease under this paragraph may not exceed 5 years. At the beginning of each FY, the Secretary of the Army **must** adjust the maximum aggregate amount for these leases for the previous FY by the percentage (if any) by which the annual average cost of housing for the Miami Military Housing Area (as calculated for purposes of determining Basic Allowance for Housing under [37 U.S.C. § 403](#) for the preceding FY) exceeds the annual average cost of housing for the Miami Military Housing Area (as so calculated) for the FY before such preceding FY. Additionally, not more than 600 domestic housing units may be leased by the Secretary of the Army for which the expenditure for the rental of such units does not exceed \$35,000 per unit per year, as adjusted from time to time.

4.2.15.6. Under 10 U.S.C. § 2828, the Components are allowed not more than 55,775 foreign leased units. Foreign leases may not exceed \$20,000 per unit per year (including the cost of utilities, maintenance, and operation). [10 U.S.C. § 2828](#) permits exceptions for 450 leased units that may exceed \$20,000 but that cannot exceed \$25,000 per unit per year and for 350 leases that may exceed \$25,000 per unit per year.

4.2.15.6.1. In addition to the 450 units:

4.2.15.6.1.1. The Secretaries of the military departments may lease not more than 3,300 units of family housing in Italy that may not exceed \$25,000 per unit per year.

4.2.15.6.1.2. The Army may lease not more than 1,175 units in Korea that may exceed \$25,000. Also, the Army may lease not more than 2,800 units of family housing in Korea subject to a maximum lease amount of \$35,000.

4.2.15.6.2. Per [10 U.S.C. § 2828](#), the maximum lease amounts for the previous FY will be adjusted at the beginning of each FY, by the percentage (if any) by which the Consumer Price Index (CPI) for all Urban Consumers, published by the Bureau of Labor Statistics, during the preceding FY exceeds such CPI for the FY before such preceding FY and for foreign currency fluctuations from October 1, 1987. To determine the impact of foreign currency fluctuation on the rental rate, these high cost “cap” rental rates must be computed for each foreign country, each year to adjust for the impact of foreign currency fluctuation ([using October 1, 1987 as a baseline to compute from](#)). After the caps of \$20,000, \$25,000 and \$35,000 U.S. dollars are adjusted by country, the adjusted rates become the new cap for determining whether a lease must be counted against the exception limits for a given **BY**. Then, if a rental exceeds the adjusted maximum costs, it counts against the high-cost ceiling limitations of 450 and 350, units, respectively, DoD-wide. For each country, [apply the following formula](#): \$20,000 adjusted for CPI changes or \$25,000 adjusted for CPI changes or \$35,000 adjusted for CPI changes * [FY 1988 exchange rate / current budget exchange rate] = new cap limit.

4.2.15.6.2.1. Where the “FY 1988 exchange rate” is the exchange rate that USD(C) published for use in preparing the FY 1988 budget estimates, stated in units of foreign currency for one (1) U.S. dollar:

<u>Country</u>	<u>Monetary Unit</u>	<u>FY 1988 Exchange Rate</u>
Belgium	Franc	42.77
Canada	Dollar	1.39
Denmark	Krone	7.75
Germany	Mark	2.06
France	Franc	6.72
Greece	Drachma	139.90
Italy	Lira	1,423.00
Japan	Yen	163.10
Netherlands	Guilder	2.33
Norway	Krone	7.52
Portugal	Escudo	150.50
Spain	Peseta	137.60
Turkey	Lira	743.50
UK	Pound	0.70

For countries not listed, use the October 1, 1987 exchange rate.

4.2.15.6.2.2. Where the “current budget exchange rate” is the rate that USD(C) published for use in preparing the fiscal year budget estimates for which the lease funds are being requested, stated in units of foreign currency for one (1) U.S. dollar.

4.2.15.6.2.3. The new cap limit is the maximum amount in dollars that a lease may cost per unit per annum for each nation before that unit must count against the worldwide 350 and 450 unit limits on exceptions for high-cost leases for the fiscal year for which the budget resources are being requested.

4.2.15.6.2.4. Provide a summary table showing application of the formula for each nation where high-cost leases exist or are proposed, and the total number of such leases.

4.2.16. Mortgage Insurance Premium (also known as Servicemen’s Mortgage Insurance Premium).

4.2.16.1. Provide a brief justification statement describing the requested program.

4.2.16.2. Provide a table identifying separately the total of the principal payments, and interest charges, and the totals for the Servicemen’s Mortgage Insurance Premium program for the prior, current, and BYs.

4.2.16.3. For the Servicemen’s Mortgage Insurance Premium program provide a listing for each fiscal year, showing: the number of terminations, the number of mortgages on

which payments are to be made, the average payment per mortgage, and the estimated payments for the year. This table should start with the **PY**, and end with **BY+1**.

4.2.17. Foreign Currency Exchange Data. All Family Housing O&M appropriations that participate in the Foreign Currency Fluctuations, Construction, Defense appropriation are required to prepare and submit a PB-18 Exhibit using the approved foreign currency exchange rates. The format for the PB-18 Exhibit is in Volume 2B, Chapter 19, [paragraph 12](#).

4.2.18. Each Component will also submit a Major Initiatives exhibit which must include a general description of each of its major initiatives for the **BY** and what the Component plans to accomplish in the **BY** to support that initiative. Be specific, including the impact on force structure. [Prepare](#) this exhibit in accordance with the format contained in [Appendix B](#).

4.2.19. Housing Privatization Support. The Components **must** add a separate tab and section called “Housing Privatization Support” (after the Leasing section) in the family housing justification book, and include, as a minimum, the following information in the new section:

4.2.19.1. Provide a narrative summary of the Component's overall family housing privatization efforts and accomplishments/progress to date. [This summary will include the following narrative to meet the reporting requirement of 10 U.S.C. § 2884 \(b\) \(2\). The narrative must comprise the final two paragraphs of the Components’ Privatization Summary exhibit and must read as follows:](#)

[4.2.19.1.1. “It is estimated that the \[Component\] will pay basic allowance for housing \(BAH\) under 37 U.S.C. § 403 to members living in privatized housing the amounts of \[\\$\] in FY 20CY and \[\\$\] in FY 20BY. The number of units of military family housing upon which these estimated payments are made is \[X\] in FY 20CY and \[X\] in FY 20BY. The number of units of military unaccompanied housing upon which these estimated payments are made is \[X\] in FY 20CY and \[X\] in FY 20BY.](#)

[4.2.19.1.2. These estimates meet the reporting requirement stipulated in 10 U.S.C. § 2884 \(b\) \(2\). However, it must be noted that it is difficult to project the true cost of BAH allowances provided to members living in privatized housing. BAH allowances for members in privatized housing are not specifically tracked in budget or execution data, as these members receive the same allowances as those who live on the economy. BAH accounting data is available for only the various categories of payments \(e.g., domestic with and without dependents, partial, overseas housing allowances\).”](#)

4.2.19.2. Provide a summary list of privatization projects and associated funding requested in the Construction portion of the program and budget submission. DD Form 1391 for New Construction and Construction Improvement projects should indicate which projects are intended as a source of funding for privatization initiatives.

4.2.19.3. Family Housing Privatization (FH-6). [This exhibit compares the OSD/OMB approved privatized project scoring with the actual/current project scoring. Include all the family housing privatization projects \(past, current and future\); privatization date; MHPI](#)

project name; each installation and state in the project; funding sources for financing and investments by appropriation, fiscal year and project (include project number); number of units conveyed; number of end-state units, and MHPI authorities. This exhibit must reflect the OSD/OMB approved project scoring with the actual/current project scoring.

4.2.19.4. Reconciliation of Increases and Decreases (OP-5). Prepare this exhibit for the Housing Privatization Support (as defined previously in subparagraph 3.2.2.1) budget and include detailed explanation/justification for the request, and explanation for all increases and decreases from prior budget request. See paragraph 4.6.

4.3 Homeowners' Assistance Fund, Defense

4.3.1. Responsibilities

4.3.1.1. The Department of the Army, which has been assigned the overall responsibility for the administration and management of the DoD HAP by DoDD 4165.50E, will submit budget estimates.

4.3.1.2. Each Component is responsible for including sufficient resources in its budget to fund HAP costs related to the Component's actions associated with base closures, realignments, and force reductions. Develop the level of resources required to fund HAP costs in consultation with the Army, HAP executive agent. Separately identify and submit budget estimates for HAP costs in the Component' Base Realignment and Closure (BRAC) submissions for HAP costs associated with realignments and closures and in the O&M submission for non-BRAC related HAP costs.

4.3.2. Submission Requirements

4.3.2.1. Submit the following exhibits, as prescribed in paragraph Appendix C:

HA-1	Workload and Obligation Data
HA-2	Status of Accounts
HA-3	Work Unit Data
HA-4	Program and Financing

4.3.2.2. In addition, the Army will input Homeowners' Assistance Fund estimates for the C-1 Construction Annex input prescribed in Volume 2A, Chapter 1.

4.3.2.3. Volume 2A, Chapter 1 identifies the required copies of material.

4.3.2.4. For the biennial budget, [provide](#) separate sections or volumes for BY1 and BY2. For the BY2 section, [consider](#) BY1 as the [PY](#) and BY2 as the [BY](#).

4.3.3. Preparation of Material. [Provide](#) all materials on 8-1/2 inch by 11 inch size paper and [bind them](#) on the long side. [Type Exhibits HA-1, 2, 3, and 4 across the long dimension.](#) [Type all other narrative data across the short dimension of the paper.](#)

4.4. NATO Security Investment Program

4.4.1. Responsibilities.

The OUSD(A&S) has been assigned the overall responsibility for the oversight and management of the NATO Security Investment Program by DoDD 2010.05, thereby responsible for submitting the corresponding budget estimates.

4.4.2. Submission Requirements.

4.4.2.1. Submit a detailed exhibit, NATO Security Investment Program-1 (NSIP-1), listing requirements at the project level for both construction and procurement requirements. The listing should be sufficiently detailed to identify discrete projects and initiatives. Aggregations at the capability package level i.e., Defense of the Mediterranean, are not sufficiently detailed and should be broken down further to show the individual projects/initiatives comprising the capability packages. [Provide a](#) narrative explanation and description of each of the requirements for the current and [BYs](#). The NSIP-1 exhibit is provided in [paragraph 6.5](#) for the NATO Security Investment Program to identify the following information: Location, Installation, Project Title, Description of Project, Budget Scheme (how many NATO Nations participating in the funding of the project), Project Cost, U.S. Cost Share, Other Nations Cost Share. This will be provided for both the [CY](#) and [BY](#).

4.4.2.2. Submit a detailed exhibit, NSIP-2, listing each NSIP major construction project that are eligible for recoupment (reimbursement by other member countries for eligible costs). The NSIP-2 exhibit is provided in [Appendix D](#) for the NATO Security Investment Program to identify the following information: Component, Appropriation, FY, Location, Installation, Project Title, Slice/Serial (if known), Recoupment Budget Estimate, and Rate of Conversion.

4.4.3. Preparation of Material. [Provide](#) all material on 8-1/2 inch by 11 inch size paper and [bind them](#) on the long side. [Type all](#) narrative data across the short dimension of the paper.

4.5. NATO Security Investment Program Expansion Costs

Expansion Costs. Submit a list of all requirements, construction and procurement, associated with NATO expansion. The listing should be sufficiently detailed to identify discrete projects and initiatives. Aggregations at the capability package level i.e., Defense of the Southern Region, are not sufficiently detailed and should be broken down further to show the individual projects/initiatives comprising the capability packages. The NSIP-1 exhibit is provided in [Appendix D](#) for the NATO Security Investment Program to identify the following information of

projects associated with NATO Expansion: Location, Installation, Project Title, Description of Project, Budget Scheme (how many NATO Nations participating in the funding of the project), Total Project Cost, U.S. Cost Share, Other Nations Cost Share. [Provide information](#) for both the CY and BY. [Provide a](#) narrative explanation and description of each of the requirements for the BYs. [Identify](#) the budget estimate for NATO Expansion Costs in BA 02 as presented in Volume 2A, Chapter 1.

4.6 FHIF/MUHIF Program

4.6.1. This [paragraph](#) prescribes instructions for the preparation and submission of budget estimates for the DoD FHIF and MUHIF. [The requirements submitted in the budget estimates will be for MHPI oversight and](#) administrative program expenses, including accounting and financial reporting services.

4.6.2. [Submission Requirements.](#) The ODASD(H) [must](#) submit a memorandum, which includes a narrative overview of the MHPI, current status of the MHPI, and future plans for the program [to the OUSD\(C\) MPC Directorate](#). In addition, the ODASD(H) memorandum [must](#) include funds required for the BY for administration and oversight of the MHPI program, including accounting and financial reporting services, and detailed justification for these funds. [Complete the FHIF/MUHIF Admin Requirements Exhibit \(FH-14\) and provide electronically to OUSD\(C\) MPC, Family Housing.](#)

4.7 MHPI Investments and Credit Financing

4.7.1. The Federal Credit Reform Act of 1990 and OMB Circular A-11 require credit financing and investment information for privatization projects to be reflected in the President's budget. [OMB Circular A-11, Part 5, Section 85 \(Federal Credit\) explains the](#) credit financing information required for the President's budget. On an annual basis, OMB sends out Budget Data Requests (BDR) for Credit Re-estimates, MAX Schedule updates, and Credit Supplemental Reporting information for the President's Budget (for PY, CY, and BY).

4.7.2. [Annually, the OUSD\(C\), Program Budget, MPC and the ODASD\(H\) jointly issue a "Consolidated MHPI Data Call for the Fiscal Year 20BY President's Budget" that supports the upcoming OMB BDRs for both Federal credit and non-credit financing aspects of MHPI, including the development of the Fiscal Year \(FY\) 20CY Credit Subsidy Re-estimates, Credit Supplement Report Exercise information, and OMB MAX A-11 database inputs for the FY20 BY President's Budget \(PB\). OUSD\(C\) P/B MPC will retain responsibility for providing OMB with required MHPI Federal credit and non-Federal credit data for the FY 20BY PB. ODASD\(H\) will perform OSD-level reviews of MHPI programmatic data and related files, providing technical instructions with corresponding templates and feedback to the Services regarding their submissions to OUSD\(C\) P/B MPC.](#)

4.7.3. [Credit Re-estimates.](#) Re-estimates are performed throughout the life of each cohort of direct loans or loan guarantees to account for differences between the original assumptions of cash flow and the actual cash flow or revised assumptions about future cash flow. There are two types of Re-estimates: Interest Rate Re-estimates and Technical Re-estimates.

4.7.3.1. Interest Rate Re-estimates (IRR) adjust for the effect on the subsidy of differences between the actual interest rate and the discount rates assumed when the estimates were made for budget formulation and obligation. IRR are performed once, in the fiscal year following the fiscal year in which the direct or guaranteed loan was “originally” estimated to be at least 90 percent disbursed.

4.7.3.2. Technical Re-estimates adjust for revised assumptions about loan performance, such as differences between assumed and actual default rates or new projections of repayments; and are performed annually for outstanding direct and guaranteed loans.

4.7.3.3. Re-estimates are used for yearend financial reporting and for the President’s Budget.

4.7.3.4. OUSD(C) MPC Directorate and ODASD(H) jointly send out the Re-estimate Data Call as part of the “Consolidated MHPI Data Call for the FY 20BY President’s Budget” and forward the associated direct loan and loan guarantee cash flow files and re-estimate timeline to the Services for review and completion, and coordination with DFAS. The FH-15 Re-estimate Cash Flow Status questionnaire format is incorporated in Appendix B. Electronically forward all files and completed questionnaire to the OUSD(C) MPC Family Housing Budget Analyst by the deadlines provided in the data call.

4.7.3.4.1. The Services are required to prepare cash flow files for new direct loans and loan guarantees, as needed; review all risk factors; substitute re-amortization schedules in the files for existing loans after coordination with DFAS, as needed; and complete the Re-estimate Questionnaire on the status of the cash flows.

4.7.3.4.2. DFAS is required to enter transactions with Treasury into the new and existing cash flow files and coordinate any re-amortization schedules with the Services before substitution into the cash flow files.

4.7.4. Federal Credit Budget (OMB MAX Schedules). For all privatization projects that have been awarded and those planned for award in the President’s Budget, the Components must provide the relevant investment and credit financing data required for the preparation of credit financing schedules.

4.7.4.1. OUSD(C) MPC Directorate and ODASD(H) jointly send out the annual Federal Credit Budget Data Call and template to the Services for review and completion as part of the “Consolidated MHPI Data Call for the FY 20BY President’s Budget.” Use this data to update the MAX schedules for the FHIF Program, FHIF Financing for Direct Loan, and FHIF Financing for Loan Guarantee accounts.

4.7.4.2. A separate list by Component and FY will include, the installation name, state, type of financing, total number of end-state units in the privatized project (breakout total units conveyed, renovated, replaced, and/or new/added units, total scored amount for each type of financing, and source of funds. Break out the source of funds by FY of funds, account (new construction or construction improvements), project name, and amount.

4.7.4.3. Cash flows for future new direct or guaranteed loans will also be required. **Provide** the completed template and cash flows electronically, to OUSD(C) MPC Family Housing by the **required** deadline.

4.7.5. Credit Supplemental Reporting (CSR). OUSD(C) MPC Directorate and ODASD(H) jointly send out the annual CSR Data Call and template to the Services for completion as part of the “Consolidated MHPI Data Call for the FY 20BY President’s Budget.”

4.7.5.1. Additional project information, such as, subsidy percentage, financing, defaults, average contractual loan maturity (in years), average contractual loan interest rate, maximum grace period (in years) and other data **are** required to update the CSR for the President’s Budget.

4.7.5.2. **Provide** the completed template electronically to OUSD(C) MPC Family Housing by the **required** deadline.

5.0 CONGRESSIONAL JUSTIFICATION/PRESENTATION

5.1 Guidance on Presentation

This **paragraph** presents the justification book organization and the exhibit requirement for submission to Congress. **Paragraph 6.0 provides the list** of budget exhibits.

5.2 Organization of Justification Book

5.2.1. **Use the following** justification material titles:

Supporting Data for Fiscal Year
20BY Budget Estimates
Descriptive Summaries

5.2.2. **Divide** the budget justification book into sections **and organize it in the following sequence:**

1. Organization
2. Table of Contents and Summary Data
3. The summary data will include a state list of all major, minor and family housing construction projects.

Section 1 Special Program Considerations

This section will include the following topics with a short narrative or summary table, and other special interest items as applicable.

	Facilities Funded Through Other Than MILCON Pollution Abatement Program Energy Conservation Program Drug Interdiction Program
Section 2	Budget Appendix Extract Legislative Language
Section 3	Installation and Project Justification Data DD Forms 1390 and 1391
Section 4	Architectural and Engineering Services and Construction Design
Section 5	Unspecified Minor Construction
Section 6	Defense Access Roads
Section 7	Family Housing
Section 8	Homeowners' Assistance (Army Only)
Section 9	Long-Term Facilities Contracts
Section 10	Working Capital Fund Capital Construction

[5.2.3. Organize](#) the volume by state/country and location. [Show](#) projects precisely [in](#) the same order as they appear in the State List portion of the Construction Annex (C-1).

[5.2.4. Summarize](#) all construction line items included in the funding program in support of the total obligational authority for the [MILCON](#) appropriations in the President's Budget on Installation and Project Justification Data, DD Forms 1390 and 1391/1391C. In addition to data provided on DD Forms 1390 and 1391, justification books submitted to the House and Senate Appropriations, the House Armed Services Committee, and the Senate Armed Services Committees in support of [MILCON](#) Program requests will contain supplemental data prepared in the formats prescribed [in paragraphs 5.2.5. and 5.2.6.](#) on the reverse of DD Form 1391. The Guard and Reserve Forces will use a DD Form 1390S continuation page in lieu of DD Form 1390. [Group](#) all forms required for a project and combine [them](#) in the same book arranged in category code order within state and station.

[5.2.5.](#) Section 5 will include an exhibit entitled "Long-Term Facilities Contracts," separately listing projects proposed under Title 10 U.S.C. §§ 2809 and 2812 authorities, arranged in the same order as they would appear in the State list portion of the Construction Annex (C-1). DD Forms 1390 and 1391 for each new project proposed [will follow this exhibit](#). The section will

also include a special financing table reflecting both prior approved long-term facility contracts and new requests.

5.2.6. Appendix A contains detailed instructions for preparation of DD Forms 1390 and 1391/1391C. Detailed instructions for preparation of the supplementary justification material are given in paragraph 5.5. The following additional instructions apply:

5.2.6.1. In addition to other data requirements, components are required to indicate on the DD Form 1391C for each individual project a statement indicating whether or not an economic analysis has been utilized in evaluating the project. In those instances where an economic analysis has not been prepared, a statement is required indicating why such analysis is not applicable or pertinent.

5.2.6.2. Lump-sum requests for a number of construction projects at a single location or for related projects at several locations will not be considered.

5.2.6.3. Identify projects associated with intelligence or intelligence-related operation. Block 5, Program Element, DD Form 1391, will include the annotation NIP or MIP as appropriate.

5.2.6.4. All DD Forms 1391 should include the office and phone number of at the installation responsible for the requested project. Display this information on the bottom left-hand corner of the last page of the 1391.

5.2.6.5. The budget submission should include the Restoration and Modernization (R&M) unfunded requirement at all installations for which there is a requested construction project. Provide this information as subsection c. in block 9 of the DD Form 1390 (Block 10 for the Guard and Reserve 1390s) under the heading, “R&M Unfunded Requirement.” In addition, for all unaccompanied housing project requests, the DD Form 1391 must show all unaccompanied housing R&M conducted in the past 2 years (BY-2 and BY-1) and all future R&M requirements (defined as R&M funding for unaccompanied housing included in the FYDP years) for unaccompanied housing at that installation. This information should appear as the last data in the DD Form 1391 under the heading “BY-2 Unaccompanied Housing R&M Conducted,” “BY-1 Unaccompanied Housing R&M Conducted,” and “Future Unaccompanied Housing R&M Requirements.”

5.2.7. Justification Book Covers and Binding of Data

5.2.7.1. Provide justification materials on 8-1/2” x 11” white paper, typed across the short dimension of the paper (portrait) with 3 holes punched on the left margin and bound with Accor fasteners. Print material on both sides of the page using 1” margins. Print the DD Form 1390 on white paper, not on yellow paper as previously required.

5.2.7.2. Prepare separate justification books for those projects which require classified information on the DD Forms 1390 and 1391/1391C.

5.2.7.3. The individual Defense Agencies will submit either originals of DD Forms 1390 and 1391/1391C, or copies of a quality suitable for printing. Use these for preparation of consolidated justification books for submission to congress. Do not punch, bind, or use page numbers on these submissions. Covers are not required. Deliver one complete set of each justification book to the OUSD(C) MPC Directorate and the ASD(EI&E).

5.2.7.4. Each justification book (and each submission of the Defense Agencies described in paragraph 5.2.7.3) must include an index of installations and projects by state and country, arranged alphabetically, in precisely the same order as the projects appear in the State List portion of the Construction Annex (C-1).

5.3 Submission of MILCON Justification Books

5.3.1. OSD Review. The OUSD(C) must review the justification material to ensure it fully reflects the President's and the Secretary of Defense's policies and decisions before the Military Departments release to Congress. As requested, submit the Defense Agencies' prepared justification material to the OUSD(C) for preparation of consolidated justification books and submission to the Committees on Appropriations.

5.3.2. Security Clearances. Each Military Department will be responsible for the clearance of its justification books through OSD Security Review. The OUSD(C) will be responsible for the clearance of the Defense Agencies justification books through OSD Security Review.

5.3.3. Number of Copies. Forward three advance sets of justification books for review to the OUSD(C) MPC Directorate, Pentagon Room 3C654. See Volume 2A, Chapter 1 for the detailed instructions on number of copies and distribution of printed material.

5.3.4. Instructions for Preparation of Supplemental Justification Data in Support of Annual MILCON Programs. Fill in each data requirement as appropriate, including negative responses to indicate that the item has been addressed.

5.3.4.1. Instructions for Preparation of Summary Lists. Each Military Service and Defense Agency must prepare a State List and an Installation List. These lists must include every project for which funds have been requested.

5.3.4.2. Instructions for Preparation of DD Form 1390 Supplemental Installation Data. Provide the following data in an appropriate place on DD Form 1390:

5.3.4.2.1. Air Pollution. Enter cost of all air pollution abatement projects for the out years. Do not include cost of BY projects.

5.3.4.2.2. Water Pollution. Follow instructions for Air Pollution, 5.3.4.2.1.

5.3.4.2.3. Safety and Occupational Health Deficiencies. Provide information on any safety and occupational health deficiencies.

5.3.4.3. Instructions for Preparation of DD Form 1391 Supplemental (Facility) Data. **Provide** the following data for each facility in the program using the back of standard DD Form 1391.

5.3.4.3.1. Design Data (Estimates)

5.3.4.3.1.1. Status

5.3.4.3.1.1.1. Enter date design was started (i.e., date when all appropriate design contracting procedures have been completed and the designer directed to proceed with design).

5.3.4.3.1.1.2. Enter the percent of design completed as of January 1, of the year in which the budget is submitted to the Congress (e.g., January 2, 2000, for FY 2001 projects).

5.3.4.3.1.1.3. Enter date design expected to be 35% completed.

5.3.4.3.1.1.4. Enter date design will be completed (i.e., date when all reviews will be completed and construction contract ready for advertising).

5.3.4.3.1.1.5. Include the annotation “parametric estimates have been used to develop project cost” if the cost estimate is based on parametric estimates in lieu of the traditional 35% design.

5.3.4.3.1.1.6. Enter the type of design contract (design-bid, design-bid-build, or other, if other, provide a brief description of the design contract).

5.3.4.3.1.1.7. Indicate whether an energy study and a life-cycle analysis **were** performed in support of the design of the proposed facility.

5.3.4.3.1.2. Basis

5.3.4.3.1.2.1. Indicate whether or not design is based on a standard or definitive design.

5.3.4.3.1.2.2. If answer to (a) is affirmative, indicate where design was previously used.

5.3.4.3.1.3. Total Design Cost. Indicate total federal cost (all costs to be charged to **the design account**) as follows:

5.3.4.3.1.3.1. Cost of the production of plans and specifications (those costs included within the 6 percent statutory cost limitations).

5.3.4.3.1.3.2. All other costs of design.

5.3.4.3.1.3.3. Total Cost (a + b or d + e).

5.3.4.3.1.3.4. Amount of cost estimated to be spent on contracts.

5.3.4.3.1.3.5. Amount of cost to be spent in-house (total cost if design is all within house; overhead and administration costs if design is contracted out, or other breakout).

5.3.4.3.1.4. Construction Contract Award Date. Indicate month and year the contract is planned to be awarded to the construction firm.

5.3.4.3.1.5. Construction Start Date. Indicate month and year construction is planned to start.

5.3.4.3.1.6. Construction Completion Date. Indicate month and year construction is planned to be completed.

5.3.4.3.2. Equipment Associated with This Project Which Will be Provided from Other Appropriations. List only those items which support the cost shown in Block 9 of the DD Form 1391, for Equipment Provided from Other Appropriations. Enter the equipment nomenclature, procuring appropriation, fiscal year in which the equipment was appropriated or [will](#) be requested, and the cost in thousands of dollars.

5.3.4.3.3. Working Capital Fund Projects. [Label](#) DD Form 1391s submitted in support of Working Capital Fund Capital Budget requirements as such in Block 4, [atop](#) the project title.

5.3.5. FYDP Project Listing. [Submit MILCON](#)/Family Housing Outyear Project Data via the Automated Construction Program (C-1 Annex) at the time program and budget submissions are due to OSD for review. Volume 2A, Chapter 1, [paragraph 5.5 provides](#) additional guidance on the Automated Construction Program. Construction data elements and record formats for the Automated Construction Database are prescribed on the Secret Internet Protocol Router Network (SIPRNET) of the OUSD([C](#)). The out-year project data exhibits for the Active Forces will not be included in the justification books provided to Congress. However, the justification book for each component of the National Guard and Reserve, as well as the Defense Agencies will contain a listing of all projects that are funded in the FYDP.

5.4 Submission of Family Housing Justification Books

5.4.1. Family Housing Justification, Military Departments. The format for the Congressional justification books for Family Housing will be identical to that detailed in [paragraph 4.2](#) for the budget estimates, with the following exceptions:

5.4.1.1. Submission Requirements. For each military department, submit Family Housing Congressional justification material with the MILCON justification books. The Family Housing material will follow the instructions provided for MILCON in paragraph 4.2.

5.4.1.2. DD Form 1390, MILCON Program. Prepare the form in accordance with paragraph 5.2. One form is required for each location. Use the latest approved totals for the installation or area as basis for personnel data. Only include Family Housing assets on inventory data. Print the form on white paper. This form must precede the DD Form 1391.

5.4.1.3. Tri-Service Family Housing Cost Model. This form is not required. See subparagraph 4.2.5.2.3.

5.4.1.4. Civilian Personnel Costs -- Exhibit OP-8. This form is not required. See subparagraph 4.2.9.2.2.

5.4.1.5. Furnishings Summary -- Exhibit FH-3. This form is not required. See subparagraph 4.2.10.1.

5.4.1.6. Department of the Army Submission Only. Since the Department of the Army has been designated as the executive agent to execute the DoD HAP, only the Department of the Army will submit justification material as described in subparagraph 4.3.1.

5.4.2. Family Housing Justification, Defense Agencies

5.4.2.1. Component Responsibilities. Individual Defense Agencies will provide separate justification material, in the format described in paragraph 4.2 and similar to the format specified for the Military Departments. The submissions will provide separate Construction, O&M, and Leasing exhibits, as appropriate, for Defense Intelligence Agency, Defense Logistics Agency, and National Security Agency.

5.4.2.2. OSD Consolidation and Review. As requested, submit the individual Defense Agencies' original pages of justification material to the OUSD(C) Program/Budget MPC Directorate, Pentagon Room 3C654, for preparation of consolidated justification books and submission to Congress. Concurrently submit one copy of the justification material to the ASD(EI&E).

5.4.2.3. Justification Material Format. Do not bind the Defense Agencies' submitted justification material. Covers are not required. Pages will not be numbered. Provide all data on 8-1/2 inch by 11-inch paper. Type data for FH-2 and FH-4 exhibits across the long dimension. Type data for all others across the short dimension of the paper with 1-inch margins.

5.4.2.4. Classification. All justification material will be unclassified.

5.5 Submission of Justification Books for the Homeowners' Assistance Fund, Defense Appropriation

5.5.1. Organization of Justification Books. Justification data will include items detailed in [paragraph 4.3](#) for the budget estimates. [Incorporate](#) material as the final section of the Army's MILCON/family housing justification book.

5.5.2. Department of the Army Submission Only. Since the Department of the Army has been designated as the executive agent to execute the [HAP](#) for the DoD, only the Department of the Army will submit justification data.

5.5.3. OSD Review. Before the justification material can be released to the Congress, the OUSD(C) must review to [ensure](#) that policies and decisions made by the President and Secretary of Defense are fully reflected.

5.5.4. Security Clearances. The Department of the Army will be responsible for obtaining clearance of the justification book through OSD Security Review.

5.5.5. Number of Copies. See Volume 2A, Chapter 1, [paragraph 3.2](#) for instructions on the number of copies required and the distribution.

***6.0 MILCON/FAMILY HOUSING APPROPRIATION SUBMISSION EXHIBITS**

The formats provided on the following [Appendices](#) reflect guidance presented in previous [paragraphs](#). Unless modified in a submission budget call, [adhere to](#) these formats.

[Appendix A: BES / MILCON Exhibits in Support of paragraph 4.1](#)

DD 1390	MILCON Program
DD 1390S/1	Guard and Reserve MILCON
DD 1391/1391C	MILCON Project Data
MC-2	Guard and Reserve Joint MILCON Project
Exhibit UH-6 MHPI	Military Unaccompanied Housing Privatization

[Appendix B: BES / Family Housing Exhibits in Support of paragraph 4.2](#)

DD 1390	MILCON Program
DD 1390S/1	Guard and Reserve MILCON
DD 1391/1391C	MILCON Project Data
Exhibit FH-1	Tri-Service Family Housing Cost Model
Exhibit FH-2	Family Housing O&M
Exhibit FH-3	Furnishings Summary
Exhibit FH-4	Analysis of Leased Units
Exhibit FH-5	General and Flag Officer Anticipated Expenditures
Exhibit FH-6	MHPI – Family Housing Privatization
Exhibit FH-8	Inadequate Family Housing Elimination
Exhibit FH-9	General and Flag Officers Expenditures
FH-11	Inventory and Condition Gov't-Owned, Family Housing
FH-12	Privatized GFOQ O&M Cost Incurred Exceeding \$50K
FH-14	HIF/MUHIF Admin Requirements
FH-15	Re-estimate Cash Flow
OP-5	Attachment 1: Reconciliation of Increases and Decreases

[Appendix C: BES / Homeowners Assistance Exhibits in Support of paragraph 4.3](#)

Exhibit HA-1	Homeowners Assistance - Workload and Obligation Data
Exhibit HA-2	Homeowners Assistance Status of Accounts
Exhibit HA-3	Homeowners Assistance Work Unit Data
Exhibit HA-4	Homeowners Assistance Program and Financing

[Appendix D: BES / NATO Security Investment Program Exhibits in Support of paragraph 4.4](#)

NSIP-1	NSIP Project Data
NSIP-2	Recoupment Estimates

*February 2025

*APPENDIX A: BES / MILCON EXHIBITS IN SUPPORT OF PARAGRAPH 4.1

DD 1390 MILCON Program

1. COMPONENT		FY 19___ MILITARY CONSTRUCTION PROGRAM						2. DATE		22 Apr 96	
3. INSTALLATION AND LOCATION						4. COMMAND				5. AREA CONSTRUCTION COST INDEX	
6. PERSONNEL		PERMANENT			STUDENTS			SUPPORTED			TOTAL
		OFFICER	ENLISTED	CIVILIAN	OFFICER	ENLISTED	CIVILIAN	OFFICER	ENLISTED	CIVILIAN	
		a. AS OF									
b. END FY 19											
7. INVENTORY DATA (\$000)											
a. TOTAL ACREAGE..... b. INVENTORY TOTAL AS OF..... c. AUTHORIZATION NOT YET IN INVENTORY..... d. AUTHORIZATION REQUESTED IN THIS PROGRAM..... e. AUTHORIZATION INCLUDED IN THE FOLLOWING PROGRAM..... f. PLANNED IN NEXT THREE PROGRAM YEARS..... g. REMAINING DEFICIENCY..... h. GRAND TOTAL.....											
8. PROJECTS REQUESTED IN THIS PROGRAM:											
CATEGORY						COST		DESIGN STATUS			
<u>CODE</u>		<u>PROJECT TITLE</u>				<u>SCOPE</u>		<u>(\$000)</u>		<u>START</u> <u>COMPLETE</u>	
9. FUTURE PROJECTS:											
10. MISSION OR MAJOR FUNCTIONS:											
11. OUTSTANDING POLLUTION AND SAFETY DEFICIENCIES:											

Instructions for Preparation of DD Form 1390, FY MILCON Program

The active services will use DD Form 1390 to list the projects proposed for inclusion in the MILCON Program, including requests for (1) new authorization, (2) funding of new authorization, and (3) funding of PYs' authorization. The Guard and Reserve Forces will use a DD Form 1390s instead of the DD Form 1390.

Instructions for preparation of DD Form 1390:

Items 1 and 2 - Component and Date: Self-explanatory. Date prepared or the date the budget justification material is due to OSD.

Item 3 - Installation and Location: Enter the official name of the installation. Enter the name of the state if within the United States or the name of the country or island chain if outside the United States. In the case of Guard and Reserve facilities, enter the city and state if the facility is not to be constructed on a military installation. Use "classified location" only when necessary to meet security classification guidelines.

Item 4 - Command: Enter the name of the host major command responsible for management control of the installation.

Item 5 - Area Construction Cost Index: Enter the construction cost index used in estimating the cost of the project(s). Consult the latest guidance published by ASD(EI&E).

Item 6 - Personnel Strength: Enter personnel strengths for permanent, student, and support activities. Include transient personnel where applicable.

a. As of: Enter September 30 of the year of submittal to OSD.

b. End FY 20: Enter end of the BY, plus 5 years.

Item 7 - Inventory Data (\$000):

a. Total Acreage: Enter the number of acres owned and/or leased by the Government, under accountability of the Military Department concerned, as shown in the latest Inventory of Military Real Property.

b. Inventory Total As Of September 30, 20: Enter the date and the current real property inventory total (except land rent). These totals should include inventory amounts for family housing.

c. Authorization Not Yet In Inventory: Enter the amount of funded and unfunded authorization for the construction of facilities or acquisition of land which have not been included in the September 30 Inventory of Real Property. This amount will include only such authorization as is related to either the MILCON Program or the Family Housing Program as the case may be.

d. Authorization Requested In This Program: Enter the total cost for construction and land acquisition being requested for authorization in the BY.

(Page 2 of 4)

Instructions for Preparation of DD Form 1390 (Continued)

e. Authorization Included in Following Program: Enter the total estimated cost of construction and land acquisition required for authorization for the program year following the **BY**.

f. Planned in Next Three Program Years: Enter the total estimated cost of construction and land acquisition required for the three years beyond the **BY** and following year programs (i.e., second, third, and fourth years beyond the **BY**). This amount should agree with the data used in the preparation of the **MILCON** or family housing estimates contained in the **FYDP**.

g. Remaining Deficiency: Enter the total estimated cost of construction and land acquisition required for existing facilities deficiencies remaining beyond the three program years covered in 7.f.

h. Grand Total: Enter the total of items 7.b. through 7.g.

Item 8 - Projects Requested In This Program: Installation or activity projects for the **BY must** be listed individually with attendant information provided in the appropriate column. Both major and minor construction projects are to be included as shown on the sample form.

a. Column 1 - Category Code: Enter the applicable category code consistent with the category code shown in Item 6 of the DD Form 1391 for the project.

b. Column 2 - Projects Title: Enter the project title consistent with the title shown in Item 4 of the DD Form 1391.

c. Column 3 - Scope: Enter the same quantity shown in Item 9 of the DD Form 1391, "Cost Estimates," and include the unit of measure (e.g., SM, SY, LF, PR, EA, CY). Immediately following or directly beneath the metric quantity and unit of measure, parenthetically include the English quantity and measurement. In those instances where a specific quantity cannot be satisfactorily identified, enter LS for lump sum.

d. Column 4 - Cost (\$000): Enter the project cost consistent with the cost shown in Item 8 of the DD Form 1391. If two or more projects are listed, enter the total in this column, and use this figure in Item 7.d.

e. Column 5 - Design Status: Enter the most accurate possible dates for the start and completion of design using numerals (e.g., 6/94, 11/95).

Item 9 - Future Projects:

a. Included in Following Program (FY__): List all installation projects regardless of the number and include columnar data comparable to that provided in Item 8 but leave design status blank.

b. Planned Next Three Years: List projects planned for next three years in 9.b. and include columnar data comparable to that provided in Item 8 but leave design status blank. The total costs of the projects listed under Items 9.a. and 9.b. should be identical to the entries under Items 7.e. and 7.f., respectively. If additional space is required to list all projects under Items 9.a. and 9.b., a separate sheet of paper should be utilized.

(Page 3 of 4)

Instructions for Preparation of DD Form 1390 (Continued)

c. Also include the R&M unfunded requirement in this block under the heading “R&M Unfunded Requirement.”

Item 10 - Mission or Major Functions: Enter the principal types of peacetime units and/or functions assigned or scheduled for assignment to the installation that require facilities or substantially contribute to the base population. Also enter the current mission stating precisely what the activity will do and list the major functions performed. All entries should address the time period shown in Items 6.a. and 6.b.

Item 11 - Outstanding Pollution and Safety Deficiencies (\$000): List all projects included in the budget request and planned for the next three years that are programmed for outstanding pollution and safety deficiencies. Use the format in Item 8.

Notes:

1. Space requirements for Items 8, 9, 10, and 11 may vary. Therefore, remaining space on the DD Form 1390 may be utilized as necessary for the specific entries and continued on a separate sheet of paper. A solid black line should be used to set Items 8, 9, 10, and 11 apart and individual item titles and subheadings should be added.

2. Projects that were authorized (but not appropriated) in prior years will be listed in the same manner as projects for which new authorization is requested. The fiscal year in which the project was authorized will be shown after the project title in Item 8.

MILCON

1. COMPONENT	FY 20__ GUARD AND RESERVE MILITARY CONSTRUCTION	2. DATE
3. INSTALLATION AND LOCATION		4. AREA CONSTR COST INDEX
5. FREQUENCY AND TYPE OF UTILIZATION		
6. OTHER ACTIVE/GUARD/RESERVE INSTALLATIONS WITHIN 15 MILES RADIUS		
7. PROJECTS REQUESTED IN THIS PROGRAM:		
CATEGORY		COST
<u>CODE</u>	<u>PROJECT TITLE</u>	<u>SCOPE</u>
		<u>\$(000)</u>
		<u>DESIGN STATUS</u>
		<u>START</u> <u>CMPL</u>
8. STATE RESERVE FORCES FACILITIES BOARD RECOMMENDATION		
(Date)		
9. LAND ACQUISITION REQUIRED		_____
(Number of Acres)		
10. PROJECTS PLANNED IN NEXT FOUR YEARS		
CATEGORY		COST
<u>CODE</u>	<u>PROJECT TITLE</u>	<u>SCOPE</u>
		<u>\$(000)</u>

DD 1390S/2 Guard and Reserve MILCON (Continued)

1.	FY 20__ GUARD AND RESERVE MILITARY CONSTRUCTION				2. DATE
3. INSTALLATION AND LOCATION					
11. PERSONNEL STRENGTH AS OF					
<u>TOTAL</u>		<u>PERMANENT OFFICER</u>		<u>GUARD/RESERVE</u>	
<u>AUTHORIZED</u>		<u>ENLISTED CIVILIAN</u>		<u>TOTAL OFFICER ENLISTED</u>	
<u>ACTUAL</u>					
12. RESERVE UNIT DATA					
<u>UNIT DESIGNATION</u>				<u>STRENGTH</u>	
				<u>AUTHORIZED</u>	<u>ACTUAL</u>
13. MAJOR EQUIPMENT AND AIRCRAFT					
<u>TYPE</u>	<u>AUTHORIZED</u>		<u>ACTUAL</u>		
14. OUTSTANDING POLLUTION AND SAFETY DEFICIENCIES					
(\$000)					

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Previous editions may be used.

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DD1390S/2 Guard and Reserve Military Construction

Instructions for Preparation of DD Form 1390s, FY__ Guard and Reserve Forces MILCON

The Guard and Reserve Forces will use the DD Form 1390 to supplement the data entered in the DD Form 1391, FY 20__ MILCON Program.

Instructions for preparation of DD Form 1390s follow:

Item 1 - Component: Enter the specific Guard or Reserve Forces component of the active services. Recognized abbreviations such as ARNG (Army National Guard) or ANG (Air National Guard) are acceptable.

Item 2 - Date: Date prepared or the date to OSD.

Item 3 - Installation and Location: For facilities not located at DoD installations or commercial airfields, enter the name of the city and State in which the projects are located. For other facilities, enter the name of the DoD installation and its geographical location to the extent that it is not included in the installation name.

Item 4 - Area Construction Cost Index: Enter the construction cost index used in estimating the cost of the project(s). Consult the latest guidance published by DUSD(IA&I).

Item 5 - Frequency And Type Of Utilization: Enter the type of utilization (e.g., weekend drill, weeknight drill, unit training activities, annual active duty for training) and indicate number of days the installation is used per month/year, as appropriate.

Item 6 - Other Active/Guard/Reserve Installations Within 15 Mile Radius: List the nearest six existing Active and existing or programmed (within the next five years) Reserve component facilities and their distances, within a fifteen-mile radius of the proposed construction site. If no facilities exist within the fifteen-mile radius, identify the three closest installations. Indicate the year the facilities were constructed and the size of the facility.

Item 7 - Projects Requested In This Program: Installation or activity projects for the BY must be listed individually with attendant information provided in the appropriate column. Both major and minor construction projects are to be included.

a. Column 1 - Category Code: Enter the applicable category code consistent with the category code shown in Item 6 of the DD Form 1391.

b. Column 2 - Project Title: Enter the project title consistent with the title shown in Item 4 of the DD Form 1391.

c. Column 3 - Scope: Enter the same quantity shown in Item 9 of the DD Form 1391, Cost Estimates, and include the unit of measure (e.g., SM, SY, LF, PR, EA, CY). Immediately following or directly beneath the metric quantity and unit of measure, parenthetically include the English quantity and measurement. In those instances where a specific quantity cannot be satisfactorily identified, enter LS for lump sum.

Instructions for Preparation of DD Form 1390s, FY__ Guard and Reserve Forces MILCON
(Continued)

d. Column 4 - Cost (\$000): Enter the project cost consistent with the cost shown in Item 8 of the DD Form 1391. If two or more projects are listed, enter the total in this column. In the case of Army National Guard projects where part of the financing is from other than Federal sources, enter only the Federal share.

e. Column 5 - Design Status: Enter the most accurate possible dates for the start and completion of design using numerals (e.g., 6/94, 11/95).

Item 8 - State Guard/Reserve Forces Facilities Board Recommendations (Date): Enter the following statement "facilities identified in Item 6 have been examined by the State Reserve Forces Facilities Board for possible joint use/expansion. The Board recommendations are ____." (Note: Project folders will contain justification data to support the recommendation.)

Item 9 - Land Acquisition Required (Number of Acres): Enter the acreage required for the project and the method of acquisition (e.g., fee, title, donation, lease). For all projects involving land acquisition, a site survey must be conducted in accordance with DoDI 4165.71, and the following statement must be entered, either in Item 9 or Item 10: "Site survey has been completed and site is suitable for constructing the proposed project at the estimated cost indicated."

Item 10 - Projects Planned In Next Four Years: Enter the Project Title and Estimated Cost for projects planned at the installation identified in Item 3 for the next four years beyond this program year. A maximum of five projects should be identified. For armory-type projects, list those facilities which are programmed for replacement within the next four years within a fifteen-mile radius of the proposed project as well as the year the facilities were constructed. If none are planned, so indicate. Items **must** contain columnar data comparable to that provided in Item 7 **except for** design status which should be left blank. Also include the restoration and modernization (R&M) unfunded requirement in this block under the heading "R&M Unfunded Requirement."

Item 11 - Personnel Strength As Of ____: In the appropriate columns, enter the number of authorized and actual personnel at this facility as of six months prior to project submission.

Item 12 - Reserve Unit Data: List the designated units assigned and/or scheduled to be trained in the requested facilities. Enter the corresponding authorized and actual strengths of each unit, indicating actual strength as of the date listed in Item 11.

Item 13 - Major Equipment and Aircraft: List the vehicular and/or other large equipment and aircraft which are to be accommodated at the installation and which have a bearing on the type and/or scope of the facility requirement. When vehicle maintenance shops are being requested, the Weighted Equipment Density (WED) for the vehicles to be maintained will be included in this item.

DD 1391/1391C [MILCON](#) Project Data

1. COMPONENT		FY 20__ MILITARY CONSTRUCTION PROJECT DATA			2. Date	
3. INSTALLATION AND LOCATION				4. PROJECT TITLE		
5. PROGRAM ELEMENT		6. CATEGORY CODE	7. PROJECT NUMBER		8. PROJECT COST (\$000)	
9. COST ESTIMATES						
ITEM		U/ M	QUAN TITY	Unit Cost	Cost (\$000)	
10. DESCRIPTION OF PROPOSED CONSTRUCTION						

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DD 1391/1391C Military Construction Project Data

DD 1391/1391C [MILCON](#) Project Data (Continued)

1. COMPONENT	FY 20__ MILITARY CONSTRUCTION PROJECT DATA		2. Date
3. INSTALLATION AND LOCATION		4. PROJECT TITLE	
5. PROGRAM ELEMENT	6. CATEGORY CODE	7. PROJECT NUMBER	8. PROJECT COST (\$000)

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Instructions for Preparation of DD Form 1391/1391C FY __MILCON Project Data

1. The DD Form 1391 will be used, as applicable, by the Active, Guard, and Reserve Forces to support each project proposed for inclusion in the MILCON Program. This includes both new authorization projects in the program as well as urgent unforeseen projects using emergency or contingency authorization. This form will also be used to transmit supporting data for the following types of projects:

- a. Minor construction projects, 10 U.S.C. § 2805.
- b. O&M type projects required to be submitted to OSD in accordance with the provisions of DoDD 4165.06.
- c. Non-appropriated fund construction projects requiring OSD concurrence or approval.
- d. Family housing projects.

2. The continuation sheet (DD Form 1391c) will be used as required for explanation of the requirement for the project (item 11.) and other mandatory statements concerning flood plains and wetlands environmental impact, accessibility to the handicapped, or fallout shelters. However, when submitting an annual MILCON Program, these mandatory statements may be included in the front of the program book.

3. Instructions for preparation of DD Form 1391:

- a. ITEMS 1 and 2 - COMPONENT AND DATE: Self-evident.
- b. ITEM 3 - INSTALLATION AND LOCATION: Enter the official name of the installation. Use code name or designations only when necessary to preclude security classification or when an official name is not available. Enter the name of the State if within the United States or the name of the country or island chain if outside the United States. In the case of Guard and Reserve Forces facilities, enter the city and State if the facility is not to be constructed on a military installation.
- c. ITEM 4 - PROJECT TITLE: Enter the title used in item 8, column 2 of the DD Form 1390, assuring that it corresponds to the category code in item 6.
 - (1) The title of the project should reflect the facility provided by the project.
 - (2) The scope of a project or number of buildings involved will not be shown in the title (i.e., and “Enlisted Quarters” project will not be shown as “Two 250 Man Enlisted Quarters.”)
 - (3) Avoid the inclusion of acronyms.
 - (4) If a project requires land acquisition estimated to cost in excess of \$50,000, the project title will be suffixed with “With Land Acquisition.”
- d. ITEM 5 - PROGRAM ELEMENT: Enter the appropriate number as it relates to the “Future Years Defense Program,” except when inclusion of this number would require classification of an otherwise unclassified form.

Instructions for Preparation of DD Form 1391/1391C (Continued)

e. **ITEM 6 - CATEGORY CODE:** Enter the applicable category code using no less than three or more than six digits consistent with item 8, column 1 on DD Form 1390, [for the Active Forces](#) and item 7, column 1 on DD Form 1390S2, [for the Guard and Reserve Forces](#). When a project includes multiple distinct facilities, use the real property category code which corresponds to the predominant facility use.

f. **ITEM 7 - PROJECT NUMBER:** Enter the number of the project assigned by the Component concerned. If no number has been assigned, indicate N/A (not applicable).

g. **ITEM 8 - PROJECT COST:** Enter the estimated cost in thousands of dollars (excluding design except for family housing) for which funding is being requested. The amount indicated should be identical to that shown in item 8, column 4 of the DD Form 1390 and should include the costs of the primary facilities, supporting facilities, contingencies, supervision, inspection, and overhead. Figure will be the Total Request entered in item 9. and will not include the figure entered for “Equipment Provided From Other Appropriations.”

h. **ITEM 9 - COST ESTIMATES:** This portion of the DD Form 1391 is comprised of several elements which collectively comprise the Total Request. Each element will be identified, quantified, and costed in a series of five column entries as follows:

(1) **Item:** Identity of the Primary or Supporting Facility. After each “Item” entry where the metric measurement (square meters) is used in the Unit of Measure column, include in parenthesis the size of the facility in the English measurement (Square Feet).

(2) **U/M (unit of Measure):** Each entry in the “item” column will be followed in the “U/M” column by the accepted two-character abbreviation for the unit of measure associated with the quantity of the item concerned (e.g., SM, SY, LF, KV). Where it is not feasible to show a specific unit of measure, use LS (Lump Sum).

(3) **Quantity:** Enter the required number of units of measure comprising the “item” entry. Where “LS” is the unit of measure, enter a dash (-).

(4) **Unit Cost:** Enter the appropriate unit cost for each “item” entry where a unit of measure is indicated. Where the unit of measure is “LS” enter a dash in the unit cost column.

(5) **COST (\$000):**

(a) Enter the cost, in thousands of dollars, represented by the product of the “Quantity” and “Unit Cost” entries.

(b) When a single primary facility is listed enter the cost of the facility without parentheses. If unusual features or functional areas of the primary facility are listed, the cost of each [must](#) be enclosed with parentheses. The total cost of these features [must](#) equal the figure entered for the primary facility.

(c) When more than one primary facility is listed, the cost of each facility will be entered in the cost column without parentheses.

Instructions for Preparation of DD Form 1391/1391C (Continued)

(d) The cost entry for the item “Supporting Facilities” **must** be entered without parentheses and **must** be the total of the various supporting facilities listed. However, each of the individual supporting facility costs **must** be enclosed by parentheses.

(e) The cost entered for items such as “Subtotal,” “Contingency,” “Contract Cost,” “SIOH,” and “Total Request” **must** be entered without parentheses. However, the cost for Equipment Provided From Other Appropriations” **must not** be entered as **an additive** item.

(f) Projects in category Code 500 will have separately identified the equipment purchased for the Surgeons General as “Category Equipment” showing the total cost of such equipment added to the “Total Request.” Labor cost for installation of “Category E” equipment should be included in the unit cost for the primary facility because it is part of the “Total Contract Cost.”

(6) **PRIMARY FACILITY:** Enter the identity and required columnar data for the primary facility. When the primary facility consists of two or more components the cost of the primary facility will be the sum of the costs of the individual components. In addition, subordinate components will be entered under the primary facility after indenting two spaces.

(a) Normally, the cost of fixed equipment provided as part of the construction contract (e.g., cooling, heating, and electrical systems) will be included in the cost of the primary facility. However, when the primary facility includes unusual features of significant cost, such as hyperbaric vessels and standby cooling, such features should be identified under the primary facility.

(b) Land acquisition required specifically for the project and estimated to cost \$50,000 or more **must** be listed in the same manner as an unusual feature. Conversely, land acquisitions estimated to cost less than \$50,000 are to be accomplished under 10 U.S.C. § 2672 and should not be listed.

(c) For family housing new construction, the entry under primary facility will show the total number of units in the project. As subordinate components to the primary facility “Units to 5’ line,” “GFE,” and “Land Acquisition” will be shown in parentheses in the cost column to add up to the cost of the primary facility shown. “Item 10 will be used to show the numbers and cost computations for the various types of living units which comprise the primary facility.

Instructions for Preparation of DD Form 1391/1391C (Continued)

(d) Lump-sum funding requests are prohibited. The only instance for which separate construction projects can be combined under a single DD Form 1391 is when each of the projects is in the same general facility category (i.e., supply facilities, maintenance and production facilities, unaccompanied housing). Programs such as “facility upgrades,” “ATB Beddown Facilities,” and others combining a number of disparate construction efforts must be justified as separate projects. If it is planned, in execution, to construct several of these projects at a single location under one contract, a statement to that effect should be included in the “Additional” section of Item 10.

(e) Antiterrorism Force Protection/physical security measures: The entry under primary facility will show physical security improvements (e.g., special structural improvements, ballistic glass). Where land acquisition serves a specific purpose such as stand-off distance for force protection, the acquisition **must** be listed as an antiterrorism force protection subordinate component to the primary facility.

(7) **SUPPORTING FACILITIES**: List those items of construction directly related to and required for the support of the primary facility. Such items should include (a) special construction features (piles, spread footings, seismic, fill); (b) utilities (gas, oil, steam, electric, and water supply lines as well as sanitary and storm sewers); (c) site preparation; (d) roads, sidewalks, and parking; (e) site improvements (seeding, sodding, landscaping); (f) antiterrorism force protection/physical security measures such as physical security site improvements (e.g. fencing, perimeter/area lighting, blast mitigation barriers, berms and landscaping); and (g) demolition. All supporting facility items should be listed in terms of accepted units of measure and quantity whenever practicable. For family housing, design cost will be identified under “Supporting Facilities.”

(8) **ESTIMATED CONTRACT COST**: Enter the sum of the costs shown for all primary and supporting facilities.

(9) **CONTINGENCY**: Enter the appropriate contingency rate, in parentheses, immediately following the item designation in column 1, and enter the cost equivalent in the proper column.

(10) **SUBTOTAL**: Enter the sum of the “Subtotal” and the “Contingency” costs. In the case of Army National Guard, armory projects which are funded, in part, from other than Federal funds, enter the Federal costs on the first line and the State or other cost on the next line.

(11) **SUPERVISION, INSPECTION, AND OVERHEAD (SIOH)**: Enter the appropriate SIOH rate in column 1 after the item designation and reflect the cost equivalent in the proper column.

(12) **DESIGN/BUILD**: For major construction projects where the Design/Build contracting method is planned to be used, the design cost associated with the contract should be included in the Cost Estimates (Block 9) section of the DD Form 1391. The entry “Design/Build – Design Cost” will be used and should appear after the “SIOH” entry and before the “Total Request” entry with the associated cost in the proper column.

Instructions for Preparation of DD Form 1391/1391C (Continued)

(13) **TOTAL REQUEST:** Enter the sum of the “Total Contract Cost” and the “SIOH.” This figure should be identical to the entry in item 8, “Project Cost (\$1000).” Total request should be rounded-off to provide a more realistic approach to the presentation of MILCON programs.

(14) **TOTAL REQUEST ROUNDED:** The following guidance is provided for “rounding-off” a projects’ total request:

Project (P) Estimate (\$000)	<u>Rounding Guidance</u> <u>(\$000)</u>
< 1,000	Nearest \$ 10K
1,000 to 5,000	Nearest \$ 50K
5,000 to 10,000	Nearest \$ 100K
10,000 to 15,000	Nearest \$ 200K
15,000 to 20,000	Nearest \$ 500K
> 20,000	Nearest \$ 1,000K

(15) **INSTALLED EQUIPMENT PROVIDED FROM OTHER APPROPRIATIONS:** Enter the total cost of equipment which is procured with other than MILCON funds and which is essential to the mission of the facility. DD Form 1391 should reflect only the cost of equipment identified in the Associated Equipment Report. If no such major equipment is associated with the project, enter a “zero” in the appropriate space. Note that this figure is not included in the “Total Request.” This excludes minor items procured with O&M funds, and in the case of Army National Guard, excludes equipment provided from other then Federal appropriations.

i. **ITEM 10 - DESCRIPTION OF PROPOSED CONSTRUCTION:**

(1) In a clear and concise manner, provide a complete outline of all principal features of the work and its correlation with the various data entered in item 9.

(2) State whether or not the proposed construction is in compliance with applicable antiterrorism force protection measures and antiterrorism force protection standards.

(3) Begin with an accurate description of the primary facility and the associated functions that will be supported in them. Continue with a description of the features of work identified in each line item of the Block 9. Avoid the use of generalities such as “most economical means” or “modern methods and materials.”

(4) Provide only such additional descriptive details as are necessary for clarity.

(5) Identify and list the buildings or structures to be demolished in connection with the proposed construction, if applicable.

(6) For single person quarters projects, indicate the grade mix of personnel, officer or enlisted, who will occupy the facilities.

Instructions for Preparation of DD Form 1391/1391C (Continued)

(7) For projects involving additions, alterations, or conversions, describe the changes to be made.

j. **ITEM 11 - REQUIREMENT:** This portion of the DD Form 1391 is comprised of seven elements which are to be set forth in the following format:

(1) Immediately after the item title “Requirement” indicate, in appropriate units of measure, the total facility requirement (e.g., 5,500 SM), followed by two additional entries giving the status of the existing facility (e.g., adequate: 66,134 SF; substandard: -0-). [For a project with multiple distinct facilities, include information for each facility category code.](#)

(2) **PROJECT:** Provide a one-sentence statement indicating what this project provides.

(3) **REQUIREMENT:** Provide detailed, informative statements as to precisely why the project is needed. Use positive statements to support the requirement and avoid the use of such words as “inadequate,” “uneconomical,” and “necessary” unless they are fully explained. Similarly, when identifying contributing factors, assure that the presentation leaves no pertinent questions unanswered (e.g., vulnerability to terrorist threats (reference threat/vulnerability assessment); excessive maintenance (show cost comparison); self-liquidation (show amortization); or advanced deterioration (describe effects)). The requirements must establish maximum utilization of existing facilities and identify alternatives considered, along with reasons for their rejection. If the project is a result of the Integrated Global Posture and Basing study, include the phrase, “This project is associated with the global Defense posture changes.”

(4) **CURRENT SITUATION:** Describe how and under what conditions the requirement is presently being met. Comments should support the stated requirement and include the identity and description of current assets as well as the reason they are considered unsuitable for continued use. For Guard and Reserve Forces projects which are to replace existing facilities, identify and describe the disposition to be made of them. Similarly, for Guard and Reserve Forces facilities to be constructed and/or utilized jointly with other Guard/Reserve components, include pertinent information and status of coordination or negotiations.

(5) **IMPACT IF NOT PROVIDED:** Describe the manner and extent to which mission accomplishment would be affected if the project were not approved.

(6) **ADDITIONAL:** If the project is justified on an economic basis (primary economic analysis), so state and indicate the projected payback period. As a minimum, all renovation, upgrade, and replacement projects must be supported by an economic analysis. For all other projects, state precisely why a primary economic analysis cannot be applied to the project. When providing supporting documentation for the OSD budget submission, enter appropriate statements on commercial/industrial operations.

OMB Circular A-76 and as required by applicable [DoDI](#). Entry of this information on the DD 1391 or on a separate DD 1391c is optional. For all overseas projects, state whether or not the project is eligible for NATO Infrastructure or other host nation funding.

Instructions for Preparation of DD Form 1391/1391C (Continued)

(7) **JOINT USE CERTIFICATION:** Include the following certification: “The (enter the title of the certifying official) certifies that this project has been considered for joint use potential. Joint use construction is recommended.” Or “The (enter the title of the certifying official) certifies that this project has been considered for joint use potential. Unilateral construction is recommended. The reasons for this recommendation are...” The Joint Use Certification is not required for family housing construction projects.

(8) For all unaccompanied housing project requests, the DD Form 1391 **will** show all unaccompanied housing restoration and modernization conducted in the past 2 years (BY-2 and BY-1) and all future R&M requirements (defined as R&M funding for unaccompanied housing included in the FYPD years) for unaccompanied housing at that installation. This information should appear as the last data in the DD Form 1391 under the heading “BY-2 Unaccompanied Housing R&M Conducted,” “BY-1 Unaccompanied Housing R&M Conducted,” and “Future Unaccompanied Housing R&M Requirements.”

Space requirements for items 10 and 11 will vary. Therefore, remaining space on the DD Form 1391 may be used as necessary for the specific entries and continued on a DD Form 1391c as appropriate. A solid, black line should be used to set items 10 and 11 apart, and individual item titles and subheadings should be added.

k. **ITEM 12 – SUPPLEMENTAL DATA:** This portion of the DD Form 1391 is comprised of three elements which should be provided in the following format:

(1) **A. EXECUTION DATA:** Include (1) Acquisition Strategy, (2) Design data – start date, % of design completed; design complete date; total design cost (\$000), energy studies and/or life cycle analysis performed (Yes or No); and standard or definitive design used (yes or no), and (3) Construction data - contract award date, construction start date and construction complete date.

(2) **B. EQUIPMENT ASSOCIATED WITH THIS PROJECT:** Include table listing equipment name, procuring appropriation, fiscal year appropriated of requested, and cost (\$000).

(3) **C. FUNDING PROFILE:** include table listing history of authorizations and appropriations (1) fiscal year for enacted, cost variation, current budget request and future request, (2) authorization amount (\$000), authorization of appropriation amount (\$000), and (3) appropriated amount (\$000). Totals for Authorized and Appropriated should be provided at the bottom of the table.

(4) **D. PROJECT SPENDING PLAN WITH CHART:** Provide table of monthly and cumulative costs (\$000) of funding, obligations and outlays by month-year from construction start through construction completion, as follows:

*February 2025

PROJECT SPENDING PLAN**PROJECT: Project Title, Installation, State****As of: Month Day, Year**

All Costs in thousands (\$000)

Month-Year	FUNDING		OBLIGATIONS		OUTLAYS	
	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
Apr-24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
May-24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Jun-24	\$ 103,000	\$ 103,000	\$ 97,500	\$ 97,500	\$ 1,050	\$ 1,050
Jul-24		\$ 103,000	\$ 130	\$ 97,630	\$ 1,175	\$ 2,225
Aug-24		\$ 103,000	\$ 130	\$ 97,760	\$ 1,290	\$ 3,515
Sep-24		\$ 103,000	\$ 130	\$ 97,890	\$ 1,425	\$ 4,940
Oct-24		\$ 103,000	\$ 130	\$ 98,020	\$ 1,570	\$ 6,510
Nov-24		\$ 103,000	\$ 130	\$ 98,150	\$ 1,880	\$ 8,390
Dec-24		\$ 103,000	\$ 130	\$ 98,280	\$ 2,045	\$ 10,435
Jan-25		\$ 103,000	\$ 130	\$ 98,410	\$ 2,210	\$ 12,645
Feb-25		\$ 103,000	\$ 130	\$ 98,540	\$ 2,375	\$ 15,020
Mar-25		\$ 103,000	\$ 130	\$ 98,670	\$ 25,400	\$ 40,420
Apr-25		\$ 103,000	\$ 130	\$ 98,800	\$ 2,700	\$ 43,120
May-25		\$ 103,000	\$ 130	\$ 98,930	\$ 2,850	\$ 45,970
Jun-25		\$ 103,000	\$ 130	\$ 99,060	\$ 2,990	\$ 48,960
Jul-25		\$ 103,000	\$ 130	\$ 99,190	\$ 3,125	\$ 52,085
Aug-25		\$ 103,000	\$ 130	\$ 99,320	\$ 3,245	\$ 55,330
Sep-25		\$ 103,000	\$ 130	\$ 99,450	\$ 3,350	\$ 58,680
Oct-25		\$ 103,000	\$ 130	\$ 99,580	\$ 3,430	\$ 62,110
Nov-25		\$ 103,000	\$ 130	\$ 99,710	\$ 3,500	\$ 65,610
Dec-25		\$ 103,000	\$ 130	\$ 99,840	\$ 3,540	\$ 69,150
Jan-26		\$ 103,000	\$ 130	\$ 99,970	\$ 3,565	\$ 72,715
Feb-26		\$ 103,000	\$ 130	\$ 100,100	\$ 3,540	\$ 76,255
Mar-26		\$ 103,000	\$ 130	\$ 100,230	\$ 3,500	\$ 79,755
Apr-26		\$ 103,000	\$ 130	\$ 100,360	\$ 3,430	\$ 83,185
May-26		\$ 103,000	\$ 130	\$ 100,490	\$ 3,350	\$ 86,535
Jun-26		\$ 103,000	\$ 130	\$ 100,620	\$ 3,245	\$ 89,780
Jul-26		\$ 103,000	\$ 130	\$ 100,750	\$ 3,130	\$ 92,910
Aug-26		\$ 103,000	\$ 130	\$ 100,880	\$ 2,995	\$ 95,905
Sep-26		\$ 103,000	\$ 130	\$ 101,010	\$ 2,850	\$ 98,755
Oct-26		\$ 103,000	\$ 130	\$ 101,140	\$ 2,700	\$ 101,455
Nov-26		\$ 103,000	\$ 130	\$ 101,270	\$ 2,540	\$ 103,995
Dec-26		\$ 103,000	\$ 130	\$ 101,400	\$ 2,375	\$ 106,370

DD 1391/1391C (Page 9 of 9)

MC-2 Guard and Reserve Joint MILCON Project Exhibit

Joint Military Construction Project Exhibit
[Lead Component]
FY ____ - FY ____ Program/Budget Review
(Dollars in Thousands)

Location:
Project Title:
Lead Component:

Funding Requirement	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
Army Reserve					
Army National Guard					
Navy/MC Reserve					
Air Force Reserve					
Air National Guard					
Total Requirement	0	0	0	0	0

Budgeted Amount	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
Army Reserve					
Army National Guard					
Navy/MC Reserve					
Air Force Reserve					
Air National Guard					
Total Requirement	0	0	0	0	0

Instructions:

1. For each joint project, fill in the information (each project should be identified separately).
2. In the “Funding Requirement” section, enter the amounts that each Component is expected to contribute to the joint project.
3. In the Budgeted Amount” section, enter the amount that has been included in the FY_____-FY_____- budget submission.
4. All dollars should be in thousands.

***Exhibit UH-6 Military Housing Privatization (MHPI) – Military Unaccompanied Housing Privatization**

DEPARTMENT OF _____
 Exhibit UH-6 Military Housing Privatization Initiative (MHPI) - Military Unaccompanied Housing Privatization
 Fiscal Year 20XX

Privatization Date ¹	MHPI Project Name ²	Installation/ State ³	Approved by OSD & OMB ⁴						Actual/Current Plan ⁸							MHPI Authorities ¹
			No. Units Conveyed ⁵	No. End State Units ⁶	Funding Source(s) ⁷				No. Units Conveyed ⁹	No. End State Units ¹⁰	Total No. Units in Current Inventory ¹¹	Funding Source(s) ¹²				
					Amount (\$M) ^{7a}	Budget Year(s) ^{7b}	Type of Funds ^{7c}	Source Project Name ^{7d}				Amount (\$M) ¹²	Budget Year(s) ¹²	Type of Funds ¹²	Source Project Name ¹²	
Grand Totals ¹⁴			0	0	\$0				0	0	0	\$0				

Notes:

1. The date the real property is transferred (land and family housing units) to the private owner/developer, and when service members become entitled to receive BAH.
2. Provide the name of the MHPI Project given to the privatization project, including the name given to integrated/grouped projects. The MHPI project name should be consistent with the MHPI project name used in the previously approved OSD/OMB Scoring report and/or subsequent notification to Congress.
3. List the MHPI project location by installation and state, including each installation/state incorporated into the integrated/grouped MHPI project.
4. This section relates the previously approved OSD/OMB project scope and funding amounts contained in the scoring package and/or subsequent Notification of Funds Transfer letters to Congress.
5. Provide the number of unaccompanied housing units to be conveyed by installation and state to the Developer, including each installation and state incorporated into the integrated/grouped MHPI project, as previously approved in the OSD/OMB Scoring report.
6. Provide the end state number of family housing units by installation and state to the Developer, including each installation/state incorporated into the integrated/grouped MHPI project, as previously approved in the OSD/OMB Scoring report.
7. Provide all of the funding source information for the MHPI project as reflected in the previously approved OSD/OMB report and consistent with the project summary details accompanying the Notification of Transfer letter to Congress, such as:
 - a. The amount of funds to be used for the Government's cost of the project (i.e., equity contribution, credit subsidy costs, differential lease payments).
 - b. The fiscal year(s) of the funding sources to be used to cover the Government's cost of the MHPI project.
 - c. The type of funds (e.g., MILCON) to be used to cover the Government's cost of the MHPI project.
 - d. The project(s) that are used to source the Government's cost of the privatization project.

8. This section relates to the Military Departments' actual and/or current plan, which might or might not be consistent with the details contained in the previously approved OSD/OMB Scoring report and project summary to Congress for the MHPI project due to extenuating circumstances.

9. Provide the actual and/or revised planned number of unaccompanied housing units conveyed to the Developer by installation and state, including each installation/state incorporated into the integrated/grouped MHPI project.

10. Provide the actual and/or revised, planned number of unaccompanied housing end state units by installation and state, including each installation/state incorporated into the integrated/grouped MHPI project.

11. Provide the total number of privatized unaccompanied housing units in the inventory for each MHPI project by installation/state, including each installation/state incorporated into the integrated/grouped MHPI project, regardless if they are currently occupied or not.

12. Provide all the “actual and/or current” funding sources used to fund the MHPI project, which might or might not be consistent with the details contained in the previous-approved OSD/OMB Scoring report and project summary (i.e., project amount, budget year of funds, source project, appropriation) to Congress for the MHPI project due to extenuating circumstances. If possible and/or available, provide the requested funding information by installation/state.

13. Provide the applicable MHPI authorities in 10 U.S.C. Chapter 169 Subchapter IV used and/or proposed to be used for the privatization project. Designators are as follows:

1 = 10 U.S.C. § 2873 - Government Direct Loans

2 = 10 U.S.C. § 2873 - Loan Guarantees

3 = 10 U.S.C. § 2875 - Investments, such as DoD Equity Contributions in non-governmental entities

4 = 10 U.S.C. § 2877 - Differential Lease Payments

5 = 10 U.S.C. § 2878 - Conveyance or Lease of Existing Property and Facilities

14. Totals of number of units conveyed, number of end state units, and funding amounts.

*February 2025

*APPENDIX B: BES / FAMILY HOUSING EXHIBITS IN SUPPORT OF PARAGRAPH 4.2

Exhibit FH-1 Tri-Service Family Housing Cost Model

TRI-SERVICE FAMILY HOUSING COST MODEL									
Service		Activity and Location		Project Number		Fiscal Year			
_____		_____		_____		_____			
Harsh climate location?		Overseas?		Replacement?		ACF			
(Y/N)		(Y/N)		(Y/N)		___			
DWELLING COSTS:								Cumulative Project Cost (000)	
Paygrade	Bedrooms	Size of House	\$/GSM	# of units	Project Factor	=	Dwelling Cost (000)		
_____	_____	(NSF/GSF/GSM)	()	()	()	=	\$ _____		
_____	_____	(NSF/GSF/GSM)	()	()	()	=	\$ _____		
DWELLING TOTAL:							\$ _____		
PROJECT FACTORS:									
() () = _____									
(ACF) (Proj Size Factor) = <u>Project Factor</u>									
ADJUSTMENT TO DWELLING COSTS:									
		Unit Cost	No. Units	Project Factor	=	Adjustment (000)			
Additional Fire Protection/Unit		()	()	()	=	\$ _____			
Renewable Energy Source Cost/Unit		()	()	()	=	\$ _____			
Other Special Construction/Unit		()	()	()	=	\$ _____			
TOTAL ADJUSTMENTS:						\$ _____	\$ _____		
Avg. Unit Costs:						=	\$ _____		
SUPPORT COSTS:									
Lot Costs						\$ _____			
Site Improvements						\$ _____			
Utility Mains						\$ _____			
Streets						\$ _____			
Landscaping						\$ _____			
Recreation						\$ _____			
Environmental						\$ _____			
Demolition						\$ _____			
Special Construction Features						\$ _____			
Other (Specify)						\$ _____			
TOTAL SUPPORT COSTS:						\$ _____	\$ _____		
SUMMARY:									
() + () + () =						\$ _____	\$ _____		
(Dwelling Cost) + (Adjustment) + (Support Cost) =						<u>Subtotal</u>			
() + () + () + () =						\$ _____			
(Subtotal) + (Contingency) + (SIOH) + (Design) =						<u>Project Cost</u>			
PROJECT SIZE:		NSF	GSF	GSM	NSF GSF GSM				
		()	()	()	Normalized Average Costs (ACF=1)				
Adj. Dwelling Cost per Project Size:		\$ _____	\$ _____	\$ _____	\$ _____ \$ _____ \$ _____				
Project Cost per Project Size:		\$ _____	\$ _____	\$ _____	\$ _____ \$ _____ \$ _____				

The Unit Cost Per Gross Square Meter, Project Size Factors, and Area Cost Factors (ACF) will be provided in Unified Facilities Criteria (UFC) 3-701-03 each year.

Exhibit FH-1 Tri-Service Family Housing Cost Model

Exhibit FH-2 Family Housing O&M

Family Housing, _____ Operation and Maintenance Summary (Excludes Leased Units and Costs) FY _____					
	<u>FY(PY)</u>		<u>FY(CY)</u>		<u>FY(BY)</u>
A. <u>Inventory Data</u>					
Units in Beginning of Year					
Units at End of Year					
Average Inventory for Year					
a. Historic Units <u>1/</u>					
Units Requiring O&M Funding:					
a. Conterminous U.S.					
b. U.S. Overseas					
c. Foreign					
d. Worldwide					
	<u>Unit</u>		<u>Unit</u>	<u>Unit</u>	
	<u>Cost 2/</u>	<u>Total</u>	<u>Cost 2/</u>	<u>Total</u>	<u>Cost 2/</u>
B. <u>Funding Requirement</u>					
1. Operations					
a. Management					
b. Services					
c. Furnishings					
d. Miscellaneous					
Subtotal-- Direct Obligations					
Anticipated Reimbursements					
Gross Obligations--Operations					
2. Utilities - Direct Obligations					
Anticipated Reimbursements					
Gross Obligations--Utilities					
3. Maintenance					
a. M&R, Dwellings					
b. M&R, Exterior Utilities					
c. M&R, Other Real Property					
d. Alterations & Additions					
Subtotal--Direct Obligations					
Anticipated Reimbursements					
Gross Obligations--Maintenance					
Grand Total, O&M - Direct Obligations					
Grand Total, Anticipated Reimbursements					
Grand Total, O&M - Gross Obligations					

1/ Show, as a subset of "Average Inventory for Year," the total number of units classified as historic (units that DoD must manage in accordance with the National Historic Act of 1966).

2/ Based on number of units requiring O&M funding

Exhibit FH-2 Family Housing O&M

*February 2025

Exhibit FH-3 Furnishings Summary

Family Housing, _____
 Furnishings Summary
 (Dollars in Thousands)
 FY _____

	<u>Furnishings less Household Equipment</u>					<u>Household Equipment</u>				<u>Total Furnishings</u>					
	<u>Movg/</u> <u>Hdling</u>	<u>Maint/</u> <u>Repair</u>	<u>Replace</u> <u>ment</u>	<u>Initial</u> <u>Issue</u>	<u>Total</u>	<u>Movg/</u> <u>Hdling</u>	<u>Maint/</u> <u>Repair</u>	<u>Replace</u> <u>ment</u>	<u>Initial</u> <u>Issue</u>	<u>Total</u>	<u>Movg/</u> <u>Hdling</u>	<u>Maint/</u> <u>Repair</u>	<u>Replace</u> <u>ment</u>	<u>Initial</u> <u>Issue</u>	<u>Total</u>
(PY)															
CONUS															
US O/S															
Foreign															
Public															
Private															
Total															
(CY)															
CONUS															
US O/S															
Foreign															
Public															
Private															
Total															
(BY)															
CONUS															
US O/S															
Foreign															
Public															
Private															
Total															

Exhibit FH-3 Furnishings Summary (Page 1 of 2)

***February 2025**

Instructions for Preparation of Family Housing Furnishings Summary Exhibit FH-3

General. Furnishings to be included in Exhibit FH-3 are defined in Enclosure 6 to [DoDI 4165.63](#). For Unaccompanied Personnel Housing furnishings, see Exhibit OP-21, Chapter 232, this Manual.

PY Data. For the prior year, enter estimated end year obligations.

CY and BY Data. Estimates should be based on requirements determined to be in accordance with Section XI of [DoDI 4165.63](#) and applicable experience data. Provide an explanation for differences of more than \$1 million or 10%, whichever is less, between the total amount shown for furnishings in the [CY](#) and the [BY](#).

Moving and Handling. All identifiable transportation, handling and storage costs should be included here.

Initial Issue. Certain initial issue movable equipment, such as stoves and refrigerators, is usually procured as part of a construction project with construction funds, instead of operation funds. Likewise, in some circumstances leasing funds are utilized for furnishings in leased quarters. The FH-3 should reflect all family housing resources applied to furnishings, with memo entries to indicate the amounts funded from accounts other than the Furnishings portion of Operations and Maintenance.

Exhibit FH-4 Analysis of Leased Units

Family Housing, _____ Analysis of Leased Units FY _____									
	FY(PY)			FY(CY)			FY(BY)		
<u>Location</u>	<u>Unit</u> <u>Auth</u>	<u>Lease</u> <u>Months</u>	<u>Cost</u> <u>(\$000)</u>	<u>Unit</u> <u>Auth</u>	<u>Lease</u> <u>Months</u>	<u>Cost</u> <u>(\$000)</u>	<u>Unit</u> <u>Auth</u>	<u>Lease</u> <u>Months</u>	<u>Cost</u> <u>(\$000)</u>
<u>Domestic Leases</u>									
(list each location and month in which the annual award is exercised)									
Total Domestic Leases									
<u>Foreign Leases</u>									
(list each location and month in which the annual award is exercised)									
Total Foreign Leases									
Grand Total									

Exhibit FH-4 Analysis of Leased Units

***February 2025**

Exhibit FH-5 General and Flag Officers' Anticipated Expenditures

Department of the ¹ _____									
General and Flag Officers' Quarters (GFOQ)									
Operations and Maintenance Expenditures Anticipated to Exceed \$35,000 per Unit for Fiscal Year FYXX ²									
(Dollars in Thousands)									
<u>State/ Country</u> ³	<u>Installation</u> ⁴	<u>Quarters Address</u> ⁵	<u>Year Built</u> ⁶	<u>Size NSF</u> ⁷	<u>Opns Cost</u> ⁸	<u>Utilities Cost</u> ⁹	<u>Maint Cost</u> ¹⁰	<u>Leasing Cost</u> ¹¹	<u>Total Costs</u> ¹²
Total GFOQ Costs									
Total GFOQ # Units									

Footnotes¹³:Instruction Notes:

1. Service name.
2. Budget year.
3. State name or foreign country.
4. Installation name.
5. Specific quarters address or unit identification.
6. Calendar year in which the dwelling unit or building (in case of multiple units) was built. Identify with an asterisk (*) next to the year built those units that are on the national, state and/or local historic registry.
7. Total net square footage of the dwelling unit.
8. Total operations (BA6) anticipated for the fiscal year.
9. Total utilities (BA5) anticipated for the fiscal year.
10. Total maintenance (BA10) expenditure anticipated for the fiscal year.
11. Total Leasing (BA7) expenditure for the fiscal year, if applicable.
12. Total Family Housing Operations and Maintenance expenditures anticipated for the GFOQ unit for the fiscal year.
13. Include any non- Family Housing O&M expenditures anticipated and a short description of these expenditures in a footnote.

Show these cost figures in thousands of dollars, carried out to no more than one decimal place.

FH-5 Exhibit General and Flag Officers' Anticipated Expenditures

*February 2025

Exhibit FH-6 Military Housing Privatization (MHPI) - Family Housing Privatization

DEPARTMENT OF _____
 Exhibit FH-6 Military Housing Privatization Initiative (MHPI) - Family Housing Privatization
 Fiscal Year 2019

Privatization Date ¹	MHPI Project Name ²	Installation/ State ³	Approved by OSD & OMB ⁴						Actual/Current Plan ⁸							MHPI Authorities ¹³
			No. Units Conveyed ⁵	No. End State Units ⁶	Funding Source(s) ⁷			Source Project Name ^{7d}	No. Units Conveyed ⁹	No. End State Units ¹⁰	Total No. Units in Current Inventory ¹¹	Funding Source(s) ¹²				
					Amount (\$M) ^{7a}	Budget Year(s) ^{7b}	Type of Funds ^{7c}					Amount (\$M) ¹²	Budget Year(s) ¹²	Type of Funds ¹²	Source Project Name ¹²	
Grand Totals ¹⁴			0	0	\$0				0	0	0	\$0				

Instructions:

1. The date the real property is transferred (land and family housing units) to the private owner/developer, and when service members become entitled to receive BAH.
2. Provide the name of the MHPI Project given to the privatization project, including the name given to integrated/grouped projects. The MHPI project name should be consistent with the MHPI project name used in the previously approved OSD/OMB Scoring report and/or subsequent notification to Congress.
3. List the MHPI project location by installation and state, including each installation/state incorporated into the integrated/grouped MHPI project.
4. This section relates the previously approved OSD/OMB project scope and funding amounts contained in the scoring package and/or subsequent Notification of Funds Transfer letters to Congress.
5. Provide the number of family housing units to be conveyed by installation and state to the Developer, including each installation and state incorporated into the integrated/grouped MHPI project, as previously approved in the OSD/OMB Scoring report.
6. Provide the end state number of family housing units by installation and state to the Developer, including each installation/state incorporated into the integrated/grouped MHPI project, as previously approved in the OSD/OMB Scoring report.
7. Provide all of the funding source information for the MHPI project as reflected in the previously approved OSD/OMB report and consistent with the project summary details accompanying the Notification of Transfer letter to Congress, such as:
 - a. The amount of funds to be used for the Government's cost of the project (i.e., equity contribution, credit subsidy costs, differential lease payments).
 - b. The fiscal year(s) of the funding sources to be used to cover the Government's cost of the MHPI project.

c. The type of funds (e.g., FH New Construction, FH Construction Improvements, FH Improvement Funds) to be used to cover the Government's cost of the MHPI project.

d. The project(s) that are used to source the Government's cost of the privatization project.

8. This section relates to the Military Departments' actual and/or current plan, which might or might not be consistent with the details contained in the previously approved OSD/OMB Scoring report and project summary to Congress for the MHPI project due to extenuating circumstances.

9. Provide the actual and/or revised planned number of family housing units conveyed to the Developer by installation and state, including each installation/state incorporated into the integrated/grouped MHPI project.

10. Provide the actual and/or revised, planned number of family housing end state units by installation and state, including each installation/state incorporated into the integrated/grouped MHPI project.

11. Provide the total number of privatized family housing units in the inventory for each MHPI project by installation/state, including each installation/state incorporated into the integrated/grouped MHPI project, regardless if they are currently occupied or not.

12. Provide all the "actual and/or current" funding sources used to fund the MHPI project, which might or might not be consistent with the details contained in the previous-approved OSD/OMB Scoring report and project summary (i.e., project amount, budget year of funds, source project, appropriation) to Congress for the MHPI project due to extenuating circumstances. If possible and/or available, provide the requested funding information by installation/state.

13. Provide the applicable MHPI authorities in 10 U.S.C. Chapter 169 Subchapter IV used and/or proposed to be used for the privatization project. Designators are as follows:

1 = 10 U.S.C. § 2873 - Government Direct Loans

2 = 10 U.S.C. § 2873 - Loan Guarantees

3 = 10 U.S.C. § 2875 - Investments, such as DoD Equity Contributions in non-governmental entities

4 = 10 U.S.C. § 2877 - Differential Lease Payments

5 = 10 U.S.C. § 2878 - Conveyance or Lease of Existing Property and Facilities

14. Totals of number of units conveyed, number of end state units, and funding amounts.

*February 2025

Exhibit FH-8 Inadequate Family Housing Elimination

Family Housing _____
Annual Inadequate Family Housing Elimination

Unit Description	Total Inventory	Total Inadequate Inventory	Total Inadequate Addressed
Total Units at beginning of FY 20XX	1/	2/	
FY 20XX total traditional MILCON projects to eliminate inadequate units	3/	3/	3/
project 1/installation	3/	3/	3/
project 2/installation	3/	3/	3/
FY 20XX total units privatized (no longer require FH O&M) to eliminate inadequate housing	3/	3/	3/
project 1/installation	3/	3/	3/
project 2/installation	3/	3/	3/
FY 20XX total units demolished/divested/ or otherwise permanently removed from family housing inventory	3/	3/	3/
project 1/installation			
project 2/installation			
Total Units at end of FY 20XX	1/	2/	
Note: The beginning total inventory and total inadequate inventory figures represent the total for all installations world-wide. The data listed for the individual projects/installations is a subset.			

1/ These total figures for the beginning and end of the fiscal year must cross-reference to the similar figures in Exhibit FH-2 and the FH-11 summary tables in the budget justification book.

2/ These total figures for the beginning and end of the fiscal year must cross-reference to the similar figures in Exhibit FH-11 summary table in the budget justification book.

3/ The Total Inventory data, Total Inadequate Inventory data, and Total Inadequate Addressed data should be included for each location in which the Service has a funded traditional Milcon project, will award a privatization project, or expects to demolish, divest, or otherwise permanently remove units from the family housing inventory.

Exhibit FH-8 Inadequate Family Housing Elimination

Exhibit FH-9 General and Flag Officers' Expenditures

Department of the ¹ _____
 General and Flag Officers' Quarters (GFOQ)
 Operations and Maintenance Expenditures for Fiscal Year XXXX²
 (Dollars in Thousands*)

<u>State/ Country</u> ³	<u>Installation</u> ⁴	<u>Quarters Address</u> ⁵	<u>Year Built</u> ⁶	<u>Size NSF</u> ⁷	<u>Opns Cost</u> ⁸	<u>Utilities Cost</u> ⁹	<u>Maint Cost</u> ¹⁰	<u>Leasing Cost</u> ¹¹	<u>Total Costs</u> ¹²

13

 Total GFOQ Costs

Total GFOQ # Units

#Owned Units

Leased Units

Privatized Units¹³Footnotes¹⁴:

Instruction Notes:

1. Service name.
2. Budget year.
3. Name of state or foreign country.
4. Installation name.
5. Specific quarters address or unit identification.
6. Calendar year in which the GFOQ unit was built. Identify with an asterisk (*) next to the year built those units that are on the national, state and/or local historic registry.
7. Total net square footage of the dwelling unit.
8. Total operations (BA6) anticipated for the fiscal year.
9. Total Utilities (BA5) anticipated for the fiscal year.
10. Total Maintenance (BA8) expenditure anticipated for the fiscal year.
11. Total Leasing (BA7) expenditure for the fiscal year, if applicable.
12. Total Family Housing Operations and Maintenance expenditures anticipated for the GFOQ unit for the fiscal year.
13. Annotate privatized units on the list with an asterisk after the installation location.
14. Include any non- Family Housing O&M expenditures anticipated and a short description of these expenditures in a footnote.

* Show these cost figures in thousands of dollars, carried out to no more than one decimal place.

FH-11 Inventory and Condition Government-Owned, Family Housing Units United States

DEPARTMENT OF _____
FH-11 Inventory and Condition of Government-Owned, Family Housing Units
UNITED STATES (CONUS plus Hawaii and Alaska)
(Number of Dwelling Units in Inventory)
Fiscal Year 20XX

	Number of Units - U.S.						
	PY	CY	BY	BY+1	BY+2	BY+3	BY+4
Beginning of FY Adequate Inventory Total	-	-	-	-	-	-	-
BCI - 90% to 100%							
BCI - 80% to 89%							
Beginning of FY Inadequate Inventory Total	-	-	-	-	-	-	-
BCI - 60% to 79%							
BCI - 59% and below							
Beginning of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - Beginning of FY Inventory	%	%	%	%	%	%	%
Inadequate Inventory Reduced Through:	-	-	-	-	-	-	-
Construction (MilCon)							
Maintenance & Repair (O&M)							
Privatization							
Demolition/Divestiture/Diversion/Conversion							
Funded by Host Nation							
Adequate Inventory Changes:	-	-	-	-	-	-	-
Privatization							
Demolition/Divestiture/Diversion/Conversion							
End of FY Adequate Inventory Total	-	-	-	-	-	-	-
BCI - 90% to 100%							
BCI - 80% to 89%							
End of FY Inadequate Inventory Total	-	-	-	-	-	-	-
BCI - 60% to 79%							
BCI - 59% and below							
End of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - End of FY Inventory	%	%	%	%	%	%	%
NOTES:							

*February 2025

FH-11 Inventory and Condition Government-Owned, Family Housing Units Foreign

DEPARTMENT OF _____
 FH-11 Inventory and Condition of Government-Owned, Family Housing Units
 FOREIGN (includes U.S. Territories)
 (Number of Dwelling Units in Inventory)
 Fiscal Year 20XX

	Number of Units - Foreign						
	PY	CY	BY	BY+1	BY+2	BY+3	BY+4
Beginning of FY Adequate Inventory Total	-	-	-	-	-	-	-
BCI - 90% to 100%							
BCI - 80% to 89%							
Beginning of FY Inadequate Inventory Total	-	-	-	-	-	-	-
BCI - 60% to 79%							
BCI - 59% and below							
Beginning of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - Beginning of FY Inventory	%	%	%	%	%	%	%
Inadequate Inventory Reduced Through:	-	-	-	-	-	-	-
Construction (MilCon)							
Maintenance & Repair (O&M)							
Privatization							
Demolition/Divestiture/Diversion/Conversion							
Funded by Host Nation							
Adequate Inventory Changes:	-	-	-	-	-	-	-
Privatization							
Demolition/Divestiture/Diversion/Conversion							
End of FY Adequate Inventory Total	-	-	-	-	-	-	-
BCI - 90% to 100%							
BCI - 80% to 89%							
End of FY Inadequate Inventory Total	-	-	-	-	-	-	-
BCI - 60% to 79%							
BCI - 59% and below							
End of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - End of FY Inventory	%	%	%	%	%	%	%
NOTES:							

FH-11 Inventory and Condition Government-Owned, Family Housing Units Worldwide

DEPARTMENT OF _____ FH-11 Inventory and Condition ¹ of Government-Owned, Family Housing Units WORLDWIDE (Number of Dwelling Units in Inventory) Fiscal Year 20XX							
	Number of Units - Worldwide						
	PY	CY	BY	BY+1	BY+2	BY+3	BY+4
Beginning of FY Adequate Inventory Total	-	-	-	-	-	-	-
BCI - 90% to 100%	-	-	-	-	-	-	-
BCI - 80% to 89%	-	-	-	-	-	-	-
Beginning of FY Inadequate Inventory Total	-	-	-	-	-	-	-
BCI - 60% to 79%	-	-	-	-	-	-	-
BCI - 59% or less	-	-	-	-	-	-	-
Beginning of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - Beginning of FY Inventory	%	%	%	%	%	%	%
Inadequate Inventory Reduced Through:	-	-	-	-	-	-	-
Construction (MilCon)	-	-	-	-	-	-	-
Maintenance & Repair (O&M)	-	-	-	-	-	-	-
Privatization	-	-	-	-	-	-	-
Demolition/Divestiture/Diversion/Conversion	-	-	-	-	-	-	-
Funded by Host Nation	-	-	-	-	-	-	-
Adequate Inventory Changes:	-	-	-	-	-	-	-
Privatization	-	-	-	-	-	-	-
Demolition/Divestiture/Diversion/Conversion	-	-	-	-	-	-	-
End of FY Adequate Inventory Total	-	-	-	-	-	-	-
BCI - 90% to 100%	-	-	-	-	-	-	-
BCI - 80% to 89%	-	-	-	-	-	-	-
End of FY Inadequate Inventory Total	-	-	-	-	-	-	-
BCI - 60% to 79%	-	-	-	-	-	-	-
BCI - 59% or less	-	-	-	-	-	-	-
End of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - End of FY Inventory	%	%	%	%	%	%	%
DoD Performance Goal - At least 90% BCI		90%	90%	90%	90%	90%	90%
NOTES:							
Include narrative describing the Service's funding and improvement strategy for maintaining at least 90% of the world-wide, government-owned Family Housing inventory at good or fair condition.							

AGENCY NAME
Privatized General and Flag Officers' Quarters
Operations, Maintenance and Repair Costs Incurred by Private Sector Developer/Partner/Owner
Exceeding \$50K per Housing Unit
for Fiscal Year 2##
(Dollars in Thousands)

1. Place an **asterisk (*)** by the GFOQ **units**, where Utility costs are included as part of Operation Costs.
2. This annual report complies with the **FY09 NDAA § 2805** requirement, **as amended**.

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Exhibit FH-14 FHIF Admin Requirements

**Family Housing Improvement Funds (FHIF) Admin Requirements (FH-14)
Military Housing Privatization Initiative (MHPI) Program Support
Consolidated OSD and DFAS Requirements**

FY 20XX

(Dollars in thousands)

CIS		FY 20XX	FY 20XX	FY 20XX	<u>Comments</u>
		<u>(PY)</u>	<u>(CY)</u>	<u>(BY)</u>	
<u>OCC¹</u>	<u>CIVILIAN LABOR</u>				
	Number of FTE ² - Direct				
	Number of FTE ² - Reimbursable				
11110	Full-Time Permanent Positions - Basic Compensation				
11310	Other Than Full-Time Permanent - Basic Compensation				
11510	Other Personnel Pay (overtime/comptime, awards, etc.)				
12110	Civilian Personnel Fringe Benefits				
Total Labor		-	-	-	
21010	Travel				
25210	Training - Non-Federal Sources				
25310	Training - Federal Sources				
23010	Rent, Communications & Utilities				
24010	Printing and Reproduction				
26010	Supplies & Material				
31010	Equipment Purchases (please specify if IT or non-IT)				
	<u>Other Contractual Services (Please list contracts and amounts):</u>				
25110	<u>Advisory and Assistance Services:</u>				
25210	<u>Other Services from non-Federal Sources:</u>				
25310	<u>Other Goods and Services from Federal Sources:</u>				
Total Non-Labor		-	-	-	
Total FHIF Admin Request for OSD FE&P		-	-	-	

FH-14 FHIF Admin Requirements

Notes:

1 - CIS Object Class Codes (OCC), which can also be found in OMB Circular A-11.

2 - Provide number of Full-Time Equivalent (FTE) and type of support being provided by FTE in the comment column.

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Exhibit FH-14 [FHIF](#) Admin Requirements (Continued)

Family Housing Improvement Funds (FHIF) Admin
 Military Housing Privatization Initiative (MHPI) Program Support
 For OSD Facilities Energy & Privatization (FE&P)
 FY 20XX
 (Dollars in thousands)

CIS		FY 20XX (PY)	FY 20XX (CY)	FY 20XX (BY)	Comments
<u>OCC¹</u>	<u>CIVILIAN LABOR</u>				
	Number of FTE ² - Direct				
	Number of FTE ² - Reimbursable				
11110	Full-Time Permanent Positions - Basic Compensation				
11310	Other Than Full-Time Permanent - Basic Compensation				
11510	Other Personnel Pay (overtime/comptime, awards, etc.)				
12110	Civilian Personnel Fringe Benefits				
	Total Labor	-	-	-	
21010	Travel				
25210	Training - Non-Federal Sources				
25310	Training - Federal Sources				
23010	Rent, Communications & Utilities				
24010	Printing and Reproduction				
26010	Supplies & Material				
31010	Equipment Purchases (please specify if IT or non-IT)				
	<u>Other Contractual Services (Please list contracts and amounts):</u>				
25110	<u>Advisory and Assistance Services:</u>				
25210	<u>Other Services from non-Federal Sources:</u>				
25310	<u>Other Goods and Services from Federal Sources:</u>				
	Total Non-Labor	-	-	-	
	Total FHIF Admin Request for OSD FE&P	-	-	-	

FH-14 FHIF Admin Requirements

Notes:

1 - CIS Object Class Codes (OCC), which can also be found in OMB Circular A-11.

2 - Provide number of Full-Time Equivalent (FTE) and type of support being provided by FTE in the comment column.

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Exhibit FH-14 [FHIF](#) Admin Requirements (Continued)

Family Housing Improvement Funds (FHIF) Admin
 Military Housing Privatization Initiative (MHPI) Program Support
 For Defense Finance and Accounting Services (DFAS) Indianapolis (IN)
 FY 20XX
 (Dollars in thousands)

CIS		FY 20XX (PY)	FY 20XX (CY)	FY 20XX (BY)	Comments
<u>OCC¹</u>	<u>CIVILIAN LABOR</u>				
	Number of FTE ² - Direct				
	Number of FTE ² - Reimbursable				
11110	Full-Time Permanent Positions - Basic Compensation				
11310	Other Than Full-Time Permanent - Basic Compensation				
11510	Other Personnel Pay (overtime/comptime, awards, etc.)				
12110	Civilian Personnel Fringe Benefits				
Total Labor		-	-	-	
21010	Travel				
25210	Training - Non-Federal Sources				
25310	Training - Federal Sources				
23010	Rent, Communications & Utilities				
24010	Printing and Reproduction				
26010	Supplies & Material				
31010	Equipment Purchases (please specify if IT or non-IT)				
	<u>Other Contractual Services (Please list contracts and amounts):</u>				
25110	<u>Advisory and Assistance Services:</u>				
25210	<u>Other Services from non-Federal Sources:</u>				
25310	<u>Other Goods and Services from Federal Sources:</u>				
Total Non-Labor		-	-	-	
Total FHIF Admin Request for DFAS-IN		-	-	-	

FH-14 FHIF Admin Requirements

Notes:

1 - CIS Object Class Codes (OCC), which can also be found in OMB Circular A-11.

2 - Provide number of Full-Time Equivalent (FTE) and type of support being provided by FTE in the comment column.

***February 2025**Exhibit FH-15 [Re-estimate](#) Cash Flow Status Exhibit

PBXX Reestimate CASH FLOW STATUS (FH-15)
DEPARTMENT OF THE _____
FOR FY 20XX¹

File Name	Cash Flows	
	Correct As Is	Need Further Changes
DIRECT LOAN CASH FLOW FILES:		
LOAN GUARANTEE CASH FLOW FILES:		

Cash Flows Requiring Further Revision	
File Name	Revision/Comments

Point of Contact for Additional Information:

Name:

Telephone number:

Email address:

Note:

1 – Current Year (CY) of President's Budget

FH-15 [Re-estimate](#) Cash Flow Status Exhibit

Exhibit OP-5 (Part 2) Attachment 1: Reconciliation of Increases and Decreases

Reconciliation of Increases and Decreases

	<u>Amount</u>	<u>(\$ in Thousands)</u>	<u>Totals</u>
FY 20CY President's Budget Request			
1. Congressional Adjustments			
FY 20CY Estimated / Appropriated Amount			
2. Supplemental Appropriations (if applicable)			
3. Fact-of-Life Changes			
FY 20CY Estimated / Appropriated and Supplemental Funding			
4. Anticipated Reprogramming			
Revised FY 20CY Estimate			
5. Less Supplemental Appropriations			
Normalized FY 20CY Current Estimate			
6. Price Change ¹			
7. Transfers ²			
8. Program Increases ³			
9. Program Decreases ³			
FY 20BY Budget Request			

¹Use inflation guidance as provided by OUSD (C).

²This category should be used only when a program function is transferred between activity groups or Military Departments.

³For each program increase or decrease, provide quantitative and qualitative information about these changes, and the baseline (in dollars) to which the increase or decrease applies. Increases and decreases must address specific adjustments in program such as changes in inventory, management initiatives, or statutory requirements.

Exhibit OP -5 (Part 2) Attachment 1: Reconciliation of Increases and Decreases
(page 1 of 1)

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[*APPENDIX C: BES / HOMEOWNERS ASSISTANCE EXHIBITS IN SUPPORT OF PARAGRAPH 4.3](#)

Exhibit HA-1 Homeowners Assistance - Workload and Obligation Data

HOMEOWNERS' ASSISTANCE FUND, DEFENSE WORKLOAD AND OBLIGATION DATA FY _____								
	Actual FY (PY)			Estimated FY (CY)			Estimated FY (BY)	
	Dollars		Average	Dollars		Average	Dollars	Average
	Units	(000)	(\$)	Units	(000)	(\$)	Units	(000)
1. Investment								
a. Equity Payments								
b. Liquidation of Second Mortgages								
c. Total Payments								
d. Mortgages Assumed								
e. Total Investment								
2. Expense - Corps of Engineers								
a. Payments - Private Sales								
b. Payments - Foreclosures								
c. Subtotal - Reimbursements to Homeowners								
d. Appraisals								
e. Administrative Expense								
f. Total Expense - CoE								
3. Expense - FHA								
a. Management & Maintenance of Homes								
b. Sales Expense								
c. Administrative Expense								
d. Total Expense - FHA								
4. Total Expense								
5. Total Program - Investment and Expense								

Exhibit HA-1 Homeowners Assistance – Workload and Obligation Data

*February 2025

Exhibit HA-2 Homeowners Assistance Status of Accounts

HOMEOWNERS' ASSISTANCE FUND, DEFENSE STATUS OF ACCOUNTS				
ITEM		Cash	Authority to	Total
		(S000)	Spend Agency Debt Receipts (S000)	(S000)
1.	EXPENDITURE ACCOUNT - RESOURCES AND APPLICATIONS (OBLIGATION BASIS)			
a.	Resources			
(1)	Unobligated balance, start of year			
(2)	Appropriations			
(3)	New authorization to spend Agency debt receipts			
(4)	Revenue			
(a)	Sales (Cash)			
(b)	Other Revenue			
(5)	Principal payments on mortgages (retirement of debt)			
(6)	Total			
b.	Applications			
(1)	Payments on acquisition of properties			
(2)	Value of mortgages payable assumed			
(3)	Expenses			
(4)	Transfer to miscellaneous receipts			
(5)	Total			
c.	Unobligated balance, end of period (line 1a(6) minus 1b(5))			
2.	PROPERTY ACCOUNT			
a.	On hand, start of year			
b.	Payments for equity and second mortgages on acquisition of properties			
c.	Value of mortgages payable assumed			
d.	Less acquisition price of properties sold or disposed of otherwise (line 5b(1) below)			
e.	On hand; end of period			
3.	BORROWING ACCOUNT (MORTGAGES PAYABLE)			
a.	Balance payable, start of year			
b.	Value of mortgages payable assumed			
c.	Less payments on principal			
d.	Less value of mortgages liquidated			
e.	Subtotal - Principal payments (retirement of debt)			
f.	Balance payable, end of period			
4.	NET EQUITY IN PROPERTY (line 2e minus line 3f)			
			Total (S000)	Average (\$)
5.	RECAPITULATION FOR PROPERTIES SOLD			
a.	Sales price			
b.	Less:			
(1)	Acquisition Price			
(2)	FHA or ACE Administrative Expenses			
c.	Net gain or (loss)			

* Excludes Corps of Engineers Expense and FHA Expense

Exhibit HA-2 Homeowners Assistance Status of Accounts

Exhibit HA-3 Homeowners Assistance Work Unit Data

HOMEOWNERS' ASSISTANCE FUND, DEFENSE
WORK UNIT DATA
 FY _____

<u>ITEM</u>	<u>MILITARY</u>	<u>CIVILIAN</u>	<u>TOTAL</u>
1. APPLICATIONS FOR ASSISTANCE			
a. On hand - start of			
b. Received			
c. Less Actions Completed			
(1) Homes Acquired - For Outstanding Mortgage Balances			
(2) Homes Acquired - At 75%			
(3) Homes Acquired - No Mortgage			
(4) Reimbursements for Losses on Private Sales			
(5) Payments in Foreclosure Cases			
(6) Settlements - No Payment Due			
(7) Other (Not Eligible)			
d. On hand - end of period			
2. ACQUIRED HOMES			
a. On hand - start of year			
b. Acquired			
c. Disposed of			
d. On hand - end of period			
3. MORTGAGES PAYABLE			
a. On hand - start of year			
b. Assumed			
c. Less Liquidations			
d. On hand - end of period			
4. OTHER DATA			
a. Second Mortgages Liquidated			
b. Appraisals Made			
c. Appeals processed			
(Approved)			
(Disapproved)			

Exhibit HA-3 Homeowners Assistance Work Unit Data

***February 2025**

Exhibit HA-4 Homeowners Assistance Program and Financing

Homeowners' Assistance Fund, Defense
Program and Financing
FY _____

	<u>FY PY</u> <u>Actual</u>		<u>FY CY</u> <u>Estimate</u>		<u>FY BY</u> <u>Estimate</u>
	<u>Obligations</u>		<u>Obligations</u>		<u>Obligations</u>
	<u>Units</u>		<u>Units</u>		<u>Units</u>
	<u>(\$000)</u>		<u>(\$000)</u>		<u>(\$000)</u>
Payments to homeowners <u>1/</u>					
Other operating costs <u>2/</u>					
Acquisition of properties <u>3/</u>					
Mortgages assumed <u>4/</u>					
Total program					
Available from prior year					
Estimated revenue <u>5/</u>					
Available for other years					
Budget Authority					
Authorization to spend agency					
debt receipts					
Appropriation					

NOTES:

1/ Reimbursements to homeowners for losses; private sales or foreclosures. Work unit, "number of payments."

2/ DoD and FHA expenses. Work unit, "total number of applications processed, including rejections."

3/ Payments to homeowners for equity in properties acquired by the Government. Work unit, "number of properties."

4/ Value of mortgage balances assumed by the Government on properties acquired. Work unit "number of mortgages assumed."

5/ Recovery of Government's investment by the sale of properties. Work unit, "number of properties sold."

Exhibit HA-4 Homeowners Assistance Program and Financing

***APPENDIX D: BES / NATO SECURITY INVESTMENT PROGRAM EXHIBITS IN
SUPPORT OF PARAGRAPH 4**

Exhibit NSIP -1 NSIP Project Data

NATO Security Investment Program (NSIP) Project Data

Location	Installation	Project Title	Project Description	Budget Scheme	Project Cost	U.S. Cost Share	Other Nation Cost Share

Instructions:

1. This exhibit will identify the NSIP requirements, both **MILCON** and procurement, at the project level detail. The exhibit should be completed for both the normal NSIP requirements and NATO Expansion requirements. The listing should be sufficiently detailed to identify discrete projects and initiative; aggregation at the capability package level i.e., Defense of the Mediterranean, is NOT sufficiently detailed.
2. **Submit** data in hard copy and on a disk in a Microsoft Access format or in Microsoft Excel format.
3. Location: State or country where the project will be executed, i.e. Alaska, Turkey, or Italy.
4. Installation: Base where the project will be executed, i.e. Aviano AB.
5. Project Title.
6. Project Description: Explanation and description of each project.
7. Budgeted Scheme: Identify the number of NATO nations sharing in the cost of the project.
8. Project Cost: The total cost for the NSIP project. The project's cost should be displayed in thousands.
9. U.S. Cost Share: Identify the estimated U.S. share of the project cost. The U.S. share should be displayed in thousands.
10. Other NATO Cost Share: Identify the estimated share of the other NATO nations. The cost should be displayed in thousands.
11. This exhibit should be completed for the current year and budget year, i.e., current year FY 2001; budget Year FY 2002.
12. The hard copy and electronic submission should include a total that reflects the cost of normal NSIP requirements and NSIP Expansion requirements by fiscal year.

Exhibit NSIP-1 NSIP Project Data

***February 2025**

Exhibit NSIP-2 NSIP Recoupment Estimates

North Atlantic Treaty Organization Security Investment Program Recoupment Estimates

Component	Appropriation	Fiscal Year	Location	Installation	Project Title	Slice/Serial (if known)	Recoupment Budget Estimate	Rate of Conversion

Instructions:

1. This exhibit will be executed at the project level for each NSIP major construction project that is eligible for recoupment (reimbursement by other member countries for eligible costs). No project level detail is required for minor construction, [design](#), family housing improvement or BRAC.
2. [Submit](#) data in hard copy and on a disk in a Microsoft Excel format.
3. Component should be the specific Service Active, Guard or Reserve Force component or Defense Agency. A recognized abbreviation such as ARNG (Army National Guard) is acceptable.
4. Appropriation should be a four-digit number (treasury code).
5. Fiscal year should be a four-digit number.
6. Location is the two-digit state or country code.
7. Installation is the military base where the project is being built.
8. Slice/Serial, if known, or pre-financing notification reference number.
9. Recoupment budget estimate amount is in thousands.
10. The estimated budget recoupment should reflect the rate of conversion at the time of estimate.
11. For the hard copy, the data should be sorted by fiscal year, location and then by installation. The hard copy and should also include a total for each fiscal year.

Date
Point of Contact: Name, Organization, and Phone number

Exhibit NSIP-2 NSIP Recoupment Estimates

VOLUME 2B, CHAPTER 7: “BASE REALIGNMENT AND CLOSURE APPROPRIATIONS”

SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue, and underlined font](#).

The previous version dated [December 2010](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
2.1 (070201)	Added information on the new BRAC account 0516. Deleted reference to implementation periods to BRAC IV & V.	Addition
3.2 (070302)	Updated section to reflect only one BRAC justification book is required.	Revision
070303 (deleted)	Deleted section – referenced BRAC 2005 only. BRAC 2005 submission requirements consolidated with other BRAC rounds under 3.2.	Deletion
070403 (deleted)	Deleted section – referenced BRAC 2005 only. BRAC 2005 submission organization consolidated with other BRAC rounds under 4.2.	Deletion
0706 (deleted)	Deleted section – referenced BRAC 2005 submission formats only. BRAC 2005 submission formats consolidated with other BRAC rounds under 5.0.	Deletion

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CHAPTER 7

BASE REALIGNMENT AND CLOSURE APPROPRIATIONS

1.0 GENERAL (0701)

1.1 Purpose (070101)

1.1.1. This chapter provides instructions applicable to budget formulation and congressional justification for Base Realignment and Closure (BRAC) appropriations.

1.1.2. The following appropriations and accounts are covered in Section 2.1:

DoD Base Closure Account (1988 Commission)

DoD Base Closure Account 1990 (1991, 1993 & 1995 Commissions)

DoD Base Closure Account 2005 (2005 Commission)

[DoD Base Closure Account \(Consolidated\)](#)

1.2 Submission Requirements (070102)

General guidance with regard to submission requirements is presented in Chapter 1. Chapter 7 covers specific back-up material requirements for the above accounts. Components should also submit any applicable exhibits required in Volume 2, Chapter 19 for the above appropriations/accounts, as applicable.

1.3 Preparation of Material (070103)

General guidance with regard to format and preparation of material is presented in Chapter 1. Chapter 7 provides additional specific guidance with regard to the back-up material required for the Base Realignment and Closure appropriations.

1.4 References (070104)

Chapter 3 provides guidance related to Operation and Maintenance costs and Chapter 6 provides guidance and formats related to Military Construction and Family Housing costs.

2.0 UNIFORM BUDGET AND FISCAL ACCOUNTING CLASSIFICATION (0702)

2.1 Base Closure Account, Defense Appropriations (070201)

2.1.1. Overview

Defense Authorization Amendments and Base Closure and Realignment Act, Public Law 100-526, established the Defense Base Closure Account (Part I) as a mechanism to provide the required funding to implement the approved recommendations of the Base Closure and Realignment Commissions. Public Law 101-510, Title XXIX, Defense Base Closure and Realignment Act of 1990, established Base Closure Account 1990 (Part II), the FY 2002 National Defense Authorization Act established the DoD Base Closure Account 2005 (BRAC 2005), and [Section 2711 of the FY 2013 National Defense Authorization Act established the DoD Base Closure Account, which directed the transfer of remaining balances from all three previous BRAC accounts.](#) Funding approved by Congress in these Accounts is appropriated and authorized in a lump sum amount and may be spent for construction, planning and design, civilian severance pay, civilian permanent change in station, transportation of things, and other costs related to the realignment or closure of the subject bases. The management structure of the program is described below.

2.1.2. Guidance

2.1.2.1. The [Assistant Secretary of Defense \(Sustainment\)](#) is responsible for issuing policy for management of the BRAC program and overseeing the DoD Components' execution of the program.

2.1.2.2. To properly account for and manage appropriated fund resources, the DoD Base Closure Accounts were established on the books of the Treasury to aid the DoD Components in the closure and realignment of certain military installations. Treasury has assigned account symbol [097-0103](#) to identify the DoD Base Closure Account - Part I, [097X0510](#) to identify DoD Base Closure Account 1990 - Part II, Part III, and Part IV, [097X0512](#) to identify DoD Base Closure Account 2005, and [097X0516 to identify DoD Base Closure Account \(consolidated\).](#)

2.1.2.3. Funds made available to the DoD Components are subdivided and distributed to the activities responsible for base closure actions. Separate allocations are made for each of the accounts by program year. Each DoD Component distributes the base closure funds in accordance with its normal fund distribution procedures. The applicable reporting requirements include:

- Military Construction
- Construction
- Planning and Design
- Family Housing
- Construction
- Operations
- Environmental

Operation and Maintenance
Homeowner's Assistance
Civilian Severance Pay
Civilian Permanent Change of Station (PCS) costs
Transportation of things
Facilities Maintenance
Program Management (civilian work years, TDY travel, and related support dedicated to implementation efforts)
Military Personnel (limited to PCS expenses dedicated to implementation efforts)
Other (including procurement type items)

2.1.2.4. The Under Secretary of Defense (Comptroller) makes funds available to the DoD Components based on their official financial plans. Financial plans are prepared by the DoD Components in cooperation with and at the direction of the program manager, the [Assistant Secretary of Defense \(Sustainment\)](#). The DoD Components' financial plans and the subsequent allocation of funds are supported by detailed, line-item military and family housing construction justification. Separate narrative explanations for other planned expenditures are also submitted to the Under Secretary of Defense (Comptroller) in sufficient detail to support the DoD Component's financial plan. Each DoD Component is allocated funds based upon its official budget justification and financial plan.

2.1.2.5. All closures and realignments must be completed no later than the end of the six-year implementation period beginning on the date on which the President transmitted to Congress the report containing the recommendations of such closures or realignments.

2.1.2.6. [Section 2711 of the National Defense Authorization Act \(NDAA\) for FY 2013 established a new appropriation \(097X0516\) as DoD Base Closure Account](#). Funds in this account shall be available only to incur new obligations for environmental restoration, property management and disposal, and other caretaker costs at closed or realigned installations and for the purpose of recording, adjusting and liquidating obligations properly chargeable to the account under Title 31, United States Code, section 1553. [With the enactment of the FY 2014 NDAA \(Public Law 113-66, dated December 26, 2013\), the previous DoD BRAC accounts \(097X0510 and 097X0512\) remain as no-year accounts, and must be accounted for similarly to an expired appropriation. Unobligated balances from the 0510 and 0512 accounts were transferred to the new BRAC account \(0516\) in January 2014.](#)

2.1.3. Fiscal Accounting Classification

The account classification structure for the Base Closure Account, Defense is prescribed in Volume 12, Chapter 13. Treasury Code [097X0516](#) has been established as a single account on the books of the Treasury to execute actions [for environmental restoration, property management and disposal, and other caretaker costs for all BRAC installations.](#)

3.0 PROGRAM AND BUDGET REVIEW SUBMISSION (0703)

3.1 Purpose (070301)

3.1.1. This Section prescribes instructions for the preparation and submission of budget estimates for the Base Realignment and Closure appropriation.

3.1.2. Data submitted must be consistent with the budget estimate being supported.

3.1.3. Examples of budget exhibits can be found in Section 5.0.

3.2 Submission Requirements (070302)

3.2.1. General Guidance. Each Service will prepare a Base Closure justification book. The justification book will include a summary BC-02 exhibit showing cost and savings data for each prior round (BRAC Parts I, II, III, IV, V) covering the six-year implementation period for that respective closure round. The Services will also prepare a continuing environmental restoration and caretaker cost exhibit (BC-04) for funds requested [in the budget year](#). The justification book will include BC-01, BC-02, BC-03 and BC-04 exhibits [organized alphabetically by state only for those recommendations requesting budget year funding](#). Environmental Exhibits, BRAC ENV-30 will be submitted separately and not included in the bound justification book. These exhibits will be included in the Component's Environmental Summary justification material as mentioned in Chapter 13. For Base Closure Account-Part I, the summary BC-02 will include cost and savings data for FY 1990 through FY 1995. For Base Closure Account-Part II, the summary BC-02 will include cost and savings data for FY 1992 through FY 1997. For Base Closure Account-Part III, the summary BC-02 will include cost and savings data for FY 1994 through FY 1999. [For Base Closure Account-Part IV, the summary BC-02 will include cost and savings data for FY 1996 through FY 2001.](#) [For Base Closure Account-Part V, the summary BC-02 will include cost and savings data for FY 2006 through FY 2011.](#) Section 5.0 contains sample exhibits BC 01 through BC 04 and ENV-30 for use in preparing justification material. Included in the sample exhibits are instructions pertaining to the substance and format of the information to be displayed.

3.2.2. Base Realignment and Closure Service Overview Exhibit (BC-01). Each Service will prepare an overview exhibit (BC-01), as described in section 5.2, for the Base Closure-Account summarizing by fiscal year, the names and locations of the affected bases, and how much [funding in](#) the DoD Base Closure Account will be [requested](#) in that fiscal year. The BC-01 should separately identify the amount of funds expended for environmental restoration and caretaker functions at installation closed under prior rounds of base closure. The overview will also address mission impact and environmental considerations affecting closures and realignments.

3.2.3. Base Realignment and Closure Cost and Saving Exhibit (BC-02). Each Service will prepare a summary BC-02 Exhibit, as described in section 5.2, showing costs and savings data for each round of closure. Continuing environmental restoration and caretaker costs [after the implementation period for all BRAC rounds](#) will be separately displayed on the BC-04 exhibit as described below. BRAC saving estimates reported in Exhibit BC-02 must be based on the best

projection of what savings will actually accrue from approved realignments and closures. Prior year estimated savings must be updated to reflect actual savings when available.

3.2.4. Base Realignment and Closure Package Description Exhibit (BC-03). Each Service will prepare a short narrative exhibit (BC-03), as described in section 5.2, for each [recommendation, for which funding is requested](#), describing the actions necessary to complete the realignment or closure at that location.

3.2.5. Continuing BRAC Environmental Restoration and Caretaker Cost Exhibit (BC-04). Each Service will prepare a [summary](#) continuing environmental and caretaker cost exhibit [for all BRAC funding as well as a recommendation specific exhibit \(for recommendations requiring funding in the budget year\)](#), as described in Section 5.0.

3.2.6. Base Realignment and Closure Environmental Exhibits. Each service will prepare environmental progress and funding by priority exhibits BRAC ENV-30 as provided in section 5.2 below. These BRAC environmental exhibits include requirements by relative risk category and each phase of environmental restoration, as well as requirements for environmental compliance and planning. These exhibits will be prepared for the President's Budget and included in the Component's justification material for Environmental Restoration as provided in Chapter 13. The totals for these exhibits will match the [Environmental](#) totals submitted in the BC-01.

3.2.7. Budget Submission. Coincident with the hard copy submission of the Base Closure budget estimates, Military Departments and Defense Agencies, as applicable, will submit budgetary data via the Automated Construction Program Database as described in Volume 2, Chapter 1, paragraph [010504](#).

4.0 CONGRESSIONAL JUSTIFICATION/PRESENTATION FOR BRAC (0704)

4.1 Purpose (070401)

This Section presents the justification book organization and the exhibit requirements for submission to Congress for [the BRAC account](#). Examples of budget exhibits can be found in Section 5.0, below and reflect those addressed in Section 3.0, above.

4.2 Organization of Justification Books for BRAC (Incorporating Prior Rounds of BRAC, Parts I, II, III, IV, [V](#)) (070402)

4.2.1. Justification material consolidated into a single volume entitled:

[Department of Defense](#) Base Closure Account

4.2.2. The justification book will be organized as shown [below](#).

ORGANIZATION/EXHIBIT REQUIREMENTS FOR PRIOR ROUND BRACS

Organization

- I. Table of Contents
- II. Base Realignment and Closure Overview Exhibit BC-01
- III. [Financial Summary Continuing BRAC Environmental Restoration and Caretaker Costs Exhibit BC-04](#)
- IV. Financial Summary BRAC I Exhibit BC-02
- V. Financial Summary BRAC II Exhibit BC-02
- VI. Financial Summary BRAC III Exhibit BC-02
- VII. [Financial Summary BRAC IV Exhibit BC-02](#)
- VIII. [Financial Summary BRAC V Exhibit BC-02](#)
- IX. [Base Realignment and Closure Cost and Savings Data Exhibit BC-02 by Recommendation](#)
- X. [Base Realignment and Closure Continuing BRAC Environmental Restoration and Caretaker Costs Exhibit BC-04 by Recommendation](#)
- XI. [Base Realignment and Closure Package Description Exhibit BC-03 by Recommendation](#)

5.0 BASE REALIGNMENT AND CLOSURE APPROPRIATION SUBMISSION FORMATS for the BRAC [Account](#) (0705)

5.1 Purpose (070501)

The formats provided on pages 7-13 through 7-22 reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, these formats should be adhered to for the BRAC [Account](#) budget submissions.

5.2 Exhibits in Support of BRAC (070502)

BC-01 BRAC Service Overview	7-9
BC-02 BRAC Implementation Costs.....	7-10
BC-03 BRAC Package Description	7-12
BC-04 Continuing BRAC Environmental Restoration and Caretaker Costs.....	7-14
ENV 30 DERA and BRAC Funds for Environmental Cleanup	7-15

Exhibit BC-01 BRAC Service Overview

INSTRUCTIONS FOR PREPARATION OF EXHIBIT BC-01
“FY ____ BASE REALIGNMENT AND CLOSURE DATA”
19__ COMMISSION

Service Overview

Plan: Summarize by fiscal year, the names and locations of the affected bases, and how much of the DoD Base Closure Account will be expended in the fiscal year. Discuss possible problems in meeting the schedule.

Mission Impact: Describe possible mission impact in completing the realignment/closure.

Environmental Considerations: Describe potential problems in closing an installation due to the complexity in cleaning up environmental wastes and hazards.

Address any other items/issues appropriate for the overview section.

Exhibit BC-02 BRAC Implementation Costs

BASE REALIGNMENT AND CLOSURE ACCOUNT - 19__ COMMISSION _ 1/

2/
(DOLLARS IN 3/)

	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>
<u>ONE-TIME IMPLEMENTATION COSTS:</u>				
Military Construction				
Family Housing - Construction				
Operations				
Environmental				
Operation and Maintenance				
Military Personnel - PCS				
Other				
Homeowners Assistant Program				
TOTAL ONE-TIME COSTS				
Revenues From Land Sales(-)				
Budget Authority Request				
<u>FUNDED OUTSIDE OF THE ACCOUNT:</u>				
Military Construction				
Family Housing - Operations				
Operation and Maintenance				
Other				
Homeowners Assistant Program				
TOTAL OUTSIDE THE ACCOUNT				
<u>SAVINGS:</u>				
Military Construction				
Family Housing - Construction				
Operations				
Operation and Maintenance				
Military Personnel				
Other				
Homeowners Assistance Program				
Civilian ES				
Military ES				
TOTAL SAVINGS				
<u>NET IMPLEMENTATION COSTS:</u>				
Military Construction				
Family Housing - Construction				
Operations				
Environmental				
Operation and Maintenance				
Military Personnel				
Other				
Homeowners Assistance Program				
Revenues From Land Sales				
NET IMPLEMENTATION COSTS				
Less Estimated Land Revenues:				

EXHIBIT BC-02 BRAC Implementation Costs
(Page 1 of 2)

Exhibit BC-02 BRAC Implementation Costs (Continued)

BASE REALIGNMENT AND CLOSURE ACCOUNT - 19__ Commission _ 1/ 2/ (DOLLARS IN 3/)			
	<u>FY 1994</u>	<u>FY 1995</u>	<u>Total</u> <u>FY 1990-1995</u>
ONE-TIME IMPLEMENTATION COSTS:			
Military Construction			
Family Housing - Construction			
Operations			
Environmental			
Operation and Maintenance			
Military Personnel - PCS			
Homeowners Assistant Program			
Other			
TOTAL ONE-TIME COSTS			
Revenues From Land Sales(-)			
Budget Authority Request			
FUNDED OUTSIDE OF THE ACCOUNT:			
Military Construction			
Family Housing - Operations			
Operation and Maintenance			
Homeowners Assistance Program			
Other			
TOTAL OUTSIDE THE ACCOUNT			
SAVINGS:			
Military Construction			
Family Housing - Construction			
Operations			
Operation and Maintenance			
Military Personnel			
Other			
Civilian End Strength			
Military End Strength			
TOTAL SAVINGS			
NET IMPLEMENTATION COSTS:			
Military Construction			
Family Housing - Construction			
Operations			
Environmental			
Operation and Maintenance			
Military Personnel			
Other			
Homeowners Assistance Program			
Revenues From Land Sales			
NET IMPLEMENTATION COSTS			
Less Estimated Land Revenues:			

1/ 1988 Commission, 1991 Commission, 1993 Commission, etc.

2/ Identification, e.g., DoD Financial Summary, Army Summary or Pease AFB Package, etc.

3/ Dollars in thousands.

EXHIBIT BC-02 BRAC Implementation Costs
(Page 2 of 2)

Exhibit BC-03 BRAC Package Description

BASE REALIGNMENT AND CLOSURE

19__ COMMISSION

PACKAGE DESCRIPTION

Service/Location/Package: Cross-reference to standard terminology employed in the Commission's report.

Closure/Realignment Package: Brief description of the actions necessary to complete the realignment or closure at this location. A package is defined as all actions, costs and savings associated with the closing or realignment of a base or installation as recommended by the Commissions. Include how the physical plant will be affected and the missions that must be terminated or transferred to other locations. Reflect planning and design and management overhead costs in a separate package covering, overall one-time implementation cost. All military construction savings should also be addressed in this same package.

Costs:

Military Construction: New facilities that must be constructed to accommodate a realignment or closure action. List the construction projects associated with the package as follows:

<u>Location/Project Title</u>	<u>Fiscal Year of Award</u>	<u>Amount (\$ in 000)</u>

Subtotal for Each Fiscal Year

Family Housing Construction: Specify the number of units and location. As with military construction, list each family housing construction project.

Family Housing Operations: The one-time family housing operations costs associated with package implementation.

Operation and Maintenance: Includes PCS of civilian personnel, civilian severance costs, transportation of things, RPM and other one-time implementation costs as a result of closure or realignment. Program management costs should also be addressed, but only in the separate package covering overall one-time implementation costs.

Exhibit BC-03 BRAC Package Description (Continued)

Procurement Items: Items normally funded from procurement appropriations.

Revenues From Land Sales: Provide statistics and narrative to adequately describe the land being proposed for sale. Describe the method and date of appraisal.

Environmental: Indicate the environmental restoration actions that will occur at both the losing and gaining locations, the funding requirements and status of all such restoration actions.

Savings: Demonstrated savings that will accrue from the partial or complete closure of the base.

Military Construction: To be addressed in the single package addressing overall/program management costs.

Family Housing Construction: Self-explanatory.

Family Housing Operations: Savings (offset by increased recurring costs).

Operation and Maintenance: One-time and recurring savings (offset by increased recurring costs) in civilian personnel, base operations, and other costs as a result of closure or realignment. Be specific as to the category,

Military Personnel: One-time and recurring savings (offset by increased recurring costs) in military personnel as a result of closure or realignment. Be specific as to the category.

Other: Self-explanatory.

Exhibit BC-04 Continuing BRAC Environmental Restoration and Caretaker Costs

BASE REALIGNMENT AND CLOSURE ACCOUNT
Continuing Environmental restoration and Caretaker Cost

1/
(DOLLARS IN 2/)

<u>FY 20PY</u>	<u>FY20CY</u>	<u>FY20BY</u>	<u>FY20BY+1</u>	<u>FY20BY+2</u>	<u>FY20BY+3</u>	<u>FY20BY+4</u>	<u>Total</u>

3/ 4/

CONTINUING ENVIRONMENTAL AND
CARETAKER COSTS:

Environmental
Operation and Maintenance
Homeowners Assistant Program
TOTAL COSTS
Revenues From Land Sales(-)
Budget Authority Request

1/ Identification, e.g., DoD Financial Summary, Army Summary or Pease AFB Package, etc.

2/ Dollars in thousands

3/ Reflect Prior Year (PY), Current Year (CY), Budget Year (BY) and FDYP for Program/Budget submission. Reflect PY & BY for President's Budget Submission

4/ Total = PY through BY+4

Exhibit BC-04
(Page 1 of 1)

ENV 30 DERA and BRAC Funds for Environmental Cleanup

Class	DoDComponent	FundSource	ActivityCategory	Activity	Resource Type	FY20 XX	FY20 XX	FY20 XX	FY20 XX	FY20 XX	FY20 XX	FY20 19	BalanceTo Complete

Instructions

- 1) The new ENV 30 exhibit replaces the former ENV 30 Part 1 DERA and BRAC Funds Budgeted for Environmental Clean-Up Program Management and Support and the former ENV 30 Part 2 DERA and BRAC Funds for Environmental Clean-Up Project Management. The new ENV 30 captures funding for DERP-eligible activities at IRP sites, MRSSs, and BD/DR sites, including site-specific requirements and program management; funding for BRAC Planning and Compliance activities; funds generated from the sale of real property; obligations of prior year BRAC funds; and the number sites funded or to be funded with the total obligational authority (TOA) for the activity in the applicable fiscal year.
- 2) Provide by DoD Component (Active, Defense Agency/Defense Wide, and BRAC), the total costs (TOA) and total number of sites funded or to be funded with TOA by Fund Source, Activity Category and Activity for fiscal years 20XX (budget year) through 20XX (end of FYDP) and the balance to completion (i.e., beyond the FYDP).
- 3) Report TOA in \$K (thousands) and the total number of sites in actual numbers. DO NOT report sites in thousands.
- 4) Only the Army will report Formerly Used Defense Sites (FUDS) data.
- 5) For Fund Sources "BRAC Planning" and "BRAC Compliance", provide the number of installations in lieu of the number of sites. For Fund Sources "Environmental Restoration-Management", "BRAC-Management", "BRAC-Land Sale Revenue", and "BRAC-Prior Year Funds", the reporting of the total number of sites is not required.
- 6) BRAC funding sources include both Legacy BRAC (BRAC Rounds I through IV) and BRAC 2005. For the POM/budget estimate and President's Budget submissions, provide separate breakouts of the funding for Legacy BRAC and BRAC 2005 in a Word document accompanying the ENV 30 exhibit (see #11 in the Instructions section for more information about the Word document).
- 7) Include land sale revenue and prior year BRAC funds applied to each applicable activity in the TOA. Report the total amount of land sale revenue and prior year BRAC funds applied to all activities against the "Land Sale Revenue" and "Prior Year Funds" Fund Sources; SNaP will deduct these amounts from the BRAC totals to calculate the BRAC appropriated funding.
- 8) Program adequate resources in each year of the FYDP to achieve program goals.
- 9) Provide to the DUSD(I&E) (in accordance with DUSD(I&E) data call schedules) updated DERP data for each site regarding status, schedule, and CTC, as required by DoDI 4715.07.
- 10) Ensure the Program/budget estimate and President's Budget submissions contain sufficient funding to annually update the inventory of defense sites that are known or suspected to contain UXO, DMM, or MC, as required by section 2710(a) of title 10 U.S.C. and as specified in DoDM 4715.20.
- 11) Provide a narrative in a Word document that includes the following information:
 - a) A list of installations at which the Agency for Toxic Substances and Disease Registry (ATSDR) performed/will perform health assessments or health studies for fiscal years 20XX (budget year) through 20XX (end of FYDP) and the balance to completion. Include the number of health assessments and health studies planned each year.
 - b) The number of installations by state that received/will receive funding for the Defense State Memorandum of Agreement (DSMOA) program for fiscal years 20XX (budget year) through 20XX (FYDP) and the balance to completion. Include the amount of funding planned for each year.

- c) An explanation of any significant fluctuations (i.e., 25% or more) in the funding for current year and budget year as compared to the funding for budget year in the previous year's Program/budget estimate and Presidents Budget submissions.
 - d) An explanation of any significant program increases or decreases (i.e., 25% or more) from current year to budget year.
 - e) An itemized list of "Other" program management requirements and funding amounts by fiscal year.
 - f) A list of sites where the CTC estimate is truncated at 30 years.
 - g) An explanation of program increases and decreases; reprogramming actions; cost recovery; and the use of prior year funds for cleanup work at BRAC installations.
- 12) See Appendix A on the SNaP Web site for reporting requirements for your organization.

Definitions

Class: System Field: Classification

C: CONFIDENTIAL

C/NF: CONFIDENTIAL//NOFORN

F: FOR OFFICIAL USE ONLY

S: SECRET

S/NF: SECRET//NOFORN

U: UNCLASSIFIED

FUDS: Closed List. Used by Army to identify FUDS data.

No:

Yes:

DoDComponent: Closed List. Identifies the Military Department or Defense Agency whose data are presented on the exhibit. For the Military Departments, report by Active (including Guard and Reserve) and BRAC. The Defense Agencies should select "Defense Agency/Defense Wide." The Army will report FUDS.

Active: Used by the Military Departments and includes Active Guard and Reserve Components

BRAC: Used by Military Departments to report BRAC

DADW: Defense Agency/Defense Wide. Used by non-service defense agencies.

FundSource:

BRAC-Compliance: Funded by the Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. See DoDI 4715.6.

BRAC-IRP: Funded by the Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Identifies funding associated with sites that require response actions to address releases of hazardous substances and pollutants or contaminants; POLs (subject to the exception in subparagraph 2.a.(2)(b) of DoDM 4715.20); hazardous wastes or hazardous waste constituents; and explosive compounds released to soil, surface water, sediment, or groundwater as a result of ammunition or explosives production or manufacturing at ammunition plants; as well as response activities to address UXO, DMM, or MC posing an explosive, human health, or environmental hazard that are incidental to an existing IRP site.

BRAC-Land Sale Revenue: Identifies funds recovered from the sale of real property and used to offset cleanup funding requirements.

BRAC-Management: Funded by the Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Identifies administrative and overhead funding associated with the DERP that cannot be attributed to individual sites (e.g., manpower).

BRAC-MMRP: Funded by the Base Realignment and Closure environmental sub-accounts within the MILCON

appropriation. Identifies funding associated with sites (referred to as MRSs) that are known or suspected to contain UXO, DMM, or MC. This sub-element does not include funding for operational ranges, operating storage and manufacturing facilities, and munitions resulting from combat.

BRAC-Planning: Funded by the Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. See DoDI 4715.9.

BRAC-Prior Year Funds: Identifies funds obligated/to be obligated from prior year BRAC appropriations.

Environmental Restoration-IRP: Funded by Environmental Restoration appropriations. Identifies funding associated with sites that require response actions to address releases of hazardous substances and pollutants or contaminants; POLs (subject to the exception in subparagraph 2.a.(2)(b) of DoDM 4715.20); hazardous wastes or hazardous waste constituents; and explosive compounds released to soil, surface water, sediment, or groundwater as a result of ammunition or explosives production or manufacturing at ammunition plants; as well as response activities to address UXO, DMM, or MC posing an explosive, human health, or environmental hazard that are incidental to an existing IRP site. Also identifies funding associated with the demolition and removal of unsafe buildings and structures and the removal of unsafe debris in accordance with the DERP general eligibility requirements in subparagraph 2.a.(2)(f) of DoDM 4715.20.

Environmental Restoration-Management: Funded by Environmental Restoration appropriations. Identifies administrative and overhead funding associated with the DERP that cannot be attributed to individual sites (e.g., manpower).

Environmental Restoration-MMRP: Funded by Environmental Restoration appropriations. Identifies funding associated with sites (referred to as MRSs) that are known or suspected to contain UXO, DMM, or MC. This sub-element does not include funding for operational ranges, operating storage and manufacturing facilities, and munitions resulting from combat.

Activity/Category: Closed List. The environmental activity category supporting the fund source.

Compliance:

Investigation:

Land Sale Revenue:

Management:

Planning:

Post RA:

Prior Year Funds:

Remedial Action (RA):

Activity: Closed List. The environmental activity associated to the activity category.

ATSDR: Captures funding requirements for ATSDR.

Building Demolition/Debris Removal: Refers to the demolition and removal of unsafe buildings and structures and the removal of unsafe debris in accordance with the DERP general eligibility requirements in subparagraph 2.a.(2)(f) of DoDM 4715.20.

Compliance: Refers to activities associated with closure-related procedures necessary to achieve compliance with applicable Executive Orders and Federal, State, inter-state, regional, and local statutory and regulatory environmental requirements at BRAC installations.

DSMOA: Captures funding requirements for the DSMOA program.

EPA Funding: Captures requirements for payments to the U.S. Environmental Protection Agency (EPA) for support at Legacy BRAC installations per the memorandum of understanding with EPA.

Interim Remedial Actions: Refers to the interim remedial action (IRA) phase of cleanup. The IRA is a remedial action undertaken prior to the selection of the final remedy as a part of a larger remedy.

Land Sale Revenue: Identifies funds recovered from the sale of real property and used to offset cleanup funding requirements.

Long-Term Management: Refers to the long-term management (LTM) phase of cleanup. LTM involves environmental monitoring, review of site conditions, and maintenance of a remedial action to ensure continued protection as designed once a site achieves RC. LTM includes the operations and maintenance measures required to maintain the effectiveness of response actions. LTM should be used until no further environmental restoration response actions are appropriate or anticipated.

Manpower: Captures funding requirements for all recurring government (civilian and military manpower costs) and contractor costs applicable to the management of the environmental cleanup program but not directly attributable to sites.

Other: Captures all other administrative and overhead funding associated with the DERP that cannot be attributed to individual sites.

Planning: Refers to activities associated with the process of identifying and considering environmental factors that impact on, or are impacted by, planned DoD activities or operations at BRAC installations.

Potentially Responsible Parties: Refers to a site where DoD pursues a potentially responsible party when associated with the Investigation activity category. Refers to activities at a site where DoD may bear potential liability for hazards or hazardous substance releases along with other parties when associated with the RA activity category.

Preliminary Assessment/Site Inspection: Refers to the preliminary assessment (PA) and site inspection (SI) phases of cleanup. The PA is a review of existing information about a release such as information on pathways of exposure, exposure targets, and source and nature of release. The SI builds upon the PA and involves, as appropriate, on- and off-site field investigatory efforts including sampling.

Prior Year Funds: Identifies funds obligated/to be obligated from prior year BRAC appropriations.

Project Closeout: Refers to project closeout (PCO). PCO involves the shutting down/dismantling of remedial actions, seeking regulator concurrence, and closeout reports.

RABs/Community Relations: Captures funding requirements for support to restoration advisory boards and other community relations activities.

Remedial Action Construction: Refers to the remedial action construction (RA-C) phase of cleanup. The RA-C represents the period of time during which a response action is being implemented, but is not yet operating as designed. At the end of this phase of work, a remedy is in place.

Remedial Action Operations: Refers to the remedial action operation (RA-O) phase of cleanup. The RA-O represents the period of time that a selected remedy must operate before achieving remedial action objectives. At the end of this phase of work, the response is complete.

Remedial Design (including Records of Decision/Decision Documents): Refers to the remedial design (RD) phase of cleanup. The RD involves the development of the actual design of the selected remedy.

Remedial Investigation/Feasibility Study: Refers to the remedial investigation (RI) and feasibility study (FS) phases of cleanup. The RI involves collecting data to characterize site conditions, determine the nature of the waste, assess risk to human health and the environment, and conduct treatability testing to evaluate the potential performance and cost of the treatment technologies that are being considered. The FS is the mechanism for the development, screening, and detailed evaluation of alternative remedial actions.

ResourceType: Closed List. The type or resources (TOA or Number of Sites/Installations) associated to the Fund Source.

Sites: Total number of sites funded or to be funded for the activity with the TOA.

TOA: Total funding required to complete the activity.

Business Rules

- 1) For Fund Sources "Environmental Restoration-Management", "BRAC-Management", "BRAC-Land Sale Revenue", and "BRAC-Prior Year Funds", the reporting of the total number of sites is not required.
- 2) Only Army will provide "FUDS" data.
- 3) For DoDComponent "Active" the activity "EPA Funding" is not required when Funding Source Environmental Restoration-Management and Activity Category "Management" are selected.

Data Matrix: DoDComponent, FundSource, ResourceType Relationship

DoDComponent	FundSource	ResourceType
Active	Environmental Restoration – IRP	Sites
	Environmental Restoration – IRP	TOA
	Environmental Restoration – Management	TOA
	Environmental Restoration – MMRP	Sites
	Environmental Restoration – MMRP	TOA
BRAC	BRAC – Compliance	Sites
	BRAC – Compliance	TOA
	BRAC – IRP	Sites
	BRAC – IRP	TOA
	BRAC – Land Sale Revenue	TOA
	BRAC – Management	TOA
	BRAC – MMRP	Sites
	BRAC – MMRP	TOA
	BRAC – Planning	Sites
	BRAC – Planning	TOA
	BRAC – Prior Year Funds	TOA
DADW	BRAC – Compliance	Sites
	BRAC – Compliance	TOA
	BRAC – IRP	Sites
	BRAC – IRP	TOA
	BRAC – Land Sale Revenue	TOA
	BRAC – Management	TOA
	BRAC – MMRP	Sites
	BRAC – MMRP	TOA
	BRAC – Planning	Sites
	BRAC – Planning	TOA
	BRAC – Prior Year Funds	TOA
	Environmental Restoration – IRP	Sites
	Environmental Restoration – IRP	TOA
	Environmental Restoration – Management	TOA
	Environmental Restoration – MMRP	Sites
	Environmental Restoration – MMRP	TOA

DoDComponent	FundSource	ActivityCategory	Activity
Active	Environmental Restoration – IRP	Investigation	Potentially Responsible Parties
	Environmental Restoration – IRP	Investigation	Preliminary Assessment/Site Inspection
	Environmental Restoration – IRP	Investigation	Remedial Investigation/Feasibility Study
	Environmental Restoration – IRP	Post RA	Long-Term Management
	Environmental Restoration – IRP	Post RA	Project Closeout
	Environmental Restoration – IRP	Remedial Action (RA)	Building Demolition/Debris Removal
	Environmental Restoration – IRP	Remedial Action (RA)	Interim Remedial Actions
	Environmental Restoration – IRP	Remedial Action (RA)	Potentially Responsible Parties
	Environmental Restoration – IRP	Remedial Action (RA)	Remedial Action Construction
	Environmental Restoration – IRP	Remedial Action (RA)	Remedial Action Operations
	Environmental Restoration – IRP	Remedial Action (RA)	Remedial Design (including Records of Decision/Decision Documents)
	Environmental Restoration – Management	Management	ATSDR
	Environmental Restoration – Management	Management	DSMOA
	Environmental Restoration – Management	Management	EPA Funding
	Environmental Restoration – Management	Management	Manpower
	Environmental Restoration – Management	Management	Other
	Environmental Restoration – Management	Management	RABs/Community Relations
	Environmental Restoration – MMRP	Investigation	Potentially Responsible Parties
	Environmental Restoration – MMRP	Investigation	Preliminary Assessment/Site Inspection

DoDComponent	FundSource	ActivityCategory	Activity
Active	Environmental Restoration – MMRP	Investigation	Remedial Investigation/Feasibility Study
	Environmental Restoration – MMRP	Post RA	Long-Term Management
	Environmental Restoration – MMRP	Post RA	Project Closeout
	Environmental Restoration – MMRP	Remedial Action (RA)	Interim Remedial Actions
	Environmental Restoration – MMRP	Remedial Action (RA)	Potentially Responsible Parties
	Environmental Restoration – MMRP	Remedial Action (RA)	Remedial Action Construction
	Environmental Restoration – MMRP	Remedial Action (RA)	Remedial Action Operations
	Environmental Restoration – MMRP	Remedial Action (RA)	Remedial Design (including Records of Decision/Decision Documents)
BRAC	BRAC – Compliance	Compliance	Compliance
	BRAC – IRP	Investigation	Preliminary Assessment/Site Inspection
	BRAC – IRP	Investigation	Remedial Investigation/Feasibility Study
	BRAC – IRP	Post RA	Long-Term Management
	BRAC – IRP	Post RA	Project Closeout
	BRAC – IRP	Remedial Action (RA)	Interim Remedial Actions
	BRAC – IRP	Remedial Action (RA)	Remedial Action Construction
	BRAC – IRP	Remedial Action (RA)	Remedial Action Operations
	BRAC – IRP	Remedial Action (RA)	Remedial Design (including Records of Decision/Decision Documents)
	BRAC – Land Sale Revenue	Land Sale Revenue	Land Sale Revenue
	BRAC – Management	Management	ATSDR
	BRAC – Management	Management	DSMOA
	BRAC – Management	Management	EPA Funding
	BRAC – Management	Management	Manpower
	BRAC – Management	Management	Other
	BRAC – Management	Management	RABs/Community Relations
	BRAC – MMRP	Investigation	Preliminary Assessment/Site Inspection
	BRAC – MMRP	Investigation	Remedial Investigation/Feasibility Study
	BRAC – MMRP	Post RA	Long-Term Management
	BRAC – MMRP	Post RA	Project Closeout
	BRAC – MMRP	Remedial Action (RA)	Interim Remedial Actions

DoDComponent	FundSource	ActivityCategory	Activity
BRAC	BRAC – MMRP	Remedial Action (RA)	Remedial Action Construction
	BRAC – MMRP	Remedial Action (RA)	Remedial Action Operations
	BRAC – MMRP	Remedial Action (RA)	Remedial Design (including Records of Decision/Decision Documents)
	BRAC – Planning	Planning	Planning
	BRAC – Prior Year Funds	Prior Year Funds	Prior Year Funds
DADW	BRAC – Compliance	Compliance	Compliance
	BRAC – IRP	Investigation	Preliminary Assessment/Site Inspection
	BRAC – IRP	Investigation	Remedial Investigation/Feasibility Study
	BRAC – IRP	Post RA	Long-Term Management
	BRAC – IRP	Post RA	Project Closeout
	BRAC – IRP	Remedial Action (RA)	Interim Remedial Actions
	BRAC – IRP	Remedial Action (RA)	Remedial Action Construction
	BRAC – IRP	Remedial Action (RA)	Remedial Action Operations
	BRAC – IRP	Remedial Action (RA)	Remedial Design (including Records of Decision/Decision Documents)
	BRAC – Land Sale Revenue	Land Sale Revenue	Land Sale Revenue
	BRAC – Management	Management	ATSDR
	BRAC – Management	Management	DSMOA
	BRAC – Management	Management	EPA Funding
	BRAC – Management	Management	Manpower
	BRAC – Management	Management	Other
	BRAC – Management	Management	RABs/Community Relations
	BRAC – MMRP	Investigation	Preliminary Assessment/Site Inspection
	BRAC – MMRP	Investigation	Remedial Investigation/Feasibility Study
	BRAC – MMRP	Post RA	Long-Term Management
	BRAC – MMRP	Post RA	Project Closeout
	BRAC – MMRP	Remedial Action (RA)	Interim Remedial Actions
	BRAC – MMRP	Remedial Action (RA)	Remedial Action Construction
	BRAC – MMRP	Remedial Action (RA)	Remedial Action Operations

DoDComponent	FundSource	ActivityCategory	Activity
DADW	BRAC – MMRP	Remedial Action (RA)	Remedial Design (including Records of Decision/Decision Documents)
	BRAC – Planning	Planning	Planning
	BRAC – Prior Year Funds	Prior Year Funds	Prior Year Funds
	Environmental Restoration – IRP	Investigation	Potentially Responsible Parties
	Environmental Restoration – IRP	Investigation	Preliminary Assessment/Site Inspection
	Environmental Restoration – IRP	Investigation	Remedial Investigation/Feasibility Study
	Environmental Restoration – IRP	Post RA	Long-Term Management
	Environmental Restoration – IRP	Post RA	Project Closeout
	Environmental Restoration – IRP	Remedial Action (RA)	Building Demolition/Debris Removal
	Environmental Restoration – IRP	Remedial Action (RA)	Interim Remedial Actions
	Environmental Restoration – IRP	Remedial Action (RA)	Potentially Responsible Parties
	Environmental Restoration – IRP	Remedial Action (RA)	Remedial Action Construction
	Environmental Restoration – IRP	Remedial Action (RA)	Remedial Action Operations
	Environmental Restoration – IRP	Remedial Action (RA)	Remedial Design (including Records of Decision/Decision Documents)
	Environmental Restoration – Management	Management	ATSDR
	Environmental Restoration – Management	Management	DSMOA
	Environmental Restoration – Management	Management	EPA Funding
	Environmental Restoration – Management	Management	Manpower
	Environmental Restoration – Management	Management	Other

DoDComponent	FundSource	ActivityCategory	Activity
DADW	Environmental Restoration – Management	Management	RABs/Community Relations
	Environmental Restoration – MMRP	Investigation	Potentially Responsible Parties
	Environmental Restoration – MMRP	Investigation	Preliminary Assessment/Site Inspection
	Environmental Restoration – MMRP	Investigation	Remedial Investigation/Feasibility Study
	Environmental Restoration – MMRP	Post RA	Long-Term Management
	Environmental Restoration – MMRP	Post RA	Project Closeout
	Environmental Restoration – MMRP	Remedial Action (RA)	Interim Remedial Actions
	Environmental Restoration – MMRP	Remedial Action (RA)	Potentially Responsible Parties
	Environmental Restoration – MMRP	Remedial Action (RA)	Remedial Action Construction
	Environmental Restoration – MMRP	Remedial Action (RA)	Remedial Action Operations
	Environmental Restoration – MMRP	Remedial Action (RA)	Remedial Design (including Records of Decision/Decision Documents)

Subject Matter Experts: For questions regarding this exhibit, please submit a SIRS Functional issue in SNaP, or contact the Subject Matter Expert. A list of SMEs is available in SNaP by clicking the SME link on the Instructions/Data Requirements page.

Technical Issues: To report technical issues with the SNaP web site, please submit a SIRS Technical issue in SNaP, or contact the Technical Staff. A list of the SNaP Technical personnel is available on the SNaP Home page.

**VOLUME 2B, CHAPTER 8 “FACILITIES SUSTAINMENT AND
RESTORATION/MODERNIZATION”****SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue, and underlined font***](#).

The previous version dated [June 2013](#) is archived.

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
Overall	Deleted the requirement to submit Exhibit PBA 7, Facilities Sustainment and Restoration/Modernization and Demolition Programs.	Deletion

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CHAPTER 8**FACILITIES SUSTAINMENT AND RESTORATION/MODERNIZATION****1.0 GENERAL (0801)****1.1 Purpose (080101)**

1.1.1. This chapter provides instructions applicable to budget formulation and congressional justification for Facilities Sustainment and Restoration/Modernization (FSRM).

1.1.2. The following appropriations and accounts are covered:

Section 2.0

- Operation and Maintenance Appropriations
- Research, Development, Test, and Evaluation Appropriations
- Defense Working Capital Funds
- Military Construction
- Other Funds

Section 4.0

- Transfer or Disposal of DoD Real Property
- Lease of DoD Real Property

Section 5.0

- DoD Overseas Military Facility Investment Recovery Account

1.2 Submission Requirements (080102)

Volume 2, Chapter 1 provides general guidance on the formulation and submission of the budget requests to the Office of the Secretary of Defense for the program and budget review submission and the presentation and justification of the budget requests to Congress. Chapter 8 provides specific additional back-up material requirements for the above Facilities Sustainment and Restoration/Modernization accounts.

1.3 Preparation of Material (080103)

General guidance with regard to format and preparation of material is presented in Chapter 1. Chapter 8 provides additional specific guidance with regard to the back-up material required for Facilities Sustainment, Restoration and Modernization.

1.4 References (080104)

Chapter 3 provides guidance related to Operation and Maintenance costs [and O&M exhibits](#). Chapter 5 provides guidance related to Research, Development, Test, and Evaluation appropriations, [Chapter 6 provides guidance related to Military Construction](#), and [Chapter 9 provides guidance related to the Defense Working Capital Fund](#).

1.5 Definition of Sustainment and Restoration/Modernization (080105)

1.5.1. Sustainment means the maintenance and repair activities necessary to keep an inventory of facilities in good working order. It includes regularly scheduled adjustments and inspections, preventive 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 life cycle of facilities. This work includes regular roof replacement, refinishing of wall surfaces, repairing and replacement of heating and cooling systems, replacing tile and carpeting, and similar types of work. It does not include environmental compliance costs, facility leases, or other tasks associated with facilities operations (such as custodial services, grounds services, waste disposal, and the provision of central utilities).

The DoD facilities sustainment model (FSM) is used as the standardized model for forecasting facilities sustainment resource requirements. The FSM uses the following formula to develop the sustainment requirement:

1.5.1.1. ***Annual sustainment requirement = facility quantity x sustainment unit cost x location factor x inflation.***

1.5.1.2. **Facility quantity** – the facility size expressed in the Facility Analysis Category (FAC) unit of measure (such as square feet).

1.5.1.3. **Sustainment unit cost** – the average annual unit cost (in current year dollars) for sustaining the average size facility in the given FAC.

1.5.1.4. **Location factor** – a location adjustment based upon the local costs for labor, equipment, materials, and currency exchange rates (overseas) compared with an overall base-city average.

1.5.1.5. **Inflation** – factor to adjust current year prices to the target future year.

The Department uses a sustainment metric which is the comparison of sustainment funding to the requirement for a given year, expressed as a rate.

1.5.1.6. **Sustainment rate (%)** = sustainment funding/FSM requirement:

1.5.2. Restoration means the restoration of real property to such a condition that it may be used for its designated purpose. Restoration includes repair or replacement work to restore facilities damaged by inadequate sustainment, excessive age, natural disaster, fire, accident, or other causes.

1.5.3. Modernization means the alteration or replacement of facilities solely to implement new or higher standards, to accommodate new functions, or to replace building components that typically last more than 50 years (such as the framework or foundation)

1.5.4. Recapitalization means the major renovation or reconstruction activities (including facility replacements) needed to keep existing facilities modern and relevant in an environment of changing standards and missions. Recapitalization extends the service life of facilities or restores lost service life. It includes restoration and modernization of existing facilities, as well as replacement of existing facilities with new.

Plant replacement value (PRV) is used as a common measure of facility and inventory size, as well as the basis for generating facility condition index (FCI) values and estimating recapitalization requirements. The DoD standardized formula for calculating PRV is:

1.5.4.1. **Plant Replacement Value** = facility quantity x replacement unit cost x location factor x planning & design (P&D) factor x historical factor x contingency factor x SIOH x inflation

1.5.4.2. **Facility quantity** – the facility size expressed in the FAC unit of measure (such as square feet)

1.5.4.3. **Replacement unit cost** – the average annual unit cost (in current year dollars) for constructing the average size facility to current standards in the given FAC

1.5.4.4. **Location factor** – a location adjustment based upon the local costs for labor, equipment, materials, and currency exchange rates (overseas) compared with an overall base-city average

1.5.4.5. **P&D factor** – an adjustment to account for typical project planning and design costs

1.5.4.6. **Historical factor** – an adjustment for historical architecture and materials (when applicable)

1.5.4.7. **Contingency factor** – an adjustment for typical contingency costs during construction

1.5.4.8. **Supervision, Inspection, and Overhead (SIOH)** – an adjustment for supervision, inspection, and overhead costs associated with construction management

1.5.4.9. **Inflation** – factor to adjust current year prices to the target future year

1.6 Facilities Data Quality Assurance (FDQA) (080106)

1.6.1. The Facilities Data Quality Assurance website was implemented to improve the quality of facilities data used by the Department in its PPBE process, and it displays the data sources of record for all facilities data reporting. This application integrates and displays facilities data submitted by the Components to OSD via Program Resources Collection Process (PRCP), the Standard Data Collection System (SDCS), and Select and Native Programming (SNaP) systems. The data within the FDQAW subsequently produce facilities sustainment metric displays which are displayed in the performance criteria of the OP-5, Detail by Subactivity Group.

1.6.2. Components must ensure O&M exhibits are consistent with the PRCP and SDCS data submissions. Verification of the accuracy of the data contained within the FDQA application must be completed PRIOR to the final lock of these databases for preparation of the Program/Budget Review and President's Budget materials.

1.6.3. Standard operating procedures for the FDQA can be found at <https://dpd.pae.osd.smil.mil>.

1.7 Data Displays (080107)

Facility Sustainment, Restoration and Modernization exhibits must be consistent. The following list should be used as a reference for validating data:

- OP-5 Detail by Subactivity Group (Facility Sustainment, Restoration and Modernization)
- OP-32 Automated submission
- O-1 O&M funding by Budget Activity/Activity Group/Subactivity Group
- Facilities Data Quality Assurance application

To the extent a Component submits different estimates in any of the preceding displays; the automated OP-32 will serve as the prevailing display for O&M resources. For Defense Agencies, the object sub-class 923 will serve as the prevailing estimate.

2.0 PROGRAM AND BUDGET REVIEW SUBMISSION (0802)

2.1 Purpose (080201)

2.1.1. This Section prescribes instructions for the preparation and submission of budget estimates for Facilities Sustainment, Restoration and Modernization requirements.

2.1.2. Guidance covers all Facilities Sustainment and Restoration/Modernization (FSRM) costs. Facilities Sustainment and Restoration/Modernization include all recurring maintenance and repair projects costs, real property renovation project costs, and planning and design costs associated with projects; providing funding support to maintain, repair, and modernize buildings, structures, roadways, aprons, railway trackage, utility plants, distribution systems, and other real property.

2.1.3. Program funding submitted in Component justification materials must correspond to funding levels identified in the Facilities Sustainment and Restoration/Modernization Program Elements.

2.1.4. When budgeting for facilities sustainment and [restoration/modernization](#), Components will consider the anticipated levels of military personnel monies that fund part of the labor for facilities sustainment and [restoration/modernization](#). As appropriate, components will adjust the levels of either operations and maintenance or military construction funding for either facilities sustainment or facilities [restoration/modernization](#) to recognize the contribution of military personnel funds that help maintain the Department's facilities. When determining the military personnel contribution Components must use the method documented on page 12 of the Facilities Recapitalization Metric Front-End Assessment Report, dated August 2002. Additionally components must, for considering the effect of military personnel funds on operation and maintenance and military construction accounts, use the same personnel allocation information and cost rates they provide for the FYDP.

2.1.5. When budgeting for facilities sustainment, Components will consider the anticipated levels of Host Nation Support monies and Non-Federal Domestic Facilities Contributions that will be available to reduce the need for appropriated facilities sustainment funding. Components must identify in the FYDP the anticipated levels of both Host Nation Support monies and Non-Federal Domestic Facilities Contributions that are expected to fund facilities sustainment. Specifically, these funds must be booked in the appropriate FYDP facilities sustainment program elements using Resource Identification Code 0800.

2.1.6. When budgeting for facilities sustainment and [restoration/modernization](#), Components will consider the anticipated levels of Defense Working Capital Fund (DWCF) monies that fund facilities sustainment and restoration and modernization. Components must identify DWCF facilities sustainment and facilities restoration/modernization funds in the appropriate FYDP facilities sustainment and facilities restoration/modernization program elements. Additionally, as appropriate, Components will adjust the levels of appropriated funding for either facilities sustainment or facilities restoration/modernization to recognize the contributions of DWCF monies that help maintain the Department's facilities.

2.1.7. When budgeting for facilities sustainment and restoration/modernization, Components will consider the anticipated levels of RDT&E monies that fund facilities sustainment and [restoration/modernization](#). Components must identify RDT&E facilities sustainment and facilities restoration/modernization funds in the appropriate FYDP facilities sustainment and facilities [restoration/modernization](#) program elements. Additionally, as appropriate, components will adjust the levels of either operations and maintenance or military construction funding for either facilities sustainment or facilities [restoration/modernization](#) to recognize the contribution of RDT&E funds that help maintain the Department's facilities.

2.2 Submission Requirements (080202)

2.2.1. General Guidance: All Components (i.e., active forces, defense agencies, National Guard and reserve forces) shall submit [the OP-5 Attachment 4: Facilities Sustainment, Restoration and Modernization \(FSRM\), and Demolition](#) justification data to support budget estimates for Facilities Sustainment, Restoration and Modernization, in a separate bound attachment (see Chapter 3, Section [030201](#)). Two copies of this attachment will be delivered to: Military Personnel & Construction Directorate, Program/Budget, OUSD(Comptroller) Room 3C654, Pentagon, on the same date as all other submissions required for O&M Appropriations. The OP-5 subtotal levels for a) sustainment, b) restoration and modernization, and c) demolition must correspond to funding levels identified in the Facilities Data Quality Assurance website.

NOTE: As demolition can be identified separately by program element, it should be broken out as such whenever the other two elements are separated, and it should be noted that it's included when it's part of the total.

2.2.2. Military and civilian personnel costs will include only those personnel assigned in support of FSRM accounts. It will include those personnel performing planning and design functions for both projects and installation FSRM surveys and FSRM master planning, but will exclude those involved in other base operating services or support services.

2.2.3. The format for the OP-5 exhibit is in Volume 2A, Chapter 3, section [0304](#) of this regulation.

2.3 Preparation of Material (080203)

All material will be provided on 8-1/2 inch by 11 inch size paper, and bound on the long side. All narrative data will be typed across the short dimension of the paper, while exhibits will be typed across the long dimension.

3.0 CONGRESSIONAL JUSTIFICATION/PRESENTATION (0803)

3.1 General (080301)

Components are required to conform to the PBD approved funding levels when submitting final budget exhibits to Congress.

3.2 Organization of Justification Books (080302)

See chapters covering specific appropriation (Operation and Maintenance - Chapter 3, RDT&E Chapter 5).

4.0 REVENUE FROM TRANSFER OR DISPOSAL OF DoD REAL PROPERTY AND REVENUE FROM LEASING OUT OF DOD ASSETS (0804)

4.1 General (080401)

Section 572 of 40 U.S.C. and Section 2667 of 10 U.S.C. provide for the receipt of proceeds from the disposal or lease of DoD real property and prescribe the use of these funds.

4.2 Revenue From Transfer or Disposal of DoD Real Property (40 U.S.C. 572) (080402)

When revenue from the transfer or disposal of DoD Real property is received, there is a statutory requirement to identify each transfer and disposal made during the fiscal year, including a detailed explanation of each such transfer and disposal and of the use of the proceeds received. An estimate for the current and budget year transfers or disposals should also be included.

4.3 Revenue From Leasing Out of DoD Assets (10 U.S.C. 2667) (080403)

The identification of each lease entered into during the fiscal year, including a detailed explanation of each lease and amendments, and of the use of the lease proceeds that were expended is no longer required by 10 U.S.C. 2667. However, the Military Departments will still provide the total actual receipts for the prior year, and an estimate of total receipts for the current year and budget year.

4.4 Deposit and Accounting Procedures (080404)

Cash receipts obtained from the transfer or disposal of real property will be deposited into the Disposal of DoD Real Property Account, 97X5188. Cash receipts obtained from leasing out of DoD assets will be deposited into the Lease of DoD Real Property, 97X5189. Accounting instructions are included in Volume 12, Chapter 14.

4.5 Funds Release Procedures (080405)

Funds deposited into the Disposal of DoD Real Property Account, 97X5188, are available only for purposes of maintenance and repair and environmental restoration at U.S. facilities as specified in 40 U.S.C. 572. Funds deposited into the Lease of DoD Real Property Account, 97X5189, are available for: A) maintenance, protection, alteration, repair, improvement or restoration (including environmental restoration) of facilities; B) construction or acquisition of new facilities; C) lease of facilities; and/or D) facilities operation Support. The Components may request release of funding, based on verifiable deposits, by memorandum to the USD Comptroller, Director for Military Personnel & Construction.

4.6 Budget Exhibits for Congressional Submission (080406)

The Military Departments will be complete a PB-34A Exhibit (Revenue from Leasing of DoD Real Property) and a PB-34B Exhibit (Proceeds from Disposal of DoD Real Property). Both the PB-34A and PB-34B will be included in the O&M Justification Book (Volume II) as described in Chapter 3 of Volume 2A of this regulation.

5.0 DOD OVERSEAS MILITARY FACILITY INVESTMENT RECOVERY ACCOUNT (0805)

5.1 General (080501)

Section 2921 of P.L. 101-510, FY 1991 National Defense Authorizations Act, established the Department of Defense Overseas Military Facilities Investment Recovery account. The purpose of the account is to collect payments from host nations for the value of new construction and improvements made by the United States at overseas military installations being returned.

5.2 Deposit and Accounting Procedures (080502)

Cash receipts obtained from return of overseas real property and improvements to host nations will be deposited into the DoD Overseas Military Facility Investment Recovery Account, 97X5193. For accounting instructions see Volume 12, Chapter 13.

5.3 Funds Release Procedures (080503)

Funds deposited into the DoD Overseas Military Facility Investment Recovery Account are available only for purposes of maintenance and repair and environmental restoration at U.S. facilities and maintenance and repair and environmental compliance at military facilities outside the U.S. that are anticipated to be occupied by U.S. Forces for an extended period of time. The Components may request release of funding, based on verifiable deposits, by memorandum to the USD (Comptroller), Director for Military Personnel & Construction.

5.4 Budget Estimate Submission Exhibit (080504)

Components returning overseas military facilities to host nations that have resulted in collections to this account must complete an OP-29 exhibit. This exhibit provides information on the cost and improvements, depreciation, residual value, and amount collected from the host nation that is necessary in accomplishing an annual report to the Congress. It also documents proposed sustainment, restoration and modernization or environmental restoration/compliance projects at military installations to be financed from the proceeds deposited into this account.

5.5 Budget Execution Oversight (080505)

In accordance with paragraph 080401 of Volume 3, Chapter 8, the Military Departments and designated fund holders are required to periodically review DoD Overseas Military Facility Investment Recovery Account (DOMFIRA) commitments and obligations, whether current or

dormant. Appropriate action should be taken to resolve any DOMFIRA unliquidated commitments and obligations, and minimize DOMFIRA unobligated balances resulting from prior year carryover funds.

6.0 FACILITIES SUSTAINMENT and RESTORATION/MODERNIZATION FORMATS (0806)

6.1 Purpose (080601)

The special formats provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, these formats should be adhered to.

6.2 Exhibits in Support of Section 0802 - Program and Budget Review Submission (080602)

The format for the FSRM OP-5 exhibit is in Volume 2A, Chapter 3, Section 0304.

6.3 Exhibit in Support of Section 0804 - Revenue From Transfer or Disposal of DoD Real Property and Revenue from Leasing out DoD Assets: Congressional Justification/Presentation (080603)

PB-34A Revenue from Leasing Out of Department of Defense Assets

PB-34B Proceeds from Disposal of Department of Defense Real Property

6.4 Exhibit in Support of Section 0805 - DoD Overseas Military Facility Investment Recovery Account: Program and Budget Review Submission (080604)

OP-29 Overseas Military Facility Investment Recovery Account

Exhibit PB-34A Revenue from Leasing Out of Department of Defense Assets

DEPARTMENT OF _____
Exhibit PB-34A: REVENUE FROM LEASING OUT OF DEPARTMENT OF DEFENSE REAL PROPERTY
FY XXXX PRESIDENT'S BUDGET

	(\$ in Thousands)		
	<u>FY PY \1</u>	<u>FY CY \2</u>	<u>FY BY \2</u>
Total Revenue from Lease of DoD Real Property	\$XX,XXX	\$XX,XXX	\$XX,XXX

\1 Actual revenue received under 10 USC 2667, Leases: non-excess property

\2 Estimated revenue under 10 USC 2667, Leases: non-excess property.

Exhibit PB-34A Revenue from Leasing Out of Department of Defense Assets
(Page 1 of 1)

Exhibit PB-34B Proceeds from Disposal of Department of Defense Real Property

DEPARTMENT OF _____
Exhibit PB-34B: PROCEEDS FROM DISPOSAL OF DEPARTMENT OF DEFENSE REAL PROPERTY
FY XXXX PRESIDENT'S BUDGET

	(Proceeds in \$ Thousands)		
	<u>FY PY \1</u>	<u>FY CY \2</u>	<u>FY BY \2</u>
1. Disposal Action	\$XX,XXX	XX,XXX	\$XX,XXX
(a) <u>Explanation of Disposal Action</u>			
(b) <u>Actual or Planned Use of Proceeds Generated from Disposal</u>			
2. Disposal Action	\$XX,XXX	XX,XXX	\$XX,XXX
(a) <u>Explanation of Disposal Action</u>			
(b) <u>Actual or Planned Use of Proceeds Generated from Disposal</u>			
Total Department of _____	\$XX,XXX	\$XX,XXX	\$XX,XXX

Instructions: Each disposal action should be listed above with the actual or estimated proceeds in each fiscal year in thousands of dollars. For **Explanation of Disposal Action**, include the name of the location, state, and a brief description/purpose of the disposal. For **Actual or Planned Use of Proceeds Generated from Disposal**, a description of anticipated uses of proceeds as authorized in 40 USC Sec. 485 is required.

1. Actual proceeds received under 40 USC Sec. 572
2. Estimated proceeds under 40 USC Sec. 572.

Exhibit PB-34B Proceeds from Disposal of Department of Defense Real Property
 (Page 1 of 1)

Exhibit OP-29 Overseas Military Facility Investment Recovery Account

DEPARTMENT OF _____
Exhibit OP-29: OVERSEAS MILITARY FACILITY INVESTMENT RECOVERY ACCOUNT

(Dollars in Thousands)

PART A: REAL PROPERTY ASSETS DISPOSED**FY PY-1****FY PY**Host nation providing consideration/payment

1. Description of facility, location, and amount received:

\$XX,XXX

(a) Total amount of the investment
(cost plus improvements) in the facility:

\$XX,XXX

(b) Depreciated value of facility (facility cost (a)
adjusted for inflation and depreciation):

\$XX,XXX

(c) Explanation of any difference between amount
received from host nation and the depreciated value:

Total payments by host nation:

\$XX,XXX

\$XX,XXX

Total payments by all host nations:

\$XX,XXX

\$XX,XXX

**PART B: PROPOSED FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM) OR ENVIRONMENTAL
RESTORATION/COMPLIANCE PROJECTS AT MILITARY INSTALLATIONS PROPOSED TO BE FUNDED FROM PROCEEDS:**

VOLUME 2B, CHAPTER 9: “DEFENSE WORKING CAPITAL FUND BUDGET JUSTIFICATION ANALYSIS”

SUMMARY OF MAJOR CHANGES

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue, and underlined font](#).

The previous version dated [December 2014](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Changed the term “Budgetary Depreciation” to “Capital Investment Recovery”	Revision
All	Updated hyperlinks and formatting to comply with current administrative instructions	Revision
1.1	Identified other Revolving Funds separate from the DWCF.	Revision
1.2	Added Authoritative Guidance Section in compliance with administrative guidance.	Addition
Policy Memo	Incorporated DWCF cash policy and cancelled “Cash Management Policy for the Defense Working Capital Fund Activities (FPM21-03)” published June 25, 2021.	Cancellation
1.5	Clarified CIP using reimbursable authority. Clarified Fund-9c requirements. Updated Minor Construction Thresholds. Added new DBMSC certification requirement for CIP carryover.	Revision
1.6	Updated that budgeted rates are aggregate composite rates. Incorporated cash policy revision. Clarified CIP for software in dual funded organizations. Clarified unusual and infrequently occurring losses not affecting budgetary resources.	Revision
1.9.7	Updated that Direct Reimbursable Work is work performed outside the rate structure.	Revision
2.4.8	Updated the CIS database input requirements.	Revision
2.6.2	Updated the definitions of the terms “Replenishment Cost,” “Provisioning Item” and “Variability Target.”	Revision
2.7.1	Added the terms and definitions for “Mission Cost” and “Non-mission Cost.”	Addition
Exhibit SM-16a	Added the SM-16a exhibit.	Addition
Exhibit Fund-1	Updated the term “CIS obligations”.	Revision

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Exhibit Fund 1a	Updated definition that “All entries are obligations” to “All entries are expenses.”	Revision
Exhibit Fund-11a	Updated the display for each approved carryover waiver separately. Updated the Carryover Calculation methodology.	Revision
Exhibit Fund-12	Added the Fund-12 exhibit.	Addition
Exhibit Fund-13b	Added the Fund-13b exhibit.	Addition
Exhibit Fund-14	Clarified that NOR may be retained to ensure availability of budgetary resources.	Revision
Exhibit PB-32	Added the PB-32 exhibit.	Addition

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CHAPTER 9

DEFENSE WORKING CAPITAL FUND BUDGET JUSTIFICATION ANALYSIS

1.0 GENERAL

*1.1 Purpose

This chapter describes and documents the policies and procedures for budget formulation and justification of the Department of Defense (DoD) Working Capital Funds (WCFs), the Defense Working Capital Fund (DWCF), Building Maintenance Fund (BMF), and the Defense Counterintelligence and Security Agency (DCSA) WCF. In addition, this chapter provides guidance for the National Defense Stockpile Fund and Pentagon Reservation Maintenance Revolving Fund (PRMRF), where applicable. The DWCF is also referred to as the “Fund” in this chapter.

*1.2 Authoritative Guidance

The National Security Act of 1947, as amended Title 10 United States Code, section 2208 ([10 U.S.C. § 2208](#)), and other provisions of [10 U.S.C. § 131](#) provide the Department’s revolving fund authority. The BMF, and DCSA WCF were also established under 10 U.S.C. § 2208 as separate and distinct revolving funds and therefore are not part of the DWCF. The PRMRF was established by the 1991 National Defense Authorization Act (NDAA) and codified in [10 U.S.C. § 2674](#).

1.3 Background

1.3.1. The DWCF was established to satisfy recurring DoD requirements using a buyer-and-seller approach. The customers of the DWCF are the generators of requirements. Federal customers which operate using appropriated funds justify their budget requests to the Congress. The requiring activities (i.e. customers) place orders with DoD WCF organizations that have expertise in the service or product required, and operate under business management principles. Unlike profit-oriented commercial businesses, the WCF goal is to break even over the long term. The WCF establishes selling prices in the budget that are normally stabilized or fixed during execution to mitigate the impact of unforeseen fluctuations that would impact on customers’ ability to execute the programs approved by the Congress. Exceptions to stabilized prices are listed in section 1.8 of this document.

1.3.2. The intent of the WCF is to operate as a self-supporting entity to fund business-like activities. The basic principle of the WCF structure is to create a customer-provider relationship between military operating units and other federal and non-federal customers and support organizations. This relationship is designed to make managers of support organizations funded through WCF and decision-makers at all levels more cost conscious.

1.3.3. Prior to the establishment of an activity as a WCF, the Secretary or Assistant Secretary of the Military Department or the Director for a Defense Agency, as applicable, must

prepare, sign, and submit a charter that sets forth the scope of the activity to the Under Secretary of Defense (Comptroller) (USD(C)) for approval. Four criteria are used in evaluating potential activities for inclusion into the Fund. The four criteria are: 1) identification of outputs that relate to products or services provided by the business to customers; 2) establishment of a cost accounting system to collect costs of producing outputs; 3) identification of customers so that resources can be aligned with the requirements; and 4) evaluation of buyer-seller advantages and disadvantages to include assessment of the customers' ability to influence cost by changing demand.

1.3.4. The DWCF evolved from two distinct types of activities. The first type, the Stock Funds that procured materiel from commercial sources and held an inventory, are now known as Supply activities. These activities sell the materiel to authorized customers who need the materiel to achieve weapon systems readiness or provide required personnel support items. The second type, known then and now as Industrial Funds, provide industrial and commercial goods and services such as depot maintenance, transportation, and research and development. Although both types of revolving funds are financed primarily by reimbursements from customers' appropriated accounts, Supply activities use contract authority (CA) and Industrial Funds use reimbursable authority.

1.3.5. The DoD expanded the use of business-like financial management practices through the establishment of the Defense Business Operations Fund (DBOF) on October 1, 1991. Building on Stock and Industrial Fund principles, cost and performance are linked and the Fund's managers are expected to operate within cost goals established in operating and capital budgets.

1.3.6. The DBOF combined existing operations that were previously managed as individual funds into a single Treasury account. On December 11, 1996, the USD(C) reorganized the DBOF, retaining the numerous benefits and improvements resulting from the implementation of DBOF while clearly establishing each DoD Component's responsibility for managing the functional and financial aspects of their respective WCF activities, by creating four DoD Component WCFs: Army, Navy, Air Force, and Defense-Wide. On December 16, 1997, a separate DoD Component WCF was established to consolidate the separate Military Departments' commissaries into the Defense Commissary Agency effective in FY 1999.

1.3.7. Prior to FY 1992, industrially-funded activities did not receive Annual Operating Budget (AOB) funding documents. All funding authority was provided through customer orders. With the implementation of the DBOF, the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) began to issue AOBs that provide official and administrative management cost goals and contract authority for the Capital Investment Program (CIP) for each WCF activity within a DoD Component. The Department has retained this process for the WCFs.

*1.4 Cash Management Policy

1.4.1. The Components will maintain a positive, daily cash balance at levels exceeding the minimum necessary to meet operating, capital investment, and other justified requirements throughout the year and to support continuing requirements into the subsequent year. Cash generated from operations is the primary means of maintaining adequate cash levels. The ability to maintain sufficient, appropriate cash levels is dependent on setting rates to recover full costs to

include prior year losses, projecting workload accurately, and meeting established operational goals.

1.4.2. Cash management and accountability are integral parts of operational and cost management. Each DoD Component is responsible for managing its cash at the activity group level and in compliance with applicable laws and guidelines. Components must manage cash at each subordinate DWCF sub-account, organization, and activity, since most cash transactions occur and cash is most effectively controlled at these levels. Components must submit budget exhibits (Fund-13, and Fund-13b) for each activity group that displays plans to maintain cash balances within the lower and upper operating range. The ending cash balance must be above the lower operating range at the end of each budget year. Decentralizing cash management to the activity group level provides the DoD Components with additional control, because each level of management becomes an accountable participant in the execution of the cash plan or policy.

1.4.3. In addition to proper rate setting, cash managers at all levels should employ the management mitigation strategies available to control cash flows and cash balances to the full extent possible. These cash management tools include, but are not limited to:

1.4.3.1. Negotiating the timing of customer order receipt, completion and the related collections;

1.4.3.2. Controlling the timing of delivered goods/services from the supplier/service provider and the related disbursements;

1.4.3.3. Requesting policy waivers when necessary from the OUSD(C) Program/Budget (P/B) Director or Deputy Director for Revolving Funds, for example: an approval for an out-of-cycle rate adjustment, or non-recoverable costs to maintain/reduce cash.

1.4.4. The DoD Components and cash managers at all levels should consider the following when determining appropriate levels of cash to budget and maintain.

1.4.4.1. Effective cash management is dependent on the availability of accurate and timely data on cash activity, demand planning, rate setting, and operational results.

1.4.4.2. Activities must budget to achieve an operating cash level that will maintain a positive cash balance throughout the year within the upper and lower operating range, and an adequate ending balance to support continuing operations into the subsequent year. In determining required cash levels, activities will document average disbursements and the expected range of cash balances, adjusted to accommodate seasonality, known changes in the business environment, and the inherent risk associated with estimation error and unplanned events outside management's control.

1.4.4.3. Each DoD Component and subordinate activity, command, or business line must establish a cash requirement based on business events, trends, activities, and risks relevant to its operations. The cash requirement will be developed based on four primary elements: 1) the rate of disbursements, 2) the range of operations, 3) risk mitigation, and 4) reserves. The

amount of cash needed for each of the four cash requirement elements will be determined by the DoD Component and presented by activity in the exhibit, Fund-13b, Cash Requirements, which will be reviewed and approved by Revolving Funds Directorate during the Program and Budget Review (PBR). The four cash requirement elements are explained further in the instructions to the Fund 13b and also in the following four paragraphs.

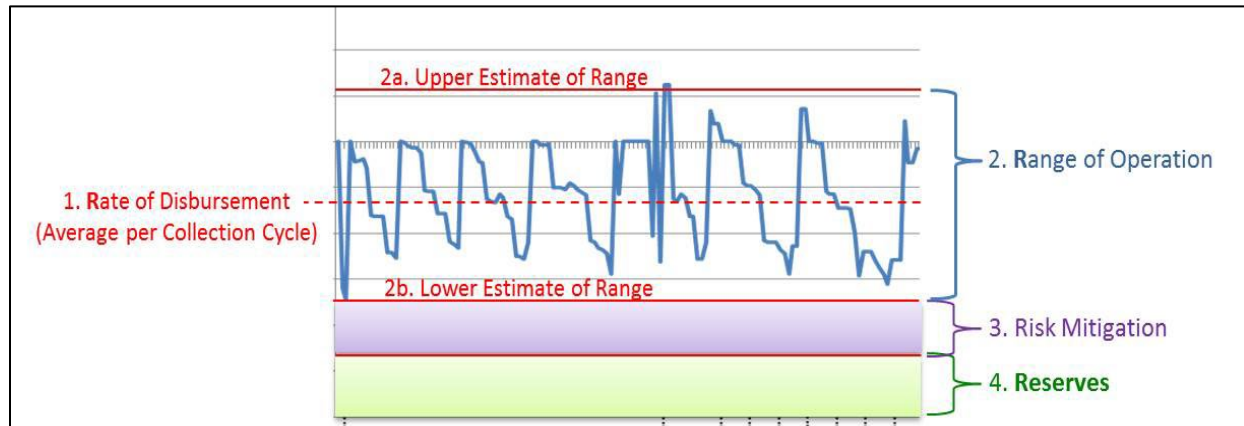
1.4.4.4. Rate of Disbursement. The rate of disbursement is the average amount disbursed between collection cycles. It is calculated by dividing the total amount of disbursements planned for the year by the number of collection cycles planned for the year. The rate describes the average amount of cash needed to cover disbursements from one collection cycle to the next. Changing the number of collection cycles can influence the amount of cash needed to cover the volatility created by cyclical collections. Both the average disbursements and the number of collection cycles will be based on authoritative, auditable data.

1.4.4.5. Range of Operations. The range of operations is the difference between the highest and lowest cash level required based on budget assumptions and past experience. Cash balances are not static and volatility can be expected due to annual, quarterly, and more frequent seasonal trends and significant one-time events. Historical trends should be normalized for such factors as Annual Operating Result (AOR) return/recovery, capital investments, the amount of work, and changes in operations, and used to estimate future fluctuations in cash flows and balances. Studying the causes of cash volatility enables the development of strategies for reducing the range of operation and the amount of cash required for normal operations.

1.4.4.6. Risk Mitigation. Some amount of cash is required, beyond the range of operation, to mitigate the inherent risk of unplanned and uncontrollable events. Examples of these risks are budget estimation error, commodity price fluctuation, and other contingency or response missions. The amount of cash held for risk mitigation will depend on the activity's sensitivity to anticipated types of risk, the effectiveness of other cash management and risk mitigation tools, and management's level of risk tolerance.

1.4.4.7. Reserves. Cash reserves are funds held for known future requirements. This element identifies cash on hand that must be kept for specific requirements that are not expected to disburse until subsequent fiscal years. Examples of reserve requirements include return of AOR, advances/pre-payments received, liquidation of unexpended appropriations, liquidation of unpaid obligations, and planned capital investments. Since reserves are only for specific known requirements, they may not be needed every year.

1.4.4.8. The following figure depicts how the four elements (rate, range, risk mitigation, and reserves) come together to build the complete cash requirement.



1.4.4.9. Components will develop **monthly phased** cash plans, incorporating collections, disbursements, appropriations, and other cash transactions based on Component estimates, to facilitate the cash management process. **The plans** will be initially developed during the budget process and will be an integral part of the budget document (Fund-13).

1.4.4.10. Components will monitor and **control to the extent possible** execution of collections and disbursements **to ensure a sufficient cash balance is maintained throughout the year**. Components will also monitor execution against monthly phased plans to increase management attention on reducing costs, emphasizing timely billing, collecting revenue, and disbursing. Components should consider leveraging the aforementioned available cash management tools when cash execution is trending below/above plan for more than three consecutive months of execution.

1.4.4.11. Components must be able to reconcile and explain variances between cash balances and AOR. In addition to explaining variances based on operations, components must also explain events that affect cash **but not revenues and expenses**.

1.4.5. Transfers of cash between DWCF activities, whether directed internally by the Components or as the result of audit, Departmental guidance, or Congressional direction, will be included in all the affected activities' budgets (Fund-13). Transfers between DoD Component WCFs (e.g., Army to Air Force) or between the DWCF and appropriation-funded activities require Congressional approval.

1.4.6. Advance Billings.

1.4.6.1. The term "advance billing" means a billing to a customer by the fund, or a requirement for a customer to reimburse or otherwise credit the fund, for the cost of goods or services provided (or for other expenses incurred) on behalf of the customer. The term "customer" means a requisitioning component or agency.

1.4.6.2. Except as provided in paragraph f, the total amount of advance billings executed by the Department for a fiscal year may not exceed the amount specified in 10 U.S.C. § 2208 (l) or as amended by public law.

1.4.6.3. Components may use advance billings of customers as a cash mitigation strategy. The OUSD(C) or the Military Department, as applicable, must submit written notification to Congress within 30 days after the end of the month in which the advance billing is made. The notification must include the reasons for the advance billing, an analysis of the effects of the advance billing on military readiness, and an analysis of the effects of the advance billing on the customer. Military Departments must provide the Revolving Fund Directorate copies of all advance billing notification letters provided to Congress. Defense agencies will submit their requests to the Revolving Fund Directorate, who will notify Congress on their behalf.

1.4.6.4. Advance billing requires authorization within the activity's Annual Operating Budget (AOB). Components will request this authority and, if approved, the Advanced Billing Authority will be added to their AOB.

1.4.6.5. Advance payments received from non-federal entities are not subject to 10 U.S.C. § 2208, advance billing limitations, and are required by Volume 11B, Chapter 11. The billing of customers by Supply Management Activities upon shipment rather than delivery also is not subject to paragraph (l) advance billing limitations.

1.4.6.5.1. 10 U.S.C. § 2208, paragraph (l)(4) provides that advance billing for background investigations and related services performed by the Defense Counterintelligence and Security Agency is not subject to section 2208's congressional notification requirements and dollar limitations.

*1.5 Capital Investment Program (CIP) Policy

These policy statements address preparation of the PBR submission.

1.5.1. The legal requirements related to the CIP are found in 10 U.S.C. § 2208, paragraphs (k), (m), and (o). The legal requirements for unspecified minor military construction projects are found in 10 U.S.C. § 2805.

1.5.2. The CIP may be used by WCF activities to purchase capital assets meeting the criteria in 10 U.S.C. § 2208, paragraph (k).

1.5.3. With the exception of major **military** construction and items listed in paragraphs 1.5.6 and 1.5.9 below, acquisition of all capital assets for use by activities within the Fund will be financed through the Fund using contract authority. Components **may** not use the CIP to establish a new or expand an existing organic capability except as specifically justified in the President's Budget Request (Exhibit Fund-9b, "Capital Investment Justification").

1.5.4. Revolving Fund activities outside the DWCF that are not authorized contract authority (e.g. the PRMRF) must build the full cost of capital investments into their rate structure to ensure funds are available prior to obligation.

1.5.5. The CIP consists of the following four major categories of assets: 1) Automated Data Processing Equipment (ADPE); 2) Non-ADPE Equipment; 3) Software Development, whether internally or externally developed; and 4) Minor Construction.

1.5.6. The WCF Capital Budget specifically excludes the following items, which must be financed by appropriated funds.

1.5.6.1. Major Range and Test Facility (MRTF) installations (equipment and minor construction) that meet the DoD Investment capitalization criteria in accordance with 10 U.S.C. § 2208, paragraph (k).

1.5.6.2. Military and tenant support functions

1.5.6.3. Major weapons systems (such as aircraft, ships, tanks, barges, etc.), and general-purpose passenger type vehicles

1.5.6.4. Equipment and minor construction projects for mobilization requirements, but not used during peacetime operations

1.5.6.5. Equipment initially procured and usually furnished as part of a weapons system and/or support system including modifications (includes initial common support equipment for depot maintenance support of new weapons systems)

1.5.6.6. Materiel normally funded by appropriated funds and provided to contractors as Government-Furnished Materiel (GFM). The GFM is incorporated into, used in conjunction with, or consumed in the production of an end product. The customer **must** use appropriated funds to purchase the GFM and provide it at no cost to the WCF

1.5.6.7. Minor construction projects for non-WCF activity or military support functions

1.5.6.8. Construction and facility investment projects that exceed the amount specified in 10 U.S.C. § 2805 for funding under Operation and Maintenance appropriations

1.5.6.9. Environmental projects financed or submitted for funding by the applicable Environmental Restoration Transfer appropriation

1.5.6.10. Capital Investments for morale, welfare, and recreation activities

1.5.6.11. Such other exclusions as may be approved by the USD(C).

1.5.7. The AOB permits a WCF activity to obligate contract authority to purchase capital assets prior to receiving funded customer orders and collecting cash from customers. Those

obligations must be funded by offsetting collections since cash does not come with contract authority.

1.5.8. As an administrative control of resources subject to the rules of [31 U.S.C. § 1517](#), the Anti-Deficiency Act, the AOBs provide a specific amount of CIP contract authority. Therefore, obligations may not exceed the amount provided [on the AOB](#).

1.5.9. The [WCF](#) customers may procure capital assets through direct appropriations for use by a [WCF](#) activity. However, these assets remain the property of the customer and will not be recorded as Property, Plant and Equipment assets on revolving fund financial statements unless the asset is transferred to [WCF](#) ownership.

1.5.9.1. At the time of transfer, the [WCF](#) activity will record the asset at its net book value and depreciate it [for accounting purposes](#) over the remaining useful life. Depreciation does not have to be incorporated into the WCF rate structure if the [WCF](#) did not [outlay any cash resources](#). [If the asset is expected to be replaced](#) at the end of its useful life, [then a capital surcharge may be collected prior to the](#) acquisition of the [replacement](#) asset.

1.5.9.2. The appropriate procurement account will continue to fund the purchase and installation costs for the initial procurement of depot maintenance capital equipment unique to newly introduced platforms or weapon systems (this includes modifications). The capital equipment becomes the property of the depot when it is transferred to or otherwise capitalized by the depot. The depot will treat the equipment as a capital asset and depreciate it for accounting purposes. Funding of subsequent replacement and maintenance of the equipment in the DWCF should be included in the DWCF capital and operating budgets.

1.5.10. [WCF activities must recover costs to purchase capital assets by including a Capital Investment Recovery \(CIR\) factor in rates billed to customers](#). The CIR factor is the amount added to the rate to substitute and then liquidate contract authority obligated to purchase capital assets. To do this, the Component will allocate a portion of the collections from revenue on customer orders to liquidate the contract authority. This process allocates cash (i.e. FBwT) from the operating program to the capital program. The amount of collections used to liquidate contract authority will equal the amount of obligated contract authority at the end of each FY, net of any decreases to contract authority or contract authority withdrawn. If there are insufficient budgetary resources to liquidate the full amount of contract authority obligated, then at a minimum, the Activities must liquidate enough to cover outlays associated with CIP. This will ensure there is sufficient cash in the capital program to fund outlays associated with the obligated contract authority. The CIR factor will differ from the depreciation expense. Collections associated with the CIR fund capital outlays while depreciation expense is an allocation of costs over an asset's useful life.

1.5.10.1. In addition to [the CIR](#), a capital surcharge may be used to collect cash for the capital outlay if minimum balances are not sufficient to provide adequate budgetary resources to offset budgetary claims (See Volume 3, Chapter 19).

1.5.11. [Guidance on accounting for capital assets is contained in Volume 4, Chapter 24, Chapter 25, Chapter 26, and Chapter 27.](#)

1.5.12. The following budget exhibits are required to document an activity's capital budget request.

1.5.12.1. Exhibit Fund-9a, "Capital Investment Summary," represents the summary data of the four asset categories (ADPE, Non-ADPE, Software, and Minor Construction) at the approved DoD Component [aggregate project line item](#) level. The exhibit displays data on annual capital [obligations](#), cash outlays, and budgeted CIR. The prior-year column on the Exhibit Fund-9a will show all amounts approved in the most recent President's Budget, adjusted for actual project year obligations, [additional authorizations and all](#) reprogramming (as depicted on the Exhibit Fund-9c, "Capital Budget Execution").

1.5.12.2. Exhibit Fund-9b, "Capital Investment Justification," provides detailed cost data and narrative justification for each approved DoD Component [aggregate project line item level](#). Components will provide a corresponding Exhibit Fund-9b for each [aggregate project line item](#) on the Fund-9a exhibit. The exhibit displays the Benefit to Investment Ratio, Savings to Investment Ratio and/or the Payback period. Exhibits Fund-9a and Fund-9b data should agree with, and also should be used for cross-referencing, Exhibit 53 of the Information Technology budget.

1.5.12.3. Exhibit Fund-9c, "Capital Budget Execution" compares and explains the differences between the most recent President's Budget and the current submission by the DWCF activity for the four asset categories (ADPE, Non-ADPE, Software, and Minor Construction). [This includes prior year \(PY\) execution adjustments and adjustments to the current year \(CY\) due to unexecuted programs or new emerging requirements. Adjustments to project years not displayed in the budget submission are not recorded on the Fund-9c.](#)

1.5.13. Each proposed CIP project [must](#) be reviewed to ensure that it satisfies the following criteria for justification and backup:

1.5.13.1. The acquisition of a capital asset meets the Department's long-range planning and programming objectives and satisfies a documented need for capability to perform valid operations, functions, or services that cannot be performed as effectively or economically by the use of existing equipment and facilities or by contract.

1.5.13.2. The acquisition of a capital asset complies with policies and regulations governing the acquisition and management of facilities, special tooling, and special test equipment as established by [DoD Directive 4275.5](#), "Acquisition and Management of Industrial Resources," as well as other applicable policies and regulations governing the lease and acquisition of equipment and facilities.

1.5.13.3. The workload projections used to justify capital purchases take into account the results of inter-service decisions, workload posture planning decisions, readily

available commercial alternatives, and other reasonable options available for accomplishing applicable work load.

1.5.13.4. The acquisition of a capital asset efficiently and effectively accomplishes the objective for which it is justified. The criteria are: improved efficiency (savings) or effectiveness of operations; replacement of unsafe (locally determined *by an authorized safety representative*), beyond economical repair, or inoperative and unusable assets; and environmental, hazardous waste reduction, or regulatory agency (state, local, or Federal) mandated requirements.

1.5.14. A formal pre investment analysis or a cost comparison is required to justify investment projects for capital budget submissions in the four investment categories (ADPE, Non-ADPE, Software, and Minor Construction).

1.5.14.1. Either an economic analysis or cost comparison **will** be used to support a project substitution or accomplish a reprogramming request. An economic analysis will be used for all projects with a cost of \$5,000,000 or more. A cost analysis will be used for projects under \$5,000,000.

1.5.14.2. Activities must complete this pre-investment analysis prior to including the capital asset in the capital budget submission, a reprogramming action, or a project substitution. The originating office of the DoD Component **will** maintain these analyses as project documentation support for the capital budget submission and program execution.

1.5.14.3. A cost comparison for investment projects under \$5,000,000 will be prepared in constant base year dollars and present a differential cost display by year for up to a 6-year evaluation period, beginning with the budget year for which investment funds are requested.

1.5.14.3.1. Documentation for a cost comparison **should** describe the functional process performed; define the need/requirement/objective; identify workload projections; address feasible alternatives; present total costs attributed to each alternative and the differential costs/monetary benefits expected in constant and current dollars over the 6-year evaluation period; and provide significant assumptions, constraints, estimating methods, rationale, data sources.

1.5.14.3.2. The payback period **should** be the primary economic indicator used for cost comparisons to rank order within the investment categories of each activity.

1.5.14.4. A pre-investment economic analysis **should** be prepared to justify capital investment projects of \$5,000,000 or more. The economic analysis **should** be prepared on a net present value (NPV) basis and must comply with applicable DoD or Component guidance and functional program guidance. The economic analysis initially **should** be prepared in constant base year dollars and **should** present a differential cost display by year over the project's expected economic life, beginning with the budget year of the investment fund request.

1.5.14.4.1. Documentation **should** describe the functional process performed; define the need/requirement/objective; present and explain workload projections;

identify feasible alternatives; present total costs and the differential costs/monetary benefits in constant, discounted, and current dollars over the expected economic life of the project; present estimating methods/relationships, and data sources; identify significant constraints, assumptions, and variables; treat sensitivity and uncertainty of key parameters; and address all other quantifiable benefits as well as any intangible benefits influencing the recommended course of action.

1.5.14.4.2. Quantifiable benefits are all outputs/results achieved in return for investment dollars associated with an alternative.

1.5.14.4.3. Benefit-to-Investment Ratio (BIR) [should](#) be the primary indicator used to rank order projects of \$5,000,000 or more within the investment categories of each activity. Also consider the payback period in the ranking process.

1.5.14.4.4. Automated economic analysis programs and reports may be used if the programs provide comparable information to that of standard economic analysis reports.

1.5.14.5. Compute the payback period to compare the period of time, in years, necessary for an alternative to repay its investment cost based on the monetary benefits expected. Present this metric in tenths of years (for example, 7.2 years.)

1.5.14.6. Use the BIR to compare project alternatives in terms of all expected monetary benefits, inclusive of whole and partial manpower productivity savings resulting from increased efficiency and other cost avoidance achieved over the total project life under evaluation. Calculate the BIR using discounted constant dollars, as an index value and rounded to two decimal places. A BIR of greater than one indicates the project is cost-beneficial; the larger the ratio, the greater the advantage of the project.

1.5.14.7. Calculate the Savings-to-Investment Ratio (SIR) between actual savings in terms of funds no longer required and the investment cost for Automated Information Systems, using discounted dollars.

1.5.14.8. [A post-investment analysis should also be done after project completion to assess the actual costs and benefits and inform future investments.](#)

1.5.14.9. Exemptions to the investment analysis include environmental, hazardous waste reduction, or regulatory agency (state, local, or Federal) mandated requirements. This includes action directed by a higher DoD or Component authority that precludes a choice among alternatives, and DoD instruction or other directive that waives the requirement (e.g., equipment age or condition replacement criteria).

1.5.15. [Internal Use Software as defined in DoDI 5000.76 is: Acquired or developed to meet the entity's internal or operational needs \(intended purpose\); A standalone application, or the combined software components of an IT system that can consist of multiple applications, modules, or other software components integrated and used to fulfill the entity's internal or operational needs \(software type\); Used to operate an entity's programs \(e.g. financial and administrative software, including that used for project management\); Used to produce the entity's goods and to](#)

provide services (e.g., maintenance work order management, loan servicing); or Developed or obtained for internal use and subsequently provided to other federal entities with or without reimbursement. This excludes software that is integrated into and necessary to operate general property, plant, and equipment.

1.5.15.1. Software that is integrated into hardware and is necessary to operate the hardware, rather than to perform an application, should be budgeted with and capitalized as part of the hardware. Systems application software, however, should be budgeted separately as either an expense or a capital investment, depending on whether it meets the criteria for a capital asset.

1.5.15.2. [Budget for new acquisitions of and improvements](#) to software by project. The full scope of a software development project may consist of costs incurred in: 1) Preliminary Design, 2) Software Development, and 3) Post Implementation. While all of these costs are part of the project, only the software development phase is capitalized. [Refer to Volume 4, Chapter 27 for more information on the accounting requirements.](#)

1.5.15.2.1. The preliminary design phase consists of conceptual formulation of alternatives, evaluation and testing of alternatives, determining the existence of needed technology, and final selection of an alternative. This phase consists of all functional actions, including source selection for COTS and all actions prior to Systems Requirements Specification for internally developed software. Expense the [preliminary design phase](#) costs as part of the operating budget and identify them on the Exhibit Fund-1a, "Details of Price and Program Changes - Costs

1.5.15.2.2. [Capitalize](#) the software development phase [consisting](#) of the design of a chosen alternative including software configuration and interfaces, coding, installation of software and related hardware, and testing, which may include parallel processing development of user manuals and training.

1.5.15.2.3. Expense the post implementation/operational phase costs of data conversion and application maintenance, including functional training and documentation, operational testing, and evaluations conducted after technical acceptance of the software.

1.5.15.3. Exclude from the capital budget all costs incurred prior to Milestone 0, Concept Exploration and Definition. Expense costs such as basic research, study, exploratory development establishing feasibility and practicality of proposed solutions and rough order of magnitude estimates. Also expense costs for technical software support and maintenance software support occurring after system installation.

1.5.15.4. [Only include](#) those software development or acquisition efforts for the benefit of the activity in the DWCF capital budget submissions. Software developed or acquired for a specific customer order should be charged to and reimbursed by the requesting customer. Types of cost to be included in a software development project include total labor and non-labor costs such as: 1) all direct costs for civilian and military personnel; 2) contractor labor; 3) [supplies](#); 4) [travel](#); 5) [processing support for testing](#); 6) [indirect production costs](#); and 7) [general and](#)

administrative (overhead) costs (e.g., base operations support, higher headquarters, and costs for central design activity-owned assets).

1.5.15.5. Software projects may be accomplished in modules. A module is an application that may be operated or used independent of other modules within a system. Where an entire system consists of more than one severable module, request funding for each severable module in the year that the module is started. Funding requests **must** be sufficient to complete the module. If several modules make up a complete ADP system, show the cost of all modules related to the system.

1.5.15.6. Separately identify ADP equipment and ADP software in the capital budget.

1.5.15.7. In accordance with [10 U.S.C. § 2222](#), paragraph (c) and [DoDI 5000.75](#), current services (CS), development and modernization (DevMod) to a business system with budget authority and/or spending of **\$250 million or more** over the Future Years Defense Program (FYDP) for Priority Defense Business Systems or \$25 million or more for Fourth Estate Defense Business Systems over the FYDP must be approved by the Defense Business Council (DBC), tri-chaired by the Director, Administration and Management (DA&M), OUSD (C), and DoD CIO for certification **prior** to obligating funds.

1.5.16. Unspecified minor military construction projects costing more than **the threshold established in 10 U.S.C. § 2805** **must** be funded within the DoD Component's Military Construction appropriation. Exceptions to this limitation are noted below in 1.5.16.1.

1.5.16.1. Authority provided by 10 U.S.C. § 2805, [paragraph \(c\)](#) to use funds available for operation and maintenance for unspecified minor construction projects costing not more than **the threshold established therein** is available for DWCF-funded unspecified minor construction. However, projects that have an estimated cost that exceed the thresholds established in 10 U.S.C. § 2208 that have not been documented in a corresponding budget exhibit (Exhibit Fund-9b, "Activity Capital Investment Summary") must be approved through the [Congressional notification process or in a subsequent budget](#) and displayed as an adjustment on the Exhibit Fund-9c, "Capital Budget Execution." **The approval will be reflected in the Component's Annual Operating Budget.**

1.5.16.2. In 10 U.S.C. § 2805, paragraph (d), Congress authorized a DoD Laboratory Revitalization Program that increases to the upper ceiling threshold for certain minor construction projects at DoD laboratories. The authority is not permanent, but is subject to periodic congressional extension. Laboratory Revitalization Program projects must be for the revitalization and recapitalization of Defense laboratories owned by the U.S. and under the jurisdiction of the Secretary of Defense or a Military Department. **In accordance with 10 U.S.C. § 2805, paragraph (d)(3) any projects using the Laboratory Revitalization Program requires the concerned Secretary to provide the appropriate Congressional committees a 14 day notification prior to obligation of funds.** Fund activities designated to participate in the DoD Laboratory Revitalization Program must obtain prior approval **from the Director or Deputy Director for Revolving Funds for all**

projects estimated to exceed the thresholds established in 10 U.S.C. § 2208 so that those projects can be specifically identified in the capital program within the AOB prior to project execution.

1.5.16.3. Capital investment costs financed in the minor construction portion of the capital budget include project planning and design costs associated with minor construction projects. Planning and design costs are not included as part of the statutory threshold for minor construction projects.

1.5.17. DoD Components may reprogram capital funds between DWCF activities, or categories or projects within a DWCF activity. There is no minimum or maximum limit on this type of reprogramming. Except as noted below, capital reprogramming does not require the written approval of the Director or Deputy Director for Revolving Funds in the form of a signed AOB. The following approval levels and dollar threshold apply to changes to projects approved in the capital budget including reprogramming, substitutions, cancellations, and additions:

1.5.17.1. Obtain certification from the approval authority as directed in the guidance displayed in DoDI 5000.75. All transfers between information technology capital projects (ADP Equipment and Software) must be documented in the Activity's next AOB, but will not require a new AOB solely for such documentation.

1.5.17.2. Fund managers may approve transfers between the Non-ADP Equipment and Minor Construction categories or among their individual projects. Components are required to document the transfers in the activity's next AOB, but will not require a new AOB solely for such documentation. CIP transfers between DWCF activities within a DoD Component (e.g., supply to non-supply) must be approved by the Director or Deputy Director for Revolving Funds, in the form of a signed AOB, before the transfer is executed.

1.5.17.3. Components must charge capital obligation adjustments to the program year cited in the President's Budget for the original project. The prior year capital investment program limitation is equal to actual obligations on September 30 of that fiscal year plus adjustments approved by the Director or Deputy Director for Revolving Funds to the prior year program. Fund managers may request approval to carry over authority for any unobligated capital projects before the end of the fiscal year.

1.5.17.4. Capital obligation authority may be adjusted for prior year within-scope increases provided that there is contract authority available to finance the increase. Before making such increases, the Component must have equal off reductions (deobligations) of current year capital authority to finance the prior year increase. Prior approval from the Director or Deputy Director for Revolving Funds is only required if cumulative adjustments exceed 20 percent of the total CIP budget of the current fiscal year. All adjustments should be documented in the activity's next AOB, but will not require a new AOB solely for such documentation.

1.5.17.5. For current fiscal year capital projects that will not obligate by September 30, components must request in writing permission to carry over these projects via a memo to the Director or Deputy Director for Revolving Funds. If the Director or Deputy Director for Revolving Funds approves the request in a signed memorandum, the approved carry over

amounts for projects not obligated by the end of the fiscal year will be carried forward to the next fiscal year's AOB.

1.6 Mobilization/Surge Costs and War Reserve Materiel

1.6.1. Mobilization capability costs include the costs to maintain a surge capacity; procure and maintain approved war reserve materiel levels; and/or maintain other assets, functions, or capabilities required to meet an operational contingency as documented in Defense planning guidance or operational plans.

1.6.2. The DWCF activities should identify all costs related to maintaining a capacity to meet mobilization requirements. These costs are not considered normal operating costs and may be reimbursed by direct appropriations so that customer rates are not burdened by contingency requirements.

1.6.2.1. War Reserve Materiel. Obligations for the procurement of war reserve materiel **must** be funded by a direct appropriation to the Fund **with one exception; if Congress is notified, and a cost recovery rate is included in the rates, contract authority may be used**. Such appropriated amounts for secondary items **must** be reflected as a separate goal within the applicable Supply Management or Commissary Resale activity AOB. Use the SM-6 "War Reserve Materiel" exhibit to justify War Reserve Materiel Requirements.

1.6.2.2. Unutilized and Underutilized Plant Capacity.

1.6.2.2.1. Unutilized/**Underutilized** Plant Capacity (UPC) represents costs associated with maintaining facilities to meet surge capacity needed for mobilization or war. The UPC is a mobilization requirement budgeted in and funded by Operation and Maintenance appropriated funds of the DoD Component responsible for the activity's management. Do not include UPC costs in the DWCF rate structure. As a general rule, UPC funding includes the pro-rata facilities support costs for any month in which 1) mobilization facilities are not used or 2) **facilities are used 20 percent or less of available work days**.

1.6.2.2.2. Mobilization expenses related to UPC may include both maintenance and labor costs related to mobilization.

1.6.2.2.3. Each non-supply DWCF activity should prepare a UPC Budget Exhibit (Fund-30). This exhibit documents total capacity, Unutilized Capacity Index, justification, and cost used in developing the request for UPC. All non-supply DWCF activities should complete the three capacity-index metrics found in Part I of the exhibit. Any non-supply activity requesting UPC funding will also complete the funded UPC line in Part I and the UPC justification in Part II of the exhibit.

1.6.3. Industrial Mobilization Costs. The Army established a category of costs that includes both UPC and underutilized facilities cost called "Industrial Mobilization Cost." The Army will use the Exhibit Fund-30, "**Underutilized** Plant Capacity" to justify their IMC costs.

1.6.4. Airlift Readiness Account (ARA). The U.S. Transportation Command (USTRANSCOM) must maintain sufficient airlift capability to respond to transportation requirements for a wide variety of mobilization conditions. This requirement exists in both peacetime and contingency environments. To the extent customer revenue is insufficient to support the costs of maintaining this capability; the Air Force **must** provide appropriated funds from the ARA. USTRANSCOM will coordinate with military services and Combatant Commanders to understand airlift workload requirements and adjustments to workload projections on a routine basis. USTRANSCOM must provide the Air Force with the budgeted ARA amount that will be part of the Transportation Working Capital Fund Budget Estimate Submission (BES) and President's Budget with enough lead time for the Air Force to incorporate in its budget submissions. The Air Force must submit a matching amount in its BES and President's Budget submission within its Operation & Maintenance account. USTRANSCOM must submit the Fund-8, "Air Mobility Command Common User Services" exhibit to justify the ARA requirement. The USTRANSCOM will record as a funded order and revenue.

1.7 Military Personnel

1.7.1. Components will use the civilian-equivalent rates provided by the OUSD(C) to price military labor at DWCF activities. The difference between the civilian-equivalent costs, included in the DWCF budget, and the actual military personnel cost will be budgeted directly in the appropriate military personnel appropriation. The number of military included in the budget **should** be the average strength of military assigned to the DWCF business, using the average fill rate for the 3 prior fiscal years, **unless there is a significant change projected in the budget year**. The fill rate is calculated by dividing actual average strength by the authorized strength for each grade. The budget amount will equal the average strength for each grade multiplied by the applicable civilian-equivalency rate.

1.7.2. The amount expensed for military personnel by DWCF activities and the amount reimbursed to the appropriate military personnel appropriation will equal the amount budgeted. No adjustments will be made to the DWCF cost of operations to reflect the actual cost of military personnel employed by DWCF activities. Military Departments having military personnel assigned to other Components will provide to each Component the number of work years that should be included in the DWCF budget submission. The DWCF activities that augment their manpower requirements with National Guard or Reserve personnel, to include those participating in the Personnel Force Innovation (PFI) program, will reimburse the appropriate military personnel appropriation at the DWCF civilian-equivalency rates.

1.7.3. **The civilian-equivalent costs are provided by the OUSD(C) and are calculated in accordance with Volume 11A, Chapter 6.**

1.7.4. See Volume 2A, Chapter 1 for active duty military personnel pricing policy.

*1.8 Full Recovery of Costs and the Setting of Prices

1.8.1. Managers of DWCF activities within each Component will set their prices based on full cost recovery, including all general and administrative support. Prices are established by the

budget process and are represented at the aggregate level in the form of a composite rate. Prices and corresponding rates should remain fixed during the year of execution (exceptions are listed in Volume 11B, Chapter 15). This stabilized price policy serves to protect customers from unforeseen inflationary increases and other cost uncertainties and better assures customers that they will not have to reduce programs to pay for potentially higher-than-anticipated prices. In turn, this policy allows activities to execute the budgeted program level and permits a more effective use of DWCF resources.

1.8.2. Except in unusual circumstances, prices for the budget year will be set to break even over the long run at the activity level. This means that prices will be set to achieve an AOR of zero in the budget year, provided that cash and budgetary resources are available to support AOR returns. In budget execution, activities will incur either a positive or negative operating result. Accordingly, activities will increase their budget year prices to make up actual or projected losses of budgetary resources or reduce their budget year prices to return actual excess cash resources or projected budgetary gains to customers.

1.8.3. An activity may request recovery of AOR outside the budget year. This request must be included in the budget submission, and must demonstrate that the alternative recovery period will not adversely affect the cash balance of the activity. A phased recovery schedule must be provided with the budget.

1.8.4. Special Circumstances: DWCF rules for pricing and operating loss recovery or gain distribution may be waived or deferred if one or more of the following conditions exist.

1.8.4.1. Fund Liquidity: Component fund managers must maintain a positive cash balance throughout the year. The cash requirement developed on the exhibit, Fund 13b, Cash Requirements, provides a management guide for maintaining cash sufficiency. Several factors, however, could cause activities to operate outside the requirement range. To prevent the buildup of excess cash balances, or to ensure fund solvency, the Director or Deputy Director for Revolving Funds may direct out-of-cycle rate adjustments at any time during the fiscal year.

1.8.4.2. Depot Maintenance Additional Requirements: If Component cash balances are projected to be sufficient (see paragraph 1.4) by the end of the budget year, depot maintenance activities will recoup losses and return gains in the budget year. However, if cash balances will be outside the cash requirement range, an out-of-cycle rate adjustment or surcharges may be directed, to restore cash to appropriate levels, at any time in accordance with paragraph 1 above. Also, unplanned depot losses recouped in subsequent years may be financed with prior year resources, provided all other criteria associated with prior year upward obligations are met.

1.8.4.3. Contingency or Emergency Operations: Fund managers may waive DWCF pricing and financing requirements to facilitate Department operations during times of war or other national emergencies. The DWCF activity must notify the Director and Deputy Director for Revolving Funds in writing within 30 days of this action.

1.8.4.4. Impact of Foreign Currency Exchange Rates: A DWCF activity operating overseas may experience significant operating losses or gains due to changes in foreign currency exchange rates.

1.8.4.4.1. While these operating losses and gains are normally recovered or returned through stabilized rate adjustments in budget years, fund managers may propose out-of-cycle rate adjustments to the [Director and Deputy Director for Revolving Funds](#) to address such losses and gains in execution. In calculating any gain or loss from foreign currency fluctuations, the DWCF must use the foreign currency exchange rates published as part of the Department's budget justification materials submitted to Congress in support of the President's budget request and follow applicable procedures in Volume 6A, Chapter 7.

1.8.4.4.2. The DWCF activities are not eligible to participate directly in the Foreign Currency Fluctuations, Defense (FCF,D) (97-X-0803) and the Foreign Currency Fluctuations – Construction, Defense (FCF-C,D) (97-X-0801) accounts.

1.8.4.5. In addition to spreading contract costs when developing rates for all customers, the DWCF activities may incur and recover costs for contracts awarded specifically to fill the requirements of one customer by charging that customer an amount equivalent to the DWCF activity's expense in funding, awarding, and administering the contract.

1.8.4.6. Unbillable costs and operational losses that cannot be billed to an identifiable customer or that were generated from unforeseen cost overruns are to be treated as costs in the fiscal year in which the costs were incurred. The resulting operating losses [must](#) be included in calculating net and accumulated operating results.

1.8.4.7. Unless approved in writing by the [Director or Deputy Director for Revolving Funds](#) as an [out-of-cycle rate adjustment](#), the prices [must be consistent with the rates](#) set for all activity products, goods, or services approved during the budget review and documented in a memorandum signed by the USD(C), or designated representative.

1.8.4.8. Reimbursement procedures humanitarian efforts are as follows:

1.8.4.8.1. Users [must](#) pay for the goods and services provided by all DWCF activities, including deployment or other emergency response for military or humanitarian assistance.

1.8.4.8.2. See Volume 11B, Chapter 11, Section 2.7 for guidance.

1.8.4.8.3. Consistent with this policy, third party collections for transportation provided in response to a Request-for-Assistance (RFA) from another government agency are prohibited. The Military Department that controls the equipment or personnel is responsible for reimbursing USTRANSCOM. It is then the responsibility of the Military Department that accepted the RFA to collect any required reimbursements due that Military Department by the requesting government agency.

1.8.4.8.4. The sole exception to this policy occurs when the USTRANSCOM receives an order from the Joint Chiefs of Staff requiring transportation of non-U.S. owned equipment and/or non-U.S. personnel such as non-reimbursed efforts in support of the United Nations. In those instances, the Army will pay Surface Deployment and Distribution Command (SDDC) costs, the Navy will pay Military Sealift Command (MSC) costs, and the Air Force will pay Air Mobility Command (AMC) costs. Bills may be centralized for more convenient processing if appropriate; however, billings **must** be forwarded to the appropriate Military Department within 30 days from the commencement of service or humanitarian effort. The Military Departments must pay these bills, including transportation bills, in a timely manner.

1.8.4.8.5. This guidance does not address any contingency operation designated by the Secretary of Defense as a “National Contingency Operation” under the provision of the [10 U.S.C. § 127](#). Special rules apply for such an operation and those rules should be promulgated separately in conjunction with any designation by the Secretary under the provisions of that section.

1.8.4.9. Base Realignment and Closure (BRAC) cost reimbursement policies are as follows:

1.8.4.9.1. BRAC-Related Costs. Costs incurred in implementing the recommendations of the BRAC Commissions will be funded by the appropriate BRAC account and are not to be included in the rates and costs of businesses within the Fund. The DWCF activities may incur BRAC expenses prior to receiving an allocation of BRAC funding; however, all costs properly charged against the BRAC account must be reimbursed with BRAC funds. The DWCF activities may not expend funds prior to complying with the notification requirements imposed by law with respect to the obligation of BRAC funds. The BRAC account must reimburse all costs incurred by DWCF activities to carry out BRAC prior to the end of the fiscal year in which costs were incurred. Prior year, current year, or budget year operating losses in DWCF are not to be budgeted in the base closure accounts. Costs attributable to base closure actions at DWCF activities to be budgeted in BRAC may include:

1.8.4.9.1.1. BRAC directed reductions-in-force, separation incentives, plant closures, plant layaway or custody costs, or other BRAC-related expenses, such as all costs not associated with a valid work order during the year of closure

1.8.4.9.1.2. Environmental restoration and mitigation, to include reducing, removing, and recycling hazardous waste, and removing unsafe building debris

1.8.4.9.1.3. Planning, to include conducting such advance planning and design as may be required to transfer from an activity being closed to another military installation

1.8.4.9.1.4. Outplacement assistance in relocating, training, or providing other necessary assistance to civilian employees employed by the Department at installations being closed

1.8.4.9.1.5. Community programs, to include economic adjustment assistance to a community in which the closed base is located, or community planning assistance to the community to which functions will be transferred as a result of closure of a military installation.

1.8.4.9.2. BRAC and DWCF Rates. Overhead, not specific to BRAC and not in support of producing goods or services for customers, will be financed in the year the costs are incurred with the Components' Operation and Maintenance (O&M) appropriations. The DWCF losses occurring in years prior to closure will be recovered through the rate structure to the extent that there are new customer orders. When there are no new customer orders in the budget year, the Component responsible for the activity incurring the loss will finance, as a pass through from O&M appropriations to the DWCF, all overhead not included in rates supported by ongoing work or prior year losses to be recovered in the budget year. All costs at a closing activity in the year of closure that are not associated with a valid work order or are not valid BRAC costs are O&M costs and must be budgeted in the fiscal year when they will be incurred.

1.8.4.9.3. BRAC-Related Permanent Change of Station (PCS) Moves for DWCF Activities. Costs incurred to recruit and hire civilian personnel (including associated PCS costs) to fill vacant positions at an activity that is being transferred from a closing or realigning installation to another military installation in accordance with a BRAC recommendation may properly be considered BRAC costs under the Base Closure and Realignment Act of 1990. As a matter of Department policy, however, BRAC funds will not be used for such costs except in the case of DWCF activities, which may temporarily charge such costs against the DWCF, provided the DWCF is reimbursed with BRAC or O&M funds by the end of the fiscal year in which the costs are incurred.

1.8.4.10. Funding of Civilian Voluntary Separation Incentive Program will be financed and included in stabilized rates for civilian separation incentive requirements of assigned employees unless they must be offered as a result of directed BRAC action, in which case the appropriate BRAC account will fund the civilian separation incentive.

1.8.4.11. Any DWCF activities that use any of the services as listed in Exhibit Fund-22, "Summary of Base Support" as tenants must reimburse installation host activities in accordance with DoDI 4000.19 (Support Agreements) to the extent that the specified support for the DWCF activity increases the host activity's direct costs. Costs for DWCF mission products and services (e.g., depot supply, depot maintenance, facility engineering services, information processing, communications, and software development) should be based on the approved stabilized rate. Other support incidental to the DWCF activity's primary mission or purpose must be budgeted based on direct costs measurable and directly attributable to the DWCF activity (e.g., incremental direct cost). Only the incremental direct cost attributable to the DWCF activity may be chargeable to the DWCF activity. Overhead costs are not to be included as a cost to the DWCF activity. The cost of operations budgeted for these services either as a host or tenant activity should be noted on Exhibit Fund-22, "Summary of Base Support" in the fall budget submission.

1.8.4.12. First line supervision is that **position** level immediately over **non-supervisory** workers. First line supervisors and above **occupy an** official supervisory **designated position**, and when acting in a supervisory capacity, **should have** their labor costs charged **by the DWCF activity** as an indirect production cost of the cost center supervised, **unless all the supervisor's time is in direct support of a single project**. First line supervisors may be borrowed and when used as direct labor, DWCF activities must classify the time of the first line supervisor as direct labor and charge it to the applicable job order rather than as an indirect production cost. "Crew chiefs," "snappers," "team leaders," and other subordinate job leaders are not first line supervisors. Volume 11B, Chapter 13 contains additional information related to charging labor costs.

1.8.4.13. Management Headquarters Costs for DWCF activities may be allocated using the following guidance:

1.8.4.13.1. A management headquarters is a discrete organization or part of an organization that has authority over the management of the DWCF activity. The OSD and Service Departmental activities normally do not have this direct responsibility. All the major systems/logistics organizations in the Services include headquarters elements directly supporting DWCF activities that should be funded or reimbursed by the DWCF activities.

1.8.4.13.2. Costs for discrete DWCF management headquarters organizations and parts of organizations that perform direct DWCF management headquarters functions can be financed directly in the DWCF or reimbursed by the DWCF activity (whichever is more practical). In addition, Components may allocate significant costs for common support functions, such as counsel or personnel services, at DWCF management headquarters to other users based on workload percentages in those functions.

1.8.4.14. Dual-Funded Organizations are organizations that are funded (including reimbursable funding) by both the DWCF and other appropriations or accounts.

1.8.4.14.1. Functions. In instances where a non-management headquarters function is funded with a combination of WCF and **General Funds**, the function initially will be funded in its entirety by either the DWCF or **General Funds**, based on the preponderance of definable units of measure for the function (e.g., workload, productive hours, outputs, or ultimate use).

1.8.4.14.1.1. The part of the organization (or funding source provided) initially funding the function **should** be reimbursed for appropriate amounts by other parts of the organization (or financing sources or customers) involved, based on the unit of measure that was used to determine which organization or funding source would provide initial funding; and the amount of reimbursement **should** be based on the relative portion of that unit of measure attributable to each part of the organization or funding source involved. If the part of an organization that is within the WCF accounts for more than 50 percent (e.g., 60 percent) of the unit of measure for a function shared with the part of the organization funded through appropriated funds, then the WCF portion of the organization initially would fund all of the costs of performing

that function. However, the applicable part of the organization funded through [General Funds](#) would reimburse the WCF for, and be allocated, the remainder of the costs (e.g., 40 percent).

1.8.4.14.1.2. Notwithstanding this policy, the amount of reimbursement for base support services provided by the DWCF to tenant activities [must](#) be determined in accordance with the policies in DoDI 4000.19 (Support [Agreements](#)).

1.8.4.14.2. Capital Investments. When a capital asset purchased by a WCF activity is also used by the part of the organization financed by appropriated funds, the Fund activity will capitalize the asset and bill the appropriated fund customer for the use of the capital asset. Such billings will use a rate that recoups both [the CIR](#) and operating costs. When a capital asset is financed by [General Funds](#) and also used by the DWCF part of the organization, the [General Funds](#) will capitalize the asset and may bill the DWCF for operating costs. [General Funds](#) activities do not bill DWCF activities for depreciation of capital assets.

1.8.4.15. Revenue Recognition Procedures for DWCF activities.

1.8.4.15.1. The DWCF activities must recognize revenue and associated costs in the same accounting period. There are two types of customer orders: (1) end-product (end-item) type orders which, at the completion of the customer order, produce a usable end-product (i.e., overhaul, repair, manufacture, construction, modification, supply transactions, etc.); and (2) service type orders that provide a service over a specified period of time. Revenue must be recognized in the same manner (that is, a standard policy for recognizing and reporting revenue must apply) for all activities within a DWCF activity. The policy varies based on the type of customer order, the length of time necessary to complete the order, and the value of the order; however, non-supply DWCF activities must use the “Percentage of Completion Method” for revenue recognition. The amount of revenue recognized cannot exceed the amount specified in the order.

1.8.4.15.2. Revenue recognition procedures must include gain and loss recognition in the same period in order for the activity managers to evaluate the performance of an organization. The revenue recognition policy does not encompass or establish policies for billings to customers or payments from customers.

1.8.4.15.3. Volume 11B, Chapter 11 provides specific revenue recognition guidance by DWCF activity.

1.8.4.16. Customer Workload Changes.

1.8.4.16.1. When a work order or project is canceled or reduced in scope after a DWCF activity has commenced work or incurred costs, the DWCF activity [should](#) charge the customer for the direct and indirect production costs incurred, plus the applied overhead plus costs associated with the cancellation or reduction.

1.8.4.16.2. Volume 11B, Chapter 11 provides specific guidance for the types of directly associated cancellation or reduction costs that can be charged to customers.

1.8.4.17. Write-offs of [unusual or infrequently occurring](#) losses [are](#) not chargeable against Accumulated Operating Results and [should](#) not be recovered through increases in customer rates [unless recovery of a cash loss or outlays is required and in accordance with accounting policies](#). [Examples of unusual or infrequently occurring losses not recovered in rates include losses resulting from the disposal or divestiture of capital budget items that have not been fully depreciated at the time they are taken out of service due to BRAC action; or losses associated with systematic inventory reductions by disposal of assets associated with force drawdowns. Only unusual or infrequently occurring write-offs that require a cash resource will be separately identified in the Component's budget submission using the Fund-14, "Revenue and Expenses" exhibit.](#)

1.8.4.18. [Net Operating Results \(NOR\) Adjustments](#). There are instances where additional adjustments to the Fund-14 and NOR are required. For example: Cash Transfers in and out of the fund not directly related to operational performance (Direct Appropriations associated with natural disasters, humanitarian relief, pandemics, cash infusions, and reprogramming actions e.g., transfers in/out) may use below-the-line adjustments to the NOR to adjust for transfers that are not directly related to operational performance and subsequently does not support returning or collecting AOR.

1.9 [Rate Setting for DWCF Activities](#)

1.9.1. In accordance with paragraph 1.8 [above](#), stabilized rates reflecting full cost will be set during the budget process for all individual DWCF activities. The DWCF uses four methods for rate setting purposes based on the nature of an activity.

1.9.1.1. [Percentage Markup on Cost](#). A cost recovery percentage is applied to the purchase or repair cost of secondary supply items to recover overhead costs and other pricing adjustments. This method is typically used for supply management DWCF activities.

1.9.1.2. [Direct Labor Hour \(DLH\)](#). A specific dollar value, including all direct costs, overhead, and other pricing adjustments, is charged per DLH associated with the completion of a customer order. This method is typically used for industrial DWCF activities (i.e., depot maintenance, ordnance, and research and development).

1.9.1.3. [Specific Unit of Output](#). The DWCF activities that provide services via numerous outputs that do not have a common measure for calculation will establish separate rates for each output. When multiplied by projected customer workload for each output, the rates will produce revenue that approximates, to the extent possible, recovery of the full cost, including approved adjustments, of providing the specific outputs (e.g., transportation, finance and accounting, information systems, and base support). This includes direct systems reimbursement.

1.9.1.4. [Standard Fuel Price \(SFP\)](#). During the budget development cycle, the Revolving Funds Directorate will establish the standard fuel price (SFP) for use by the Defense agencies and military departments to develop their fuel estimates for the budget. The Revolving Funds Directorate will use the Office of Management and Budget (OMB) economic assumptions (EA) and the refined product costs experienced by the department to develop the SFP. The SFP

consists of the refined fuel cost and the non-product cost, which includes cost for Sustainment, Restoration and Modernization (SRM), terminal operations, transportation, operations and product losses. During the year of execution, the SFP may be set at the budgeted rate or may be adjusted due to updated economic assumptions from OMB, the latest refined product cost experienced by the Department, changes in projected product costs, or the DLA Energy cash balance. The OUSD(C) must approve the SFP that will be used for the budget and changes thereafter.

1.9.2. Definitions and Procedures

1.9.2.1. Stabilized Price. Under the stabilized price recovery method, customers are charged for products and services provided by a DWCF activity. Activities establish stabilized prices for the budget year that are adjusted and approved during the budget review process. The stabilized rate is determined by [projecting](#) workload and costs, [including return/recovery of prior year AOR gains/losses](#). DWCF activities will charge this annual stabilized rate for all new customer orders received and accepted during that specific fiscal year, regardless of when the work is actually executed and billed.

1.9.2.2. Stabilized Price Exceptions. See paragraph 1.10 for guidance applicable to the sale of goods and services to public-private partnerships by DoD depot maintenance activities. In the Supply activities, customers are charged the price in effect when the item is dropped from inventory.

1.9.2.3. OP-32/PB-32 Rate Change. The annually published rate change for DWCF activities is the percentage change of prices between fiscal years.

1.9.3. Budgeted Rates. The OUSD(C) or designee will review and approve all final composite rates and prices developed for the President's budget and documented subsequent in the OUSD(C) Rates Memo.

1.9.4. Alternative Rate Development. Components may propose methods other than the standardized rates for recovering the cost of operations so long as they are mathematically equivalent to the standardized rate. Any alternative pricing methods must be fully documented and justified in the DoD Components' PBR. Any method (such as percentage of sales instead of markup on cost) must demonstrate recovery of all operating costs, provide a comparison of the current method to the method proposed, show the impact to customer funding requirements, and provide a timeline for implementation. Any change in the presentation of standardized rates for budget purposes must be approved in advance by the Director [or Deputy Director](#) for Revolving Funds and documented in the appropriate decision document.

1.9.5. Budget Formulation Rates and Prices. All DWCF activities will establish rates using the following multiple step process:

1.9.5.1. Each DoD Component must carefully review all projected costs for its projected operations for the fiscal year, and propose the most cost-efficient operation possible.

1.9.5.2. Customer requirements must be projected to include all anticipated workload programmed for accomplishment during the budget year based on identified outputs such as DLHs by product, tons shipped, line items received, and all other approved output measures for each activity. Prior year execution [must](#) also be factored into the projection of anticipated customer orders and overhead costs and significant deviations from prior year workload must be fully explained in both the activity's and the customer's budget justification materials.

1.9.5.3. Components will include adjustments required to comply with OSD and OMB guidance on the impact of inflation, projected pay changes, and other programmatic and policy changes in developing proposed rates.

1.9.5.4. Components will propose costs, program levels, and rate changes by DWCF activity in their Program/Budget estimate submissions. Components may propose exclusion of customer unique, non-labor direct costs from the stabilized rates, and charge these costs on an actual cost reimbursable basis. Components must show the impact the change in rates structure would have on overall stabilized rates. In other words, all costs must be accounted for and reconciled on the corresponding budget exhibit. Final [composite](#) rate and price adjustments will be documented in a memorandum signed by the USD(C), or designated representative, at the completion of the budget review. [Afterward, any internal realignment of rates within the composite rate structure must be approved as an out-of-cycle rate adjustment by the Director or Deputy Director for Revolving Funds.](#)

1.9.5.5. Final approved costs, program levels, and rate changes will be established by decision documents, after adjustments required to balance changes to customer funding with anticipated Fund costs, inter-Fund sales and transactions, and adjustments for NOR to bring the AOR to zero for the budget year for each DWCF activity.

1.9.6. [Financing of Unusual or Infrequently Occurring Losses.](#) Alternatives exist for financing sunk costs when activities terminate capital investments before a project is completed. These costs may be funded through one-time capital surcharges to operating costs or through the normal budgeted [CIR](#) previously established. If charged to operating costs through a capital surcharge and depending on the size of the charge, the loss may be recovered through rates over a 2-year period. If a usable product is produced, even though it is less than the planned product, costs may be reasonably assigned to that product and those costs may be appropriately recovered through [the CIR](#).

* [1.9.7. Direct Reimbursable Work, Service Level Billings and Other Income.](#) [Work performed may be billable outside the rate structure as approved in the President's budget. In these cases, revenue generated by direct reimbursable work, service level billings and any additional form of "other income" is subtracted from total revenue before the rates are developed. Forms of direct reimbursable work may include materiel purchases for non-supply activities, provisioning purchases for supply activities, work performed outside the mission scope of the activity, or if the customer has a centralized billing process to pay for a significant number of multiple outputs.](#)

1.10 Public-Private Partnerships at Depot Maintenance Activities

1.10.1. Public-private partnerships are agreements between organic depot maintenance activities and private industry or other entities to perform work and/or to utilize facilities and equipment. Partnerships improve utilization of DoD facilities, equipment, and personnel and enhance support to the warfighter. To advance the goal of increased partnering between DoD and private industry, this section provides guidance for the pricing of DWCF depot maintenance goods and services to private sector entities in partnering arrangements. Conditions for the sale of goods and services to non-DoD entities must be based on specific statutory authority.

1.10.2. In accordance with the authority granted to the Secretary of Defense by [10 U.S.C. § 2208](#), paragraph (h) to prescribe regulations governing the operation of DWCF activities and the use of inventories, this guidance is intended to clarify existing legal authority applicable in certain specific circumstances. The guidance set forth in this section:

1.10.2.1. May not be used to compete for non-defense related work.

1.10.2.2. Does not apply when otherwise precluded by public law.

1.10.2.3. Does not apply to products or services produced under work-share arrangements in which a DoD sponsor assigns work and separately funds the DoD depot maintenance activity and the private sector entity.

1.10.2.4. May be used for sales to private sector entities only when the transaction is part of an arrangement that is officially recognized as a depot maintenance public-private partnership.

1.10.3. Sales Prices

1.10.3.1. In order to minimize potential DoD operating losses or gains, sales prices to private sector entities in depot maintenance public-private partnership relationships may be tailored to the most recent actual and projected costs, rather than the approved stabilized billing rates charged to DoD customers ([10 U.S.C. § 2474](#)).

1.10.3.2. Tailored rates or prices charged for sales to private sector partners, if used, **must** ensure full cost recovery for the work involved in producing the specific products and services. Such tailored rates and prices **must** include: (a) all direct costs, (b) production or shop overhead costs that contribute to the final product and (c) a full allocation of General and Administrative (G&A) overhead costs, distributed on the same basis as for DoD customers. (Since G&A overhead costs cannot be attributed to specific products or services, there is no basis to include or exclude specific items of cost from prices charged to customers.)

1.10.3.3. Exceptions to WCF pricing policy for sales to private sector parties in depot maintenance partnership arrangements, as addressed in subparagraphs 1 and 2 above, do not change the requirement that sales prices include unfunded costs, as prescribed in Volume 11B, Chapter 11.

1.10.4. Fixed Pricing

1.10.4.1. Sales of DoD goods and services to private sector entities on a fixed price basis are authorized when the work is well defined and there is a reasonable basis upon which to predict costs. This mirrors private sector practice, improves the ability of private sector partners to predict production costs, and serves to constrain unit cost by more fully utilizing the production capacity of DoD maintenance depots. Cost reimbursable pricing is appropriate when future production costs cannot be reasonably predicted.

1.10.4.2. Multiyear fixed price agreements are authorized when future production costs can be reasonably predicted and the potential for future operating losses and gains are minimal. Prices may be fixed at a predetermined level taking into account future year escalation factors like pay rate changes, general inflation, and the number of units produced. Multiyear fixed price agreements may also incorporate other pricing techniques such as establishment of a base price with provisions for economic price adjustments to accommodate inflation.

1.10.5. Advance Payment. When appropriate to the scope of, and risks associated with, a prospective contract, the DoD partner may elect to accept incremental advance payments.

1.11 Military Clothing Items and Individual Equipment

1.11.1. The Defense Logistics Agency (DLA) Supply Management Activity procures military clothing requirements and bills users at standard prices. This includes uniforms, combat equipment, tents, tool sets and kits, hand tools, and cleaning equipment and supplies. The Military Services **must** include the costs of new clothing bag items in the Military Personnel appropriation budget request and new organizational items in the Operation and Maintenance appropriation budget request. A replacement item **must** be deemed a new item for the purposes of this policy if the cost of a replacement item exceeds the cost of the prior item by more than 10 percent in constant dollars.

1.11.2. The Military Personnel appropriation budget and the Operation and Maintenance appropriation budget should be sufficient to fund the quantity of the initial buy of an item of clothing including the establishment of wholesale inventory levels. New clothing items required prior to receipt of appropriated funds **may** be funded in these same accounts by reprogramming action.

*2.0 BUDGET JUSTIFICATION PRESENTATION

2.1 Purpose

This section provides guidance for preparation and submission of budget justification material and execution review estimates for the DWCF activities.

2.2 Preparation of Materials

General guidance with regard to format and preparation of material is presented in Volume 2A, Chapter 1. [This chapter](#) provides specific guidance with regard to the back-up material required for the DWCF and other unit cost budget areas.

2.3 References

Volume 2A, Chapter 1 provides funding policies to include those that impact other appropriations and accounts. Volume 2A, Chapter 2 provides guidance related to military personnel costs. Chapter 8 provides guidance related to Real Property Maintenance and Minor Construction and Volume 2A, Chapter 3 provides guidance related to Operation and Maintenance costs.

2.4 General

2.4.1. Each DoD Component will submit operating and CIP budget justification material to the OUSD(C), Revolving Funds Directorate, in preparation for submitting the President's budget request to the Congress following a review and approval by the OUSD(C) and the Office of Management and Budget. Each Defense Agency will prepare and submit their portion of the Defense-wide volume material to OUSD(C), Revolving Funds Directorate, for review and approval prior to submission to DLA for incorporation into the Defense-wide justification book. The DLA may require support from the submitting organizations to assemble the final justification book containing the Defense-wide DWCF activities. The DLA will supervise printing and distribution of the Defense-wide justification book for the President's budget.

2.4.1.1. The DWCF Program Budget/Review focuses on an integrated set of budgetary schedules for evaluating progress towards meeting cost and productivity targets. Unit cost goals and customer prices are set for each DWCF activity for the budget year to ensure resources are available to finance all costs.

2.4.1.2. The Budget Call letter may request updates for selected schedules that have not yet been documented in this regulation.

2.4.1.3. The documentation supporting the President's budget should be consistent with approved costs, work load and productivity assumptions.

2.4.1.4. The DWCF justification books submitted to Congress will be unclassified, in one volume organized into three sections: Component Overview, Operating Budget, and Capital Budget. All congressional budget material will be submitted electronically and posted on the respective Service's unclassified web site.

2.4.2. The following table lists all required budget justification exhibits.

2.4.2.1. The "Exhibit Requirements" column lists the universe of budget exhibits for DWCF activities.

2.4.2.2. The “WCF Activity” column identifies, for each exhibit, which activities are required to submit the exhibit. Activities must provide the exhibits as follows: “All” indicates all DWCF activities; “S” indicates Supply activities; “NS” indicates non-Supply activities; “I” indicates industrial activities; and “D” indicates depot maintenance activities.

2.4.2.3. The remaining three columns are marked “Y” or “N” to indicate that submission of the exhibit is required (“Y”) or not required (“N”), respectively, to support the PBR, for the Revolving Funds Directorate’s internal use (the exhibit will not be published) to support the President’s budget (“Backup to PB”) request, and for publication as part of the congressional justification materials for the President’s budget request (“President’s Budget”). The single exception is the Fund-28 Execution Performance Analysis, which must be submitted for budget execution reviews only.

					4930.1		4930.2					4930.3			4930.4		4930.5					4932	4950	4931	4955	
Exhibit	Exhibit Requirements	Activity	PBR	PB Back up	PB	Army		Navy / USMC					Air Force			DeCA		DFAs	DISA	DLA			DCSA	WHS		NDSTF
						Supp.	IO	Supp.	Depot	R&D	MSC	Depot	CSAG-S	SMAG-R	TWCF	Resale	Ops.			SCM	Energy	Docs.		PRMRF	BMF	
SM-1	Supply Management Summary by Division	S	N	N	Y	X		X					X	X		X				X	X					
SM-3b	Weapon System Requirements	S	Y	N	Y	X		X					X							X						
SM-4	Inventory Status	S	Y	N	Y	X		X					X	X		X				X	X					
SM-5a	Markup on Materiel Cost	S	Y	Y	N	X		X					X	X						X						
SM-5b	OP-32 Price Change	S	Y	Y	N	X		X					X	X						X						
SM-6	War Reserve Materiel	S	Y	N	Y	X							X	X						X	X					
SM-16	Unit Cost Summary	S	Y	Y	N	X		X					X	X						X	X					
Fund-1	Summary of Price, Program and Other Changes All	All	Y	N	N	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Fund-1a	Details of Price, Program and Other changes (OP- 32)	All	Y	N	N	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Fund-2	Changes in Cost of Operations	NS	Y	N	Y		X		X	X	X	X			X		X	X	X			X	X	X	X	
Fund-5	Total Cost Per Output Summary	NS	Y	Y	N		X		X	X	X	X			X		X	X	X			X	X			
Fund-6	Depot Maintenance 0.06 Capital Investment Plan	D	Y	N	Y		X		X	X		X														
Fund-7	Customer Rate Computations	I	Y	N	N		X		X	X		X														
Fund-8	Air Mobility Command (USTRANSCOM)	-	Y	N	N										X											
Fund-9a	Capital Investment Summary	All	Y	N	Y	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Fund-9b	Capital Investment Justification	All	Y	N	Y	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Fund-9c	Capital Budget Execution	All	Y	N	Y	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Fund-11	Source of New Orders & Revenue	All	Y	N	Y	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Fund-11a	Carryover Calculation Reconciliation	I	Y	N	Y		X	X	X	X	X	X														
Fund 12	Customer Orders to Customer Funding Reconciliation Exhibit	All	Y	Y	N	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Fund-13	Cash Management Plan	All	Y	Y	N	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Fund-13b	Cash Requirements	All	Y	Y	N	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Fund-13c	Summary of Cash Flows	All	Y	Y	N	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Fund-14	Revenue and Costs	All	Y	N	Y	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Fund-15	Fuel Data	S	Y	N	Y		X		X	X	X	X			X						X					
Fund-16	Materiel Inventory Data	I	Y	N	Y		X	X	X			X														
Fund-19	Military Personnel by End Strength	All	Y	N	N	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Fund-22	Summary of Base Support	All	Y	N	N	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Fund-24	Summary of Personnel Data	NS	Y	N	N		X		X	X	X	X			X			X	X				X			
Fund-28	Execution Performance Analysis	All	BERs Only			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Fund-30	Unutilized/Underutilized Plant Capacity	I	Y	Y	N		X					X														
OP-8	Civilian Personnel Costs	All	Y	Y	N	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
OP-32	Operation & Maintenance	All	Y	Y	N	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
PB-15	Advisory and Assistance Services	All	Y	Y	N	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
PB-22	Headquarters Costs	All	Y	Y	N	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
PB-54	Civilian Personnel Hiring Plan	All	Y	Y	N	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Fund-23	Statement of Financial Condition	S	Y	N	Y																			X		
PR-1	Cost of Services	-	Y	N	Y																		X	X		
SP-1	Stockpile Financial Status Report	S	Y	N	Y																			X		
Fund-4	Summary of General and Administrative Costs	S	Y	Y	N																			X		
PB-2	Program Financing Summary	S	Y	Y	N																	X		X		
PB-2a	Program Financing Detail	S	Y	Y	N																	X		X		
PB-32	Summary of Price and Program Changes	S	Y	Y	N																			X		
OP-9	Analysis of FTE Costs	-	Y	Y	N													X								

1/ OUSD(C) RF electronic format required.

2/ USTRANSCOM must submit separate Fund-15 exhibits for its Commercial and Military airlift augmentation efforts.

2.4.3. Component Narrative. A component narrative is required for the President's budget submission to the Congress. Each DoD Component will provide a Summary by Component in table form consisting of cash and net outlays; revenue, expenses, and operating results; civilian full-time equivalents and military end strength; unit costs, rates, and other key indicators. In addition, each Component will provide a summary table for each of its DWCF activities. Discuss any planned changes in DWCF activity make up, location, or product lines. Provide short explanatory bullets where significant changes occur.

2.4.4. WCF Activity Narrative. For each DWCF activity, the DoD Component will submit a narrative analysis that, as a minimum, addresses the following areas:

2.4.4.1. A general description of the DWCF activity to include names and locations of subordinate commands, its outputs and customers, and performance and quality metrics. Discuss any planned changes in the DWCF activity make up, location, or product lines. Display cash and net outlays, revenue and expenses, operating results, civilian full-time equivalents and military end strength, unit costs and rates and other key indicators in tabular form. [If a section of the narrative, an exhibit or set of exhibits is not required by a specific activity, please provide an explanatory statement.](#) Provide short explanatory bullets where significant changes occur.

2.4.4.2. The analysis should focus on the changes from year to year and how these changes are related to work load and productivity trends; an analysis of any special business-type schedules requested in the Budget Call letter; and a discussion of work load and manpower trends, productivity initiatives/cost reductions, unit costs, and customer prices incorporated in the DWCF activity budget.

2.4.5. Copies. Numbers of copies of the required materials to be submitted with the annual budget estimates are identified in Volume 2A, Chapter 1. In addition, for the PBR, an electronic copy of the justification material for each DWCF activity will be provided to the respective Revolving Fund analyst and an electronic copy will be made available to the OUSD(C) Program and Financial Control Directorate on the SIPRNET. The OUSD(C) will notify Fund Managers if additional copies are required. The Budget Call Letter will provide any additional submission instructions, such as posting of the electronic copy to the internet.

2.4.6. Classification. The DWCF justification books prepared by the Components are to be unclassified. Submit any classified exhibits under separate cover.

2.4.7. Formats. Paper copies of justification material will be submitted on 8-1/2 x 11-inch paper. Variations in format to facilitate printing are permissible. Additionally, modifications may be made to exhibit formats with the approval of the respective Revolving Fund analyst to eliminate redundant information or provide further clarification.

* 2.4.8. Database Requirements. Consistent with the guidance contained in Volume 2A, Chapter 1, the DWCF budget estimates for financing and civilians will be entered into the Comptroller Information System (CIS). The CIS is typically loaded in August before the review of the justification material. The CIS entries are in obligations, as opposed to expenses. [The financing entries for federal and non-federal orders correspond to new orders displayed on the Fund-11 and must be entered.](#) System requirements may affect the minimum amount of required

financing entered into the database. Specific instructions on entering CIS data can be found on the SIPRNET CIS website.

2.4.8.1. The DWCF Operating Budgets will be entered into the CIS as new obligations. However, certain budget exhibits may reflect expense rates where applicable. Each component is responsible for ensuring that expenses and obligations reconcile in the budget justification and that each depicts a reasonable estimate of costs. For non-supply activities, inconsistencies will become apparent in the final rate worksheet reconciliation to CIS entries.

2.4.8.2. The DWCF Capital Budgets will be entered into the CIS as the amount of contract authority expected to be obligated in that fiscal year. This amount should be equal to the program totals displayed on the Fund-9c “Capital Budget Execution” exhibit. The CIP prior year carryover request amounts are not entered into CIS for the CY. The actuals for CIP PY Obligations in CIS must reflect the total obligations from AR(M) 1307 Statement of Operations, Part VI – Capital Program, Obligations This Fiscal Year Column, inclusive of all program years.

2.4.8.3. Enter estimates of civilian full-time equivalents (FTEs) for civilian personnel data and military end strength for military personnel data.

2.4.8.4. Changes to CIS data submitted by the DoD Components will be recorded in a decision document or technical adjustment. Technical adjustments may be used when a DoD Component requests minor changes due to new information or correction of errors during the PBR. The changes to the budget reflected in the final decision document will be expressed as obligations, FTEs for civilian personnel, and end strength for military personnel, and adjusting entries will be generated. Final composite rate and price adjustments will be documented in a memorandum signed by the USD(C), or designee, at the completion of the PBR.

2.4.9. Special Schedules - For the Supply Management activities, the narrative must include a section on workload and economic assumptions. These assumptions must include the following data for the prior, current, and budget fiscal years: items managed (#), requisitions received (#), receipts (#), issues (#), contracts executed (#), and supply materiel availability (%).

2.5 DWCF Application of Commonly Used Financial Management Terms

2.5.1. Commitment. A firm administrative reservation of funds, based on firm procurement directives, orders, requisitions, authorizations to issue travel orders, or requests which authorize the recipient to create obligations without further recourse to the official responsible for certifying the availability of funds. The recording of a commitment reserves funds for future obligations. The DWCF activities are not limited to the amount of commitments that can be incurred in the course of operations (unlike other DoD appropriations). Annual Operating Budgets (AOBs) provide legal and administrative restrictions only on the amount of contract authority that may be obligated in a given fiscal year.

2.5.2. Direct Appropriations. Amounts appropriated by the Congress to the DWCF for war reserve materiel, Defense Commissary Agency, or other purposes.

2.5.3. End of Period (EOP). The last day of a specified fiscal year, normally September 30, used to determine the closing status of resources.

2.5.4. Outlays. Disbursements issued from the U.S. Treasury for goods and services received. Gross outlays are equal to the cumulative amount of disbursements made for the fiscal period to date. Net outlays are equal to gross outlays less the cumulative amount of collections received for the fiscal period to date, [plus/minus transfers out/in, minus Direct Appropriations received](#).

2.6 Supply Management DWCF Activity Definitions

2.6.1. This section provides standard definitions to Supply Management terminology associated with the development of budget justification material. [The category of the term, Financial Management \(FM\), Logistics, or both is indicated in parenthesis.](#)

* 2.6.2. Definition of Terms Used in Supply Management DWCF Activities

2.6.2.1. Acquisition Leadtime (Logistics). The interval in months between the initiation of procurement action and the receipt into the supply system of the production model (excludes prototypes) purchased as the result of such actions. Acquisition Leadtime is composed of two elements, production leadtime and administrative leadtime.

2.6.2.2. Administrative Leadtime (Logistics). That portion of the Acquisition Leadtime that begins with the identification of the need to buy and the contract award. The time between the initiation of paperwork and contract.

2.6.2.3. Allocation (FM). [Following approval of apportionment / reapportionment requests by OMB, OUSD\(C\) P/B allocates funds to the Military Services and Defense Agencies. Funds distributed by OUSD\(C\)/PB may be further subdivided through sub-allocation and sub-allotment to lower levels within the organizations or across organizations for execution.](#)

2.6.2.4. Beginning of Period (BOP) (both). The start of a specified fiscal year, normally on October 1, used to determine the opening “snapshot” status of resources. Typically, the [end of period accounting balances](#) from the previous fiscal year [become](#) the BOP [balances](#) of the current FY; [BOP balances may be](#) adjusted for price changes.

2.6.2.5. Capitalized Inventory (Both). On-hand and on-order inventories of supplies funded by other appropriations and funds are considered as contributed capital as of the date when management responsibility for the items is undertaken (see Provisioning).

2.6.2.6. Capitalization (Both). The process whereby the Fund assumes management responsibility and ownership of assets [\(such as inventory\)](#) without reimbursing other DoD appropriations or funds.

2.6.2.7. Contingency Retention Stock (Logistics). That portion of the quantity of an item excess to the Approved Acquisition Objective for which there is no predictable demand or

quantifiable requirement and that normally would be allocated as potential reutilization stock, except for a determination that the quantity will be retained for possible contingencies. This is a budget stratification category and is not the same as “War Reserve Materiel,” which is held for immediate use of military deployments.

2.6.2.8. Cost of Goods (Materiel) Sold (COGS) (FM). The COGS is the expensed value of the items sold at the standard or exchange price, respectively. The COGS cannot be recorded until a sale occurs even though the purchase and cash outlay occurred in a previous fiscal year. The COGS is [based on](#) inventory valuation that may not be directly related to actual cash required to purchase inventory for the continuity of operations ([see Materiel Cost Adjustment](#)).

2.6.2.9. Cost Recovery Elements/Surcharges (FM). Factors added to the acquisition cost or repair cost price of an item to arrive at the customer’s standard or exchange price. Cost Recovery Elements/Surcharges include: (1) transportation deliveries from production site to points of use or storage (Second Destination Transportation (SDT)); (2) inventory obsolescence and loss, for the costs of pilferage, damage, deterioration, physical inventory shortages and excess; (3) inventory maintenance; (4) supply operations support costs; (5) [inventory augmentation](#); (6) [CIR factor](#); (7) [cash surcharge](#); and (8) [Depot Level Repairable \(DLR\) carcass attrition costs](#), if applicable.

2.6.2.10. Decapitalization (Both). The transfer of DWCF assets ([such as inventory](#)) to other appropriations or funds without reimbursement. Transfers of [on order](#) inventory between DWCF DoD Components are not considered de-capitalizations. Gains and losses of cash, relative to continuing operations at the DWCF activity level, should be taken into consideration to establish an acceptable reimbursement process based on validated undelivered orders (dues in).

2.6.2.11. Demand (Customer Order) (Both). Demand is an indication of a requirement (i.e., requisition, request, issue, repairable generation, etc.) for issue of serviceable materiel. Demands are categorized as either recurring or nonrecurring and are also referred to as [funded](#) orders. Demands for repairable items should indicate whether or not a carcass will be returned.

2.6.2.12. Economic Retention Stock (Logistics). That portion of the quantity of an item greater than the Approved Acquisition Objective determined to be more economical to retain for future peacetime issue than to dispose and satisfy projected future requirements through procurement or repair. To warrant economic retention, items must have a reasonably predictable demand rate. [The use of available resources](#) for replenishment and growth of economic retention stock [should be evaluated relative to the need](#) to reduce potential inventory shortages in other commodities that have higher reoccurring demands.

2.6.2.13. Exchange Price (EP) (FM). In a system that supports exchange pricing, this is the price charged to customers returning a DLR part that needs repair [and purchasing](#) a serviceable one (new or repaired). Equates to the latest repair price plus wash out costs (condemnations) per item plus pricing elements necessary to recover other operating costs. (Note: If no carcass ([unserviceable item](#)) is returned, the customer [must be](#) charged the full standard

price.) The discount the customer receives for exchanging a DLR part that needs repair will be the same for all items in the same Interchangeable and Substitutable (I&S) family, with the exception of any obsolete items that are no longer suitable substitutes in an I&S family. This applies to both exchange sales and primary inventory control activity (PICA) / secondary inventory control activity (SICA) transactions where the customer pays full price and then receives a payment for returning the DLR.

2.6.2.14. Expendable Supplies and Materiel (Logistics). Supplies, sometimes referred to as consumable supplies and materiel, that are consumed (e.g., paint, fuel, cleaning, preserving materiel, surgical dressings, drugs, and medicines) or lose their identity in use.

2.6.2.15. Initial Spare and Repair Parts (both). Those spares and repair parts introduced through the provisioning process to establish inventory levels prior to reoccurring demands for that item. These inventory levels must be provided or funded by other DoD appropriations (see Volume 4, Chapter 4). Components may request, subject to approval by the Director or Deputy Director for Revolving Funds a cost recovery element in the pricing structure to cover these requirements (See Volume 11B Chapter 15).

2.6.2.16. Insurance Item (Logistics). A non-demand-based stocked essential item for which no failure is predicted through normal usage. However, if a failure were to be experienced or a loss occur through accident, abnormal equipment or system failure, or other unexpected occurrence, lack of replacement would seriously hamper the operational capability of a weapon system.

2.6.2.17. Inventory (Supply) (both). Materiel titled to the U.S. Government, held for sale or issue, held for repair, or held pending transfer to disposal.

2.6.2.17.1. Consumer Level of Materiel and Supplies: Materiel and Supplies, usually of limited range and depth, held only by the final element in an established supply distribution system for the sole purpose of internal consumption. Materiel and Supplies at the consumer level is normally no longer considered DWCF inventory.

2.6.2.17.2. Intermediate Level of Inventory (Local): Materiel and Supplies held between the wholesale and consumer levels, regardless of funding source.

2.6.2.17.3. Wholesale Level of Inventory (National): Inventory, regardless of funding sources, over which the inventory manager at the inventory control point level has asset knowledge and exercises unrestricted asset control to meet worldwide inventory management responsibilities.

2.6.2.17.4. Inventory Augmentation (Both). A growth in inventory beyond initial stockage levels that is not demand based. This includes changes in engineering estimates resulting in higher stockage levels. Costs may be recouped by direct appropriation or a cost recovery element in the pricing structure to cover these requirements (See Volume 11B, Chapter 15).

2.6.2.17.5. Retail Inventory. Supplies/materiel held at a second point of sale below the wholesale level (e.g., management of DLA inventory purchases within a specific Military Department).

2.6.2.18. Inventory Cost Categories (FM)

2.6.2.18.1. Operating Costs. All costs not associated with the purchase or repair of materiel that must be incurred in order for the DoD Components to manage a supply DWCF activity. Does not include materiel-related costs, which constitute the basis for cost of goods sold.

2.6.2.18.2. War Reserves. Direct appropriation funding is required to procure items for war reserve stocks. These materiels are required to support approved force mobilization objectives. The approved force mobilization objective is the quantity required, in addition to peacetime assets normally available on any given date, to equip and support the approved force structure.

2.6.2.18.3. Historic Cost. The price paid for an item at the time it was purchased from a supplier.

2.6.2.18.4. Moving Average Cost (MAC): A historical cost method of valuing inventory. Each time a new quantity is purchased, the average value of all items on hand is recalculated. This value is used for accounting purposes including the COGS value on the Fund-14 "Revenue and Costs."

2.6.2.18.5. Replenishment Cost. The current price of an item from a vendor that will result in a cash outlay resulting from an obligation in the current fiscal year.

2.6.2.19. Numeric Stockage Objective (NSO) Item (Logistics). A non-demand-based, stocked, essential item for which, although failure may be predicted, the probability of demand is so low that it does not meet the stockage criteria at a given activity and, as a demand-based item, would not be stocked. Since the lack of a replacement item would seriously hamper the operational capability of a weapon or weapon systems, the item is therefore stocked; using direct appropriations, as non-demand-based. Also included in this category are:

2.6.2.19.1. Items needed to support particular programs of a nonrecurring or sporadic nature (e.g., set assembly, non-repetitive overhaul programs) where re-procurement is not required once the particular program has been completed.

2.6.2.19.2. Items that are procured on a life-of-type basis or which are "bought out" at the termination of a production program.

2.6.2.19.3. Items that are not fully consumed during a one-time or non-repetitive program but which should be retained for possible future need on a similar program.

2.6.2.20. Inventory on Order (Logistics). The quantities of materiel required to sustain operations in the interval between requisitions and the arrival of successive shipments; the amount of inventory required to satisfy current demands when leadtimes are taken into account. These quantities should be based on the established replenishment period (i.e., monthly, quarterly, etc.). This is also referred to as the “Pipeline,” “Undelivered Orders,” or “Due ins from Procurement and Repair.”

2.6.2.21. Other War Reserve Materiel Requirements (Logistics). The total war reserve materiel requirement less the sum of the pre-positioned war reserve requirements. These are also known as non-prepositioned requirements.

2.6.2.22. Pre-positioned War Reserve Materiel Requirement (PWRMR) (Logistics). That portion of the war reserve stocks required to be on hand on M-Day which approved Defense Guidance dictates be reserved and/or positioned at or near the point of planned use or issued to the user prior to hostilities, to reduce reaction time and to assure timely support of a specific force/project until replenishment can be effected.

2.6.2.23. Price Stabilization (FM). The Department’s policy [that requires components to maintain](#) the standard price of each cataloged supply item throughout each fiscal year except for correction of errors ([See Volume 11B Chapter 15](#)).

2.6.2.24. Materiel Cost Adjustment (MCA) (FM). The amount of [cost increase](#) realized from suppliers above the MAC, used on the SM-5b “OP-32 Price Change.” (MAC + Inflation + MCA = Replenishment Costs.) This amount is typically above the standard rate of inflation. Standard inflation should be accounted for in the “Materiel Inflation Adjustment” recovery element; [it should not be](#) double counted in the MCA. For example, if a new part has been upgraded by the manufacturer, the price may increase by 10 percent. In this case, 2 percent may be “normal inflation” and 8 percent can be attributable to the MCA. [In some cases, normal inflation may be the only recovery element required. For pricing purposes, inflation and an MCA may have to be applied as a cost recovery element to ensure receipt of sufficient budgetary resources to support the cash outlays required for replenishment.](#)

2.6.2.25. Production Lead Time (Logistics). The time interval between the letting of a contract or the placing of an order and the first significant receipt into the supply system of materiel purchased as a result of such action.

2.6.2.26. Provisioning Item (Logistics). Spares and repair parts required as both demand and non-demand-based levels in the supply system to support new fielding of end items. Typically, these are new inventory requirements [or increased requirements for system modifications or service life extensions \(including clothing and textiles\)](#) that require direct appropriations [by other DoD Components](#) to establish the supply chain. [This includes required safety stocks and other inventory stratification categories.](#) In some cases, upon approval by the [Director or Deputy Director for Revolving Funds](#), customers may be charged for the establishment of new inventory as a recovery element. [An agreement between the program manager and the DWCF activity should be made prior to the obligation of any DWCF resources \(See Volume 11B, Chapter 15\).](#)

2.6.2.27. Provisioning Item (Outfitting) (Both). That portion of Provisioning consisting of items for which a sale is anticipated to an appropriated outfitting (buy-out) account. Direct appropriations are required to establish inventory levels for these items until requirements can be forecast based on actual demands for their replenishment using obligation authority.

2.6.2.28. Reclassification (Logistics). The logistics term referring to the transfer of assets between inventory strata (e.g., from Economic Retention to Contingency), used on the SM-4 “Inventory Status.

2.6.2.29. Repair Cycle Level (Logistics). The quantity of reparable items required to sustain operations during the repair cycle that commences when a maintenance replacement takes place and ends when the unserviceable asset is returned to stock in a serviceable condition. This includes such stages as removed, awaiting shipment, in transit, in pre-repair screening, in process of repair, and being returned to serviceable stock. Any extraordinary awaiting-parts delays and any intentional extended-transit, storage, or repair-process delays should be excluded from the repair cycle.

2.6.2.30. Reparable Item (Logistics). An item of supply subject to economical repair and for which the repair (at either depot or field level) is considered in satisfying computed requirements at any inventory level.

2.6.2.31. Replenishment Spare and Repair Parts (Logistics). Demand-based spare and repair parts required for re-supplying current inventory levels. Inventory levels may increase above initial stockage when there is a concurrent increase in [customer orders](#). Fewer inventories will be required when there is a decrease in [customer orders](#). These include both reparable and consumable parts in support of fielded items.

2.6.2.32. Requisitioning Objective (also known as the “Authorized Acquisition Objective”) ([Logistics](#)). The maximum quantities of materiel to be maintained on hand and on order to sustain current operations and core war reserve. It will consist of the sum of stocks represented by the operating level, safety level, and the order and shipping time or procurement time, as appropriate.

2.6.2.33. Safety Level of Supply (Logistics). The quantity of materiel required to be on hand to permit continuous operations in the event of minor interruption of normal replenishment or unpredictable fluctuations in demand.

2.6.2.34. Standard Price (both). The price that customers are charged for DoD Inventory Control Point (ICP)-managed items (excluding subsistence). The standard price remains constant (stabilized price) throughout a fiscal year except for the correction of significant errors. The standard price is computed based on various factors, including the replenishment cost of the item plus surcharges to recover costs for transportation; inventory loss, obsolescence and maintenance; [CIR](#); and supply operations. (Note: See [Exchange Price](#) for prices of Depot Level Repairables in systems that support exchange prices.)

2.6.2.35. Stockage Objective (Logistics). The maximum authorized quantity of materiel on hand to sustain current operations. It consists of the sum of stock represented by the operating level, the safety level, the repair cycle level, and authorized additive levels.

2.6.2.36. Stratification Process (Both). A uniform portrayal of requirements and asset application that is a computer-generated simulation of actions causing changes in the supply position, e.g., procurement, repair, receipt, issue, terminations, and disposal of materiel.

2.6.2.37. Unfunded Requirement for Spares (both). The difference between the spare and/or repair parts requirement computed in accordance with DoD Policy (e.g., [DoDI 4140.01](#), “DoD Supply Chain Materiel Management Policy”) and the amount of that requirement that is funded.

2.6.2.38. Unobligated Commitments (FM). Amount of commitments incurred this fiscal year to date that have not resulted in obligation at the end of the report period.

2.6.2.39. Variability Target (FM). The projected amount of additional contract authority reflected on the SM-1 “Supply Management Summary” exhibit to allow supply activities to respond to variances in costs and/or [unexpected changes in recurring customer demands during the execution year](#). The release of the variability target is associated with increased mission requirements due to the operating tempo of the military departments. Budgetary resources are provided by increased sales associated with customer purchases and the accompanying cash flow. The variability target may not be used as a source for inventory augmentation or provisioning because these requirements should be supported by appropriated funds or a cash surcharge element of the cost recovery rate in follow-on years, to ensure the needed balance between budgetary and proprietary resources.

2.6.2.40. Anticipated Recoveries of Prior Year Contract Authority. Components must estimate additional contract authority requirements and include on SM-1 Supply Management Summary by Division exhibit.

2.6.2.41. War Reserves (both). Stocks of materiel amassed in peacetime to meet the increase in military requirements forecasts contingent on an outbreak of war. War reserves are intended to provide the interim support essential to sustain operations until re-supply can be effected.

2.7 Non-Supply Definitions

* 2.7.1. Definitions Used in Non-Supply Activities

2.7.1.1. Maintenance Depot. Industrial DWCF facilities whose primary missions are to overhaul, manufacture, and re-manufacture weapon systems, ordnance, or other forms of equipment. These activities include Army and Marine Corps Maintenance Depots, Ordnance Depots, Arsenal, Navy Fleet Readiness Centers, and Air Force Aviation Depots.

2.7.1.2. DLH Rate. The stabilized rate method that assigns revenue per DLH. The DLH rate is computed by dividing the sum of all direct and indirect production labor, non-labor,

and materiel, and general and administrative expenses, adjusted for direct reimbursements, NOR, and Capital Investment Program (CIP) or Cash surcharges, by the total number of DLHs (or other outputs) anticipated to be accomplished during the fiscal year.

2.7.1.3. DLH. The DLHs, sometimes referred to as Direct Product Standard Hours, are the hours required to perform the direct work on a product, or to perform a billable service for customers. The DLHs generally include the hands-on maintenance, repair, overhaul, test, and related direct production effort that follows the established sequence and content of work necessary to accomplish the billable job. The DLHs do not include the support work or man-hours identified as either indirect production (such as supervisory) or general and administrative in nature. The DLHs are estimated for budget purposes by product or service, based on industrial or management engineering standards developed using time, method, and motion studies, historical usage averages, or professional estimating and evaluation (E&E) techniques.

2.7.1.4. Fixed Price Catalogs. Depot Maintenance activities may maintain a catalog of products and services (major end items, componentry, depot level reparable, modification kits, etc.) with their associated rework, repair, overhaul, installation, etc., based on the Standard Depot Level Maintenance (SDLM) or Planned Depot Maintenance (PDM) work package DLHs. The DLHs associated with the product or service multiplied by the stabilized composite rate for a fiscal year constitutes the firm fixed price for the catalog item. Catalogs may be maintained in hard copy or in electronic databases accessible to customers.

2.7.1.5. Total Cost of Goods Sold. The total expenses incurred in the operating budget of the activity associated with the revenue planned to be recognized for the budgeted fiscal year.

2.7.1.6. Carryover. The dollar value of work that has been ordered and funded (obligated) by customers, typically using other DoD appropriations, but not yet completed by DWCF activities [at the end of the fiscal year](#). [Carryover consists of the unfinished portion of work accepted but not yet completed.](#)

2.7.1.7. Mission Costs. [Total costs incurred to support the mission \(repair of end items; selling of inventory; providing payroll services\) of the DWCF activity.](#)

2.7.1.8. Non-mission Costs. [Additional costs incurred to provide services related to, but not essential to, the function of the DWCF activity. Income associated with these additional costs should be recognized as "Other Income" \(Installation services; system implementation; other supply reimbursable operations\).](#)

2.7.2. Clarification of Rate Estimation. During the budget review process, each non-supply DWCF activity will use proposed new customer orders for each budget year to establish rates that will remain stabilized through the execution year. Accurate customer order projections are essential in determining the annual increase or decrease in rates.

2.7.2.1. Industrial activities [\(to include the maintenance and repair function of base support activities\)](#) will identify total DLHs required to accomplish the budget year's work

program. The work program is the total number of DLHs planned to be executed in support of known and projected customer requirements during execution of the budget. All DLHs should be identified in the budget, even though some workload may be direct reimbursable rather than rate based.

2.7.2.2. Total costs estimated to be incurred in execution of this workload will be projected. This process should include application of general inflation, pay raise, and other inflation or OUSD(C)-directed price adjustments, as specified in the OUSD (Comptroller) budget formulation Budget [Guidance](#). The sum of all these costs (including supplies, materiel, pay, [CIR](#), and other charges, etc.) is the estimate of the total [costs](#).

2.7.2.3. Customer requirements must be projected and separately identified to include: current (on hand) unfilled customers' orders expected to be executed during the budget year (carry-in or backlog), and work in process that will be completed; new orders anticipated to be accepted and executed during the budget year; and orders anticipated to be accepted but not executed during the year (anticipated carry-over).

2.7.2.4. Workload mix (outputs), availabilities, and production schedules must be assessed, along with any other factors that may impact program outputs such as policy changes, productivity initiatives, planned workload competitions, plant capacity, and other factors. Based on these factors, the work counts associated with each major workload category (output or product) will be identified and reported.

2.7.2.5. Total costs required to execute the planned program to produce the outputs in the approved execution program will be identified and reported in budget exhibits, with significant changes from the prior year highlighted in the Exhibit Fund-2, "Changes in the Costs of Operations."

*3.0 DWCF ACTIVITY EXHIBIT FORMATS

3.1 Purpose

The formats provided on the following pages reflect guidance presented in previous sections of this chapter. Adhere to these formats unless they are modified in a submission budget guidance. Modifications may be made to exhibit formats with the approval of the respective Revolving Fund analyst to eliminate redundant information or provide further clarification.

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*Formats and Instructions for these exhibits are in Volume 2B, Chapter 3 for the OP-8 exhibits and Volume 2B, Chapter 19 for the PB-15, PB-22 and PB-54 exhibits. These exhibits should be included as part of the DoD Component's Appropriated Budget Justification

Exhibit SM-1 Supply Management Summary (Continued)

INSTRUCTIONS FOR PREPARATION OF
SUPPLY MANAGEMENT SUMMARY (EXHIBIT SM-1)

The purpose of the SM-1, Supply Management Summary by Activity Division exhibit, is to provide summary obligation justification for the DoD Component DWCF activity. [This exhibit is also used to reconcile CIS data for supply activities.](#) Instructions for preparation of SM-1 exhibit follow:

1. Prepare the SM-1 exhibit for each year being reviewed (i.e., prior year, current year, and budget year).
2. Present dollars in millions to the third decimal place for [CIS reconciliation](#).
3. The current year request should represent current identified requirements and may not be equal to previous amounts approved in prior year budget submissions. The minimum information required for each activity division is as follows:

Net Customer Orders (New orders from Fund-11 less Credit Returns)

Net Sales

Operating Obligations

Mobilization Obligations

Direct Appropriations

Total Operating Obligations- This amount is entered into the program line in the CIS.

Total Capital Obligations- This amount is entered into the capital line in CIS.

Variability Target- This amount is not entered into CIS but is documented on the budget exhibit for inclusion in the apportionment from OMB.

Anticipated recoveries of prior year contract authority

Target Total

Exhibit SM-3a Requirements to Budget

FY	(DoD Component)	BUDGET	DIVISION		DATE		
			(Dollars in Millions)				
			PY	CY	Budget Year (BY)		
SUPPLY MANAGEMENT Requirements to Budget							
A. CUSTOMER DEMANDS							
1. Total New Demands (Sales/Exchanges in FY)							
2. Stock Due Out (Backorders) (BOP)							
3. New Items (excluding provisioning)							
4. Provision (SM-5a element)							
5. Other Demands (Specify) (Non-reoccurring)							
Total Customer Demands							
B. ASSETS AVAILABLE TO SATISFY CUSTOMER DEMANDS							
1. Serviceable On Hand (BOP)							
2. Projected Deliveries							
3. Projected Funded Repairs							
4. Other Serviceable Asset Deliveries							
Total Serviceable Assets Available							
C. FUNDING REQUIREMENT							
1. Unfunded Demands (A-B)							
2. Transportation (FDT)							
3. Repair Costs							
4. Other Costs (Specify) (Reconcile to SM-1)							
Total Funding Requirement							
Deferred Funding Adjustments							
1. Requirement deferred/eliminated (-)							
2. Deferred requirement added (+)							
Funding Requirement with Adjustments							
D. Non-WCF Initial Spares from other DoD Appropriations (Memo Entry)							

Exhibit SM-3a Requirements to Budget (Continued)

INSTRUCTIONS FOR PREPARATION OF
REQUIREMENTS TO BUDGET (EXHIBIT SM-3a)

The purpose of the SM-3a Requirements to Budget exhibit provides backup information to support obligations based on inventory requirements determined by customer demand. That is, the SM-3a Requirements to Budget exhibit identifies resources required to replenish sales of inventory for each fiscal year (i.e., prior year, current year, budget year).

1. Prepare an SM-3a exhibit for each DWCF Supply activity (not each division). Non-inventory costs, as reflected on the Fund-1/1a Summary/Details of Price, Program and Other Changes exhibits, are considered “Overhead and Other Management Costs”. Total obligations reported on this exhibit represent obligations for inventory procurement and repair. Present dollars in millions to the third decimal place.

2. Use the latest inventory cycle available since the exhibit is due in September. Instead of using the standard price, it is recommended that MAC value be used and the MCA applied as a growth factor to the MAC for each fiscal year. This will represent the projected price change over time. If a standard price is used, the overhead costs (surcharge) must be removed as part of this exhibit to get to a more representative cost of inventory and the MCA will not be added.

3. The exhibit **does not** reconcile to the total inventory; rather, it will focus on the time-phased customer demands (sales or exchanges) including any backorders. Inventory available (i.e., on hand and projected serviceable deliveries from buy or repair), that will satisfy those demands will be applied against the customer requirements. Finally, the portion of the customer demands that will not be satisfied with the current projected funded deliveries will be calculated so they can be satisfied through funding for new purchases or repairs. Documented unfunded requirements will also include the other projected funding needs (e.g., first destination transportation and projected repair cost increases). This exhibit will only reflect mobilization requirements to reconcile to the SM-1 exhibit; it will not include unfunded WRM demands.

4. The exhibit will include new requirements (e.g., initial provision and establishing a new stock number to replace an existing one) paid through the DWCF and **reimbursed by including a cost recovery element in prices**. It will also require all DoD Components to show (as a memo entry) other requirements (sponsor-owned stock, BP 28, etc.) not in the DWCF. Note: the memo entry on this exhibit provides reconciliation for other inventory purchased outside of the DWCF that may later migrate into DWCF.

5. Section A of the exhibit will reflect the Customer Demands (historical & projected for the first fiscal year and projected for the following 2 fiscal years). Section B of the exhibit will reflect the inventory (serviceable on hand and projected deliveries from buy or repair) for each of the 3 fiscal years. Section C of the exhibit will reflect the funding requirements (part of the budget) and any other unfunded (deferred) requirements. Section D of the exhibit will reflect the initial provision (memo entry) that is not funded through the DWCF. It is the total initial provisioning dollar value not under DWCF that is on hand or projected to be delivered by the BOP.

Exhibit SM-3b By Weapon System Requirements

[illegible]

Exhibit SM-3b By Weapon System Requirements (Continued)

INSTRUCTIONS FOR PREPARATION OF
WEAPON SYSTEM REQUIREMENTS (EXHIBIT SM-3B)

The SM-3B Weapon System Requirements exhibit provides a breakout of the operating obligation request by type of supply system action (procurement versus repair) and by weapon system or category.

1. For the OSD/OMB budget review, prepare the SM-3B for each DWCF Supply activity (wholesale division) that provides military spare parts (excludes fuel, medical/dental, subsistence, etc.). For each division, prepare one Exhibit SM-3B for each fiscal year (CY, BY).

2. Definitions.

a. Special Purchases column includes outfitting, special programs and any initial spares financed through a cost recovery element on the SM-5a Markup on Materiel Cost exhibit.

b. Basic Purchases column consists of replacement spares *based on demands*.

c. Basic Rework column is repair obligations for sales replacement.

d. Initial Spares column includes any new inventory levels financed through other DoD appropriations in this column. In theory, this column should reconcile with the P-18 exhibits provided with the Initial Spares Budget Activity of the DoD Component's procurement appropriations.

e. Total Program column shows the total operating obligation request for each weapon system.

f. Non-MCRS Percent (Non-Mission Capable Rate Supply) column shows the percentage, by weapon system, that is not mission capable due to the lack of spare parts. Report this rate target for each budgeted fiscal year.

3. Present dollars in millions to the third decimal place. Weapon systems, as defined by the applicable Service, may be aggregated into categories when individual systems are less than \$25 million. The Director or Deputy Director for Revolving Funds will approve appropriate levels of aggregation. Common parts may be grouped by category such as radios or may be allocated to specific systems such as F-16 aircraft. Obligation authority requests for non-weapon system-related requirements, such as reverse engineering and forging & casting, must be separately identified.

4. Estimated data may be used and noted as such until accurate systems can be developed to provide accurate data.

5. This form will be prepared at replenishment cost or repair cost as appropriate.

Exhibit SM-4 Inventory Status

FY	BUDGET	DIVISION			DATE
SUPPLY MANAGEMENT		(Dollars in Millions)			
(DoD Component) INVENTORY STATUS	TOTAL	DEMAND BASED	MOBILIZATION	NON-DEMAND BASED	
1. Inventory BOP					
2. BOP Inventory Adjustments					
A. Reclassification Change (Memo)					
B. Price Change Amount (Memo)					
C. Inventory Reclassified and Repriced					
3. Purchases					
4. Gross Sales at MAC Value					
5. Inventory Adjustments					
A. Capitalizations (Net) + or (-)					
B. Returns From Customers For Credit +					
C. Returns From Customers Without Credit					
D. Returns To Suppliers (-)					
E. Transfers To Property Disposal (-)					
F. Issues/Receipts Without Reimbursement + or (-)					
G. Other (List/Explain)					
H. Total Adjustments					
6. Inventory EOP					
7. Inventory EOP, Revalued (MAC, Discounted)					
A. Economic Retention (Memo)					
B. Contingency Retention (Memo)					
C. Potential DoD Reutilization (Memo)					
8. Inventory On Order EOP (Memo)					
9. NARRATIVE (Explanation of unusual changes)					

Exhibit SM-4 Inventory Status (Continued)

The SM-4 Inventory Status exhibit shows estimated inventory levels that will result from the proposed budgets and operating levels. Prepare the SM-4 at the MAC value for the prior fiscal year, current year, and budget year for each supply management DWCF activity for each Program/Budget and President's Budget submission. A consolidated summary for the total Supply activity will be prepared for the OSD/OMB Review. The TOTAL column in the prior fiscal year exhibit must reflect the amount from supply management general ledgers used in preparation of fiscal and accounting reports. Amounts in the DEMAND BASED, MOBILIZATION, and NON-DEMAND BASED columns may be statistically derived from related inventory reports. Instructions for preparation of SM-4 Inventory Status are as follows:

1. Inventory, BOP. Amounts of inventory on hand and in transit reported must equal amounts reported as of the end of the prior year. If not, explain any difference in a footnote. The DoD Component must have title to all inventory listed here.

2. BOP Inventory Adjustments. Enter any adjustments required to the beginning position.

3. Purchases. Add the amount of inventory value on which title has passed or will pass to the reporting supply management division during the period of the report.

4. Gross Sales at MAC value. Materiel sold to customer during the period of the report. Should match the Cost of Goods Sold base value.

5. Inventory Adjustments.

a. Capitalizations (Net). Report the inventory value of materiel capitalized or de-capitalized during the period of the report. Show a net de-capitalization with (-) preceding value.

b. Returns from Customers for Credit. Show the cumulative amount of materiel returned from customers on which title has passed to the reporting supply management division during the period of the report for which credit has been given. *For fuel returns, show the cumulative amount of fuel returned based on market price valuation of current inventory.*

c. Returns from Customers without Credit. Show the cumulative amount of materiel returned from customers on which title has passed to the reporting supply management division during the period of the report for which credit was not given.

d. Returns to Suppliers. Show as a negative number the cumulative amount of materiel returned to supplier during the period of the report.

e. Transfers to Property Disposal. Show the net amount of materiel transferred to/from the DLA Disposition Service on which title has been passed to DLA.

Exhibit SM-4 Inventory Status (Continued)

f. Issues/Receipts without Reimbursement. Show the net cumulative amount of materiel issued or received without reimbursement during the period of the report. This item could include transfers from other divisions or materiel categories, etc., as required. Show net issued with (-) preceding value.

g. Other. Identify and report the amounts of other adjustments to inventory. Include all other adjustments to inventory such as adjustments for physical inventory count and unusual or infrequently occurring losses (fire, weather). Explain with footnotes if necessary. Show (+) or (-) as appropriate.

h. Total Adjustments. Add 5a through 5g.

6. Inventory EOP. Report the amount of inventory available at the end of the reporting period, including all on hand, in transit, work-in-process, and other stocks to which the reporting stock fund division holds title.

7. Inventory EOP, Revalued (MAC, Discounted). Enter any adjustments required to the ending position.

8. Inventory on Order, EOP (memo). Report the amount of demand based and mobilization undelivered orders (excluding in transit) for materiel outstanding at the end of the period.

9. Narrative. Provide additional information and description as needed.

Exhibit SM-5a Markup on Materiel Cost

**Supply Management Activities – Standardized Rate
Markup on Materiel Cost (Wholesale) Cost Recovery Calculation**

	(\$M) CY Approved	(\$M) CY Requested	(\$M) BY
Cost Category			
<u>Materiel Costs Section</u>			
a. Materiel Costs without Inflation			
b. Materiel Inflation (normal inflation)			
c. Material Cost Adjustment (includes obsolescence, losses and washouts)			
1. Total Materiel Costs			
<u>Overhead Costs (Fund-1/1a) Section</u>			
a. Personnel Costs (Military and Civilian)			
b. Operating Equipment and Supplies (Lines 400 & 500)			
c. Transportation (Lines 300 & 700)			
d. Other Purchased Services (Line 900)			
e. DLA Distribution			
f. DLA Disposition			
g. DLA Other			
h. DFAS			
i. DISA (All)			
j. Other DWCF Purchases (Remainder of Line 600)			
2. Total Overhead Costs			
<u>Price Adjustments Section</u>			
a. Capital Investment Recovery			
b. Capital Outlay Recovery (Surcharge)			
c. AOR Recovery			
d. Cash Adjustment			
3. Total Pricing Adjustments			
<u>Markup on Materiel Cost Section</u>			
a. Line 2 + Line 3 (Overhead Costs + Pricing Adjustments)			
b. Line 1 (Total Materiel Costs)			
c. Total Wholesale Revenue (a + b)			
4. Total Markup on Materiel Cost (Standardized Rate) (a / b)			

Exhibit SM-5a Markup on Materiel Cost (Continued)

INSTRUCTIONS FOR PREPARATION OF EXHIBIT SM-5a
MARKUP ON MATERIEL COST

The SM-5a Markup on Materiel Cost exhibit shows how to calculate the Standardized Rate for Supply DWCF activities. Each Service/Agency will provide a consolidated exhibit for the sum of all wholesale divisions managed by that Service/Agency. **All Components will report expenses.** The CY requested on this exhibit will match all CY data represented on all other reconciling budget exhibits (Fund-14, Fund-1). The CY approved represents what was submitted in previous budgets; in theory, all adjustments from previous budgets will be reflected in the AOR adjustment line of the budget year (BY).

Materiel Costs Section. There are three factors that make up materiel costs. Total Materiel Costs is the denominator in the Markup on Materiel Cost calculation.

a. Materiel Costs without Inflation. This is a representation of the historic value of inventory (and repair costs). The official valuation methodology for the DWCF is MAC, based on proprietary accounting. However, valuing inventory solely at the MAC value for budget purposes will not generate sufficient resources for cash outlays to maintain current inventory levels.

b. Materiel Inflation (normal inflation). This line represents the amount of “normal inflation” as approved by OMB and OUSD(C) in published memoranda. The line **must** be used by the DoD Component to break out this **normal** inflation separately from any other materiel cost growth for reconciliation purposes; it is a mandatory line and these costs **must not** be included in line C as part of the “MCA”. Do not double count “normal inflation” on both lines.

c. Materiel Cost Adjustments (MCAs) (includes obsolescence, losses and washouts). All other adjustments involving the actual purchase or repair of inventory above that of the previous year. This line **must not** include normal inflation. Materiel costs associated with losses, obsolescence and wash out (condemnation) of **reparable** are also included in this line.

Overhead Costs (Fund-1/1a) Section. Total overhead costs should reconcile to the Fund-1 Summary of Price, Program and Other Changes exhibit less the amount displayed (if any) on the Fund-14 Revenue and Costs exhibit for direct reimbursable revenue. In theory, direct reimbursable revenue should not include a cost recovery rate and should cover all costs involved for the work performed. **CIR** is shown as a price adjustment instead of an overhead cost because it is a cash recovery element for capital obligations. Overhead categories directly relate to the corresponding line on the Fund-1/1a Summary/Detail of Price, Program and Other Changes exhibit.

Exhibit SM-5a Markup on Materiel Cost (Continued)

Pricing Adjustments Section. Pricing adjustments increase or decrease budgetary resources but are not related to Materiel or Overhead costs. There are three types of price adjustments.

Exhibit SM-5a Markup on Materiel Cost (Continued)

a. Capital Investments. Represents the amount of cost incurred to purchase capital assets through the CIP. This is a mandatory line.

b. AOR Recovery. This amount should be equal to the NOR for the respective year on the Fund-14. This is a mandatory line.

c. Cash Adjustment. May be used to adjust the cash resources available to that specific DWCF activity (not as an adjustment to the cash available at the DoD Component level). All cash adjustments at the DWCF activity level should reconcile to the Fund-13, Cash Management Plan. This is not a mandatory line.

Markup on Materiel Cost Section. Line 4. Total Markup on Materiel Cost (Standardized Rate (a/b) equals (Line 2. Total Overhead Costs + Line 3. Total Pricing Adjustments) divided by Line 1. Total Materiel Costs, displayed as a percentage. Adding Materiel Costs, Total Overhead Costs, and Total Pricing Adjustment equals total wholesale revenue as displayed on the SM-16 Unit Cost Summary exhibit. Total wholesale revenue, retail revenue and direct reimbursables equals total Gross Sales as displayed on the Fund-14 Revenue and Costs and SM-16 Unit Cost Summary exhibits.

Exhibit SM-5b OP-32 Price Change to Customers

OP-32 Price Change to Customers	CY (Approved)	BY
A. Total Materiel Costs without Inflation (Line 1a)		
Price Growth for OP-32		
Materiel Inflation (if used) plus MCA (Line 1b + Line 1c)		
Total Overhead Costs plus Total Pricing Adjustments (Line 2 + Line 3)		
B. Total Additional Price to Customer		
C. Additional Price Percentage (B/A)		
D. OP-32 Price Change (Percent Change in Additional Price Percentage from CY (Approved) to BY)		

Exhibit SM-5b OP-32 Price Change to Customers (Continued)

INSTRUCTIONS FOR PREPARATION OF EXHIBIT SM-5b
OP-32 PRICE CHANGE TO CUSTOMERS

The OP-32 Price Change to Customers exhibit may be presented on the same page as the SM-5a Markup on Materiel Cost exhibit. For the President's Budget Justification Book, the published OP-32 Price Change to Customers exhibit for the PY, CY, and BY will be presented in the narrative section with a brief explanation of the change from the previous year. The SM-5b OP-32 Price Change to Customers exhibit will be required as a backup exhibit to the President's Budget. All figures for the OP-32 Price Change are depicted in the SM-5a Markup on Materiel Cost exhibit.

A. Total Materiel Costs without Inflation (Line 1a). These are the amounts displayed on the SM-5a Markup on Materiel Cost exhibit that represent changes in purchases without inflation or pricing factors.

B. Total Additional Price to Customer.

Materiel Inflation plus MCA. The amount of "normal inflation" (SM-5a Line 1b) plus other Materiel Costs not accounted for by "normal inflation" (SM-5a Line 1c).

Total Overhead Costs plus Pricing Adjustments. This should be equal to the SM-5a Markup on Materiel Cost exhibit Line 4a.

C. Additional Price Percentage. This represents the composite cost recovery rate (CRR) for the activity, this divides the Total Additional Price to Customer (B) by the Total Materiel Costs without Inflation (A) and is displayed as a percentage.

D. OP-32 Price Change. The OP-32 price change is the percentage of change from the prior year approved CRR to the current budget year's CRR. The formula for the percentage change to customers is: $((1 + \text{BY Line C}) \div (1 + \text{CY (Approved) Line C})) - 1$.

This change represents the change in price at the item level that were affected by both price and program changes in the customer budget.

Exhibit SM-6 War Reserve Materiel

**WAR RESERVE MATERIEL (WRM)
STOCKPILE (\$ in Millions)**

STOCKPILE STATUS FOR FY _____			
	Total	WRM Protected	WRM Other
1. Inventory BOP			
2. Price Change			
3. Reclassification			
Inventory Changes			
a. Receipts			
(1). Purchases			
(2). Returns from customers			
Issues			
(1). Sales			
(2). Returns to suppliers			
(3). Disposals			
c. Adjustments			
(1). Capitalizations			
(2). Gains and losses			
(3). Other			
Inventory EOP			
STOCKPILE COSTS			
1. Storage			
2. Management			
3. Maintenance/Other			
Total Cost			
WRM BUDGET REQUEST			
1. Obligations @ cost			
a. Additional WRM Investment			
b. Replenishment/Repair WRM – Reinvestment			
c. Stock Rotation/Obsolescence			
d. Assemble/Disassemble			
e. Other			
Total Request			

Exhibit SM-6 War Reserve Materiel (Continued)

WAR RESERVE MATERIEL (WRM)
EXHIBIT SM-6

The purpose of the WRM exhibit is to notify Congress of the Department's intentions regarding the management of secondary item war reserves. Stockpile status and costs sections show the current and budgeted amounts for the inventory and the costs associated with maintaining these levels. The budget request section notifies Congress of the amounts of obligations to be used to acquire or maintain war reserve items and quantities. "Protected status" applies to items that may not be sold. "Other" applies to WRM that must be sold and replenished due to stock rotation or shelf-life issues. Exhibit instructions are as follows:

1. Stockpile Status (Same instructions as the SM-4 Inventory Status exhibit). Components should use the "reclassification" line to transfer inventory into the "protected" WRM category from "WRM Other," if desired.

2. Stockpile Costs. The WRM stockpile costs are those incurred in the WCF to store WRM materiel, to manage WRM stocks to include a portion of total Inventory Control Point costs (normally based on surcharges for purchased/repared items funded with the obligations identified below), and any other DWCF costs to maintain the WRM inventory.

3. WRM Budget Request. This area addresses the amounts of obligation authority to be used specifically for WRM items or WRM quantities, whether from an appropriation, from cash balances, or from future sales.

a. Additional WRM Investment. (Normally reimbursed or funded by an appropriation.) The amount of obligations to purchase or repair new or additional items that will increase the value of the total WRM inventory.

b. Replenishment/Repair WRM Reinvestment. The amount of obligation authority to be used to replenish or repair WRM inventory that is sold, and the amount to be used to reinvest in new inventory with the funds from the sale of old inventory. Should normally be a one for one or dollar for dollar (excluding surcharges) replacement.

c. Stock Rotation/Obsolescence. (Separate from the stock replenishment from sales above). This is to replace stocks that are not sold but must be rotated or replaced periodically because of shelf life or obsolescence (can be related to an appropriation, if required, but normally maintains, and not increases, the value of the WRM inventory).

d. Assemble/Disassemble. The amount of obligations to be used to change the configuration of WRM inventory items.

e. Other. As appropriate.

Exhibit SM-16 Total Cost Per Unit Summary

**Supply Management
Total Cost per Output Summary**

Category	Unit Cost	Sales (\$M)	Obligations (\$M)
Wholesale Sales@Cost			
Retail Sales@Cost			
Wholesale Overhead			
Other Reimbursable Overhead (Direct Reimbursables)			
Direct Appropriation			
Less Credit			
Less CIR			
PY Total Operating Obligation Authority (SM-1)			
Wholesale Sales@Cost			
Retail Sales@Cost			
Wholesale Overhead			
Other Reimbursable Overhead (Direct Reimbursables)			
Direct Appropriation			
Less Credit			
Less CIR			
CY Total Operating Obligation Authority (SM-1)			
Wholesale Sales@Cost			
Retail Sales@Cost			
Wholesale Overhead			
Other Reimbursable Overhead (Direct Reimbursables)			
Direct Appropriation			
Less Credit			
Less CIR			
BY Total Operating Obligation Authority (SM-1)			

Instructions: This exhibit is a backup that reconciles the Budget Authority request to the SM-1 Supply Management Summary by fiscal year. Unit cost is calculated by dividing total obligations by sales associated with the obligations incurred. All amounts displayed must correspond to the applicable budget exhibit for reconciliation purposes.

*Exhibit SM-16a Unit Cost Ratio by Month and Fiscal Year

Supply Management

FY 2022 - Supply Management - Unit Cost Ratio												
Monthly	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Obligations												
Net Sales												
Cumulative	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Obligations												
Net Sales												
Unit Cost Ratio												
FY 2023 - Supply Management - Unit Cost Ratio												
Monthly	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Obligations												
Net Sales												
Cumulative	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Obligations												
Net Sales												
Unit Cost Ratio												
FY 2024 - Supply Management - Unit Cost Ratio												
Monthly	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Obligations												
Net Sales												
Cumulative	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Obligations												
Net Sales												
Unit Cost Ratio												

Instructions: This exhibit is a backup that reconciles the SM-16, Total Cost Per Unit Summary to the SM16a the monthly and cumulative executed and planned Unit Cost Ratio. The Unit cost is calculated by dividing total monthly obligations by monthly net sales associated with the obligations incurred. All amounts displayed must correspond to the applicable budget exhibit for reconciliation purposes.

*Exhibit Fund-1 Summary of Price and Program Changes – Costs

Summary of Price, Program, and other Changes (Operating Budget) - Costs

Component:

Activity:

Date:

(\$ in Millions)

	<u>Cost of</u> <u>Ops</u> <u>FY PY</u>	<u>Cost of</u> <u>Ops</u> <u>FY CY</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>& Other</u> <u>Changes</u>	<u>Cost of</u> <u>Ops</u> <u>FY BY</u>
Military Personnel Compensation (Fund-1a lines 010-050)					
Civilian Personnel Compensation and Benefits (including FNIH personnel) (Fund- 1a lines 101-121)					
Inventory (Fund-1a line 201-203)					
Travel and Transportation of Personnel (Fund-1a line 308)					
Material & Supplies (For Internal Operations) (Fund-1a lines 401-426)					
Equipment (non-CIP) (Fund-1a lines 502-507)					
Other Purchases from Revolving Funds (Fund-1a lines 601-699, except 633, 634, and 671)					
Transportation of Things (Fund-1a lines 702-771)					
General Property, Plant & Equipment (CIP) (Fund-1a lines 801-804)					
Printing and Reproduction (Fund-1a lines 633 and 921)					
Advisory and Assistance Services (Fund-1a line 932-935)					
Rent, Communications, Utilities, and Miscellaneous Charges (Fund-1a lines 634, 671, 912, 913, 914, and 915)					
Other Purchased Services (All other Fund-1a lines)					
Total Obligations					

Exhibit Fund-1 Summary of Price and Program Changes – Costs (Continued)

Instructions for Preparation of Exhibit Fund-1
Summary of Price, Program, and Other Changes

This exhibit reflects the total obligations (including direct reimbursements from non-rate based work) to accomplish the DWCF activity mission. The Fund-1 is the Summary Exhibit that consolidates the information from the Fund-1A Details of Price, Program and Other Changes exhibit. The Components are required to address changes in cost between fiscal years as either price or program. Price changes are restricted by the inflation index published in OUSD(C) guidance with the exception of price increase resulting from another DWCF activity's rate changes.

*Exhibit Fund-1a Details of Price and Program Changes – Costs

Details of Price, Program, and Other Changes (Operating Budget) - Costs
(\$ in Millions)

	<u>Cost of Operations FY --</u>	<u>Annualization of Pay Raises</u>	<u>Price Growth Percent</u> <u>Amount</u>	<u>Program & Other Changes</u>	<u>Cost of Operations FY --</u>
<u>MILITARY PERSONNEL COMPENSATION</u>					
010	Officer Composite – Civilian Equivalent Rates				
050	Enlisted Composite – Civilian Equivalent Rates				
	Total Military Personnel Compensation				
<u>CIVILIAN PERSONNEL COMPENSATION</u>					
101	Executive, General, and Special Schedule				
103	Wage Board				
104	Foreign National Direct Hire (FNDH)				
105	Separation Liability (FNDH)				
106	Benefits to Former Employees				
107	Voluntary Separation Incentive Program				
110	Unemployment Compensation				
111	Disability Compensation				
112	Retirement Fund Offset (15% of Employee's final basic pay)				
121	Permanent Change of Station (PCS)				
	Total Civilian Personnel Compensation				
<u>COST OF GOODS SOLD</u>					
201	Cost of Goods Sold				
<u>TRAVEL</u>					
301	Per Diem				
302	Other Travel Costs				
307	Leased Vehicles				
308	Travel of Persons				
	Total Travel				

Exhibit Fund-1a Details of Price and Program Changes - Costs (Continued)

Details of Price, Program, and Other Changes (Operating Budget) - Cost (\$ in Millions)				
	<u>Cost of Operations FY --</u>	<u>Annualization of Pay Raises</u>	<u>Price Growth Percent Amount</u>	<u>Program & Other Changes</u>
	<u>Cost of Operations FY --</u>			
<u>MATERIAL & SUPPLIES</u>				
401 DLA Energy Fuel Products				
411 Army Managed				
412 Navy Managed				
413 Marine Corps				
414 Air Force Managed				
416 GSA Managed				
417 Locally Purchased				
418 Air Force Retail (General Support Division)				
419 Air Force Retail (Medical-Dental Division)				
420 Air Force Retail (AF Academy Division)				
421 DLA (Clothing and Textiles)				
422 DLA (Medical)				
423 DLA (Subsistence)				
424 DLA (Weapon Systems)				
425 - Flying Hour Air Force Supply				
426 - Flying Hour AF Retail Supply (General Support Division)				
Total Material & Supplies				

Exhibit Fund-1a Details of Price and Program Changes - Costs (Continued)

Details of Price, Program, and Other Changes (Operating Budget) - Cost (\$ in Millions)					
	Cost of Operations FY --	Annualization of Pay Raises	Price Growth Percent	Program & Other Changes	Cost of Operations FY --
<u>General Property, Plant & Equipment non-capital</u>					
451 ADPE					
452 Non-ADPE Equipment					
453 Software					
454 Real Property					
<u>OTHER REVOLVING FUND PURCHASES</u>					
601 Army Industrial Operations					
603 DLA Distribution Services					
610 Naval Air Warfare Center					
611 Naval Surface Warfare Center					
612 Naval Undersea Warfare Center					
613 Naval Fleet Readiness Centers (Aviation Depots)					
614 Space and Naval Warfare Center					
630 Naval Research Laboratory					
<u>Transportation:</u>					
620 Navy Transportation (Combat Logistics Force)					
621 Navy Transportation (Afloat Prepositioning Force, Navy)					

Exhibit Fund-1a Details of Price and Program Changes - Costs (Continued)

**Details of Price, Program, and Other Changes (Operating Budget) - Cost
(\$ in Millions)**

	<u>Cost of Operations FY --</u>	<u>Annualization of Pay Raises</u>	<u>Price Growth Percent Amount</u>	<u>Program & Other Changes</u>	<u>Cost of Operations FY --</u>
623 Navy Transportation (Special Mission Ships)					
624 Navy Transportation (Joint High Speed Vessels)					
625 Navy Transportation (Service Support)					
653 Transportation (Airlift Services (Training))					
<u>Navy Base Support Services:</u>					
631 Navy Base Support (NFESC)					
634 Navy Base Support (NAVFEC: Utilities & Sanitation)					
635 Navy Base Support (NAVFEC: Other Support Services)					
639 Facility Engineering (Composite Rate)					
<u>Other Depot Maintenance:</u>					
640 Marine Corps Depot Maintenance					
661 Air Force Depot Maintenance					
<u>DLA</u>					
633 Document Services					
669 WAWF					
670 DAAS					
675 Disposition Services					

Exhibit Fund-1a Details of Price and Program Changes - Costs (Continued)

Details of Price, Program, and Other Changes (Operating Budget) - Cost (\$ in Millions)					
	<u>Cost of Operations FY --</u>	<u>Annualization of Pay Raises</u>	<u>Price Growth Percent</u>	<u>Amount</u>	<u>Program & Other Changes</u>
<u>DISA</u>					
647 DISA Computing Services					
671 DISA DISN Subscription Services (DSS)					
677 DISA Telecomm Services – Other					
678 DISA IT Contracting Services					
672 Purchases from Pentagon Reservation Maintenance Revolving Fund					
679 Cost Reimbursable Purchases					
 <u>OTHER</u>					
680 Purchases from the Buildings Maintenance Fund					
682 Industrial Mobilization Capacity					
 <u>DFAS</u>					
673 DFAS Financial and Accounting Service					
691 DFAS Financial Operations – Army					
692 DFAS Financial Operations – Navy					
693 DFAS Financial Operations – Air Force					
694 DFAS Financial Operations – Marine Corps					
695 DFAS Financial Operations – DLA					
696 DFAS Financial Operations – Other Defense Agencies					
Total Other Fund Purchases					

Exhibit Fund-1a Details of Price and Program Changes - Costs (Continued)

Details of Price, Program, and Other Changes (Operating Budget) - Cost (\$ in Millions)				
	Cost of Operations FY --	Annualization of Pay Raises	Price Growth Percent Amount	Program & Other Changes
TRANSPORTATION				
702 AMC SAAM				
703 AMC Joint Exercise Transportation Program (JETP) Exercises				
704 Airlift Readiness Account (ARA)				
705 AMC Channel Cargo				
706 AMC Channel Passenger				
707 AMC Training				
708 MSC Chartered Cargo				
709 MSC Surge Sealift (Reduced Operation Status)				
714 MSC POL Tanker ships				
718 SDDC Liner Ocean Transportation				
719 SDDC Cargo Operations (Port Handling)				
720 Defense Courier Service				
722 MSC Afloat Prepositioning (Army)				
723 MSC Afloat Prepositioning (Air Force)				
727 SDDC Other				
771 Commercial Transportation				
Total Transportation				
OCONUS Transportation-Supply Mgt only (Memo)				

Exhibit Fund-1a Details of Price and Program Changes - Costs (Continued)

Details of Price, Program, and Other Changes (Operating Budget) - Cost (\$ in Millions)					
	Cost of Operations FY --	Annualization of Pay Raises	Price Growth Percent	Amount	Program & Other Changes
					Cost of Operations FY --
<u>General Property, Plant & Equipment Depreciation</u>					
801 ADPE					
802 Non-ADPE Equipment					
803 Software					
804 Minor Construction (real property)					
<u>OTHER PURCHASED SERVICES</u>					
901 Foreign National Indirect Hire (FNIH)					
902 Separation Liability (FNIH)					
912 Rental Payments to GSA (SLUC)					
913 Purchased Utilities (non-Fund)					
914 Purchased Communications (non-Fund)					
915 Rents & Leases (non-GSA)					
917 Postal Services (U.S.P.S.)					
920 Supply & Materials (non-Fund)					
921 Printing & Reproduction					
922 Equipment Maintenance by Contract					
923 Facility Sustainment, Restoration, and Modernization by Contract					
925 Equipment Purchases (non-Fund)					
927 Air Defense Contracts and Space Support (AF)					
928 Ship Maintenance by Contract					
929 Aircraft Rework by Contract					

Exhibit Fund-1a Details of Price and Program Changes - Costs (Continued)

Details of Price, Program, and Other Changes (Operating Budget) - Cost (\$ in Millions)					
	<u>Cost of Operations FY --</u>	<u>Annualization of Pay Raises</u>	<u>Price Growth Percent</u>	<u>Amount</u>	<u>Program & Other Changes</u>
930 Other Depot Maintenance (non-Fund)					
932 Management and Professional Support Services					
933 Studies, Analysis, and Evaluation					
934 Engineering and Technical Services					
935 Training and Leadership Development (Advisory and Assistance Services)					
936 Training and Leadership Development (Other Contracts)					
937 Locally Purchased Fuel					
941 Technical Drawings (Supply Operations only)					
942 Forgings & Castings (Supply Operations only)					
969 Other Engineering Services & Support					
984 Equipment Contracts					
985 R&D Contracts					
987 Other Goods and Services from Federal Sources					
989 Other Contracted Services					
Total Other Purchases					
TOTAL					

Exhibit Fund-1a Details in Price and Program Changes – Costs (Continued)

Definitions of Fund-1a Categories - Cost
Details of Price, Program, and Other Changes (Operating Budget)

General. The Fund-1a exhibit reflects the total costs of supporting the applicable activity for each fiscal year PY, CY, and BY. Components must address changes in cost between years as price- or program-driven for each line item. All entries are [expenses](#). Round data to at least the nearest tenth of a million (e.g., show \$10.4 million, not \$10 million).

Military Personnel Compensation - Chapter 26 depicts cost elements for Military Personnel.

Civilian Personnel Compensation - The cost elements include VERA and RIF as well as the costs to offset the short-term costs of buyouts. Line 112 Retirement Fund Offset (15 percent of Employee's final basic pay) applies to employees who take a buyout and voluntary early retirement under the Civil Service Retirement System (CSRS).

[Cost of Goods Sold](#) – This element represent the cost of goods sold for Supply Activities

[Travel](#) – These elements represent the cost of transportation of people.

Materiel & Supplies - These elements support internal materiel, equipment, and supply costs associated with operations. Distinguish between costs associated with materiel purchased from Fund businesses and that purchased from non-Fund businesses.

[General Property, Plant & Equipment non-capital](#) – These elements are for equipment purchases made with operating funds for non-capital assets.

Other Revolving Fund Purchases - Purchases from other DoD WCF activities (to include the PRMRF and BMF) to support the internal operations of the activity. Include purchases by supply activities from depot maintenance activities in the respective 600 Other Revolving Fund Purchases category. Report purchases from the DWCF supply activities to support internal General and Administrative operations (not consumed as part of direct or indirect business operations) in category 400. Lines 601-675 should include purchases made at stabilized rates.

Transportation – These elements represent the transportation of things.

[General Property, Plant, and Equipment \(Depreciation\)](#) – These elements are for the depreciation of general property, plant, and equipment.

Other Purchased Services

Line 941 Technical Drawings (Supply Operations only) - The amount entered for Technical Drawings [represent purchases from contractors](#).

Line 942 Forgings & Castings (Supply Operations only)- The amount entered for Forgings and Castings [represent purchases from contractors](#).

Purchases of engineering services, other than those shown on lines 932-934, should be included on line 969, Other Engineering Services and Support.

Delete lines for which there are no costs, [for any of the included years \(PY, CY, BY\)](#), from the submitted exhibit (rather than including them with an amount of zero).

Exhibit Fund-2 Changes in Costs of Operations

Changes in the Costs of Operation**Component/Activity:****Date:****(Dollars in Millions)****Costs****FY PY Estimated Actual**

FY CY Estimate in President's Budget:

Estimated Impact in FY CY of Actual

FY PY Experience:

List

Pricing Adjustments:

Civilian Personnel

Fuel Price

Program Changes:

List

FY CY Current Estimate:

Pricing Adjustments:

Annualization of Prior Year Pay Raises

FY BY Pay Raise

Civilian Personnel

Military Personnel

Fund Price Changes

General Purchase Inflation

Other Price Changes (list)

Productivity Initiatives and Other Efficiencies:

Productivity Initiative 1

Fund Productivity

Etc.

Program Changes:

Change 1

Etc.

Other Changes:

Capital Investment Recovery

Other (list)

FY BY Estimate:

Exhibit Fund-2 Changes in Costs of Operations (Continued)

Instruction for the Preparation of the Fund-2 Exhibit
Changes in the Cost of Operations

The Fund-2 exhibit will explain the changes in the operating budget (costs) from one fiscal year to the next (i.e., FY to CY to BY) at a meaningful level of detail, relating program changes to changes in the level of work load (Unit Cost outputs) to the maximum extent possible. A Fund-2 exhibit for each non-supply DWCF activity is required. Strategies and plans to improve activity productivity and quality are of particular interest. **Reform initiatives which impact changes in costs and rates should also be documented.** Accordingly, the cost impacts of productivity initiatives should be separately identified on this schedule. Each DWCF activity should include a paragraph outlining major productivity improvement plans and associated resources including but not limited to capital investment, education and training initiatives, process improvements, consolidation and streamlining, work force motivations, and incentives.

Provide a narrative explanation for changes. Round data to at least the nearest tenth of a million (e.g., show \$ 10.4 million, not \$ 10 million).

For changes in cost due to productivity initiatives, list the detailed initiatives and amounts for each. Distinguish the cost reductions associated by individual productivity initiatives.

Exhibit Fund-3 Labor and Manpower Breakdown

Labor and Manpower Breakdown

Component: _____

Activity: _____

Date: _____

(\$ in Millions)

	PY	CY	BY
Direct Labor			
Direct Non-Labor			
Direct Materiels			
Direct Contracts			
Direct CIR			
Direct Other			
Total Direct			
Indirect Labor			
Indirect Non-Labor			
Indirect Materiels			
Indirect Contracts			
Indirect CIR			
Indirect Other			
Total Indirect			
G&A Labor			
G&A Non-Labor			
G&A Materiels			
G&A Contracts			
G&A CIR			
G&A Other (Installation Management Costs)			
Total G&A			
Total Cost of Operations (reconciles to Fund-1/1a)			
Manpower			
Direct Civilian FTEs			
Indirect Civilian FTEs			
G&A Civilian FTEs			
Total Civilian FTEs			
Direct Military E/S			
Indirect Military E/S			
G&A Military E/S			
Total Military E/S			

Exhibit Fund-3 Labor and Manpower Breakdown (Continued)

Instruction for the Preparation of Exhibit Fund-3
Labor and Manpower Breakout

The Fund-3 exhibit stratifies, by fiscal year (i.e., PY, CY, BY), the total DWCF activity costs in the operating budget by Direct, Indirect Production, and General and Administrative (G&A) (overhead) categories. For the G&A category, only the military and civilian personnel carried in and paid for by the DWCF activity should be reflected in the personnel FTE and end strength numbers. This includes personnel paid from the activity payroll such as assigned security guards and personnel working in the office of the DWCF activity director. However, this does not include the personnel assigned to a general & administrative activity that provides base operations support to the activity unless they are carried in the end strength of the DWCF activity.

For installations owned and operated by a DWCF activity whose primary mission is other than installation management, costs associated specifically with installation management should be identified as G&A Other. These costs will be considered separate and distinct from mission G&A costs.

Compute FTEs by dividing the applicable total number of hours by the number of hours in a work year (e.g., 2080; see OMB Circular A-11 for the correct hours for each year).

Exhibit Fund-5 Total Cost Per Output Summary

Total Cost Per Output Summary
Component: _____
Activity: _____
Date: _____
 (\$ Millions)

	<u>Workload</u>			<u>Unit Cost</u>			<u>Total Cost</u>		
	<u>PY</u>	<u>CY</u>	<u>BY</u>	<u>PY</u>	<u>CY</u>	<u>BY</u>	<u>PY</u>	<u>CY</u>	<u>BY</u>
Output Operating Budget									
List each output whether measured or not.	Estimated workload for measured outputs.			Estimated unit cost for measured outputs.			Estimated total cost for measured and unmeasured outputs. O&M functions must include reimbursable outputs.		

Total Operating Budget	No Data Entry			No Data Entry			Sum the total estimated cost for all outputs. O&M-funded activities must include reimbursable outputs.		
=====									
Capital Budget	No Data Entry			No Data Entry			List the estimated total capital budget.		
=====									

Exhibit Fund-5 Total Cost Per Output Summary (Continued)**Instruction for the Preparation of Exhibit Fund-5
Total Cost Per Output Summary**

The Fund-5 is required for all activities except supply activities. Only a single line is required for industrial activities summarizing the cost rate (not the standardized rate for revenue collection) per DLH for the PY, CY and BY. Activities that have multiple outputs and use a standardized rate based on a revenue per specific unit of output (Transportation, Base Support, DFAS, DISA) should report the cost per specific unit of output (not revenue rate) as depicted on the DWCF activity's respective annual operating budget (AOB).

Exhibit Fund-6 Depot Maintenance-6 Percent Capital Investment Plan

COMPONENT: _____
DEPOT MAINTENANCE 6 PERCENT CAPITAL INVESTMENT PLAN

	(Dollars in Millions)					
	REVENUE (Maintenance, Repair, Overhaul)			BUDGETED CAPITAL (Modernization, Efficiency)		
	<u>3 year average</u>					
	Prior <u>Year</u>	Current <u>Year</u>	Budget <u>Year</u>	Prior <u>Year</u>	Current <u>Year</u>	Budget <u>Year</u>
	PY(-1)	CY(-1)	BY(-1)			
	PY(-2)	CY(-2)	BY(-2)			
	PY(-3)	CY(-3)	BY(-3)			
Revenue (Avg)	*	*	*			
Working Capital Fund	+	+	+			
Appropriations (if applicable)	+	+	+			
WCF Depot Maintenance Capital Investment				*	*	*
Facilities/ Work Environment				+	+	+
Equipment				+	+	+
Processes				+	+	+
Appropriated Funding - List by Appropriation				*	*	*
MILCON						
Procurement						
Operation & Maintenance						
Component Total				*	*	*
Minimum 6% Investment				*	*	*
Investment Over/Under Requirement				*	*	*

Narrative:

Exhibit Fund-6 Depot Maintenance -6 Percent Capital Investment Plan (Continued)

Instructions for the Preparation of Exhibit Fund-6,
Depot Maintenance –6 Percent Capital Investment Plan

Minimum Capital investment for certain depots is required in accordance with [10 U.S.C. § 2476](#). Instructions for preparation of Exhibit Fund-6 are as follows:

A. Prepare a Summary Exhibit Fund-6 that provides the total for the activity and a separate Fund-6 for each maintenance depot to include Army Depots, Navy Aviation Depots, Navy Shipyards, Marine Corps Depots, and Air Force Depots.

B. Dollars in millions and tenths of a million.

C. The following will be defined:

1. Revenue (Avg): Only revenue for Maintenance, Repair and Overall will be included in accordance with amendment (1).

2. Revenue (3 Year Average): The preceding 3 years of actual or estimated revenue divided by three for Prior Year, Current Year, and Budget Year columns.

3. Categories of applicable capital investment:

a. Modernization. Typically refers to upgrades associated with the available current technology.

b. Efficiency. Typically refers to efforts to improve workflow and increase throughput while maintaining or reducing current costs. Also may refer to improved quality of work performed.

c. If a modernization leads to an efficiency, then the investment is still considered a modernization. An efficiency not dependent on a modernization is classified an efficiency. If an investment has elements of both, the DoD Component should record the best representation that can be determined.

d. A narrative should be included with the Exhibit Fund-6 to address the following:

1. A specification of any statutory, regulatory, or operational impediments to achieving the minimum percentage requirement.

2. A description of the benchmarks for capital investment established for each covered depot and military department and the relationship of the benchmarks to applicable performance measurement methods used in the private sector.

Exhibit Fund-6 Depot Maintenance -6 Percent Capital Investment Plan (Continued)

3. If the minimum percentage requirement is not met for a military department for the fiscal year covered by the report, a statement of the reasons why the requirement was not met and a plan of actions for meeting the requirement for the fiscal year beginning in the year in which the report is submitted.

e. The legislation provides waiver authority for the Secretary of Defense if the Secretary determines that the waiver is necessary for reasons of national security and notifies congressional defense committees.

Exhibit Fund-7 Customer Rate Computations

CUSTOMER RATE COMPUTATIONS

Department of (Component Name)

Activity: _____

Part I: Stabilized Revenue Rate:	CY Stabilized Rate	DLHs	(\$)
Revenue (Fund-14)		XXX	XXX
Less Direct Reimbursables (Non-Rate Based)		XXX	XXX
Revenue from Rates		XXX	XXX
Revenue from CY Orders	XXX	XXX	XXX
Revenue from BY Orders		XXX	XXX
BY Stabilized Revenue Rate			XXX
Part II: Stabilized Cost Rate:			
Revenue from Rate Based Orders			XXX
Less NOR Adjustment			XXX
Other Adjustments (List and Explain)			XXX
Total Rate Based Costs		XXX	XXX
BY Cost Rate (Fund-5)			XXX
Part III: Fund-1 Reconciliation			
Total Rate Based Costs		XXX	XXX
Direct Reimbursables			XXX
Total Fund-1 Summary of Price, Program, and Other Changes			XXX
Percentage rate Change from CY (BY Stabilized Revenue Rate / PY Stabilized Revenue Rate) -1			XXX

Exhibit Fund-7 Customer Rate Computations (Continued)**Instructions for the Preparation of Exhibit Fund-7,
Customer Rate Computations**

The purpose of this exhibit is to establish a standardized rate to customers that reconciles Revenue, Total Costs, and NOR for industrial DWCF activities using DLHs.

For industrial activities, program financing (revenue) is a function of the estimated of the total cost of goods sold (total expenses) adjusted for NOR, Capital Requirements and other surcharges, divided by the programmed output (total DLHs), to identify an initial revenue rate per DLH.

The number of military and civilian DLHs associated with carry-in workload (unfilled customer orders on hand at the start of the current year) times the prior year stabilized rate (rate in effect when the carry-in orders were accepted) will be identified as revenue earned in the current fiscal year. The DLHs and associated dollars will be subtracted from the BY total DLHs and revenue as identified above.

Part I: All revenue associated with direct reimbursable costs (non-rate based workload) and orders received in the current year must be removed with the associated DLHs in order to forecast a BY Revenue Rate for new orders. Total revenue must cover all projected costs and NOR adjustments as depicted on the Fund-14. The BY revenue rate is the revenue expected from new orders divided by the DLHs associated with that workload.

Part II: The NOR adjustment must be subtracted from the total rate based revenue (not just the new order revenue) because total expenses in the BY will be a combination of CY and BY workload. Subtracting a negative NOR will add to the costs reflecting costs greater than revenue as depicted on the Fund-14. The BY cost rate is total rate based costs divided by total rate based DLHs (not just new order revenue DLHs). The BY cost rate, total rate based costs, and total rate based DLHs should reconcile to the Fund-5.

Part III: Total Fund-1 Summary of Price, Program, and Other Changes costs should reconcile with total rate based costs and direct reimbursables.

Exhibit Fund-8 Air Mobility Command Common User Services

COMMON USER TRANSPORTATION SERVICES TRANSPORTATION WORKING CAPITAL FUND (\$ in Millions)			
	FY PY	FY CY	FY BY
1. Beginning Accumulated Operating Results			
2. Cost of Operations			
a. Channel Passenger			
b. Channel Cargo			
c. Special Assignment Airlift Mission (SAAM)/JETP			
d. Training			
Total Costs			
3. A. Rate and Reimbursable Revenue			
a. Channel Passenger			
b. Channel Cargo			
c. SAAM/JETP			
d. Training			
3A. Total Rate and Reimbursable Revenue			
B. Airlift Readiness Revenue			
a. Channel Passenger			
b. Channel Cargo			
c. SAAM/JETP			
d. Training			
e. AOR Recovery			
3B. Total Airlift Readiness Revenue			
Total Revenue			
4. Net Operating Results			
5. Ending Accumulated Operating Results			

Exhibit Fund-8 Air Mobility Command Common User Services (Continued)

**Instruction for the Preparation of Exhibit Fund-8
Common User Transportation Services**

This exhibit displays the costs, revenues, NOR, and AOR of USTRANSCOM's operations, with emphasis on the explanation of item 3B, Total Airlift Readiness Revenue. The USTRANSCOM must include a narrative outlining reasons for variances greater than 20 percent for each line of Airlift Readiness Revenue from one year to the next.

For changes in Airlift Readiness Revenue, distinguish the factor(s) that causes the change (e.g., utilization factors, airlift rates set to compete with private sector rates, commercial transportation prices, aircraft maintenance prices).

Round data to the nearest tenth of a million.

Exhibit Fund-9a Activity Capital Investment Summary

Line Number	Item Description	PY		CY		BY	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
	Non-ADPE Equipment						
	- Vehicles						
	- Materiel Handling						
	- Installation Security						
	- Quality Control/Testing						
	- Medical Equipment						
	- Machinery						
	ADPE & Telecom Equip						
	Computer Hardware (Production)						
	Computer Hardware (Network)						
	Computer Software (Operating System)						
	Telecommunications						
	Other Support Equipment						
	Software Development List Separately						
	Internally Developed						
	Externally Developed						
	Minor Construction Capabilities						
	- Replacement						
	- New Construction						
	- Environmental						
	TOTAL OBLIGATIONS*						
	Total Capital Outlays						
	Total Capital Investment Recovery						

*Fund 9a Summary exhibit must reconcile to the Fund 9b project justification.

Exhibit Fund-9a Activity Capital Investment Summary (Continued)

Instructions for the Fund-9a Exhibit
Capital Investment Summary

General - The [aggregate](#) project line items listed for each major category are the minimum submission requirements. Projects may be added or modified to meet the specific requirements of the DWCF activity as long as there is a corresponding Fund-9b that describes what is being purchased and the reason for the requirement. The summary item description and the [aggregate](#) project amounts on the Fund-9a must correspond to the individual Fund-9b. All Prior Year projects will be shown by line item detail cross-referenced to the corresponding Fund-9b. In addition, the ADPE and Telecommunications equipment and software development Fund-9b Exhibit line number assigned should also be used for cross-referencing within the Information Technology Exhibits as outlined in Chapter 18 of this regulation. Use the approved DWCF activity name. The four major categories for Capital Investment Programs are as follows:

(1) Non-ADPE & Telecommunication Equipment > \$250K: Equipment, other than ADPE and Telecommunications Resources. A separate Fund-9b will be provided for each [aggregate](#) project. Each project will include cost estimates for at least the subcategories shown above (unless no equipment of that kind is purchased). Other project categories may be added.

(2) ADPE & Telecommunications > \$250K: ADPE and Telecommunications Equipment Component will provide a Fund-9b for each of the aggregate projects listed above (unless no equipment of that kind is being purchased). Other project categories may be added. One Fund-9b narrative may address all projects under \$5,000,000 by category (e.g. "Other ADPE Support Equipment under \$5,000,000"). Items that exceed \$5,000,000 will be addressed separately in the narrative.

(3) Software Development > \$250K

a. Software Development [must](#) be shown on a separate Fund-9b by item detail for projects equal to or greater than \$5,000,000. All software projections must comply with DoD Chief Information Officer (CIO) requirements/approvals.

b. One Fund-9b may be submitted for software development under \$5,000,000 that does not need DoD CIO approval. This Fund-9b may be submitted with a general statement of the enhancements that will be provided. In addition, the Fund-9bs must include a system delivery date/s. If it is a spiral development, all delivery dates and amounts to be capitalized will be included in the Fund-9bs.

(4) Minor Construction within the thresholds contained in 10 U.S.C. § 2805.

a. Minor Construction may be combined into one Fund-9b as long as each project listed is below the threshold. The Fund-9b must contain a statement that no Minor Construction project exceeds the current MILCON threshold.

Exhibit Fund-9a Activity Capital Investment Summary (Continued)

b. All special categories of minor construction will be listed and justified separately (such as Navy R&D). 10 U.S.C. § 2805, paragraph (d) [authorizes activities to use up to of funds available for operation and maintenance for unspecified minor construction projects for laboratory revitalization and recapitalization](#). However, Congressional notification is still required for projects exceeding the threshold.

1. Section 1.4, Policy, provides specific guidelines for inclusion or exclusion of an item in the capital budget, and the necessary analysis required to substantiate a capital budget request.

2. Definitions for these capital budget categories are provided below:

A. [Non-ADPE Equipment exceeding the capitalization threshold](#) will be capitalized and depreciated. Equipment should be aggregated into projects by like-types. There is no limit on the number of projects that may be used.

B. [ADPE and Telecommunications Equipment](#) having a system unit cost [exceeding the capitalization threshold](#) will be capitalized and depreciated.

(1) ADPE and telecommunications resources consist of computer hardware, operating system software (including utility and communications software) and telecommunications equipment as defined in OMB Circular A-11.

(2) ADPE costs will be displayed in five parts: (1) Computer Hardware (Production), (2) Computer Hardware (Network) (3) Computer Software (Operating System), (4) Telecommunications, and (4) Other Support Equipment. The last category includes investments such as uninterrupted power sources and air conditioning that must be purchased to support computer and telecommunications resources.

C. [Software Development/Modernization](#) with a system unit or lifecycle cost [exceeding the capitalization threshold](#) will be capitalized and depreciated. Internally developed software and externally developed Software will be listed separately.

(1) Software development includes the actual development and acquisition of the information system as defined in OMB circular A-11. This category does not include software developed for a customer for use in a weapon system.

(2) Software development/modernization will be budgeted by project. A project is defined as any change, modernization, or improvement to a system, subsystem or severable module of a system that by itself will provide an economic benefit or improvement in a business process. This must include all changes or improvements needed to interface or integrate with other ancillary systems. A project has a start and stop date, a specific amount of funds, and results in a usable end product.

Exhibit Fund-9a Activity Capital Investment Summary (Continued)

(3) Software development/modernization projects will exclude CIP ADPE investments. These will be identified separately in the ADPE and telecommunications section of the Fund-9a and Fund-9b.

D. Minor Construction projects financed by the activity and exceeding the capitalization threshold will be capitalized and depreciated.

E. Column Entries

(1) Item Description. Enter the projects/item descriptive title of Software projects to be procured.

(2) Quantity. As applicable, enter the quantity of items procured/estimated to be procured during, as FY PY, FY CY, and FY BY.

(3) Amount should reflect all costs associated with program changes through the date of preparation of the exhibit regardless of whether such changes have been previously reported. Costs will be expressed in millions of dollars to at least the nearest tenth (i.e., \$2.6 million).

F. Capital Outlays – For each fiscal year, indicate the estimated total cash outlays for all capital budgeted items (above and below threshold) expended in that fiscal year regardless of the year in which the project was originally obligated.

G. Capital Investment Recovery (CIR) – For each fiscal year, show the estimated budget CIR that will be included in customer rates for all capital assets in that year. This amount will agree with the CIR reported on the Revenue and Expense Statement (Fund-14) and in the CIR Section of the Fund-1a.

Exhibit Fund-9b Activity Capital Purchase Justification

* ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)				A. Budget Submission					
B. Component / Business Area / Date		C. Line No. & Item Description				D. Activity Identification			
Element of Cost	FY PY			FY CY			FY BY		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Non-ADPE & Telecom									
ADPE and Telecommunications									
Software Development (line item – by project)									
Minor Construction									

Narrative Justification:
 This exhibit will provide detailed justification by line item in support of summary capital investment purchases shown on the Fund-9a Exhibit.

- Describe the enhancement afforded by the existing equipment/ADPE and telecommunications resources/software development/facility and the shortcomings inherent in the current situation.
- Describe the benefits to be realized from the proposed capital investment.
- Indicate whether an economic analysis or cost analysis has been performed and, if not, why not. Summarize the net present value advantages of the proposed investment over alternatives considered and discarded. Be prepared to provide a copy of supporting economic analysis upon request.
- For MILCON projects, provide a copy of the supporting Form 1391 for new projects not previously submitted or identified.
- Describe the impact of not making the proposed capital investment.
- For computer software, separately identify license fees.
- Alternatively, dollars in millions may be used out to three decimal places.

Exhibit Fund-9b Activity Group Capital Purchase Justification

Exhibit Fund-9b Activity Capital Investment Justification (Continued)

Instructions for the Preparation of Exhibit Fund-9b
Capital Investment Justification

I. General

A. The purpose of this exhibit is to provide narrative justification in support of each project/line item detailed on the Fund-9a. A separate Fund-9b justification is required for each applicable software investments. For ADPE Telecommunication Equipment items that are equal to or greater than \$5,000,000, a separate Fund-9b is not required and may be summarized into the categories displayed in the Fund-9a. Software projects over \$5,000,000 and/or that need DoD CIO approval must be line itemed with individual Fund-9bs. It is important that the Fund-9b be completed and accurate as it is the primary justification for activity's capital purchases.

B. Separate Fund-9b exhibits will be submitted for each project/line item on the Fund-9a where there is an entry in either the current year or budget year(s) columns. Prior year capital investments do not require Fund-9bs for projects with only a PY entry.

II. Headings

A. For the PBR, insert "FY XX OSD/OMB submission" (XX is used for illustration purposes only. Insert the applicable fiscal year in lieu of XX).

B. Identify the applicable DoD Component/DWCF activity for the proposed capital investment. Use the approved DWCF activity name. Identify the activity that will benefit from the capital item, if possible.

C. For each project/line item (e.g., forklifts), indicate the item description contained in Exhibit Fund-9a.

D. Project/Item Description. Enter a line item identification number to cross-reference the corresponding entry on the Fund-9a along with a description of the investment.

III. Column Entries

A. Element of Cost. For items purchased under the Project/Line Item, provide applicable subcategories (i.e., vehicles may be broken down into cars, trucks, buses, etc.). For Software provide the item, and if applicable, break into module delivery subcategories.

B. Quantity. Provide the approximate number of items to be purchased under the subcategory or as applicable for software.

C. Per Unit Cost. Enter the actual or estimated unit cost, when appropriate, for each element listed. Express unit costs in thousands of dollars, to the nearest tenth (i.e., \$20.1 thousand). Unit costs should be expressed in terms of "the year" costs.

Exhibit Fund-9b Activity Capital Investment Justification (Continued)

D. Total Costs. Enter the total cost of Element of Cost and where applicable, taking into consideration the quantity to be estimated to be procured and the unit costs.

IV. Narrative Justification

A. Provide complete narrative description for each applicable project/line item. This narrative justification should include sufficient information to serve as the sole justification for funding the project/line item. Include a brief description for special interest items such as ADPE Equipment equal to or great than \$5,000,000. The narrative description should include, but not be limited to:

1. The nature, purpose, and intended use of the project or item(s).
2. Indicate whether an economic analysis was performed (all items within a project require the appropriate analysis).
3. Indicate the dollar value of estimated savings/cost avoidance after the equipment is installed or the project is complete and the fiscal year when the savings/cost avoidance should begin. If no savings/cost avoidance should result from the purchase, an explanation must be provided to indicate why.

Exhibit Fund-9c Capital Budget Execution

Department of (Component Name)				
Activity: _____				
FY 20 _____				
Program/Budget Submission				
(Dollars in Millions)				
Major Category	<u>Initial</u>	<u>Current</u>	<u>Approved</u>	<u>Explanation</u>
	<u>Request</u>	<u>Proj Cost</u>	<u>Change</u>	
Non-ADPE				
ADPE and Telcom				
Software Development				
Minor Construction				
Total FY _____				

Instructions:

Complete for each fiscal year required in the Program/Budget Submission (i.e., PY, CY, and FY preferably all on one page), summarized by major category. The “Current Projected Column” is the program approved in the current President’s Budget submission.

Initial Request. For the PY, this will be the CY column of the previous year’s President’s Budget. For the CY, this will be the BY column of the previous year’s President’s Budget. For the BY, only the “Initial Request Column” will be filled in (the BY will be displayed for comparison purposes).

Current Projected Costs. For the PY, this is the amount approved at the end of the fiscal year. For the CY, this is the amount in the current President’s budget. The delta between the Initial Request and Current Projected Costs will be displayed in the “Approved Change” column. The BY is only used for display purposes.

Explanation. Provide a brief and concise explanation why the changes needed to occur.

Exhibit Fund-11 Source of New Orders & Revenue

**ACTIVITY ANALYSIS
COMPONENT/ACTIVITY:
SOURCE OF NEW ORDERS AND REVENUE
(Dollars in Millions)**

<u>BY</u>	<u>FY PY</u>	<u>FY CY</u>	<u>FY</u>
1. New Orders			
a. Orders from DoD Components:			
Own Component			
Appn 1			
Continue List by Appropriation			
Other Services (List by Appropriation)			
b. Orders from other Fund Activities			
(List by Activity)			
c. Total DoD			
d. Other Orders:			
Other Federal Agencies			
Trust Fund			
Non Federal Agencies			
Foreign Military Sales			
Total for New Orders			
2. Carry-In Orders			
3. Total Gross Orders			
4. Revenue (-)			
5. End of Year Work-in-Process (-) (a)			
6. Foreign Military Sales, Base Realignment and Closure, Other Federal, and Non-Federal orders (-) (b)			
7. Funded Carry-over			
(a) The application of the percentage-of-completion method of revenue recognition should result in the elimination of most work-in-process. Please give a detailed explanation why Work In Process would not have been billed by September 30 th .			
(b) See exhibit 11a for a complete list of orders to be excluded.			
<u>Supply activities use the following: to complete the Fund - 11</u>			
4. Carry-Out Orders (-)			
5. Gross Sales (-)			
6. Credit (-)			
7. Net Sales			

Exhibit Fund-11 Source of New Orders & Revenue (Continued)

Instructions for the Preparation of Exhibit Fund-11
Source of [New Orders](#) & Revenue

This Exhibit will identify the customers of each DWCF activity by DoD Component and the appropriation level. Be specific as to the source of funding by listing the appropriation name. Entries such as OSD or Army are not acceptable on this Exhibit. Lack of specificity will indicate that the funding source is unknown and may not be considered as a legitimate source of funding. The identification will be on the basis of funded orders so that DWCF activity may be linked to the appropriations for goods and services.

For line 1.a (Orders from DoD Components), show the amounts by appropriation (i.e., Operation and Maintenance, Army National Guard; RDT&E, Army; etc.) for orders accepted within the submitting Service/Component. For orders accepted from other DoD Components, show the appropriation detail for significant customers.

For line 1.b (Orders from Other Fund Activities), show the orders accepted from other Defense WCF activities. Be specific as to the activity.

The Total for New Orders on Line 1 must match data provided on other reconciling exhibits.

For line 2, Carry-In Orders, display the carry-in orders from prior fiscal years. For the Supply Management activities, carry-in orders represent back orders. [This is line 3090 on the SF-133 “Uncollected Federal Payments” less accounts receivable. Accounts receivable is typically displayed on the sub-activity SF-133 as supplemental information.](#)

For line 3, Total Gross Orders, add the sum of lines 1, Total for New Orders, and line 2, Carry-In Orders.

Line 4, Revenue, will equal total gross sales shown on the Revenue and Expense Statement.

Line 5, End of Year Work-in-Process, should equal orders from line 3, Total Gross Orders that will not be sold in the current year. For Supply Management activities, this line should equal backorders.

Components will submit summary Fund-11 exhibits for activities that have subdivisions and will submit a summary Fund 11 at the Component level.

*Exhibit Fund-11a Carryover Reconciliation

**ACTIVITY ANALYSIS
COMPONENT/ACTIVITY:
CARRYOVER RECONCILIATION
(Dollars in Millions)**

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>
Part A. Carryover Calculation Categories			
1. Total New Orders			
2. Net Carry-In Orders			
3. Total Gross Orders (Line 1 + 2)			
4. Revenue			
5. Carryout (Line 3 - 4)			
6. Workload Completed per Month (Line 4 ÷ 12)			
7. Months of Carryover (Line 5 ÷ Line 6)			

Carryover Legend:	≤3	>3 and ≤5	≥5 and <7	≥7 and <8	≥8

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>
	\$ months	\$ months	\$ months
Part B. Carryover \$ Value & Months by Location			
1. Activity 1			
2. Activity 2			
3. Activity 3			
1. Total (Sum of all Activities)			

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>
Part C. Carryover \$ Value by Appropriation & Service			
1. Operation & Maintenance			
a. Army			
b. Navy			
c. Marine Corps			
d. Air Force			
e. Other			
2. Procurement			
3. Research & Development			
4. Other DoD			
5. Non DoD			
6. No-Year Appropriation			
7. Total (Sum of all Appropriations)			

Narrative Justification:

Note: Carryover \$ Value by Service & Appropriation – Include orders from other Services and Customers.

Exhibit Fund-11a Carryover Reconciliation (Continued)

Instructions for Carryover Calculations
for the Preparation of Exhibit Fund-11a, Carryover Reconciliation

The reporting of carryover will be accomplished on the Fund 11a exhibit, Carryover Reconciliation. The Fund-11a exhibit, Carryover Outlay Calculation, displays and reconciles the detail of the Fund-11 exhibit by providing revenue, customer orders, and months of carryover by fiscal year, appropriation.

Carryover calculation. All DoD Components should pay close attention to their carryover amounts as reported on the AR(M) 1307 as “unfilled customer orders”. Components must budget to end each fiscal year with between five and seven months of carryover. The following metrics will be used to assess each fiscal year in the budget exhibit: ≥ 5 and < 7 of carryover is green (within range); > 3 and < 5 and ≥ 7 and < 8 months of carryover is yellow (at risk); ≤ 3 or ≥ 8 months of carryover is red (out of range). Components must include justification for carryover that is rated yellow or red. The justification for a yellow or red rating for each year must include the mitigating actions that will be taken to get to green including a timeline for when that will occur.

PART A - Carryover Calculation Categories.

- Line 1 (Total New Orders) displays the new orders projected to be received during the fiscal year.
- Line 2 (Net Carry-in Orders) displays the orders projected to be carried into the fiscal year from the prior fiscal year.
- Line 3 (Total Gross Orders) is the sum of lines 1 and 2.
- Line 4 (Revenue) displays the revenue projected to be earned during the fiscal year.
- Line 5 (Carryout) equals line 3 minus line 4 and displays the carryout projected at the end of the fiscal year.
- Line 6 (Workload Completed Per Month) equals line 4 divided by 12 and calculates the average revenue per month.
- Line 7 (Months of Carryover)

PART B.- Carryover \$ Value & Months by Location Activity

- Line 1 (Activity 1) Enter the Fund-11 projected dollar value of carryover and months of carryover for Activity 1
- Line 2 (Activity 2) Enter the Fund-11 projected dollar value of carryover and months of carryover for Activity 2
- Line 3 (Activity 3) Enter the Fund-11 projected dollar value of carryover and months of carryover for Activity 3

Continue with as many Activities that are within your Component.

Total. Sum the projected dollar value of carryover for all Activities

PART C. - Carryover \$ Value by Appropriation & Service

On each line, enter the projected dollar value of carryover for the appropriation.

Total. Sum the projected dollar value of carryover for all appropriations.

The total value of carryover from Part C and Part B must equal the total value of carryout from Line 5 of Part A.

*Exhibit Fund-12 Customer Orders to Customer Funding Reconciliation

1. New Orders	Source of New Orders			Customer Funding			Delta					
	PY	CY	BY	PY	CY	BY	PY	PY	CY	CY	BY	BY
a. Orders from DoD Components:	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Operations & Maintenance	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Recovery Act, Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Army Reserve	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Recovery Act, Army Reserve	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Army National Guard	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Research Development Testing & Evaluation	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Recovery Act, Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Procurement	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Aircraft Procurement, Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Missile Procurement, Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Weapons & Tracked Vehicles, Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Ammunition, Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Other, Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Military Construction	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Army Reserve	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Army National Guard	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Military Personnel	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Army Reserve	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Army National Guard	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Family Housing	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Construction, Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Operations & Maintenance, Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Other	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Salaries and Expenses, Cemeterial Expenses	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Wildlife Conservation, etc., Military Reserve	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Chemical Agents and Munitions Destruction, Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
National Science Center, Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Afghanistan Infrastructure Fund	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Iraq Security Forces Fund	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Iraq Train and Equip Fund, Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Foreign Military Financing, Funds	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Appropriated to the President	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Army Other	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%

Exhibit Fund-12 Customer Orders to Customer Funding Reconciliation (Continued)

	Source of New Orders			Customer Funding			Delta					
	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Navy												
Operations & Maintenance	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Navy	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Navy Reserve	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Research Development Testing & Evaluation	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Navy	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Procurement	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Aircraft Navy	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Weapons Navy	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Ammunition, Navy & Marine Corps	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Navy Other	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Military Construction	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Construction, Navy & Marine Corps	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Shipbuilding, Navy	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Military Personnel	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Navy	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Navy Reserve	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Family Housing	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Operations & Maintenance, Navy & Marine Corps	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Other	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Other Navy Appropriations	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
National Defense Sealift Fund, Navy	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
General Gift Fund, Navy	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Wildlife Conservation, etc. Military	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Reservations, Navy	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Air Force	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Operations & Maintenance	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Air Force	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Air Force Reserve	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Air National Guard	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Research Development Testing & Evaluation	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Research, Development, Testing & Evaluation, Air Force	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Procurement	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Air Force Procurement Accounts	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Aircraft, Air Force	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Missile, Air Force	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Other, Air Force	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Military Construction	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Military Personnel	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Air Force	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Air Force Reserve	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Air Force National Guard	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Family Housing	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Other	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
International Military Education and Training	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Air Force Other	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%

Exhibit Fund-12 Customer Orders to Customer Funding Reconciliation (Continued)

	Source of New Orders			Customer Funding			Delta					
	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Marine Corps												
Operations & Maintenance	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Marine Corps	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Marine Corps Reserve	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Research Development Testing & Evaluation	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Procurement	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Military Construction	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Military Personnel	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Military Personnel	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Reserve Personnel	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Family Housing	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Other	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Defense-Wide	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Operations & Maintenance	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Research Development Testing & Evaluation	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Procurement	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Procurement, Defense-wide	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
National Guard and Reserve Equipment, Defense-	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Military Construction	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Military Personnel	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Family Housing	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Other	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Defense Health Program, Defense-wide	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
DoD, Base Closure Account, 1990	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
DoD, Base Closure Account, 2005	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
DoD, Base Closure Account	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Defense Emergency Response Fund, Defense-wide	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Support for International Sporting Competitions, Defense-wide	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Employee & Employer Contributions, Foreign	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Government Social Security & Related Programs,	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Chemical Agent & Munitions Destruction, Defense-	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
OSD Appropriated	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
DoD, Acquisition Workforce Development Fund	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%

Exhibit Fund-12 Customer Orders to Customer Funding Reconciliation (Continued)

	Source of New Orders			Customer Funding			Delta					
	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
b. Orders from other Fund Activities												
Army	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Army Working Capital Funds	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Navy	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Navy Working Capital Funds	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Air Force	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Air Force Working Capital Funds	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Marine Corps	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Defense-wide	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Civil Corps of Engineers	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
OSD, Defense Working Capital Fund	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Defense Agencies, Defense Working Capital Fund	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
DLA, Defense Working Capital Fund	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
DFAS, Defense Working Capital Fund	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
DECA, Defense Working Capital Fund	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
National Defense Stockpile Transaction Fund	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Pentagon Reservation Maintenance Revolving Fund	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Other	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Other Working Capital Funds	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Global HIV/AIDS Initiative	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Global Health Programs, State	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
DoD-VA Health Care Sharing Incentive Fund	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Lease of DoD Real Property	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Other DoD	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
c. Total DoD	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
d. Other Orders:	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Exchange Activities	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Trust Funds	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Non-Federal Agencies												
Federal Agencies												
Foreign Military Sales												
Total for New Orders	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%

Exhibit Fund-12 Customer Orders to Customer Funding Reconciliation (Continued)**Instructions for the Preparation of Exhibit Fund-12**

The source of new orders section displays data directly from the Fund-11. The customer funding section displays data from the Program Resources Collection Process (PRCP) system entered by the DoD Components consisting of funding levels for each sub-object class related to each Component's Working Capital Fund Activity Group. The delta section displays the value and percentage difference between the source of new orders section and the customer funding section. Customer funding – source of new orders = delta (\$). Delta (\$) / customer funding = delta (%).

Exhibit Fund-13 Cash Management Plan

CASH MANAGEMENT PLAN
Component:
Activity Group:
(Dollars in Millions)

Incremental Cumulative	Fiscal Year:						
	Operations			Financing		Appropriation	Total Change in Cash
	Disbursements	Collections	Net Outlays	Transfers Out	Transfers In		Cash Balance
Balances:							
October							
November							
December							
January							
February							
March							
April							
May							
June							
July							
August							
September							

Provide a monthly and cumulative phasing for each and every activity group displaying disbursements, collections, transfers in, transfers out, appropriations, net outlays, and beginning and ending cash balances for the prior, current, and budget year(s). Put each year on a separate page.

Cash balance at the beginning of the FY (+/-) Total Change in Cash = Cash Balance at the end of the FY.

Submit Excel workbook (by activity including total fund roll up) to the OUSD(C) Revolving Funds Directorate's cash manager.

*Exhibit Fund-13b Cash Requirements

CASH REQUIREMENT
Component:
Activity Group:
(Dollars in Thousands)

	Cash Requirement	Fiscal Year: _____
1.	Rate of Disbursement (Average Amount Disbursed per Collection Cycle)	
1a.	Total Disbursements	
1b.	Number of Collection Cycles	
2.	Range of Operation	
2a.	Upper Estimate of Expected Operating Range	
2b.	Lower Estimate of Expected Operating Range	
3.	Risk Mitigation (Identify amounts held to mitigate specified risk categories)	
3a.		
3b.		
4.	Reserves (Identify amounts held to meet specified future requirements)	
4a.		
4b.		

The Fund 13b exhibit provides each activity group's average rate of disbursement and stratifies its cash requirement based on the amount of cash held for current year operations, subsequent operations and risk mitigation.

Submit Excel workbook to the OUSD(C) Revolving Funds Directorate's cash manager.

Exhibit Fund-13b Cash Requirements (Continued)

Instructions for Cash Requirements

1. Rate of Disbursement (Average Amount Disbursed per Collection Cycle) = Result of dividing Line 1a divided by Line 1b.
 - 1a. Total Disbursements – total amount budgeted for disbursement from the exhibit Fund-13.
 - 1a. Number of Collection Cycles – the total number of collections cycles planned for the year.
2. Range of Operation – header, no entry required
 - 2a. Upper Estimate of Expected Operating Range – The maximum cash level expected based on budgeted assumptions and historical trends.
 - 2b. Lower Estimate of Expected Operating Range – The lowest cash level expected based on budgeted assumptions and historical trends. Provide an explanation if the lower bound does not equal the sum of Line 3 and Line 4.
3. Risk Mitigation (Cash held to mitigate specified risks) – Total amount of cash held for risk mitigation. The specific risks for which cash is being reserved should be provided along with amounts on lines 3a., 3b., etc. Examples of specified risks include, but are not limited to, items such as budget estimation error and commodity price fluctuation.
4. Reserves (Cash held to meet specified future requirements) – Total amount of cash held through the fiscal year to meet specified requirements in subsequent years. A description of the requirements for which cash is being held should be provided along with amounts on lines 4a., 4b., etc. Examples include, but are not limited to, unexpended appropriations, planned capital investments, and funds retained to support the return of accumulated operating results (AOR) in subsequent fiscal years.
5. For further explanation of each of the four major elements of the cash requirement, see paragraphs 090103.A.4.d-g.
6. A narrative is required describing the methodology and makeup of 1 through 4 above as appropriate.

Note: A graphic display of the elements included in the exhibit, Fund-13b, Cash Requirements, is provided on the following page.

Exhibit Fund-13b Cash Requirements (Continued)

Graphic Display of Elements included in Exhibit 13b, Cash Requirements



*Exhibit Fund-14 Revenue and Expenses

**DEFENSE WORKING CAPITAL FUND
COMPONENT/ACTIVITY
REVENUE AND COSTS**

(Dollars in Millions)			Do not print this column for instructions
	FY PY	FY CY	
Revenue			<i>Note</i>
Gross Sales	125.0		A
Operations	110.0		
Capital Surcharge	5.0		B
Capital Investment Recovery	10.0		
Other Income	6.0		C
Refunds/Discounts (-)	-25.0		
Total Income	106.0		
Costs			
Cost of Materiel Sold from Inventory	65.0		D
Salaries & Wages	10.0		
Military Personnel Compensation & Benefits	2.0		
Civilian Personnel Compensation & Benefits	8.0		
Travel & Transportation of Personnel	5.0		
Materials & Supplies for internal operations	1.0		
Equipment	2.0		
Other Purchases from Revolving Funds	1.0		
Transportation of Things	5.0		
Capital Investment Recovery	10.0		E
Printing & Reproduction	0.5		
Advisory & Assistance Services	0.5		
Rent, Communication, Utilities & Misc. Charges	2.0		
Other Purchased Services	1.0		
Total Expenses	103.0		
Operating Result	3.0		F
Adjustments affecting NOR (specify)	-5.0		G
Capital Surcharge	-5.0		
Net Operating Result	-2.0		H
PY AOR	2.0		
Other Changes Affecting AOR			
Non-Recoverable AOR	-1.0		
Deferred AOR			
AOR for Budget Purpose			

Exhibit Fund-14 Revenue and Expenses (Continued)

Instructions for Statement of Revenue and Costs
Keyed to Statement Footnotes

Note: Information on this exhibit should reconcile to other exhibits that display Revenue and Costs (Fund-7, Customer Rate Computations; SM-5a, OP-32 Price Change; Fund-11, Source of Revenue; Fund-1/1a, Summary/Details of Price, Program, and Other Changes).

- A. For supply management activities, the line should reflect **Gross** sales. Credit returns should be displayed in the Refunds/Discounts line.
- B. Capital Surcharge represents the increase in prices (and projected revenue) due to surcharging the capital budget requirement to provide sufficient cash to support the capital budget. This line is blank if a capital surcharge is not included in price (also see note F).
- C. Other income is to include pass-through revenue such as direct reimbursable.
- D. Cost of materiel sold from inventory includes the MAC value of materiel sold from inventory and the cost of repair. Both wholesale and retail costs should be included. [For Supply activities, this figure does not represent required budgetary resources for inventory. If additional resources are required, a surcharge pricing element should be added on the SM-5a and an "Inventory Retention" category as an operating adjustment should be identified on the Fund-14. At the discretion of the Supply activity, "Inventory Retention" may also be used to display the difference of Total Materiel Costs on the SM-5a and Materiel Costs without inflation. In either case, the final NOR should be the same.](#)
- E. Capital Investment Recovery (CIR) reflects the estimated [recoupment](#) of all assets defined by the capital program in terms of recoupment of outlays.
- F. This represents the "gross" result from operations, prior to adjustments.
- G. Includes all "Other Adjustments" to NOR; multiple lines may be used. For example, Capital Surcharge reservation here should offset capital surcharge in revenue. Include any appropriations realized to offset current period costs (e.g., pass-through appropriations to cover underutilized plant capacity). Appropriations for war reserve materiel do not offset current period expenses, do not affect NOR, and should be subtracted if reported as part of revenue or be reported as an adjustment below NOR. This includes:

Transfers to correct for prior period over- or under-pricing;

1. Other approved transfers for collections from customers for which an expense has not been recorded;
2. Other collections (that are not transferred out, but placed in some sort of reserve) from customers for which an expense has not been recorded; or,
3. Unfunded expenses resulting from a policy change, which must be deleted prior to determining NOR.
4. Changes in Work-in-Process or Inventory for [activity retention](#).

Exhibit Fund-14 Revenue and Expenses (Continued)

H. The NOR is the fiscal year gain or loss from operations. The NOR will be carried into Accumulated Operating Results (inception to date) in the equity portion of the balance sheet. NOR and AOR are key performance indicators. Sufficient unobligated and cash resources must be available to return AOR. If not, then the minimum cash retention becomes a non-recoverable adjustment. Likewise, non-supply activities must have sufficient PY unobligated balances to return AOR. If not, then AOR must be retained and a non-recoverable cash surcharge may be required in order to generate sufficient budgetary resources. In addition, CIR for DWCF activities do not typically represent the total CIP cash requirement.

I. The Deferred AOR are revenue, expenses, gains, or loss transactions that impact WCF cash and are temporarily deferred in the budget to be recovered/returned in a future year.

J. The Non-Recoverable AOR are revenue, expenses, gains, or loss transactions that do not impact WCF cash and are permanent (though they could be reversed if necessary). Common examples of non-recoverable is the depreciation of real property purchased with MILCON and reported by the WCF activity or equipment purchased with appropriated funds and then transferred without reimbursement to a Depot for use. The Depot records the depreciation but does not include those costs when developing their rates.

Exhibit Fund-15 Fuel Data

FY _____ BUDGET FUEL DATA	PROCURED FROM DLA ENERGY			PROCURED BY SERVICE			DATE
PRODUCT	BARRELS (millions)	COST PER BARREL (\$)	EXTENDED PRICE (\$M)	BARRELS (millions)	COST PER BARREL (\$)	EXTENDED PRICE (\$M)	STABILIZED PRICE
TOTAL							

Use as many rows as necessary

AEROSPACE ENERGY – For DLA use only

FY				
DOD SALES	UNIT	PRICE PER UNIT	UNIT PRODUCT COST	EXTENDED PRICE
PRODUCTS				
TOTAL DOD SALES				
NON-DOD SALES				
PROUCTS				
TOTAL NON-DOD SALES				
TOTAL				

Exhibit Fund-15 Fuel Data (Continued)

Instructions for the Preparation of Exhibit Fund-15 Fuel Data

The purpose of Fund-15, Fuel Data, exhibit is to provide reconciliation between the Defense Logistics Agency (DLA) [Energy](#) activity, and the customer budgets. Prepare the Fund-15 exhibit for the prior year actual, current year, and budget year. The DLA [Energy activity](#) will prepare the exhibits for both petroleum and aerospace fuel products. Prepare the exhibit for each division that procures petroleum fuel products and a consolidated exhibit. Instructions for preparation of Fund-15, Fuel Data:

1. Barrels. Use 42 gallons per barrel. Show barrels in nearest tenth of million barrels.
2. Cost per Barrel. Use cost in dollars and cents per barrel.
3. Extended Price. Multiply number of barrels by cost per barrel. Use dollars in millions and display results in tenths of a million.
4. Product. List by product.
5. Stabilized Price. Show current approved stabilized price.

The USTRANSCOM must submit separate Fund 15 exhibits for its Organic, Commercial and Military airlift missions.

Exhibit Fund-16 Materiel Inventory Data

**DEFENSE WORKING CAPITAL FUND
COMPONENT/DWCF ACTIVITY:****MATERIEL INVENTORY DATA**(Dollars in Millions)
FISCAL YEAR

<u>Total</u>	<u>Mobilization</u>	<u>Operating</u>	<u>Peacetime</u> <u>Other</u>

Materiel Inventory BOPPurchases

- A. Purchases to Support Customer Orders (+)
- B. Purchase of long lead items in advance of customer orders (+)
- C. Other Purchases (list) (+)
- D. Total Purchases

Materiel Inventory Adjustments

- A. Materiel Used in Maintenance (and billed/charged to customer orders) (-)
- B. Disposals, theft, losses due to damages (-) *
- C. Other reductions (list) (-)
- D. Total inventory adjustments

Materiel Inventory EOP

Materiel inventory for the purposes of this exhibit is inventory that will be consumed in production to complete a finished product (i.e., bolts, screws, clamps, metal plates, etc.). It does not include operating materials such as pens, pencils, paper, staples and toner cartridges.

Complete one exhibit for each fiscal year (i.e., PY, CY, and BY) for the non-supply activities (i.e., depot maintenance, etc.). Inventory pricing will be based on current policy on inventory valuation.

*This would also include reductions due to obsolescence. All other reasons for inventory reductions would be listed in item C.

Exhibit Fund-19 Military Personnel Strength

**Military Personnel
By Average Strength**

Service or Agency: _____

Activity: _____

Personnel Summary:

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>	<u>Change CY/BY</u>
Active Military Average Strength				
Army				
Officer				
Enlisted				
Navy				
Officer				
Enlisted				
Marine Corps				
Officer				
Enlisted				
Air Force				
Officer				
Enlisted				
Total Active Military Average Strength				

Instructions: For each fiscal year, show the average strength of active military personnel, including those participating in the Personnel Force Innovation program, performing work for the WCF. Display the increase or decrease in average strength from the current year to the budget year in the “Change CY/BY” column.

Exhibit Fund-22 Summary of Base Support

DEPARTMENT OF (COMPONENT NAME)			
Activity: _____			
Summary of Base Support (\$ in Millions)			
	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>
Chapel & Chaplain Services			
Command Element			
Common Use Facility Operations,			
Maintenance, Repair, & Construction			
Disaster Preparedness			
Environmental Compliance			
Fire Protection			
Libraries			
Morale & Fitness Support			
Police Services			
Safety			
Shuttle Services			
Admin Services			
Audio/Visual Services			
ADP/Automation Services			
Civilian Personnel Services			
Clubs			
Communication Services			
Community Support Services			
Confinement & Detention Centers			
Custodial Services			
Education Services			
Engineering Support			
Equipment, Operation, Maintenance, & Repair			
Explosive Ordnance			
Facilities & Real Property Support			
Facility Maintenance & Repair			
Finance & Accounting			
Food Services			
Health Services			
Housing & Lodging Services			
Information Services			
Installation Retail Supply & Storage Operation			
Laundry & Dry Cleaning			
Legal Services			
Military Personnel Support			
Mobilization Support			
Mortuary Services			
Printing & Reproduction			
Purchasing & Contracting Services			
Refuse Collection & Disposal			
Resource Management			
Training Services			
Transportation Services			
Utilities			
Weather Services			
Other Support			
TOTAL			

Provide narrative explanations of changes in levels of support that, as a tenant, is a reimbursable cost of operation paid to a host activity or, as the host activity, is financed as a direct cost of operation.

Exhibit Fund-24 Summary of Personnel Data

DEPARTMENT OF (COMPONENT NAME)
ACTIVITY: _____

Summary of Civilian Personnel Data - Part I

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>
<u>Direct Labor Production:</u>			
Regular Hours			
Paid Leave Hours			
Overtime Hours			
Total Hours			
FTEs			
<u>Indirect Labor Production:</u>			
Regular Hours			
Paid Leave Hours			
Overtime Hours			
Total Hours			
FTEs			
<u>General & Administrative (G&A) (Overhead):</u>			
Regular Hours			
Paid Leave Hours			
Overtime Hours			
Total Hours			
Full-time Equivalencies (FTEs)			
<u>Total:</u>			
Regular Hours			
Paid Leave Hours			
Overtime Hours			
Total Hours			
<u>Total FTEs:</u>			
Percent Direct Labor			
Percent Production Overhead			
Percent G&A Labor			
Percent Production Overhead and General and Administrative			
<u>Hours per FTE</u>			

Exhibit Fund-28 Execution Performance Analysis

**EXECUTION PERFORMANCE
ANALYSIS**Quarter: _____
Page X of Y

(Component and Activity Name)

**PERFORMANCE
MEASURES****First
Quarter
Actual****Annual
Plan****Projected
End of Year****Projected
Variance**

UNIT COST (\$)

TOTAL NEW ORDERS RECEIVED: Actual through quarter and end-of-fiscal year projection only.

ACCUMULATED OPERATING RESULTS: Actual through quarter and end-of-year projection. For all activities, including Supply, provide the reconciliation between December's AOR reported on the 1307 report and the amount you use for budget purposes.

NOR (\$M)

Revenue (\$M)

Costs (\$M)

OUTLAYS

Collections

Disbursements

CASH BALANCE WITH TREASURY: Actual through quarter and estimated end-of-year projection.

Accounts Receivable

Total Unliquidated Advance Billings

(Liability)

ANALYSIS and RECOMMENDED ACTIONS

YEAREND PROJECTIONS AND ASSUMPTIONS

Exhibit Fund-28 Execution Performance Analysis (Continued)

**EXECUTION PERFORMANCE
ANALYSIS**Quarter: _____
Page X of Y**(Component and Activity Name)****MILITARY AND CIVILIAN
PERSONNEL DATA****END STRENGTH**
PLAN ACTUAL**WORK YEARS (FTE's)**
PLAN ACTUAL

As of 9/30/PY

As of 12/31/CY

Projected 9/30/CY

RIF's (E/S and date)

(Cost \$ in millions)

VSIP/VERA (E/S and date)

(Cost \$M)

ATTRITION RATE (Plan vs. Actual)

Total DLHs Worked: Not required for Supply, DeCA, DISA, or USTRANSCOM Business Areas.

Regular DLHs**Overtime DLHs****CAPITAL INVESTMENT PROGRAM OBLIGATIONS and OUTLAYS: FY to date and end-of-year projection only.**
ANALYSIS and RECOMMENDED CORRECTIVE ACTIONS:

Exhibit Fund-28 Execution Performance Analysis (Continued)

Instructions for the Preparation of Exhibit Fund-28
Execution Performance Analysis

The OUSD(C) P/B Revolving Funds Directorate conducts first, second, and third quarter Budget Execution Reviews (BERs) each fiscal year for the DWCF, PRMRF/BMF, and DCSA WCF. Each Component is required to complete the Fund-28, Execution Performance Analysis, for each of their business areas and is expected to be prepared to discuss, by separate business areas [on the items presented in the Fund-28](#). An official BER announcement memorandum is sent out each of the three quarters with instructions, suspense dates, and any changes to the list.

[All Components must complete a Fund-28 Execution Performance Analysis, for each of their activity groups. The Accounting Report \(Monthly\) 1307 or Standard Form \(SF\) 133, Report on Budget Execution and Budgetary Resources, should be the source for the financial data. If another source is used, identify the source and provide the actual documents as supplemental information. Components will also identify any areas of concern and examples of improving efficiency or effectiveness of operations, either realized or planned. Use the narrative tab for your write-up.](#)

[BER Reporting will include the following:](#)

- [1. The FY CY phasing plans for cash and NOR found in the FY BY President's Budget.](#)
- [2. Must utilize the SF-133 and 1307 report data for the reporting periods December \(Q1\)/March \(Q2\)/June \(Q3\) for the FY.](#)
- [3. Cash levels by business activity, and EOY projections as for the reporting period.](#)
- [4. Total New Orders vs. Plan and EOY projections.](#)
- [5. Financial data variances from plan and EOY projections.](#)
- [6. Obligations, Revenues, Costs, Collections, Disbursement, Net Operating Result \(NOR\), and Accumulated Operating Result \(AOR\) actual data for the reporting period.](#)

Exhibit Fund-30 Underutilized Plant Capacity

Unutilized and Underutilized Plant Capacity (UPC)**Industrial Mobilization Capacity (IMC)****Component:****ACTIVITY:** _____ **DATE:** _____

(\$ in Millions)

FY PYFY CYFY BY**1 Ammunition Storage**

A. Required Maximum Containers

B. Number of Funded Containers

C. Non-Utilization Rate (1-B/A)

D. Applicable Overhead

E. Funding Requirement (C*D)

F. Funded

2 Ammunition Production

A. Total Number of Production Lines

B. Total Square Footage of all Production Lines

C. Unutilized Production Lines (20% or less)

D. Total Square Footage of Unutilized Production Lines

E. Percent of Unutilized Square Footage (D/B)

F. Applicable Overhead Costs

G. Allowable Overhead Costs (E*F)

H. Percent of Unutilized Production Lines (C/A)

I. Funding Requirement (G*H)

J. Funded

3 Maintenance Facilities

A. Total Number of Work Stations

B. Unutilized Work Stations (20% or less)

C. Non-Utilization Rate (B/A)

D. Applicable Overhead

E. Funding Requirement (C*D)

F. Funded

4 Manufacturing Facilities

A. Total Number of Work Stations

B. Unutilized Work Stations (20% or less)

C. Non-Utilization Rate (B/A)

D. Applicable Overhead

E. Funding Requirement (C*D)

F. Funded

5 Real Property Maintenance**6 Equipment Maintenance****7 Utilities****8 Other (specify)****TOTAL**

Exhibit Fund-30 Underutilized Plant Capacity (Continued)

Instructions for the Preparation of Exhibit Fund-30
Unutilized and Underutilized Plant Capacity (UPC)**PART I.**

The purpose of this exhibit is to determine capacity indices and mobilization funding requirements for DWCF industrial activities. Unutilized (Reserve), Underutilized Plant Capacity and Industrial Mobilization Capacity costs should be excluded from the DWCF rate structure. Overburdening the customer for costs associated with idle expansion capability is not a fair reflection of operating costs associated with workload. In many cases, these costs must be incurred by a federal facility where the private sector can choose to downsize its operations.

Appropriated funding supports equipment that is utilized 20 percent or less of capacity (hereafter referred to as “unutilized”) and has a requirement to support surge and/or replenishment. It is not excess capacity; it is necessary to support core industrial maintenance requirements.

This exhibit may apply to all industrial activities (mostly Depots and Ordnance activities) whether or not the respective Service is identifying UPC funding as part of the topline submission in the O&M budget submission. Thus, at a minimum, the capacity-related indices for items numbered one through three should be completed for each industrial activity.

There are four types of facilities that may qualify:

1. Ammunition Storage
2. Ammunition Production
3. Maintenance
4. Manufacturing

Each qualifying facility must be identified and listed separately.

PART II.

For each activity with an amount in the Funded UPC (i.e., 1.F., 2.J., 3.F., 4.F.) category identified in the exhibit Fund 30 format, the following is required:

- A. Narrative describing the nature of these UPC costs being incurred at the activity. Provide justification as to what is being accomplished with these funds.
- B. Breakdown of costs by element.

*Exhibit PB-32 Summary of Price and Program Changes

INSTRUCTIONS FOR PREPARATION OF
THE SUMMARY OF PRICE AND PROGRAM CHANGES (EXHIBIT PB-32)

The PB-32 Rates Changes exhibit provides a breakout of the detailed price and program that drive the rate changes from prior year (PY), current year (CY), and budget year (BY), by sub-object classification, as applicable.

1. For the OSD/OMB budget review, prepare the PB-32 to show the rate (percent) of price and program growth for the various object sub classifications.

2. The price growth column should show the amount of price growth for various object sub-classifications. The rate of price change for lines 401, 411-415, 502-506, 601-693, and 701-721 should agree with applicable rates approved by OSD.

3. Program amounts should be consistent with Fund purchases included in Object Class 25.3. For, AMC, MSC, and MTMC costs displayed for items; 702, 703, 705, 706, 707, 708, 711, 714, 718, 719, 720, and 771 should include all purchases from these transportation funds. These amounts should exclude all non-Defense Working Capital Fund purchases such as reimbursement to MTMC of non-Defense Working Capital Fund (overseas) port operations.

4. Line 703 JCS Exercises includes only those services in support of JCS exercises and paid only by The Joint Staff (TJS).

5. Includes centrally managed items procured by the Defense Working Capital Fund from sources other than Defense Working Capital Fund or non-Defense Stock Funds.

6. Budget year (BY) program amounts should reflect stabilized rates as requested by the Service (OSD submission) or as approved by OSD (President's Budget), as applicable, to include the impact of biennial budget years' pay raises.

C. Exhibit PB-32 Summary of Price and Program Changes (Continued)

Object Sub-Class	Object Sub-Class Title	Prior Year (CY Actuals)	Price Growth Percent amount	Program and Other Changes	Current Year (CY)	Price Growth Percent amount	Program and Other Changes	Budget Year (BY)
101	Executive, General and Special Schedules							
103	Wage Board							
104	Foreign National Direct Hire (FNDH)							
105	Separation Liability (FNDH)							
106	Benefits to Former Employees							
107	Voluntary Separation Incentive Pay							
110	Unemployment Compensation							
111	Disability Compensation							
121	PCS Benefits							
308	Travel of Persons							
401	DLA Energy (Fuel Products)							
411	Army Supply							
412	Navy Managed Supplies & Materials							
413	Marine Corps Supply							
414	Air Force Consolidated Sustainment AG (Supply)							
416	GSA Managed Supplies & Materials							
417	Local Purchase Managed Supplies & Materials							
418	Air Force Retail Supply (General Support Division)							
419	Air Force Retail Supply (Medical-Dental Division)							
420	Air Force Retail Supply (AF Academy Division)							
421	DLA Materiel Supply Chain (Clothing & Textiles)							

Exhibit PB-32 Summary of Price and Program Changes (Continued)

Object Sub-Class	Object Sub-Class Title	Prior Year (CY Actuals)	Price Growth Percent amount	Program and Other Changes	Current Year (CY)	Price Growth Percent amount	Program and Other Changes	Budget Year (BY)
422	DLA Materiel Supply Chain (Medical)							
423	DLA Materiel Supply Chain (Subsistence)							
424	DLA Materiel Supply Chain (Weapon Systems)							
425	Flying Hour Air Force Consolidated Sustainment (Supply)							
426	Flying Hour AF Retail Supply Chain (General Support ~~Division~~)							
506	DLA Materiel Supply Chain (Construction and Equipment)							
507	GSA Managed Equipment							
601	Army Industrial Operations							
603	DLA Distribution							
610	Naval Air Warfare Center							
611	Naval Surface Warfare Center							
612	Naval Undersea Warfare Center							
613	Naval Fleet Readiness Centers (Aviation)							
614	Space & Naval Warfare Center							
620	Navy Transportation (Combat Logistics Force)							
621	Navy Transportation (Afloat Prepositioning Force Navy)							
623	Navy Transportation (Special Mission Ships)							
624	Navy Transportation (Joint High Speed Vessels)							
625	Navy Transportation (Service Support)							

Exhibit PB-32 Summary of Price and Program Changes (Continued)

Object Sub-Class	Object Sub-Class Title	Prior Year (CY Actuals)	Price Growth Percent amount	Program and Other Changes	Current Year (CY)	Price Growth Percent amount	Program and Other Changes	Budget Year (BY)
630	Naval Research Laboratory							
631	Naval Facilities Engineering and Expeditionary Warfare Center							
633	DLA Document Services							
640	Marine Corps Depot Maintenance							
647	DISA Enterprise Computing Centers							
661	Air Force Consolidated Sustainment Activity Group (Maintenance)							
671	DISN Infrastructure Services (DISN-IS)							
672	PRMRF Purchases							
675	DLA Disposition Services							
676	Defense Commissary Operations							
677	DISA Telecommunications Services - Reimbursable							
678	DISA IT Contracting Services							
680	Purchases from Building Maintenance Fund							
683	Purchases from DWCF Defense Counterintelligence & Security Agency							
691	DFAS Financial Operations (Army)							
692	DFAS Financial Operations (Navy)							
693	DFAS Financial Operations (Air Force)							
694	DFAS Financial Operations (Marine Corps)							

Exhibit PB-32 Summary of Price and Program Changes (Continued)

Object Sub-Class	Object Sub-Class Title	Prior Year (CY Actuals)	Price Growth Percent amount	Program and Other Changes	Current Year (CY)	Price Growth Percent amount	Program and Other Changes	Budget Year (BY)
695	DFAS Financial Operations (DLA)							
696	DFAS Financial Operation (Other Defense Agencies)							
697	Refunds							
702	AMC SAAM (Fund)							
703	JCS Exercises							
705	AMC Channel Cargo							
706	AMC Channel Passenger							
707	AMC Training							
708	MSC Chartered Cargo							
709	MSC Surge Sealift (Reduced Operating Status)							
710	MSC Surge Sealift (Full Operating Status)							
711	MSC Chartered Cargo (Fund)							
714	MSC Pol Tankership							
718	SDDC Liner Ocean Transportation							
719	SDDC Cargo Operation (Port Handling)							
720	DCS Pounds Delivered							
722	MSC Afloat Prepositioning Army							
723	MSC Afloat Prepositioning Air Force							
724	MSC Afloat Prepositioning DLA							
771	Commercial Transportation							
901	Foreign National Indirect Hire (FNIH)							
902	Separation Liability (FNIH)							
912	Rental Payments to GSA (SLUC)							

Exhibit PB-32 Summary of Price and Program Changes (Continued)

Object Sub-Class	Object Sub-Class Title	Prior Year (CY Actuals)	Price Growth Percent amount	Program and Other Changes	Current Year (CY)	Price Growth Percent amount	Program and Other Changes	Budget Year (BY)
913	Purchased Utilities (Non-Fund)							
914	Purchased Communications (Non-Fund)							
915	Rents (Non-GSA)							
917	Postal Services (U.S.P.S)							
920	Supplies & Materials (Non-Fund)							
921	Printing & Reproduction							
922	Equipment Maintenance By Contract							
923	Operation and Maintenance of Facilities							
924	Pharmaceutical Drugs							
925	Equipment Purchases (Non-Fund)							
926	Other Overseas Purchases							
927	Air Defense Contracts & Space Support (AF)							
928	Ship Maintenance By Contract							
929	Aircraft Reworks by Contract							
930	Other Depot Maintenance (Non-Fund)							
933	Studies, Analysis, & evaluations							
934	Engineering & Technical Services							
935	Training and Leadership Development (Advisory & Assistance Services)							
936	Training and Leadership Development (Other Contracts)							
937	Locally Purchased Fuel (Non-Fund)							
955	Medical Care							
957	Land and Structures							

Exhibit PB-32 Summary of Price and Program Changes (Continued)

Object Sub-Class	Object Sub-Class Title	Prior Year (CY Actuals)	Price Growth Percent amount	Program and Other Changes	Current Year (CY)	Price Growth Percent amount	Program and Other Changes	Budget Year (BY)
958	Investments and Loans							
959	Insurance Claims and Indemnities							
960	Interest and Dividends							
961	Unvouchered							
962	Undistributed							
964	Subsistence and Support of Persons							
984	Equipment Contracts							
985	Research and Development Contracts							
986	Medical Care Contracts							
987	Other Intra-Government Purchases							
988	Grants, Subsidies and Contributions							
989	Other Services							
990	IT Contract Support Services							
991	Foreign Currency Variance							
993	Other Services - Scholarships							
998	SOCOM Use Only							

VOLUME 2B, CHAPTER 10: “PUBLIC ENTERPRISE, MANAGEMENT, AND TRUST FUNDS”

SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue and underlined font***](#).

The previous version dated [June 2010](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
1.1, 1.3, & 3.1 (100101, 100103, & 100301)	Removed reference to the closed Conventional Ammunition Working Capital Fund.	Deletion
1.2 (100102)	Replaced reference to tenants with customers.	Revision
1.4, 1.5, & 1.6 (100104, 100105, & 100106)	Updated references.	Revision
2.2, 3.1 (100202, 100301)	Updated list of budget exhibits required for the Pentagon Reservation Maintenance Fund and the Buildings Maintenance Fund.	Revision
4.2 (100402)	Replaced the word Costs with Expenses on the PR-2 exhibit to clarify the requirement. Revised the SP-1 exhibit to include prior year figures and update the format.	Revision

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CHAPTER 10

PUBLIC ENTERPRISE, MANAGEMENT, AND TRUST FUNDS

1.0 GENERAL (1001)

1.1 Purpose (100101)

1.1.1. This chapter highlights the policies and justification procedures underlying budget formulation and congressional justification. The provisions of Volume 11B “Reimbursable Operations, Policy and Procedures – Working Capital Funds (WCF),” and of Volume 2B, Chapter 9, apply to the Pentagon Reservation Maintenance Revolving Fund and Buildings Maintenance Fund.

1.1.2. The following accounts are covered:

Public Enterprise Funds

- National Defense Stockpile Transaction Fund
- Pentagon Reservation Maintenance Revolving Fund
- National Defense Sealift Fund
- Buildings Maintenance Fund

Management Funds

None

Trust Funds

- National Security Education Trust Fund
- Surcharge Collections, Sales of Commissary Stores, Defense
- (see Volume 2A, Chapter 1, Section 010603 for listing of all current trust fund accounts)

1.2 Background (100102)

1.2.1. Public Enterprise Funds are expenditure accounts authorized by Congress to be credited with collections, primarily from the public, that are generated by, and earmarked to finance, a continuing cycle of business-type operations.

1.2.2. The Pentagon Reservation Maintenance Revolving Fund and Buildings Maintenance Funds are Enterprise Funds that operate in accordance with the provisions of Volume 11B of the DoD FMR “Reimbursable Operations Policy – Working Capital Funds (WCF)” and of Volume 2B, Chapter 9, “Defense Working Capital Funds Activity Group Analysis”. These Funds satisfy recurring Department of Defense requirements by using a businesslike buyer-and-seller approach. Unlike profit-oriented commercial businesses, [these activities budget](#) to break even over the long term. Selling prices established in the budget are stabilized or fixed during execution to protect customers from unforeseen rate and price fluctuations that would impact customer ability to execute the programs approved by the Congress.

1.2.3. A basic principle of the enterprise fund structure is to create a customer-provider relationship [designed to make activity managers](#) and decision-makers at all levels more concerned

with the costs of goods and services. Requiring [customers](#) to pay for support they receive provides increased assurance that services supplied and paid for are actually needed.

1.2.4. Trust Funds. The following definitions apply to trust fund accounts.

1.2.4.1. Trust fund receipt account. Trust fund receipt accounts are credited with receipts generated by the terms of a trust agreement or statute. At the point of collection, these receipts are available for transfer to a trust fund expenditure account or are not available for transfer depending upon the terms of the trust agreement or statutory authority.

1.2.4.2. Trust fund expenditure account. Trust fund expenditure accounts are established to record amounts appropriated or otherwise made available by transfer from a trust fund receipt account to be obligated and expended in carrying out the specific purposes or programs in accordance with the terms of the trust agreement or statute. Funds transferred or appropriated to a trust fund expenditure account are normally available for obligation and expenditure within the limits imposed by the trust agreement or authorizing statute.

1.2.4.3. Trust revolving fund account. A trust revolving fund is a single account that is authorized to be credited with receipts and incur obligations and expenditures in support of a continuing cycle of business-type operations in accordance with the provisions of the trust agreement or statute. Trust revolving fund receipts are available for obligation and expenditure without further action by Congress.

1.2.4.4. Unavailable collections are either (1) unappropriated receipts or receipts that are precluded from obligation because of a provision of law, such as a benefit formula or limitation on obligations in PY, CY, or BY, or (2) collections unavailable for obligation because of limitations on obligations in PY, CY, or BY. Section 36.6 of [OMB Circular A-11](#) provides instructions on MAX Schedule N on unavailable collections for trust funds and O&M special funds which Federal agencies must include in their annual budget submission to OMB.

1.3 General (100103)

1.3.1. In general, DoD trust funds authorized to incur obligations and expend receipts have been exempted from apportionment by OMB. However, the Surcharge Collections, Sales of Commissary Stores, Defense trust revolving fund, and the National Security Education Trust Fund are subject to apportionment by OMB. Each trust fund must be viewed as a unique fund in light of any special provisions in the trust agreement or the enabling legislation.

1.3.2. Trust funds have been assigned account symbols between 8000 and 8999. Within this range trust revolving funds have been assigned symbols between 8400 and 8499. Some trust funds used by DoD are:

Surcharge Collections, Sales of Commissary Stores, Defense
National Security Education Trust Fund

1.4 Submission Requirements (100104)

General guidance with regard to submission requirements is presented in the DoD Financial Management Regulation (DOD 7000.14-R), [Volume 2A](#), Chapter 1. [Volume 2B](#), [Chapters 9 and 19](#) cover specific back-up material requirements for the above areas.

1.5 Preparation of Material (100105)

General guidance with regard to format and preparation of material is presented in the DoD Financial Management Regulation (DOD 7000.14-R), [Volume 2A](#), Chapter 1. [Volume 2B](#), [Chapters 9 and 19](#) provide additional specific guidance with regard to the back-up material required for Public Enterprise, Management Fund and Trust Fund accounts.

1.6 References (100106)

The DoD Financial Management Regulation (DOD 7000.14-R), [Volume 2A](#), Chapter 1 provides funding policies, [including](#) those that impact other appropriations/accounts. [Volume 2B](#), Chapter 9 provides guidance related to Defense Working Capital Fund accounts. Certain exhibits required by this chapter are found in [Volume 2B](#), [Chapters 9 and 19](#).

2.0 PROGRAM AND BUDGET REVIEW SUBMISSION (1002)

2.1 Purpose (100201)

This section highlights the policies and justification procedures underlying budget formulation for Public Enterprise, Management Fund, and Trust Fund accounts.

2.2 Submission Requirements (100202)

2.2.1. Public Enterprise Funds

2.2.1.1. The Defense Working Capital Fund schedules referenced here are in the DoD Financial Management Regulation (DOD 7000.14-R), [Volume 2B](#), Chapter 9. The O&M type exhibits (PB, OP) are found in [Volume 2A](#), Chapter 3 and [Volume 2B](#), Chapter 19. Budget exhibits noted below should be submitted for the OSD/OMB budget review.

National Defense Stockpile Transaction Fund
Exhibits Fund-1, 1a, 2, 4, 11, 14, 17, 21, & 23.

Pentagon Reservation Maintenance Revolving Fund

Exhibits Fund-1, 1a, 2, 3, 9a, 9b, [9c](#), 11, [13](#), [13b](#), [13c](#), 14, and [26](#).
OP-8 and PB-22.

Building Maintenance Fund

Exhibits Fund-1, 1a, 2, 3, 9a, 9b, [9c](#), 11, [13](#), [13b](#), [13c](#), 14, and [26](#).
OP-8 and PB-22.

National Defense Sealift Fund (NDSF)

Exhibits Fund-1a, 2, 11, & 12.

2.2.1.2. The instructions and formats for the preparation of the NDSF required procurement and RDT&E exhibits are included in the DoD Financial Management Regulation (DoD 7000.14-R), Chapters 4 and 5, respectively.

Procurement/Ship Acquisition:

Budget Item Justification Sheet (P-40)
Weapon System Cost Analysis (P-5)
Analysis of Ship Cost Estimates (P-8a/8b)
Advance Procurement Analysis (P-10/10a)
Ship Production Schedule (P-27)
Ship Outfitting Costs (P-29)
Ship Post Delivery Estimates (P-30)

National Defense Features (NDF):

Budget Item Justification Sheet (P-40)

RDT&E:

Budget Item Justification Sheet (R-2)
Program Element/Project Cost Breakdown (R-3)
Program Schedule Profile (R-4)
Program Schedule Detail (R-4a)

2.2.1.3. Additional data required by OMB Circular [A-11](#) will be submitted in accordance with annual USD (Comptroller) budget guidance.

2.2.2. Management and Trust Funds - For Trust Funds, Trust Revolving Funds and other Management Funds, program and financing, and object classification schedules will be submitted for each account. The budget authority for each trust fund account must agree with the amounts reported against the applicable receipt accounts as required by DoD accounting guidance related to offsetting receipts. The receipt accounts are published in Treasury's Federal Account Symbols and Titles. For the Defense Commissary Agency, a footnote to the program and financing schedule will show the value of the obligations for renovation/construction of commissaries included in total obligations of the trust revolving fund.

2.2.3. Special Budget Exhibits - Unique data pertaining to a particular fund are required as follows:

National Defense Stockpile

Stockpile Financial Status Report (SP-1)

Pentagon Reservation Maintenance Revolving Fund

Cost of Services (PR-1)

Summary Statement (PR-2)

Buildings Maintenance Fund

Cost of Services (PR-1)

Summary Statement (PR-2)

Surcharge Collections, Sales of Commissary Stores, Defense

Summary (CT-1)

Facility Programs Justification (CT-2)

National Defense Sealift Fund (NDSF)

Ready Reserve Force (RRF):

Budget Item Justification Sheet (RRF-1)

Ship Composition Funding Requirements (RRF-2)

Ship Readiness Operational Status (ROS) Composition (RRF-3)

2.2.4. Budget exhibits will be submitted in accordance with the schedule published annually in DoD Comptroller budget guidance. Formats and instructions for preparation of the Special Exhibits are provided Section 4.0.

2.2.5. All NDSF related budget justification materials should be submitted directly to the Director for Investment, room 3C749. In addition to the DWCF schedules, procurement, and RDT&E exhibits referenced in paragraph 2.2 above, the special exhibits identified above must be included in the NDSF justification budget backup book for both the OSD and Congressional submissions. The backup book should include a table of contents, a computer generated FYDP funding report identifying each business area, and each business area/section should be tabbed.

3.0 CONGRESSIONAL JUSTIFICATION/PRESENTATION (1003)

3.1 Purpose (100301)

This chapter provides the policies and procedures to guide the development of budget justification and supporting narrative to be submitted by Components to the OUSD (Comptroller) in development of congressional justification material.

3.2 Submission Requirements (100302)

3.2.1. Guidance is applicable to the following DoD Public Enterprise, Management Funds, and Trust Funds:

Public Enterprise Funds

- (1) National Defense Stockpile Transaction Fund
- (2) Buildings Maintenance Fund
- (3) Pentagon Reservation Maintenance Revolving Fund
- (4) National Defense Sealift Fund

Management Funds

Trust Funds

- (5) National Security Education Trust Fund
- (6) Surcharge Collections, Sales of Commissary Stores, Defense

3.2.2. The following table presents the exhibit requirements to be submitted as part of the President's budget for the funds identified in paragraph 3.2.1, above. Additional budget justification material to accompany the President's budget may be prescribed by separate USD (Comptroller) budget guidance.

EXHIBIT/SCHEDULE REQUIREMENTS

<u>Fund</u>	<u>Prog & Financ.</u>	<u>Rev & Exp.</u>	<u>Finan. Cond.</u>	<u>Obj Class</u>	<u>Pers Summary</u>
(1)	X	X	X	X	
(2)	X	X	X	X	X
Fund-2, Fund-9a/9b/9c, Fund-11, Fund-13/13b/13c, PR-1, PR-2					
(3)	X	X	X	X	X
Fund-2, Fund-9a/9b/9c, Fund-11, Fund-13/13b/13c, PR-1, PR-2					
(4)	X			X	
P-5, P-8a/8b, P-10/10a, P-27, P-29, P-30, P-40, R-2, R-3, R-4, R-4a, RRF-1, RRF-2, RRF-3					
(5)	X			X	
(6)	X			X	

4.0 PUBLIC ENTERPRISE, MANAGEMENT AND TRUST FUND FORMATS (1004)

4.1 Purpose (100401)

The special formats provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, these formats should be adhered to.

4.2 Exhibits in Support of Section 1002 – Program and Budget Review Submission (100402)

CT-1 Surcharge Collections, Sales of Commissary Stores Summary	10
CT-2 Facility Programs Justification	11
PR-1 Pentagon Reservation Maintenance Revolving Fund Cost of Services	12
PR-2 Pentagon Reservation Maintenance Revolving Fund Summary Statement	13
SP-1 Stockpile Financial Status Report	14
RRF-1 Budget Item Justification.....	15
RRF-2 Ship Composition Funding Requirements	16
RRF-3 Ship Readiness Operational Status (ROS) Composition.....	17

Exhibit CT-1 Surcharge Collections, Sales of Commissary Stores Summary

Surcharge Collections, Sales of Commissary Stores, Defense

Summary

(\$ in Millions)

	<u>FY PY col.</u> <u>of CY PB</u>	<u>FY PY</u>	<u>FY CY col.</u> <u>of CY PB</u>	<u>FY CY</u>	<u>FY BY</u>
<u>OBLIGATIONS</u>					
Operating Expenses					
Equipment					
Construction					
Total Obligations (a)					
<u>DISBURSEMENTS</u>					
Disbursement of					
Prior Year Obligations					
Current Year Disbursements					
Total Disbursements (b)					
<u>COLLECTIONS</u>					
Revenue (c)					
<u>NET OUTLAYS (d) (b-c=d)</u>					
CASH: Begin Year (e)					
Net Outlays (f)					
End Year (g) (e-f=g)					
Unliquidated Obligations					
Unobligated Balance Beginning of Year (h)					
Unobligated Balance End of Year (i)					
Unfunded Contract Authority Requested (j) (a-c-h+I=j)					

Provide operations, equipment, and construction obligations for the PY column of the CY President's budget, the PY, the CY column of the CY President's budget, the CY, and the BY.

Provide disbursements of prior year obligations and current year disbursements for the PY column of the CY President's budget, the PY, the CY column of the CY President's budget, the CY, and the BY.

Provide revenue for the five years above.

Provide cash estimates for the five years above.

Provide year-end unliquidated obligations for the five years above.

Provide unfunded contract authority for the five years above.

Exhibit CT-1 Surcharge Collections, Sales of Commissary Stores Summary
(Page 1 of 1)

Exhibit CT-2 Facility Programs Justification

**Surcharge Collections, Sales of Commissary Stores, Defense
Facility Programs Justification
(\$ in Millions)**

<u>LOCATION</u>	<u>DESCRIPTION</u>	<u>TOTAL COST</u>	<u>REMARKS</u>

Provide a DD Form 1391 for each FY BY proposed project.

List the location of each proposed construction project for FY CY and FY BY.

Description should include whether each project is a new store, add/alter, minor construction, energy conservation, etc.

Total cost is self-explanatory.

Remarks should provide narrative justification for and a description of each project.

Exhibit PR-1 Pentagon Reservation Maintenance Revolving Fund Cost of Services

Pentagon Reservation Maintenance Revolving Fund
Cost of Basic Services
(\$ in Millions)

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>
1. Operated Space (Average Square Feet) *			
2. Unit Cost of Operations (\$) **			
Cleaning			
Maintenance			
Utilities & Fuel			
Protection			
Other Building Services			
Administration			
Total Unit Cost for Basic Services			
(Multiply by) Billable Space (Sq. Ft.)			
(Equals) Total Cost of Basic Services			

* Excludes reimbursable "above standard" services.

** Cleaning, maintenance, utilities and fuel, protection, other building services, and administration estimates should equal the cost of each function divided by the billable space square feet for the relevant fiscal year.

Exhibit PR-1 Cost of Services
 (Page 1 of 1)

Exhibit PR-2 Pentagon Reservation Maintenance Revolving Fund Summary Statement

Pentagon Reservation Maintenance Revolving Fund Summary Statement (\$ in Millions)												
	<u>Obs.</u>	<u>Orders</u>	<u>Rev.</u>	<u>Exp.</u>	(Disbursements by Fiscal Year)							
					<u>FYPY</u>	<u>FYCY</u>	<u>FYBY</u>	<u>FYBY+1</u>	<u>FYBY+2</u>	<u>FYBY+3</u>	<u>FYBY+4</u>	<u>FYBY+5</u>
Pentagon Renovation												
FY PY												
FY CY												
FY BY												
Other Capital Purchases (specify each)												
FY PY												
FY CY												
FY BY												
Operating Budget												
FY PY												
FY CY												
FY BY												
Total												
FY PY												
FY CY												
FY BY												
Cash					<u>BOY</u>	<u>Collections</u>	<u>Disbursements</u>	<u>EOY</u>				
FY PY												
FY CY												
FY BY												

Obligations, new customer orders, revenue, and expenses for the Pentagon Renovation, Other Capital Purchases, and Operating Budget (reimbursable services and basic services noted in Exhibit PR-1) should be provided.

Beginning of year (BOY) cash, collections, disbursements, and end of year (EOY) cash should also be provided.

Exhibit SP-1 Stockpile Financial Status Report

NATIONAL DEFENSE STOCKPILE TRANSACTION FUND**Stockpile Financial Status Report****YEAR (CY, BY)****(Dollars in Millions)****PY****CY****BY**

Treasury Cash Balance, Beginning of Year

Plus	Collections
Minus	Disbursements
	Labor
	Non-labor
	Other Program Costs

Plus/Minus:

Transfer 1 (label)

Transfer 2 (label)

.

Sub-Total Transfers

Equals: Cash Balance, End of Year

Selected Liabilities

Accounts Payable
Undelivered Orders

-

-

Estimated Available Cash Balance

1. Purpose. The purpose of this report is to provide information on the financial status of the National Stockpile Defense.
2. Submission. This exhibit will reflect information starting from the **Prior Year (PY)**, the Current Year (CY), and the budget year (BY) in support of the OSD/OMB and President's budget submissions. End of year should be the actual amount reflected on approved accounting reports.

Exhibit SP-1 Stockpile Financial Status Report
(Page 1 of 1)

Exhibit RRF-1 Budget Item Justification

Ready Reserve Force (RRF) Budget Item Justification									
	FY BY Submission Month/Year Exhibit RRF-1								
<u>RRF</u>	<u>FY PY-1</u>	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>	<u>FY BY+1</u>	<u>FY BY+2</u>	<u>FY BY+3</u>	<u>FY BY+4</u>	<u>FY BY+5</u>
O&M									
Acquisition	Provide annual funding requirements for the RRF.								
Other (specify)									
Total RRF									

Purpose: Justification of the FYs BY-BY+5 budget request: Provide a narrative justification and sufficient justification for the funding requested

Exhibit RRF-1 Budget Item Justification

Exhibit RRF-2 Ship Composition Funding Requirements

Ready Reserve Force (RRF) Ship Composition Funding Requirements									
<u>RRF</u>	<u>FY PY-1</u>	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>	<u>FY BY+1</u>	<u>FY BY+2</u>	<u>FY BY+3</u>	<u>FY BY+4</u>	<u>FY BY+5</u>
O&M									
Ship Types									
Breakbulk									
ROS-4									
ROS-5									
etc.									
	Provide annual funding requirements for each ship type by ROS category.								
	Specify funding by O&M, acquisition and other (specify Other categories consistent with the RRF-1 exhibit).								
Ro/Ros									
ROS-4									
ROS-5									
etc.									
Total O&M									
Acquisition									
Ship Types									
Total Acquisition									
Other									
Ship Types									
Total Other									
Total RRF									

Exhibit RRF-2 Ship Composition Funding Requirements
(Page 1 of 1)

Exhibit RRF-3 Ship Readiness Operational Status (ROS) Composition

Ready Reserve Force (RRF) Ship Readiness Operational Status (ROS) Composition									
<u>RRF</u> <u>Ship Types</u>	<u>FY PY-1</u>	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>	<u>FY BY+1</u>	<u>FY BY+2</u>	<u>FY BY+3</u>	<u>FY BY+4</u>	<u>FY BY+5</u>
Ro/Ros (ROS Status ROS-4) (ROS Status ROS-5) (ROS Status etc.)									
Total Ro/Ros									
Breakbulk (ROS Status ROS-4) (ROS Status ROS-5) (ROS Status etc.)									
Total Breakbulk									
etc.									
	Provide the composition of the RRF by FY for each ship type, i.e.; Breakbulk, Ro/Ros Tankers etc. Specify ships consistent with the RRF-2 exhibit.								
Totals (ROS Status ROS-4) (ROS Status ROS-5) (ROS Status etc.) Total RRF Fleet									
New Acquisitions Retirements									

Exhibit RRF-3 Ship Readiness Operational Status (ROS) Composition
(Page 1 of 1)

VOLUME 2B, CHAPTER 11: “OFFSETTING RECEIPTS”**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by **blue** font.

Substantive revisions are denoted by an (*) symbol preceding the section, paragraph, table or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by ***bold, italic, blue and underlined font***.

The previous version dated **September 2015** is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
1.2	Added the required Authoritative Guidance information.	Addition
2.1.1	Updated the source of information for the Department of Defense (DoD) budget account structure from the list of accounts in the DoD Financial Management Regulation to the Federal Account Symbols and Titles Book, Part II and III.	Revision

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*1.2 Authoritative Guidance	3
2.0 PROGRAM AND BUDGET REVIEW SUBMISSION	3
2.1 General Instructions	3

CHAPTER 11

OFFSETTING RECEIPTS

1.0 GENERAL

1.1 Purpose

This chapter prescribes budget justification requirements for offsetting receipts consistent with the provisions of the Office of Management and Budget (OMB).

**1.2 Authoritative Guidance*

The financial management and requirements prescribed by this chapter are in accordance with the applicable provisions of:

1.2.1. *OMB Circular No. A-11*, “Preparation, Submission, and Execution of the Budget”

1.2.2. OMB Annual Budget Data Request, “Preparation of the Fiscal Year (FY) 20XX Budget Appendix”

1.2.3. OMB MAX A-11 Database

1.2.4. *Federal Account Symbols and Titles (FAST) Book*

1.2.5. Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) Annual Budget Guidance

2.0 PROGRAM AND BUDGET REVIEW SUBMISSION

2.1 General Instructions

* 2.1.1. Each Military Department will include offsetting receipts in their annual program and budget submission. See Volume 2A, Chapter 1, for general guidance on submission requirements. The detailed Department of Defense (DoD) budget account structure is displayed in the FAST Book, Part II and III, on the Department of Treasury (Treasury) page. Any new accounts will be available in the OUSD(C) budget formulation account reference reports.

2.1.2. Each Military Department will also submit estimated receipts in thousands of dollars for the current year, budget year, and the outyears. These estimates will include the impact of all proposed legislation. Upon OUSD(C)’s completion of the prior year update within the [budget formulation system](#), each Military Department will [also](#) update their current year, budget year and outyear Budget Authority (BA) and outlay estimates for receipt and any receipt-related (special and trust fund) expenditure accounts. The Military Departments will upload the required transactions in [the budget formulation system](#). The due date will be established by OUSD(C) based on certification to the Treasury of actual execution data for the prior fiscal year.

2.1.3. Amounts reported should include all collections credited to the component's receipt accounts, including "F" (clearing) accounts if applicable. Prior year clearing ("F") accounts except the undistributed intragovernmental payment account (3885) will be merged with the Military Department's General Fund Proprietary Receipts (3210). Exclude collections credited to receipt accounts of other DoD components. Receipts will be reported on the basis of collections credited to receipt accounts during the year, plus or minus any adjustments during the year. Amounts for the prior year will agree with receipts reported to Treasury on the Treasury Combined Statement. Only zero (0) estimates are permitted in the current year, budget year, and the outyears for "F" accounts. For indefinite appropriations of receipts (Wildlife Conservation, Military Reservations; special fund accounts; and trust fund accounts), the amount of estimated collections will be equal to the related estimates of appropriations BA.

2.1.4. Receipts data are required for DoD-Military and DoD-Civil accounts.

2.1.5. Components must refer to the Treasury FAST Book for any changes to the account listing.

VOLUME 2B, CHAPTER 12: “DEFENSE HEALTH PROGRAM”**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue and underlined font***](#).

The previous version dated [May 2014](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated to ensure compliance with administrative instructions.	Revision
All	Updated all references to the Comptroller Information System (CIS) to the Next Generation Resource Management System (NGRMS), replacing CIS as the program of record.	Revision
All	Updated all references to the Defense Health Agency Financial Operations Division to the Defense Health Agency Financial Operations Directorate, Programming Division.	Revision
All	Corrected minor wording and grammatical errors	Revision
1.2	Added Authoritative Guidance section in compliance with administrative instructions	Addition
3.2.5	Added directions for submitting Volume 4 (Service’s Medical Readiness Activities) exhibit to ASD(HA)	Addition
4.2	Updated budget exhibit templates to reflect format changes and updates to individual program elements.	Revision
Exhibit Medical Readiness Activities	Added the Services Medical Readiness Activities Exhibit	Addition

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CHAPTER 12

DEFENSE HEALTH PROGRAM

1.0 GENERAL

1.1 Purpose

1.1.1. This chapter provides instructions applicable to budget formulation and congressional justification for the Defense Health Program (DHP).

1.1.2. The following appropriations are covered as subsections of the DHP appropriation:

1.1.2.1. Operation and Maintenance (O&M)

1.1.2.2. Procurement

1.1.2.3. Research, Development, Test and Evaluation (RDT&E)

***1.2 Authoritative Guidance**

1.2.1. Title 10, United States Code, Section 1100 ([10 U.S.C. §1100](#))

1.2.2. [Department of Defense Directive \(DoDD\) 5136.01 Assistant Secretary of Defense for Health Affairs \(ASD\(HA\)\)](#)

1.2.2. [DoDD 5136.13 Defense Health Agency](#)

1.2.3. [DoDD 3000.06 Combat Support Agencies \(CSAs\)](#)

1.2.4. DoD Financial Management Regulation (FMR), Volume 2A, Chapter 1 provides general funding and appropriation policies.

1.2.5. [House Report 116-453](#) – Department of Defense Appropriations Bill, 2021, Title IV, Page 337, “Reporting on Medical Readiness”

1.3 Submission Requirements

General guidance about submission requirements is in Volume 2A, Chapter 1. This chapter covers specific backup material requirements for the above accounts. The Assistant Secretary of Defense (Health Affairs) (ASD(HA)) should also consult all of the other chapters of this Regulation for exhibit requirements that are not specifically addressed in this chapter including Volume 2B, Chapter 19 – Other Special Analyses. The ASD(HA) is also responsible for providing data to update the [Program and Budget data system and the Future Years Defense Program \(FYDP\) automated systems](#) for the DHP appropriation. The Military Components must reconcile all DHP personnel data and submit all proposed military and civilian medical personnel changes to the

Defense Health Agency [Financial Operations Directorate, DHP Programming Division](#) before these changes [will be accepted](#) in these automated systems.

1.4 Preparation of Material

General guidance [about the](#) format and preparation of material is presented in Volume 2A, Chapter 1. Volume 2B, Chapter 12 provides additional specific guidance [concerning](#) the back-up material required for the DHP.

1.5 References

Volume 2A, Chapter 3 provides guidance related to O&M costs. Chapter 4 provides guidance and formats related to Procurement appropriations, and Chapter 5 provides guidance and [templates](#) related to RDT&E appropriations.

2.0 PROGRAM AND BUDGET REVIEW SUBMISSION

2.1 Purpose

This Section [guides the](#) preparation and submission of budget estimates for the DHP. The budget estimates consist of all O&M, procurement, and RDT&E resources that support the medical activities that were consolidated into the DHP.

2.2 Submission Requirements

2.2.1. The ASD(HA) is responsible for submitting all exhibits required for the O&M, procurement, and RDT&E appropriations as specified in Volume 2A, Chapter 3, and Chapters 4, and 5 respectively. The ASD(HA) is also responsible for submitting exhibit requirements specified in the other chapters of this Regulation including Chapter 19 – Other Special Analyses.

2.2.2. In addition, the Cost of Medical Activities Exhibit (PB-11, PB-11A, PB-11B) will be prepared and submitted to the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) concurrent with the program and budget review submission. Formats for these exhibits are provided at the end of this chapter. Two printed copies and one electronic copy of each exhibit should be provided to the OUSD(C) Program/Budget (P/B) Military Personnel & Construction Directorate, Room 3C654, Washington, DC 20301-1100.

2.2.3. For all updates of the OUSD(C) automated budget system databases, DoD Components must reconcile all DHP personnel data with, and submit all proposed military and civilian medical personnel changes through the Defense Health Agency [Financial Operations Directorate, DHP Programming Division](#).

3.0 CONGRESSIONAL JUSTIFICATION/PRESENTATION

3.1 Purpose

This section presents the exhibit requirements for submission to Congress. Examples of budget exhibits are in Section 4.0.

3.2 Submission Requirements

3.2.1. The ASD(HA) is responsible for submitting all exhibits required for the O&M, procurement, and RDT&E appropriation as specified in Volume 2A, Chapter 3, and Chapters 4, and 5 respectively. The ASD(HA) is also responsible for submitting exhibit requirements specified in the other chapters of this regulation including Chapter 19-Other Special Analyses.

3.2.2. In addition, the cost of Medical Activities Exhibit (PB-11, PB-11A, PB-11B) will be prepared and submitted to the OUSD (C) for the DHP. Formats for these exhibits are provided at the end of this chapter. Two printed copies and one electronic copy of each exhibit should be provided to the OUSD (C), P/B, Military Personnel Construction Directorate, Room 3C654, the Pentagon.

3.2.3. The required format for the PBA-9 is provided at Volume 2A, Chapter 3, Section 4.0.

3.2.4. The OP-5 exhibit and other supporting exhibits will be prepared for each of the following activities. Meaningful performance criteria should be displayed for each activity.

- In-House Care
- Private Sector Care
- Consolidated Health Support
- Information Management
- Management Activities
- Education and Training
- Base Operations/Communications

3.2.5. The ASD(HA) will prepare the DHP Volume 1 (Justification of Estimates), Volume 2 (Data Book), and Volume 3 (Services Medical Readiness Exhibits Activities). The Services will submit the data for Volume 3 (Service's Medical Readiness Activities) to ASD(HA), which will consolidate, and print the required exhibit. Prepare all exhibits and volumes following the annual President's Budget Submission Guidance instructions.

4.0 DEFENSE HEALTH PROGRAM SUBMISSION FORMATS

4.1 Purpose

The formats provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, the formats should be followed.

4.2 Unique Exhibits in Support of the Defense Health Program

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Medical Readiness Activities.....	18

Exhibit PB-11 Defense Health Program Funding Summary

Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2024 Budget Estimates
Cost of Medical Activities

prior year data used for illustration only

(Dollars in Thousands)		FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request	FY 2022/2023		FY 2023/2024	
					Change	Percent	Change	Percent
In-House Care								
0807700DHA	Defense Medical Centers, Hospitals and Medical Clinics-CONUS	6,926,523	7,096,568	7,273,270	169,045	2.4%	177,702	2.5%
0807701DHA	Pharmaceuticals-CONUS	1,253,499	1,592,708	1,612,200	339,209	27.1%	19,492	1.2%
0807715DHA	Dental Care Activities-CONUS	461,459	474,257	467,875	12,798	2.8%	-6,382	-1.3%
0807900DHA	Defense Medical Centers, Hospitals and Medical Clinics-OCONUS	565,348	557,873	492,902	-7,475	-1.3%	-64,971	-11.6%
0807901DHA	Pharmaceuticals-OCONUS	122,201	158,432	158,701	36,231	29.6%	269	0.2%
0807915DHA	Dental Care Activities-OCONUS	46,917	40,335	39,394	-6,582	-14.0%	-941	-2.3%
Subtotal In-House Care		9,375,947	9,919,173	10,044,342	543,226	5.8%	125,169	1.3%
Private Sector Care								
0807702DHA	Pharmaceuticals - Purchased Health Care	979,268	952,688	1,044,733	-26,580	-2.7%	92,045	9.7%
0807703DHA	Pharmaceuticals - National Retail Pharmacy	1,271,791	1,332,163	1,380,425	60,372	4.7%	48,262	3.6%
0807723DHA	TRICARE Managed Care Support (MCS) Contracts	7,566,388	7,558,535	8,170,552	-7,853	-0.1%	612,017	8.1%
0807738DHA	MTF Enrollees - Purchased Care	3,081,359	3,497,314	3,691,840	415,955	13.5%	194,326	5.6%
0807741DHA	Dental - Purchased Care	296,653	343,297	352,964	46,844	15.7%	9,667	2.8%
0807742DHA	Uniformed Services Family Health Program (USFHP)	591,573	635,869	661,735	44,296	7.5%	25,866	4.1%
0807743DHA	Supplemental Care - Health Care	1,870,090	1,870,603	2,096,437	513	0.0%	225,834	12.1%
0807745DHA	Supplemental Care - Dental	175,344	117,222	125,879	-58,122	-33.1%	8,657	7.4%
0807747DHA	Continuing Health Education/Capitalization of Assets Program	419,099	411,676	448,565	-7,423	-1.8%	36,909	9.0%
0807749DHA	Overseas Purchased Health Care	415,252	409,777	408,600	-5,475	-1.3%	-1,177	-0.3%
0807751DHA	Miscellaneous Purchased Health Care	1,242,386	1,337,863	1,392,941	95,477	7.7%	55,078	4.1%
0807752DHA	Miscellaneous Support Activities	109,989	110,870	118,537	881	0.8%	7,667	6.9%
Subtotal Private Sector Care		18,019,192	18,577,877	19,893,028	558,685	3.1%	1,315,151	7.1%
Consolidated Health Support								
0801720DHA	Examining Activities	9,579	9,183	9,222	-396	-4.1%	39	0.4%
0807705DHA	Military Public/Occupational Health	462,003	555,123	604,306	93,120	20.2%	49,183	8.9%
0807714DHA	Other Health Activities	319,960	744,561	798,970	424,601	132.7%	54,409	7.3%
0807724DHA	Military Unique Requirements - Other Medical	510,697	554,158	559,054	43,461	8.5%	4,896	0.9%
0807725DHA	Aeromedical Evacuation System	22	395	379	373	1,695.5%	-16	-4.1%
0807730DHA	Service Support to Other Health Activities - TRANSCOM	0	493	502	493	0.0%	9	1.8%
0807760DHA	Veterinary Services	2,685	2,559	2,628	-126	-4.7%	69	2.7%
0807786DHA	Joint Pathology Center (JPC)	27,487	29,041	29,943	1,554	5.7%	902	3.1%
0903300DHA	Support to FACA Advisory Board Activities	0	2,023	2,008	2,023	0.0%	-15	-0.7%
Subtotal Consolidated Health Support		1,332,433	1,897,536	2,007,012	565,103	42.4%	109,476	5.8%

PB-11 Exhibit
DHP

(Page 1 of 4)

Exhibit PB-11 Defense Health Program Funding Summary (Continued)

Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2024 Budget Estimates
Cost of Medical Activities

prior year data used for illustration only

(Dollars in Thousands)		FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request	FY 2022/2023		FY 2023/2024	
					Change	Percent	Change	Percent
Information Management								
0807746DHA	Joint Operational Medicine Information Systems (JOMIS)	118,293	138,576	230,759	20,283	17.1%	92,183	66.5%
0807758DHA	Cybersecurity	136,701	148,726	152,198	12,025	8.8%	3,472	2.3%
0807759DHA	Military Health System Desktop to Datacenter	259,539	433,721	444,140	174,182	67.1%	10,419	2.4%
0807781DHA	Service Medical Information Management/Information Technology (Non-Central)	213,639	196,787	211,995	-16,852	-7.9%	15,208	7.7%
0807783DHA	DHP Information Management/Information Technology Support Programs	31,602	36,432	37,798	4,830	15.3%	1,366	3.7%
0807784DHA	Integrated Electronic Health Record	10,050	21,169	22,761	11,119	110.6%	1,592	7.5%
0807787DHA	DoD Healthcare Management Systems	540,841	548,483	528,441	7,642	1.4%	-20,042	-3.7%
0807788DHA	DoD Medical Information Exchange and Interoperability	118,250	131,612	132,934	13,362	11.3%	1,322	1.0%
0807793DHA	MHS Tri-Service Information Management/Information Technology	842,925	660,064	566,790	-182,861	-21.7%	-93,274	-14.1%
	Subtotal Information Management	2,271,840	2,315,570	2,327,816	43,730	1.9%	12,246	0.5%
Management Activities								
0807704DHA	Defense Health Agency	266,406	253,495	260,471	-12,911	-4.8%	6,976	2.8%
0807798DHA	Management Activities	62,868	85,183	86,975	22,315	35.5%	1,792	2.1%
	Subtotal Management Activities	329,274	338,678	347,446	9,404	2.9%	8,768	2.6%
Education and Training								
0806721DHA	Uniformed Services University of the Health Sciences	187,229	206,964	191,435	19,735	10.5%	-15,529	-7.5%
0806761DHA	Other Education and Training	133,591	152,381	144,676	18,790	14.1%	-7,705	-5.1%
	Subtotal Education and Training	320,820	359,345	336,111	38,525	12.0%	-23,234	-6.5%
Base Operations/Communications								
0806276DHA	Facilities Restoration and Modernization - CONUS	306,337	345,213	334,046	38,876	12.7%	-11,167	-3.2%
0806278DHA	Facilities Sustainment - CONUS	516,307	531,627	506,413	15,320	3.0%	-25,214	-4.7%
0806376DHA	Facilities Restoration and Modernization - OCONUS	34,392	105,365	100,958	70,973	206.4%	-4,407	-4.2%
0806378DHA	Facilities Sustainment - OCONUS	95,066	169,544	162,905	74,478	78.3%	-6,639	-3.9%
0807754DHA	Pollution Prevention	121	304	310	183	151.2%	6	2.0%
0807756DHA	Environmental Compliance	15,566	19,042	18,796	3,476	22.3%	-246	-1.3%
0807779DHA	Facilities Operations - Health Care - CONUS	477,640	506,558	492,376	28,918	6.1%	-14,182	-2.8%
0807790DHA	Visual Information Systems	1,283	6,607	7,650	5,324	415.0%	1,043	15.8%
0807796DHA	Base Communications - CONUS	59,461	49,411	50,836	-10,050	-16.9%	1,425	2.9%
0807796DHA	Base Operations - CONUS	381,127	380,225	380,874	-902	-0.2%	649	0.2%
0807979DHA	Facilities Operations - Health Care - OCONUS	78,976	61,701	61,807	-17,275	-21.9%	-94	-0.2%
0807995DHA	Base Communications - OCONUS	12,659	2,251	2,609	-10,408	-82.2%	358	15.9%

PB-11 Exhibit
DHP

(Page 2 of 4)

Exhibit PB-11 Defense Health Program Funding Summary (Continued)

Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2024 Budget Estimates
Cost of Medical Activities

prior year data used for illustration only

(Dollars in Thousands)		FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request	FY 2022/2023		FY 2023/2024	
					Change	Percent	Change	Percent
0807990DHA	Base Operations - OCONUS	12,401	23,104	25,171	10,703	86.3%	2,067	8.0%
	Subtotal Base Operations/Communications	1,991,336	2,200,952	2,144,551	209,616	10.5%	-56,401	-2.6%
	Subtotal DHP Operations and Maintenance	33,640,842	35,609,131	37,100,306	1,968,289	5.9%	1,491,175	4.2%
Procurement								
0807720DHA & 0807721DHA	Dental Equipment	0	406	422	406	0.0%	16	3.9%
0807720DHA & 0807721DHA	Food Service, Preventive Medicine, and Pharmacy Equipment	13,270	6,925	7,099	-6,345	-47.8%	174	2.5%
0807720DHA & 0807721DHA	Medical Information System Equipment	8,570	8,740	6,373	170	2.0%	-2,367	-27.1%
0807720DHA & 0807721DHA	Medical Patient Care Administrative Equipment	3,020	6,875	7,032	3,855	127.6%	157	2.3%
0807720DHA & 0807721DHA	Medical/Surgical Equipment	41,584	24,932	24,891	-16,652	-40.0%	-41	-0.2%
0807720DHA & 0807721DHA	Other Equipment	30,522	26,894	25,788	-3,628	-12.5%	-906	-3.4%
0807720DHA & 0807721DHA	Pathology/Lab Equipment	10,292	21,002	21,954	10,710	104.1%	952	4.5%
0807720DHA & 0807721DHA	Radiographic Equipment	164,034	160,208	167,220	-3,826	-2.3%	7,012	4.4%
0807746DHA	Joint Operational Medicine Information System	0	1,467	29,537	1,467	0.0%	28,070	1,913.4%
0807759DHA	Data to Desktop Center	72,302	72,601	74,055	299	0.4%	1,454	2.0%
0807787DHA	DoD Healthcare Management System Modernization	415,114	240,224	17,510	-174,890	-42.1%	-222,714	-92.7%
	Subtotal Procurement	758,708	570,074	381,881	-188,634	-24.9%	-188,193	-33.0%
Research, Development, Test & Evaluation								
0601117DHA	Basic Operational Medical Research Sciences	24,938	53,783	40,311	28,845	115.7%	-13,472	-25.0%
0602115DHA	Applied Biomedical Technology	160,265	258,734	177,395	98,469	61.4%	-81,339	-31.4%
0602787DHA	Medical Technology (AFRRI)	1,417	1,468	1,497	51	3.6%	29	2.0%
0603002DHA	Medical Advanced Technology (AFRRI)	351	366	373	15	4.3%	7	1.9%
0603115DHA	Medical Technology Development	2,020,169	2,307,376	326,667	287,207	14.2%	-1,980,709	-85.8%
0604110DHA	Medical Products Support and Advanced Concept Development	190,750	202,431	172,351	11,681	6.1%	-30,080	-14.9%
0605013DHA	Information Technology Development	10,471	9,834	10,033	-637	-6.1%	199	2.0%
0605026DHA	DoD Healthcare Management System Modernization (DHMSM)	15,176	12,024	12,264	-3,152	-20.8%	240	2.0%
0605039DHA	DoD Medical Information Exchange and Interoperability	0	10,156	8,013	10,156	0.0%	-2,143	-21.1%
0605045DHA	Joint Operational Medicine Information System (JOMIS)	51,016	18,082	18,731	-32,934	-64.6%	649	3.6%
0605145DHA	Medical Products and Support Systems Development	20,775	64,030	58,712	43,255	208.2%	-5,318	-8.3%
0605502DHA	Small Business Innovative Research	76,540	0	0	-76,540	-100.0%	0	0.0%
0606105DHA	Medical Program-Wide Activities	49,845	85,186	87,096	35,541	71.6%	1,910	2.2%
0607100DHA	Medical Products and Capabilities Enhancement Activities	16,976	17,971	18,330	995	5.9%	359	2.0%
	Subtotal RDT&E	2,638,489	3,041,441	931,773	402,952	15.3%	-2,109,668	-89.4%
	Total Defense Health Program	37,038,039	39,220,646	38,413,960	2,182,607	5.9%	-806,686	-2.1%

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Exhibit PB-11 Defense Health Program Funding Summary (Continued)

Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2024 Budget Estimates
Cost of Medical Activities
prior year data used for illustration only

(Dollars in Thousands)	FY 2022 Actuals	FY 2023 Enacted	FY 2024 Request	FY 2022/2023		FY 2023/2024	
				Change	Percent	Change	Percent
Medicare Eligible Accrual Fund Receipts							
Direct Care	1,830,400	1,885,200	1,948,900	54,800	3.0%	63,700	3.4%
Military Personnel Accounts	552,300	571,500	588,500	19,200	3.5%	15,000	2.6%
Private Sector Care	9,011,100	9,389,900	9,756,200	378,800	4.2%	366,300	3.9%
Total Medicare Eligible Accrual Fund	11,393,800	11,846,600	12,291,600	452,800	4.0%	445,000	3.8%
Research, Development, Test & Evaluation By Program Title							
Armed Forces Radiobiology Research Institute (AFRRI)	1,417	1,468	1,497	51	3.6%	29	2.0%
Biomedical Technology	72,769	174,009	177,365	101,240	139.1%	3,386	1.9%
Congressionally Directed Programs	1,943,912	2,121,460	0	177,548	9.1%	-2,121,460	-100.0%
DHA Central Information Technology Development	10,471	9,834	10,033	-637	-6.1%	199	2.0%
DoD Healthcare Management System Modernization (DHMSM)	15,176	12,024	12,264	-3,152	-20.8%	240	2.0%
DoD Medical Information Exchange and Interoperability	0	10,156	8,013	10,156	0.0%	-2,143	-21.1%
GDF Medical Research Enhancement	8,939	39,568	40,311	30,629	342.6%	743	1.9%
Joint Operational Medicine Information System (JOMIS)	51,016	18,082	18,731	-32,934	-64.6%	649	3.6%
Medical Advanced Technology (AFRRI)	351	366	373	15	4.3%	7	1.9%
Medical Products and Capabilities Enhancement Activities	16,976	17,971	18,330	995	5.9%	359	2.0%
Medical Products and Support Systems Development	20,775	64,030	58,712	43,255	208.2%	-5,318	-8.3%
Medical Products Support and Advanced Concept Development	137,514	166,791	172,351	29,277	21.3%	5,560	3.3%
Medical Program-Wide Activities	49,645	85,186	87,096	35,541	71.6%	1,910	2.2%
Medical Technology Development	232,968	320,496	326,667	87,508	37.6%	6,171	1.9%
Small Business Innovative Research	76,540			-76,540	-100.0%	0	0.0%
Total Research, Development, Test and Evaluation	2,638,489	3,041,441	931,773	402,952	15.3%	-2,109,668	-69.4%

1. FY 2022 actuals include \$227,726K for Overseas Operations Costs, transfers to FHCC (\$137,000K) and JIF (\$15,000K)

2. FY 2023 reflects enactment and includes \$116,171K for Overseas Operations Costs

3. FY 2024 request includes \$230,885K for Overseas Operations Costs

Exhibit PB-11A Defense Health Program Personnel Summary

Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2024 Budget Estimates
Personnel Summary

prior year data used for illustration only

	FY 2022 Actuals		FY 2023 Enacted		FY 2024 Request		FY 2023-2024 Change	
	<u>End Strength</u>	<u>Avg Strength</u>	<u>End Strength</u>	<u>Avg Strength</u>	<u>End Strength</u>	<u>Avg Strength</u>	<u>End Strength</u>	<u>Avg Strength</u>
<u>Active Military – Assigned to DHP</u>								
<u>Army Total</u>	<u>19,946</u>	<u>19,841</u>	<u>18,448</u>	<u>19,198</u>	<u>19,962</u>	<u>19,206</u>	<u>1,514</u>	<u>8</u>
Officers	8,879	8,882	8,940	8,910	9,252	9,097	312	187
Enlisted	11,067	10,959	9,508	10,288	10,710	10,109	1,202	-179
<u>Navy Total</u>	<u>23,489</u>	<u>23,748</u>	<u>25,583</u>	<u>24,537</u>	<u>26,052</u>	<u>25,818</u>	<u>469</u>	<u>1,281</u>
Officers *	7,853	7,857	7,946	7,900	8,071	8,009	125	109
Enlisted	15,636	15,891	17,637	16,637	17,981	17,809	344	1,172
<u>Air Force Total</u>	<u>26,681</u>	<u>27,130</u>	<u>26,685</u>	<u>26,683</u>	<u>26,529</u>	<u>26,607</u>	<u>-156</u>	<u>-76</u>
Officers	9,639	9,649	9,587	9,613	9,447	9,517	-140	-96
Enlisted	17,042	17,481	17,098	17,070	17,082	17,090	-16	20
<u>Total Active Duty</u>	<u>70,116</u>	<u>70,719</u>	<u>70,716</u>	<u>70,418</u>	<u>72,543</u>	<u>71,631</u>	<u>1,827</u>	<u>1,213</u>
Officers	26,371	26,388	26,473	26,423	26,770	26,623	297	200
Enlisted	43,745	44,331	44,243	43,995	45,773	45,008	1,530	1,013
* Includes one USMC DHP officer strength								
<u>Active Military - Non DHP Medical</u>								
<u>Army Total</u>	<u>24,937</u>	<u>23,932</u>	<u>25,764</u>	<u>25,351</u>	<u>25,775</u>	<u>25,770</u>	<u>11</u>	<u>419</u>
Officers	5,806	5,815	6,599	6,203	6,616	6,608	17	405
Enlisted	19,131	18,117	19,165	19,148	19,159	19,162	-6	14
<u>Navy Total</u>	<u>13,090</u>	<u>13,081</u>	<u>13,174</u>	<u>13,132</u>	<u>13,321</u>	<u>13,248</u>	<u>147</u>	<u>116</u>
Officers	2,829	2,824	2,905	2,867	2,995	2,950	90	83
Enlisted	10,261	10,257	10,269	10,265	10,326	10,298	57	33
<u>Air Force Total</u>	<u>3,161</u>	<u>3,113</u>	<u>3,266</u>	<u>3,214</u>	<u>3,266</u>	<u>3,266</u>	<u>0</u>	<u>52</u>
Officers	1,423	1,405	1,466	1,445	1,466	1,466	0	21
Enlisted	1,738	1,708	1,800	1,769	1,800	1,800	0	31
<u>Total Active Duty</u>	<u>41,188</u>	<u>40,126</u>	<u>42,204</u>	<u>41,697</u>	<u>42,362</u>	<u>42,284</u>	<u>158</u>	<u>587</u>
Officers	10,058	10,044	10,970	10,515	11,077	11,024	107	509
Enlisted	31,130	30,082	31,234	31,182	31,285	31,260	51	78

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Exhibit PB-11A Defense Health Program Personnel Summary (Continued)

Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2024 Budget Estimates
Personnel Summary

prior year data used for illustration only

	FY 2022 Actuals		FY 2023 Enacted		FY 2024 Request		FY 2023-2024 Change	
	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>
I. Civilian Personnel - US Direct Hire								
Army	1,331	27,554	202	195	165	158	-37	-37
Navy	9,090	8,843	213	166	213	166	0	0
Air Force	5,833	4,912	9	9	0	0	-9	-9
Defense Health Agency	39,535	13,327	57,311	54,730	57,273	54,692	-38	-38
Total	55,789	54,636	57,735	55,100	57,651	55,016	-84	-84
II. Civilian Personnel - Foreign National Direct Hire								
Army	498	488	0	0	0	0	0	0
Navy	363	340	363	340	363	340	0	0
Air Force	193	172	0	0	0	0	0	0
Defense Health Agency	830	830	931	879	930	878	-1	-1
Total	1,884	1,830	1,294	1,219	1,293	1,218	-1	-1
III. Civilian Personnel - Foreign National Indirect Hire								
Army	553	462	0	0	0	0	0	0
Navy	448	430	448	430	448	430	0	0
Air Force	167	161	1	1	0	0	-1	-1
Defense Health Agency	645	644	645	645	645	645	0	0
Total	1,813	1,697	1,094	1,076	1,093	1,075	-1	-1
IV. Total Civilian Personnel								
Army	2,382	28,504	202	195	165	158	-37	-37
Navy	9,901	9,613	1,024	936	1,024	936	0	0
Air Force	6,193	5,245	10	10	0	0	-10	-10
Defense Health Agency	41,010	14,801	58,887	56,254	58,848	56,215	-39	-39
Total *	59,486	58,163	60,123	57,395	60,037	57,309	-86	-86
V. Summary Civilian Personnel								
U.S. Direct Hire	55,789	54,636	57,735	55,100	57,651	55,016	-84	-84
Foreign National Direct Hire	1,884	1,830	1,294	1,219	1,293	1,218	-1	-1
Foreign National Indirect Hire	1,813	1,697	1,094	1,076	1,093	1,075	-1	-1
Total, Civilians *	59,486	58,163	60,123	57,395	60,037	57,309	-86	-86

* Includes reimbursable civilians - memo

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Exhibit PB-11A Defense Health Program Personnel Summary (Continued)

Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2024 Budget Estimates
Personnel Summary

prior year data used for illustration only

	FY 2022 Actuals		FY 2023 Enacted		FY 2024 Request		FY 2023-2024 Change	
	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>	<u>End Strength</u>	<u>FTEs</u>
<u>SPECIAL INTEREST MANPOWER</u>								
<u>Defense Health Agency Management Headquarters (PE 0807898)</u>								
Military	44	44	45	45	45	45	0	0
Civilian	480	207	256	256	256	256	0	0
<u>Army Management Headquarters (PE 0807798)</u>								
Military	0	0	0	0	0	0	0	0
Civilian	0	0	0	0	0	0	0	0
<u>Navy Management Headquarters (PE 0807798)</u>								
Military	10	5	5	8	8	6	3	-2
Civilian	111	108	0	0	0	0	0	0
<u>Air Force Management Headquarters (PE 0807798)</u>								
Military	64	73	1	33	1	1	0	-32
Civilian	0	0	0	0	0	0	0	0

Note: Some numbers might not add due to rounding

Exhibit PB-11B Medical Workload and Productivity Data

Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) XXXX Budget Estimates
Medical Workload data - DHP Summary

	<u>FY PY</u> <u>Actual</u>	<u>FY CY</u> <u>Estimate</u>	<u>FY BY</u> <u>Estimate</u>	<u>PY - CY</u> <u>Change</u>	<u>CY - BY</u> <u>Change</u>
<u>Population - Eligible Beneficiaries, CONUS</u>					
Active Duty					
Active Duty Family Members					
Retirees					
Family Members of Retirees					
Subtotal Eligible					
Medicare Eligible Beneficiaries					
Total Eligible Beneficiaries					
<u>Population - Eligible Beneficiaries, OCONUS</u>					
Active Duty					
Active Duty Family Members					
Retirees					
Family Members of Retirees					
Subtotal Eligible					
Medicare Eligible Beneficiaries					
Total Eligible Beneficiaries					
<u>Population - Eligible Beneficiaries, Worldwide</u>					
Active Duty					
Active Duty Family Members					
Retirees					
Family Members of Retirees					
Subtotal Eligible					
<u>Medicare Eligible Beneficiaries:</u>					
Active Duty Family Members					
Guard/Reserve Family Members					
Eligible Retirees					
Eligible Family Members of Retirees					
Survivors					
Others					
Total Medicare Eligible Beneficiaries					
Total Eligible Beneficiaries					

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Exhibit PB-11B Medical Workload and Productivity Data (Continued)

Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) XXXX Budget Estimates
Medical Workload data - DHP Summary

	<u>FY PY</u> <u>Actual</u>	<u>FY CY</u> <u>Estimate</u>	<u>FY BY</u> <u>Estimate</u>	<u>PY - CY</u> <u>Change</u>	<u>CY - BY</u> <u>Change</u>
<u>Enrollees - Direct Care</u>					
TRICARE Region - East					
TRICARE Region - West					
TRICARE Region - Europe					
TRICARE Region - Pacific					
TRICARE Region - Latin America					
Alaska					
Sub-Total CONUS Regions					
Sub-Total OCONUS Regions					
Total Direct Care Enrollees					
	<u>FY PY</u> <u>Actual</u>	<u>FY CY</u> <u>Estimate</u>	<u>FY BY</u> <u>Estimate</u>	<u>PY - CY</u> <u>Change</u>	<u>CY - BY</u> <u>Change</u>
<u>Infrastructure</u>					
Inpatient Facilities					
Medical Clinics					
Dental Clinics					
	<u>FY PY</u> <u>Actual</u>	<u>FY CY</u> <u>Estimate</u>	<u>FY BY</u> <u>Estimate</u>	<u>PY - CY</u> <u>Change</u>	<u>CY - BY</u> <u>Change</u>
<u>Direct Care System Workload (from M2 and Business Planning Tool)</u>					
Inpatient Admissions, Non-Weighted (SIDR Dispositions-All)					
Inpatient Admissions, Weighted (MS-DRG RWPs, Non Mental Health)					
Inpatient Admissions, Occupied Bed Days (Mental Health Only)					
Average Length of Stay (ALL Bed Days/All Dispositions)					
Ambulatory Visits, Non-Weighted (Encounters, CAPER)					
Ambulatory Visits, Weighted (Adj Provider Aggregate RVUs, CAPER)					
Number of Outpatient Pharmacy Prescriptions (30-Day equivalents)					

Exhibit PB-11B Medical Workload and Productivity Data (Continued)

Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) XXXX Budget Estimates
Medical Workload data - DHP Summary

	<u>FY PY</u> <u>Actual</u>	<u>FY CY</u> <u>Estimate</u>	<u>FY BY</u> <u>Estimate</u>	<u>PY - CY</u> <u>Change</u>	<u>CY - BY</u> <u>Change</u>
<u>Direct Care System Workload (from M2 and Business Planning Tool)</u>					
Inpatient Admissions, Non-Weighted (SIDR Dispositions-All)					
Inpatient Admissions, Weighted (MS-DRG RWP, Non Mental Health)					
Inpatient Admissions, Occupied Bed Days (Mental Health Only)					
Average Length of Stay (ALL Bed Days/All Dispositions)					
Ambulatory Visits, Non-Weighted (Encounters, CAPER)					
Ambulatory Visits, Weighted (Adj Provider Aggregate RVUs, CAPER)					
Number of Outpatient Pharmacy Prescriptions (30-Day equivalents)					
	<u>FY PY</u> <u>Actual</u>	<u>FY CY</u> <u>Estimate</u>	<u>FY BY</u> <u>Estimate</u>	<u>PY - CY</u> <u>Change</u>	<u>CY - BY</u> <u>Change</u>
<u>Dental Workload (Dental Weighted Values (DWVs)(from Components)</u>					
CONUS					
OCONUS					
Total DWVs					
<u>CONUS</u>					
Active Duty					
Non-Active Duty					
Total CONUS					
<u>OCONUS</u>					
Active Duty					
Non-Active Duty					
Total OCONUS					

Exhibit PB-11B Medical Workload and Productivity Data (Continued)

Defense Health Program
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) XXXX Budget Estimates
Medical Workload data - DHP Summary

	<u>FY PY</u> <u>Actual</u>	<u>FY CY</u> <u>Estimate</u>	<u>FY BY</u> <u>Estimate</u>	<u>PY - CY</u> <u>Change</u>	<u>CY - BY</u> <u>Change</u>
<u>Prime Enrollees - Managed Care Support Contract</u>					
TRICARE Region - East					
TRICARE Region - West					
Total MCS Contracts					
<u>TRICARE Select Enrollees</u>					
TRICARE Region - East					
TRICARE Region - West					
Total Select					
TRICARE Region - Overseas - Europe, Pacific, Latin America					
Total MCSC, Select and TRICARE Overseas					
	<u>FY PY</u> <u>Actual</u>	<u>FY CY</u> <u>Estimate</u>	<u>FY BY</u> <u>Estimate</u>	<u>PY - CY</u> <u>Change</u>	<u>CY - BY</u> <u>Change</u>
<u>Private Sector Care System Workload</u>					
Outpatient-Visits					
Outpatient-Weighted (Relative Value Units, RVUs)					
Inpatient-Admissions					
Inpatient-Weighted (Relative Weighted Products, RWP's)					
<u>Pharmacy</u>					
Retail - Number of Scripts (30-day equivalents)					
Mail Order - Number of Scripts (30-day equivalents)					
<u>TRICARE</u>					
Dental Program Enrollment					
<u>Uniformed Services Family Health Plan</u>					
Enrollees (Non-Medicare eligible, DoD Only)					

* Exhibit Medical Readiness Activities

Medical Readiness Activities
Fiscal Year (FY) 20XX President's Budget

Financial Summary:

	<u>FY PY Actual</u>	<u>FY CY Enacted</u>	<u>FY BY Request</u>
TOTAL , BA 01: Operating Forces	0	0	0
TOTAL , BA 02: Mobilization	0	0	0
TOTAL , BA 03: Training and Recruiting	0	0	0
TOTAL , BA 04: Admin & Srvwide Activities	0	0	0
Total Medical Readiness Activities:	0	0	0

Details:BA 02: MobilizationMedical Operations Support

3400F 21D Mobilization Preparedness	0	0	0
Total Medical Operations Support	0	0	0

Medical Research and Development

	0	0	0
Total Medical Research and Development	0	0	0

Medical Facilities and Installation Support

	0	0	0
Total Medical Facilities and Installation Support	0	0	0

Medical Acquisition Support

	0	0	0
Total Medical Acquisition Support	0	0	0

Exhibit Medical Readiness Activities (Continued)

Medical Readiness Activities
Fiscal Year (FY) 20XX President's BudgetMedical Education and Training

SAG	21D	Mobilization Preparedness	0	0	0
			0	0	0
Total Medical Education and Training			0	0	0

Notes:

Exhibit Medical Readiness Activities (Continued)

Medical Readiness Activities
Fiscal Year (FY) 20XX President's BudgetReconciliation of Increases and Decreases:

FY CY Enacted.....		\$0
1. Price Change.....		\$0
2. Transfers.....		\$0
a) Transfers In.....	\$0	
b) Transfers Out.....	\$0	
1) Title Description	\$0	
3. Program Increases.....		\$0
1) Title Description	\$0	
2) Title Description	\$0	
3. Program Decreases.....		\$0
FY BY Budget Request.....		\$0

Exhibit Medical Readiness Activities (Continued)

Medical Readiness Activities
Fiscal Year (FY) 20XX President's Budget

Performance Criteria and Evaluation Summary:

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>
1) Medical Readiness¹			
Medically Ready to Deploy ²	-	-	-
Dentally Ready to Deploy ³	-	-	-
	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>
2) Medical Education and Training			
Health Profession Scholarship	-	-	-
Officer/Enlisted Primary Training	-	-	-
Other Training - Medical Function Training ¹	-	-	-

Notes:

1)

2)

Exhibit Medical Readiness Activities (Continued)

Medical Readiness Activities
Fiscal Year (FY) 20XX President's Budget

Personnel Summary: Total

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>	<u>Change FY CY/BY</u>
<u>Active Military End Strength (E/S) (Total)</u>	0	0	0	0
Officer	0	0	0	0
Enlisted	0	0	0	0
<u>Active Military Average Strength (A/S) (Total)</u>	0	0	0	0
Officer	0	0	0	0
Enlisted	0	0	0	0
<u>Civilian FTEs (Total)</u>	0	0	0	0
<u>DIRECT FUNDED (DOES NOT INCLUDE MILITARY TECHNICIANS)</u>	0	0	0	0
U.S. Direct Hire				0
Foreign National Direct Hire		0	0	0
Total Direct Hire	0	0	0	0
Foreign National Indirect Hire	0	0	0	0
<u>REIMBURSABLE FUNDED</u>	0	0	0	0
U.S. Direct Hire	0	0	0	0
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	0	0	0	0
Foreign National Indirect Hire	0	0	0	0
<u>Annual Civilian Salary Cost</u>	0	0	0	0
<u>Contractor FTEs (Total)</u>	0	0	0	0

Exhibit Medical Readiness Activities (Continued)

Medical Readiness Activities
Fiscal Year (FY) 20XX President's Budget

OP-32A Line Items: Total

		FY PY	FC Rate	Price	Price	Program	FY CY	FC Rate	Price	Price	Program	FY BY
		Program	Diff	Growth	Growth	Growth	Program	Diff	Growth	Growth	Growth	Program
				Percent					Percent			
<u>CIVILIAN PERSONNEL COMPENSATION</u>												
0101	EXECUTIVE, GENERAL AND SPECIAL SCHEDULES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0103	WAGE BOARD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0107	VOLUNTARY SEPERATION INCENTIVE PAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0110	UNEMPLOYMENT COMPENSATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0199	TOTAL CIVILIAN PERSONNEL COMPENSATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>TRAVEL</u>												
0308	TRAVEL OF PERSONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0399	TOTAL TRAVEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>DEFENSE WORKING CAPITAL FUND SUPPLIES AND MATERIALS</u>												
0401	DLA ENERGY (FUEL PRODUCTS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0414	AF CONSOLIDATED SUSTAINMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0418	AF RETAIL SUPPLY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0499	TOTAL SUPPLIES AND MATERIALS PURCHASES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>DEFENSE WORKING CAPITAL FUND EQUIPMENT PURCHASES</u>												
0505	AIR FORCE FUND EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>OTHER PURCHASES</u>												
0647	DISA ENTERPRISE COMPUTING CENTERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0671	DISA DISN SUBSCRIPTION SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0679	COST REIMBURSABLE PURCHASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0703	JCS EXERCISE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0705	AMC TRAINING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0771	COMMERCIAL TRANSPORTATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0913	PURCHASED UTILITIES (NON-DWCF)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0914	PURCHASED COMMUNICATIONS (NON-DWCF)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0915	RENTS (NON-GSA)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0917	POSTAL SERVICES (U.S.P.S)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0920	SUPPLIES AND MATERIALS (NON-DWCF)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0921	PRINTING AND REPRODUCTION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0922	EQUIPMENT MAINTENANCE BY CONTRACT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0923	FACILITY SUSTAIN, RESTORE MOD BY CT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0925	EQUIPMENT PURCHASES (NON-FUND)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0932	MANAGEMENT AND PROFESSIONAL SUPPORT SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0933	STUDIES, ANALYSIS, AND EVALUATIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0934	ENGINEERING AND TECHNICAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0935	TRAINING AND LEADERSHIP DEVELOPMENT (OTHER CONTR)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0955	MEDICAL CARE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0957	LAND AND STRUCTURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0964	OTHER COSTS-SUBSIST SUPT OF PERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0985	RESEARCH AND DEVELOPMENT CONTRACTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0987	OTHER INTRA-GOVERNMENT PURCHASES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0989	OTHER SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0999	TOTAL OTHER PURCHASES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	GRAND TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

VOLUME 2B, CHAPTER 13: “DEFENSE ENVIRONMENTAL RESTORATION”**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by **blue** font.

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated **October 2008** is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated formatting to comply with the current administrative instructions.	Revision
All	Updated text throughout for clarity and to reflect updated office names.	Revision
1.1.1.1 – 1.1.1.5 (previous version)	Removed Defense Environmental Restoration Program goals.	Deletion
1.0	This paragraph was substantively revised to add an Overview, update the Purpose narrative, and add the required list of Authoritative Guidance information.	Revision/ Addition
2.0	Created paragraph to capture and update the definitions listed in paragraph 1.5 of the previous version.	Addition/ Revision
3.0	Moved and updated the Program and Budget Review Submission narratives listed in section 2.0 of the previous version.	Revision
4.0	Moved and updated the Congressional Justification/ Presentation narratives listed in section 3.0 of the previous version. Removed ENV 30 Part 3 (Performance Metrics).	Revision
Appendix A	Modified and combined the ENV 30 Parts 1 and 2 and renamed it to match the previously modified ENV 30. Updated the instructions for completing the ENV 30; the definitions, and business rules to match the previously modified instructions, definitions, and data matrices.	Revision/ Addition
Appendix B	Added appendix for the data matrices.	Addition

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CHAPTER 13

DEFENSE ENVIRONMENTAL RESTORATION***1.0 GENERAL****1.1 Overview**

The Military Departments and applicable Defense Agencies with Defense Environmental Restoration Program (DERP) requirements use transfer account appropriations to fund DERP-eligible cleanup activities at active installations and Formerly Used Defense Sites (FUDS) properties. General funding policies are available in [Volume 2A, Chapter 1](#). Base Realignment and Closure (BRAC) appropriations to fund cleanup activities are addressed in [Chapter 7](#).

1.2 Purpose

1.2.1. This chapter provides instructions applicable to program and budget formulation for the Department's combined Program and Budget Review and congressional justification for Environmental Restoration [Account \(ERA\)](#) appropriations. This chapter [contains instructions for providing the programming, budgeting, and performance data necessary to meet reporting requirements](#), respond to congressional concerns, and [conform to Office of Management and Budget \(OMB\) guidance to link the Department's budget to the DERP performance goals for active installations and FUDS properties](#). This chapter [also](#) provides additional specific guidance for the required DERP backup material.

1.2.2. The appropriations [eligible to receive funds from the Defense Environmental Restoration Transfer Accounts and their corresponding source for specific policies are listed below](#).

Operation and Maintenance (O&M) – [Volume 2A, Chapter 3](#)

Procurement – [Chapter 4](#)

Research, Development, Test, and Evaluation (RDT&E) – [Chapter 5](#)

1.3 Authoritative Guidance

The Department's Environmental Restoration programs must comply with the requirements prescribed by [this chapter, in accordance with the applicable provisions of:](#)

1.3.1. Title 10, United States Code, Chapter 160, ([10 U.S.C. Ch 160](#)), "Environmental Restoration"

1.3.2. [31 U.S.C.](#), "Money and Finance"

1.3.3. [42 U.S.C. Ch 103](#), "Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA)"

1.3.4. Resource Conservation and Recovery Act of 1976 ([RCRA](#))

1.3.5. Title 40, Code of Federal Regulations, Part 300 ([40 CFR 300](#)), “National Oil and Hazardous Substances Pollution Contingency Plan”

1.3.6. [DoD Directive \(DoDD\) 4715.1E](#), “Environment, Safety, and Occupational Health (ESOH)”

1.3.7. [DoD Instruction \(DoDI\) 4715.07](#), “Defense Environmental Restoration Program (DERP)”

1.3.8. [DoD Manual \(DoDM\) 4715.20](#), “Defense Environmental Restoration Program (DERP) Management”

*2.0 DEFINITIONS

2.1 Installation Restoration Program (IRP)

The IRP sub-element identifies funding associated with sites that require response actions to address releases of hazardous substances and pollutants or contaminants; petroleum, oil, or lubricants (POL) that create an imminent and substantial endangerment to the public health or to the environment; hazardous wastes or hazardous waste constituents; explosive compounds released to soil, surface water, sediment, or groundwater as a result of ammunition or explosives production or manufacturing at ammunition plants; and funding for response activities to address unexploded ordnance (UXO), discarded military munitions (DMM), or munitions constituents (MC) posing an explosive, human health, or environmental hazard that are incidental to an existing IRP site. This sub-element also identifies funding associated with the demolition and removal of unsafe buildings and structures and the removal of unsafe debris that meet the DERP general eligibility requirements in DoDM 4715.20.

2.2 Management

The Management sub-element identifies administrative and overhead funding associated with the DERP that cannot be attributed to individual sites (e.g., manpower).

2.3 Military Munitions Response Program (MMRP)

The MMRP sub-element identifies funding associated with sites (referred to as munitions response sites (MRSs)) that are known or suspected to contain UXO, DMM, or MC; and funding for response activities to address releases eligible under the IRP category that are incidental to an existing MRS. This sub-element does not include funding for operational ranges, operating storage and manufacturing facilities, and munitions resulting from combat, or facilities that are used for or were permitted for the treatment of disposal of military munitions.

*3.0 PROGRAM AND BUDGET REVIEW SUBMISSION

3.1 Guidance

This section provides guidance for the preparation and submission of the program [objective memorandum \(POM\)](#) and budget estimate submission (BES) for the DERP. The BES component consists of all O&M, Procurement, and [RDT&E](#) resources that support the DERP. The [Military Departments and applicable Defense Agencies](#) should consult all other relevant chapters for exhibit requirements that are not specifically addressed in this chapter, including Chapter 19, Other Special Analyses.

3.2 Submission Requirements

[3.2.1.](#) Volume 2A, Chapter 1 provides general submission guidance, including format, preparation of material, and copy requirements. This chapter covers specific backup material requirements for the DERP. [Under the authority, direction, and control of the Under Secretary of Defense for Acquisition and Sustainment \(USD\(A&S\)\) and through the Deputy Assistant Secretary of Defense for Environmental Management and Restoration \(DASD\(EMR\)\), the Assistant Secretary of Defense for Energy, Installations, and Environment \(ASD\(EI&E\)\)](#) is responsible for [identifying all submission requirements to support the DERP](#). The [Military Departments and applicable Defense Agencies](#) are responsible for programming and budgeting for all cleanup requirements in their respective organizations.

[3.2.2.](#) The Department will collect both POM and BES data through the Select & Native Programming Data Input System (SNaP) process. For ERA appropriations, the Department will collect the Programming Data Requirements in the ENV 30 budget exhibit. In addition, the Military Departments and applicable Defense Agencies [must](#) develop separate narrative justification material (including program increases and decreases) for their respective programs as part of their POM/BES and [upload these materials in SNaP](#). [Under the authority, direction, and control of the USD\(A&S\) and through the DASD\(EMR\), the ASD\(EI&E\)](#) is responsible for [commenting on and compiling the ENV 30 budget exhibits and narrative justification materials for the FUDS ERA and the Defense-wide ERA, which include non-BRAC funding for the ASD\(EI&E\) and Defense Logistics Agency \(DLA\)](#).

[3.2.3.](#) The Military Departments, applicable Defense Agencies, and the DASD(EMR) will submit data in accordance with the annual Office of Under Secretary of Defense (Comptroller) (OUSD(C)) guidance. Generally, POM/BES data are due in August or September each year.

[3.2.4.](#) In accordance with the schedule established by the DASD(EMR), the [Military Departments and applicable Defense Agencies](#) must provide appropriate updates to their DERP data as required by DoDI 4715.07, for each site regarding status, schedule, and cost to complete (CTC). [The Military Departments and applicable Defense Agencies will submit updated data to the official central DoD-wide system of record \(hereinafter referred to as the “DERP information system”\)](#).

3.2.5. The Military Departments, applicable Defense Agencies, and the DASD(EMR) are also responsible for providing data to update the Next Generation Resource Management System (NGRMS) and the Future Years Defense Program (FYDP) automated systems for the various ERA appropriations as identified in Volume 2A, Chapter 1, and for updating the OP-32 exhibit (Summary of Price and Program Change) identified in Volume 2A, Chapter 3.

3.2.6. Appendices A and B contain instructions for completing the ENV 30 budget exhibit, along with definitions and data matrices.

*4.0 CONGRESSIONAL JUSTIFICATION/PRESENTATION

4.1 Guidance

This section provides guidance for the preparation and submission of the President's Budget data for the DERP to Congress. The President's Budget component consists of all O&M, Procurement, and RDT&E resources that support the DERP. The Military Department and applicable Defense Agencies should consult all other relevant chapters for exhibit requirements that are not specifically addressed in this chapter, including Chapter 19, Other Special Analyses.

4.2 Submission Requirements

4.2.1. The Military Departments, applicable Defense Agencies, and the DASD(EMR) will update SNaP immediately upon completion of the Resource Management Decisions and the Department's budget lock. In addition, the Military Departments and applicable Defense Agencies must provide the OUSD(C) with a revised narrative justification for their respective programs reflecting any changes from the POM/BES review. The SNaP system will format the data into congressional justification exhibits, which the Military Departments and applicable Defense Agencies can print out and include in their justification materials. Under the authority, direction, and control of the USD(A&S), through the DASD(EMR), the ASD(EI&E) is responsible for review, final approval, and consolidation of the congressional justification material and ENV 30 budget exhibits for the FUDS ERA and the Defense-wide ERA, which includes non-BRAC funding for the ASD(EI&E) and DLA.

4.2.2. The Military Departments, applicable Defense Agencies, and the DASD(EMR) will submit data in accordance with the annual OUSD(C) guidance. Generally, President's Budget data are due in January each year.

4.2.3. In accordance with the schedule established by the DASD(EMR), the Military Departments and applicable Defense Agencies must provide appropriate updates to their DERP data, reflecting any changes from the POM/BES review, as required by DoDI 4715.07 for each site regarding status, schedule, and CTC. The Military Departments and applicable Defense Agencies will submit updated data to the DERP information system.

4.2.4. [The Military Departments, applicable Defense Agencies, and the DASD\(EMR\)](#) are responsible for providing data to update the FYDP automated systems for the various ERA appropriations as identified in Volume 2A, Chapter 1, and for updating the OP-32 exhibit (Summary of Price and Program Change) identified in Volume 2A, Chapter 3.

4.2.5. Appendix A provides detailed instructions for completing the ENV 30 budget exhibit, along with definitions [and business rules](#). [Refer to the OUSD\(C\) annual guidance for any updates to these instructions](#).

4.2.6. Appendix B provides data matrix for DoDComponent, FundSource, ActivityCategory, and Activity Relationship.

*APPENDIX A: INSTRUCTIONS, DEFINITIONS, AND BUSINESS RULES

ENV 30 DERA AND BRAC FUNDS FOR ENVIRONMENTAL CLEANUP

Class	FUDS	DoDComponent	FundSource	ActivityCategory	Activity	ResourceType	PY	EY	BY	BY+1	BY+2	BY+3	BY+4	BalanceToComplete

Instructions

- 1) The ENV 30 exhibit captures funding for DERP-eligible activities at IRP, MMRP, and Building Demolition/Debris Removal (BD/DR) sites, including site-specific requirements and program management; funding for BRAC Planning and Compliance activities; funds generated from the sale or lease of real property; obligations of prior year BRAC funds; reprogrammed funds; and the number sites funded or to be funded with the total obligational authority (TOA) for the activity in the applicable fiscal year.
- 2) Provide by DoD Component (Active, Defense Agency/Defense Wide, and BRAC), the total costs (TOA) and total number of sites funded or to be funded with the TOA by Fund Source, Activity Category, and Activity for the prior year (PY), execution year (EY), budget year (BY), BY+1 through BY+4, and the balance to complete (i.e., beyond the FYDP).
- 3) Report TOA in \$K (thousands) and the total number of sites in actual numbers. DO NOT report sites in thousands.
- 4) Only the Army will report FUDS data.
- 5) For Fund Sources “BRAC Planning” and “BRAC Compliance,” provide the number of installations in lieu of the number of sites. For Fund Sources “Environmental Restoration-Management,” “BRAC-Management,” “BRAC-Land Sale Revenue,” “BRAC-Prior Year Funds,” “Environmental Restoration-Reprogrammed Funds,” and “Environmental Restoration-Lease Proceeds,” reporting the total number of sites is not required.
- 6) BRAC Fund Sources include all rounds of BRAC.
- 7) Funding reported for the PY through BY+4 and the balance to complete should only include the reporting DoD Component’s program requirements and not the program requirements of another DoD Component (e.g., for Defense and State Memorandum of Agreement (DSMOA) funding, the Army should only report its DSMOA requirements and not those of the other DoD Components).
- 8) Include land sale revenue and prior year BRAC funds applied to each applicable activity in the TOA for the PY through BY+4 and the balance to complete. Report the total amount of land sale revenue and prior year BRAC funds applied to all activities for the PY through BY+4 and the balance to complete against the “Land Sale Revenue” and “Prior Year Funds” Fund Sources; SNaP will deduct these amounts from the BRAC totals to calculate the BRAC appropriated funding. Note that the land sale revenue and prior year BRAC funding for the PY should only include obligations that occurred during the PY and should not reflect the de-obligation of funds obligated in previous fiscal years. The de-obligation of funds obligated in previous fiscal years should be explained in accordance with the Word document requirement in paragraph 14.c below.

APPENDIX A: INSTRUCTIONS, DEFINITIONS, AND BUSINESS RULES (continued)

- 9) Include proceeds from the lease of real property at non-BRAC excess locations applied to each applicable activity in the TOA for the PY through BY+4 and the balance to complete. Report the total amount of proceeds from the lease of real property at non-BRAC excess locations applied to all activities for the PY through BY+4 and the balance to complete against the “Lease Proceeds” Fund Source; SNaP will deduct these amounts from the Environmental Restoration totals to calculate the Environmental Restoration appropriated funding. The use of proceeds from the lease of real property should be explained in accordance with the Word document requirement in paragraph 14.c. below.
- 10) Use the “Reprogrammed Funds” line to identify funds returned to the transfer account during the PY; received from the transfer account during the PY; and received, or to be received, from the transfer account in the EY/BY that are above and beyond the annual appropriation. Report the total amount of reprogrammed funds applied to all activities in the TOA for the PY through the BY, as appropriate, against the “Environmental Restoration-Reprogrammed Funds” Fund Source; SNaP will deduct these amounts from the Environmental Restoration totals to calculate the Environmental Restoration appropriated funding. The reprogramming actions should be explained in accordance with the Word document requirement in paragraph 14.c. below.
- 11) Program adequate resources in each year of the FYDP to achieve program goals.
- 12) Provide to the ODASD(EMR) (in accordance with the ODASD(EMR) data call schedules) updated DERP data for each site regarding status, schedule, and CTC, as required by DoDI 4715.07.
- 13) Ensure the POM/BES and President’s Budget submissions contain sufficient funding to annually update the inventory of defense sites that are known or suspected to contain UXO, DMM, or MC, as required by section 2710(a) of Title 10 U.S.C. and as specified in DoDM 4715.20.
- 14) Provide a narrative in a Word document that includes the following information:
 - a) An explanation of any significant fluctuations (i.e., +/- 25% or more) in the funding for the PY and EY as compared to the funding for those two years in the previous year’s President’s Budget submission. In addition, provide an explanation of any significant fluctuations (i.e., +/- 25% or more) in the balance to complete as compared to the balance to complete in the previous year’s President’s Budget submission. Provide a separate explanation for each of the following: Under the IRP category, the Investigation Subtotal, the Remedial Action (RA) Subtotal, and the IRP Subtotal; under the MMRP category, the Investigation Subtotal, the RA Subtotal, and the MMRP Subtotal; the Compliance Total; and the Management Subtotal. Include the calculated percent change in PY and EY funding, and the balance to complete, for each subtotal and total, regardless of whether the fluctuations were significant.
 - b) An explanation of any significant program increases or decreases (i.e., +/- 25% or more) from the EY to BY. Provide a separate explanation for each of the following: Under the IRP category, the Investigation Subtotal, the RA Subtotal, and the IRP Subtotal; under the MMRP category, the Investigation Subtotal, the RA Subtotal, and the MMRP Subtotal; the Compliance Total; and the Management Subtotal. Include the calculated percent change from the EY to BY for each subtotal and total, regardless of whether the program increases or decreases were significant.
 - c) An explanation of all reprogramming actions (including funds returned to the transfer account in the PY); cost recovery; lease proceeds; land sale revenue; the use of prior year funds for cleanup work at BRAC locations; and the de-obligation of land sale revenue and prior year BRAC funds obligated in previous fiscal years and that are now available to address future requirements.

APPENDIX A: INSTRUCTIONS, DEFINITIONS, AND BUSINESS RULES (continued)

- d) A justification of why there is a need for appropriated funding in the BY, if the available unobligated balance for the BY exceeds the amount in the budget request.
- e) An explanation of variances between the ENV 30 budget exhibit and the Environmental totals submitted in the BC-04 exhibit.

15) See Appendix A on the SNaP Website for reporting requirements for your organization.

Definitions

Class: System Field: Classification

C: CONFIDENTIAL

C/NF: CONFIDENTIAL//NOFORN

CUI: CONTROLLED UNCLASSIFIED INFORMATION

S: SECRET

S/NF: SECRET//NOFORN

U: UNCLASSIFIED

FUDS: Closed List. Used by the Army to identify FUDS data.

No

Yes

DoDComponent: Closed List. Identifies the Military Department or Defense Agency whose data are presented on the exhibit. For the Military Departments, report by Active (including Guard and Reserve) and BRAC. The Defense Agencies should select “Defense Agency/Defense Wide.” The Army will report FUDS.

Active: Used by the Military Departments and includes Active Guard and Reserve Components.

BRAC: Used by the Military Departments to report BRAC.

DADW: Defense Agency/Defense Wide. Used by non-service defense agencies.

FundSource:

BRAC-Compliance: Funded by the Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Includes funding for hazardous waste permits and other similar permits that are not associated with site cleanup. See DoDI 4715.06, *Environmental Compliance in the United States*.

BRAC-IRP: Funded by the Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Identifies funding associated with sites that require response actions to address releases of hazardous substances and pollutants or contaminants; POLs that create an imminent and substantial endangerment to the public health or to the environment; hazardous wastes or hazardous waste constituents; and explosive compounds released to soil, surface water, sediment, or groundwater as a result of ammunition or explosives production or manufacturing at ammunition plants; and response activities to address UXO, DMM, or MC posing an explosive, human health, or environmental hazard that are incidental to an existing IRP site.

APPENDIX A: INSTRUCTIONS, DEFINITIONS, AND BUSINESS RULES (continued)

BRAC-Land Sale Revenue: Identifies funds recovered from the sale of real property and used to offset cleanup funding requirements.

BRAC-Management: Funded by the Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Identifies administrative and overhead funding associated with the DERP that cannot be attributed to individual sites (e.g., manpower). This sub-element excludes funding for requirements that are not associated with site cleanup, such as Compliance-related cleanup, hazardous waste and other similar permits, and National Environmental Policy Act (NEPA) activities.

BRAC-MMRP: Funded by the Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Identifies funding associated with sites (referred to as MRSs) that are known or suspected to contain UXO, DMM, or MC; and response activities to address releases eligible under the IRP category that are incidental to an existing MRS. This sub-element does not include funding for operational ranges, operating storage and manufacturing facilities, and munitions resulting from combat.

BRAC-Planning: Funded by the Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Includes funding for all NEPA requirements.

BRAC-Prior Year Funds: Identifies funds obligated/to be obligated from prior year BRAC appropriations.

Environmental Restoration-IRP: Funded by Environmental Restoration appropriations. Identifies funding associated with sites that require response actions to address releases of hazardous substances and pollutants or contaminants; POLs that create an imminent and substantial endangerment to the public health or to the environment; hazardous wastes or hazardous waste constituents; and explosive compounds released to soil, surface water, sediment, or groundwater as a result of ammunition or explosives production or manufacturing at ammunition plants; and response activities to address UXO, DMM, or MC posing an explosive, human health, or environmental hazard that are incidental to an existing IRP site. Also identifies funding associated with the demolition and removal of unsafe buildings and structures and the removal of unsafe debris that meet the DERP general eligibility requirements in DoDM 4715.20.

Environmental Restoration-Lease Proceeds: Identifies proceeds from the lease of real property at non-BRAC excess locations and used to offset cleanup funding requirements.

Environmental Restoration-Management: Funded by Environmental Restoration appropriations. Identifies administrative and overhead funding associated with the DERP that cannot be attributed to individual sites (e.g., manpower).

Environmental Restoration-MMRP: Funded by Environmental Restoration appropriations. Identifies funding associated with sites (referred to as MRSs) that are known or suspected to contain UXO, DMM, or MC; and response activities to address releases eligible under the IRP category that are incidental to an existing MRS. This sub-element does not include funding for operational ranges, operating storage and manufacturing facilities, and munitions resulting from combat, or facilities that are used for or were permitted for the treatment or disposal of military munitions.

Environmental Restoration-Reprogrammed Funds: Identifies funds returned to the transfer account during the PY; received from the transfer account during the PY; and received, or to be received, from the transfer account in the EY/BY that are above and beyond the annual appropriation.

APPENDIX A: INSTRUCTIONS, DEFINITIONS, AND BUSINESS RULES (continued)

ActivityCategory: Closed List. The environmental activity category supporting the fund source.

Compliance:

Investigation:

Land Sale Revenue:

Lease Proceeds:

Management:

Planning:

Post RA:

Prior Year Funds:

Remedial Action (RA):

Reprogrammed Funds:

Activity: Closed List. The environmental activity associated to the activity category.

Building Demolition/Debris Removal: Refers to the demolition and removal of unsafe buildings and structures and the removal of unsafe debris that meet the DERP general eligibility requirements in DoDM 4715.20.

Compliance: Refers to activities associated with closure-related procedures necessary to achieve compliance with applicable Executive Orders and Federal, State, inter-state, regional, and local statutory and regulatory environmental requirements at BRAC locations.

DSMOA: Includes funding for State support under the DSMOA. Also includes funding for alternative approaches to the DSMOA for reimbursing costs of State DERP related services, in accordance with the requirements in DoDM 4715.20.

EPA Funding: Includes payments from the Navy to the U.S. Environmental Protection Agency (EPA) for support at Hunters Point.

Interim Remedial Actions: Refers to the interim remedial action (IRA) phase of cleanup. The IRA is a remedial action undertaken prior to the selection of the final remedy as a part of a larger remedy.

Land Sale Revenue: Identifies funds recovered from the sale of real property and used to offset cleanup funding requirements.

Lease Proceeds: Identifies proceeds from the lease of real property at non-BRAC excess locations and used to offset cleanup funding requirements.

Long-Term Management: Refers to the long-term management (LTM) phase of cleanup. LTM involves environmental monitoring, review of site conditions, and maintenance of a remedial action to ensure continued protection as designed once a site achieves Response Complete. LTM includes the operations and maintenance measures required to maintain the effectiveness of response actions. LTM should be used until no further environmental restoration response actions are appropriate or anticipated.

Manpower - Contractor: Includes funding that is not directly attributable to sites for contractor employees who support the management of the environmental cleanup program.

Manpower - Government: Includes funding that is not directly attributable to sites for government civilian employees who support the management of the environmental cleanup program.

APPENDIX A: INSTRUCTIONS, DEFINITIONS, AND BUSINESS RULES (continued)

Other: Includes funding for all other Program Management requirements (i.e., management plans, base-wide studies, Information Technology, travel, training, Interstate Technology & Regulatory Council support, support for specialized technical issues, Agency for Toxic Substances and Disease Registry health assessments and health studies).

Planning: Refers to activities associated with the process of identifying and considering environmental factors that impact on, or are impacted by, planned DoD activities or operations at BRAC locations.

Potentially Responsible Parties: Refers to a site where DoD pursues a potentially responsible party when associated with the Investigation activity category. Refers to activities at a site where DoD may bear potential liability for hazards or hazardous substance releases along with other parties when associated with the RA activity category.

Preliminary Assessment/Site Inspection: Refers to the preliminary assessment (PA) and site inspection (SI) phases of cleanup. The PA is a review of existing information about a release such as information on pathways of exposure, exposure targets, and source and nature of release. The SI builds upon the PA and involves, as appropriate, on- and off-site field investigatory efforts including sampling.

Prior Year Funds: Identifies funds obligated/to be obligated from prior year BRAC appropriations.

Project Closeout: Refers to project closeout (PCO). PCO involves the shutting down/dismantling of remedial actions, seeking regulator concurrence, and closeout reports.

Remedial Action Construction: Refers to the remedial action construction (RA-C) phase of cleanup. The RA-C represents the period of time during which a response action is being implemented but is not yet operating as designed. At the end of this phase of work, a remedy is in place.

Remedial Action Operations: Refers to the remedial action operation (RA-O) phase of cleanup. The RA-O represents the period of time that a selected remedy must operate before achieving remedial action objectives. At the end of this phase of work, the response is complete.

Remedial Design: Refers to the remedial design (RD) phase of cleanup. The RD involves the development of the actual design of the selected remedy.

Remedial Investigation/Feasibility Study (including Records of Decision/Decision Documents): Refers to the remedial investigation (RI) and feasibility study (FS) phases of cleanup. The RI involves collecting data to characterize site conditions, determine the nature of the waste, assess risk to human health and the environment, and conduct treatability testing to evaluate the potential performance and cost of the treatment technologies that are being considered. The FS is the mechanism for the development, screening, and detailed evaluation of alternative remedial actions. Include the TOA associated with developing Records of Decision/Decision Documents with the TOA for the RI/FS phases.

Reprogrammed Funds: Identifies funds returned to the transfer account during the PY; received from the transfer account during the PY; and received, or to be received, from the transfer account in the EY/BY that are above and beyond the annual appropriation.

APPENDIX A: INSTRUCTIONS, DEFINITIONS, AND BUSINESS RULES (continued)

ResourceType: Closed List. The type or resources (TOA or Number of Sites/Installations) associated to the Fund Source.

Installations: Total number of installations funded or to be funded for the activity with the TOA. Applies to the “BRAC-Planning” and “BRAC-Compliance” Fund Sources only.

Sites: Total number of sites funded or to be funded for the activity with the TOA.

TOA: Total funding required to complete the activity.

Business Rules

- 1) For Fund Sources “Environmental Restoration-Management,” “BRAC-Management,” “BRAC-Land Sale Revenue,” “BRAC-Prior Year Funds,” “Environmental Restoration-Reprogrammed Funds,” and “Environmental Restoration-Lease Proceeds,” the reporting of the total number of sites is not required.
- 2) Only Army will provide “FUDS” data.
- 3) For DoD Components “Active” and “DADW,” the Activity “EPA Funding” must be blank when Fund Source “Environmental Restoration-Management” and Activity Category “Management” are selected. For DoD Components “BRAC” and “DADW,” the Activity “EPA Funding” must be blank when Fund Source “BRAC-Management” and Activity Category “Management” are selected by a DoD Component other than the Navy.

* APPENDIX B: DATA MATRICES

DoDComponent	FundSource	ResourceType
Active	Environmental Restoration-IRP	Sites
		TOA
	Environmental Restoration-Lease Proceeds	TOA
	Environmental Restoration-Management	TOA
	Environmental Restoration-MMRP	Sites
		TOA
	Environmental Restoration-Reprogrammed Funds	TOA
BRAC	BRAC-Compliance	Installations
		TOA
	BRAC-IRP	Sites
		TOA
	BRAC-Land Sale Revenue	TOA
	BRAC-Management	TOA
	BRAC-MMRP	Sites
		TOA
	BRAC-Planning	Installations
		TOA
	BRAC-Prior Year Funds	TOA
DADW	BRAC-Compliance	Installations
		TOA
	BRAC-IRP	Sites
		TOA
	BRAC-Land Sale Revenue	TOA
	BRAC-Management	TOA
	BRAC-MMRP	Sites
		TOA
	BRAC-Planning	Installations
		TOA
	BRAC-Prior Year Funds	TOA
	Environmental Restoration-IRP	Sites
		TOA
	Environmental Restoration-Lease Proceeds	TOA
	Environmental Restoration-Management	TOA
	Environmental Restoration-MMRP	Sites
		TOA
	Environmental Restoration-Reprogrammed Funds	TOA

APPENDIX B: DATA MATRICES (continued)

DoDComponent	FundSource	ActivityCategory	Activity
Active	Environmental Restoration-IRP	Investigation	Potentially Responsible Parties
			Preliminary Assessment/Site Inspection
			Remedial Investigation/Feasibility Study (including Records of Decision/Decision Documents)
		Post RA	Long-Term Management
			Project Closeout
		Remedial Action (RA)	Building Demolition/Debris Removal
			Interim Remedial Actions
			Potentially Responsible Parties
			Remedial Action Construction
			Remedial Action Operations
			Remedial Design
	Environmental Restoration-Lease Proceeds	Lease Proceeds	Lease Proceeds
	Environmental Restoration-Management	Management	DSMOA
			Manpower - Contractor
			Manpower - Government
			Other
	Environmental Restoration-MMRP	Investigation	Potentially Responsible Parties
			Preliminary Assessment/Site Inspection
			Remedial Investigation/Feasibility Study (including Records of Decision/Decision Documents)
		Post RA	Long-Term Management
			Project Closeout
		Remedial Action (RA)	Interim Remedial Actions
			Potentially Responsible Parties
			Remedial Action Construction
			Remedial Action Operations
			Remedial Design
	Environmental Restoration-Reprogrammed Funds	Reprogrammed Funds	Reprogrammed Funds

APPENDIX B: DATA MATRICES (continued)

DoDComponent	FundSource	ActivityCategory	Activity
BRAC	BRAC-Compliance	Compliance	Compliance
	BRAC-IRP	Investigation	Preliminary Assessment/Site Inspection
		Post RA	Remedial Investigation/Feasibility Study (including Records of Decision/Decision Documents)
			Project Closeout
		Remedial Action (RA)	Interim Remedial Actions
			Remedial Action Construction
			Remedial Action Operations
			Remedial Design
	BRAC-Land Sale Revenue	Land Sale Revenue	Land Sale Revenue
	BRAC-Management	Management	DSMOA
			EPA Funding
			Manpower - Contractor
			Manpower - Government
			Other
	BRAC-MMRP	Investigation	Preliminary Assessment/Site Inspection
			Remedial Investigation/Feasibility Study (including Records of Decision/Decision Documents)
		Post RA	Long-Term Management
			Project Closeout
		Remedial Action (RA)	Interim Remedial Actions
			Remedial Action Construction
			Remedial Action Operations
			Remedial Design
	BRAC-Planning	Planning	Planning
	BRAC-Prior Year Funds	Prior Year Funds	Prior Year Funds
DADW	BRAC-Compliance	Compliance	Compliance
	BRAC-IRP	Investigation	Preliminary Assessment/Site Inspection
			Remedial Investigation/Feasibility Study (including Records of Decision/Decision Documents)
		Post RA	Long-Term Management
			Project Closeout

APPENDIX B: DATA MATRICES (continued)

DoDComponent	FundSource	ActivityCategory	Activity
DADW (cont.)	BRAC-IRP (cont.)	Remedial Action (RA)	Interim Remedial Actions
			Remedial Action Construction
			Remedial Action Operations
			Remedial Design
	BRAC-Land Sale Revenue	Land Sale Revenue	Land Sale Revenue
	BRAC-Management	Management	DSMOA
			EPA Funding
			Manpower - Contractor
			Manpower - Government
			Other
	BRAC-MMRP	Investigation	Preliminary Assessment/Site Inspection
			Remedial Investigation/Feasibility Study (including Records of Decision/Decision Documents)
		Post RA	Long-Term Management
			Project Closeout
		Remedial Action (RA)	Interim Remedial Actions
			Remedial Action Construction
			Remedial Action Operations
			Remedial Design
	BRAC-Planning	Planning	Planning
	BRAC-Prior Year Funds	Prior Year Funds	Prior Year Funds
	Environmental Restoration-IRP	Investigation	Potentially Responsible Parties
			Preliminary Assessment/Site Inspection
			Remedial Investigation/Feasibility Study (including Records of Decision/Decision Documents)
		Post RA	Long-Term Management
			Project Closeout
		Remedial Action (RA)	Building Demolition/Debris Removal
			Interim Remedial Actions
			Potentially Responsible Parties
			Remedial Action Construction
			Remedial Action Operations
			Remedial Design

APPENDIX B: DATA MATRICES (continued)

DoDComponent	FundSource	ActivityCategory	Activity
DADW (cont.)	Environmental Restoration-Lease Proceeds	Lease Proceeds	Lease Proceeds
	Environmental Restoration-Management	Management	DSMOA
			Manpower - Contractor
			Manpower - Government
			Other
	Environmental Restoration-MMRP	Investigation	Potentially Responsible Parties
			Preliminary Assessment/Site Inspection
			Remedial Investigation/Feasibility Study (including Records of Decision/Decision Documents)
		Post RA	Long-Term Management
			Project Closeout
		Remedial Action (RA)	Interim Remedial Actions
			Potentially Responsible Parties
			Remedial Action Construction
			Remedial Action Operations
			Remedial Design
	Environmental Restoration-Reprogrammed Funds	Reprogrammed Funds	Reprogrammed Funds

Subject Matter Experts (SMEs): For questions regarding this exhibit, submit a SIRS Functional issue in SNaP, or contact the SME. A list of SMEs is available in SNaP by clicking the SME link on the Instructions/Data Requirements page.

Technical Issues: To report technical issues with the SNaP Website, submit a SIRS Technical issue in SNaP, or contact the Technical Staff. A list of the SNaP Technical personnel is available on the SNaP Home page (<https://snap.cape.osd.mil/>).

VOLUME 2B, CHAPTER 14: “DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES”**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue and underlined font](#).

The previous version dated [January 2011](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated contents with relevant information and adopted required format changes.	Revision
1.0	This paragraph was substantively revised to add an Overview, update the Purpose narratives, and add the required list of Authoritative Guidance information.	Revision/ Addition
2.0	Updated to list the current office responsible for all submission requirements.	Revision
3.0	Updated the list of exhibits required for Program Budget Submission.	Revision
4.0	Updated the list of exhibits required for Congressional Justification/Presentation.	Revision
5.0	Updated the formats/templates for the required exhibits.	Revision

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CHAPTER 14

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

*1.0 GENERAL

1.1 Overview

1.1.1. The Department of Defense (DoD) Counternarcotics program provides appropriation for four budget activities: Counter-Narcotics Support, Drug Demand Reduction Program, National Guard Counter-Drug Program, and National Guard Counter-Drug Schools. The funds are appropriated to the Department's Central Transfer Account (CTA) titled "Drug Interdiction and Counter-Drug Activities, Defense." This CTA is funded as an Operation and Maintenance (O&M) appropriation but can be executed in another appropriation (e.g., Research, Development, Test, and Evaluation or Procurement), as deemed appropriate. This CTA also supports centralized budgeting and oversight, while allowing funds to be executed across the entire range of DoD Military Departments, Combatant Commands, and Combat Support Agencies.

1.1.2. Counter-Narcotics Support budget activity includes detect and monitor of aerial and maritime transit, and counter the production, trafficking, and use of illegal drugs into the United States.

1.1.3. The Drug Demand Reduction Program budget activity includes prevention, education, and outreach to ensure the dangers of drug abuse and misuse within the DoD are understood, prevented, identified, and treated to keep the fighting force at the highest levels of readiness.

1.1.4. The National Guard Counter-Drug Program budget activity includes support State National Guard assistance to Federal, State, tribal, and local law enforcement agencies, and community-based organizations in efforts to disrupt and degrade illicit drug production and trafficking within the United States.

1.1.5. The National Guard Counter-Drug Schools budget activity funds the operation of five National Guard counter-drug schools, which provide counter-drug and related counter transnational organized crime courses of instruction to Federal, State, local and community-based organizations from the 50 states, three territories, and the District of Columbia.

1.2 Purpose

This chapter provides instructions applicable to budget formulation and congressional justification for Drug Interdiction and Counter-drug Activities, Defense. This chapter also provides specific guidance and templates relative to the preparation of exhibits for budget presentation.

1.3 Authoritative Guidance

The financial management and requirements prescribed by this chapter are in accordance with the applicable provisions of:

1.3.1. Title 5, United States Code, section 7301, (5 U.S.C. § 7301), “Presidential Regulations;”

1.3.2. 10 U.S.C. § 124, “Detection and Monitoring of Aerial and Maritime Transit of Illegal Drugs: Department of Defense to be Lead Agency;”

1.3.3. 10 U.S.C. § 284, “Support for Counterdrug Activities and Activities to Counter Transnational Organized Crime;”

1.3.4. 10 U.S.C. § 978, “Drug and Alcohol Abuse and Dependency: Testing of New Entrants;”

1.3.5. 32 U.S.C. § 112, “Drug Interdiction and Counter-Drug Activities;”

1.3.6. 2004 National Defense Authorization Act section 1022, (2004 NDAA § 1022), “Authority for joint task forces to provide support to law enforcement agencies conducting counter-terrorism activities,” as amended;

1.3.7. 2005 NDAA § 1021, “Use of funds for unified counterdrug and counterterrorism campaign in Colombia,” as amended; and

1.3.8. Executive Order 12333 (E.O. 12333), “United States Intelligence Activities.”

*2.0 RESPONSIBILITIES

The Office of the Deputy Assistant Secretary of Defense (Counternarcotics Stabilization and Policy) (ODASD/CNSP) is responsible for all submission requirements for this program. The Components are responsible for providing all needed input to ODASD(CNSP) consistent with the submission requirements and due dates established by ODASD(CNSP).

*3.0 PROGRAM AND BUDGET REVIEW (PBR) SUBMISSION

3.1 Preparation of Material

Volume 2A, Chapter 1 provides general guidance for format and preparation of material. Volume 2B, Chapter 14 provides additional specific guidance for the required back-up materials.

3.2 References

Volume 2A, Chapter 1 provides general funding policies. Volume 2A, Chapter 3 provides specific policies and formats related to O&M appropriation. Volume 2B, Chapter 16 provides specific instructions applicable to budget formulation, implementation and congressional justification for intelligence program aggregations, and is applicable to the

Defense Intelligence Counternarcotics Program (DICP) of the Military Intelligence Program (MIP) aggregation. (See Volume 2A, Chapters 1 and 3, and Volume 2B, Chapter 16).

3.3 PBR Exhibits

The DoD counternarcotics program will be financed in a [CTA appropriated with O&M funds](#). The following exhibits are required for the OSD [PBR](#) submission.

Volume 1 – Justification of O&M Estimates

PBA-19	Introductory Statement (Appropriation Highlights) (Chapter 3)
O-1	Appropriation Summary (Chapter 3)
OP-32A	Summary of Price and Program Changes (Chapter 3) (automated submission also required)
PB-31R	Personnel Summary (Chapter 3)
PB-31D	Summary of Funding Increases and Decreases (Chapter 3)
OP-5	Detail by Subactivity Group (Chapter 3)

Volume II – Data Book

OP-8 Part 1	Civilian Personnel Summary (Chapter 3)
PB-31Q	Manpower Changes in Full-Time Equivalents (Chapter 3)
PB-15	Contract Advisory and Assistance Services (Chapter 19)
OP-32E	Contract Services Reports (C-1) (Chapter 3)

Additional Accompanying Exhibits

PB-57	Office of National Drug Control Policy (Chapter 14)
PB-45	Project Codes by Component and Fiscal Year (Chapter 14)
PB-47	Project Definitions (Chapter 14)
PB-44	Authorities (Chapter 14)

*4.0 CONGRESSIONAL JUSTIFICATION/PRESENTATION

The ODASD(CNSP) [must](#) include the following exhibits in the justification [material](#) to Congress. Copy requirements are identified in [Volume 2A](#), Chapter 1. Examples of budget exhibits can be found in [paragraph 5.0](#) or as identified [on this list](#):

Volume I – Justification of O&M Estimates

PBA-19	Introductory Statement (Appropriation Highlights) (Chapter 3)
O-1	Appropriation Summary (Chapter 3)
OP-32	Summary of Price and Program Changes (Chapter 3) (automated submission also required)
PB-31R	Personnel Summary (Chapter 3)
PB-31D	Summary of Funding Increases and Decreases (Chapter 3)
OP-5	Detail by Subactivity Group (Chapter 3)

Volume II – Data Book

OP-8 Part 1	Civilian Personnel Summary (Chapter 3)
PB-15	Contract Advisory and Assistance Services (Chapter 19)
OP-32E	Contract Services Reports (C-1) (Chapter 3)

Additional Accompanying Exhibits

PB-57	Office of National Drug Control Policy (Chapter 14)
PB-45	Project Codes by Component and Fiscal Year (Chapter 14)
PB-47	Project Definitions (Chapter 14)
PB-44	Authorities (Chapter 14)

***5.0 DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES SUBMISSION FORMATS**

The formats provided on the following pages reflect guidance presented in [paragraphs 3.0 and 4.0](#). Unless modified in a submission budget call, adhere to these formats.

5.1 PB-57 Office of National Drug Control Policy Template

**Department of Defense
Fiscal Year (BY) Budget Estimates
Drug Interdictions and Counter-Drug Activities, Defense
Project Codes by Component and Fiscal Year
(\$ in Thousands)**

Appropriation Summary by National Drug Control Function

Instructions: Provide a narrative. Example: The FY (BY) budget request of \$XXX.X million represents a(n) (increase or decrease) of \$XX.X million when compared to the FY (CY) enacted amount of \$XXX.X million. The following is a summary of the FY (BY) Department of Defense request by the Office of National Drug Control Policy (ONDCP) National Drug Control Functions:

Drug Control Function	FY (PY) Enacted	FY (CY) Estimate/Enacted¹	FY (BY) Estimate
Intelligence	xxx,xxx	xxx,xxx	xxx,xxx
- Intelligence: Domestic Law Enforcement	xxx,xxx	xxx,xxx	xxx,xxx
- Intelligence: Interdiction	xxx,xxx	xxx,xxx	xxx,xxx
- Intelligence: International	xxx,xxx	xxx,xxx	xxx,xxx
Interdiction	xxx,xxx	xxx,xxx	xxx,xxx
International	xxx,xxx	xxx,xxx	xxx,xxx
Prevention	xxx,xxx	xxx,xxx	xxx,xxx
State and Local Assistance	xxx,xxx	xxx,xxx	xxx,xxx
TOTAL	xxx,xxx	xxx,xxx	xxx,xxx

PB-57 Office of National Drug Control Policy

¹ Column label will be "Estimate" if no appropriation is passed at time of submission; otherwise, this column label will be "Enacted".

5.2 PB-45 Project Code by Component and Fiscal Year Template

**Department of Defense
Fiscal Year (BY) Budget Estimates
Drug Interdictions and Counter-Drug Activities, Defense
Project Codes by Component and Fiscal Year
(\$ in Thousands)**

PB-45 Project Code by Component and Fiscal Year

Component	Project	Project Title	FY (PY)	FY (CY)	CY (BY)
Component 1	XXXX	Title Here	xxx,xxx	xxx,xxx	xxx,xxx
Component 1 Total			xxx,xxx	xxx,xxx	xxx,xxx
Component 2	XXXX	Title Here	xxx,xxx	xxx,xxx	xxx,xxx
Component 2 Total			xxx,xxx	xxx,xxx	xxx,xxx
Grand Total			xxx,xxx	xxx,xxx	xxx,xxx

Exhibit PB-45 Project Code by Component and Fiscal Year

5.3 PB-47 Project Number Description Template

**Department of Defense
Fiscal Year (BY) Budget Estimates
Drug Interdictions and Counter-Drug Activities, Defense
Project Number Description**

PB-47 Project Code Definitions

Project Number	Project Title	Project Description

PB 47 Project Number Description

5.4 PB-44 Authorities Template

**Department of Defense
Fiscal Year (BY) Budget Estimates
Drug Interdictions and Counter-Drug Activities, Defense
Authorities**

PB-44 Authorities

- A. 10 U.S.C. §124: Detection and Monitoring of Aerial and Maritime Transit of Illegal Drugs: Department of Defense to be Lead Agency
- B. 10 U.S.C. §284: Military Support for Civilian Law Enforcement Agencies
- C. 10 U.S.C. §978: Drug and Alcohol Abuse and Dependency: Testing of New Entrants
- D. 32 U.S.C. §112: Drug Interdiction and Counter-drug Activities
- E. 5 U.S.C. §7301: Presidential Regulations
- F. §1021, 2005 National Defense Authorization Act, as amended
- G. §1022, 2004 National Defense Authorization Act, as amended
- H. Executive Order 12333

Instructions: Include the authorities listed in A-H on the following pages.

PB-44 Authorities

VOLUME 2B, CHAPTER 15: “OVERSEAS COST REPORT”**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue and underlined font](#).

The previous version dated [June 2010](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated hyperlinks and ensured compliance with administrative instructions.	Revision
1.2	Added Authoritative Guidance section in compliance with administrative instructions	Addition
3.2.3	Added submission to CAPE’s SNaP database	Revision
3.2.4	Added OP-53 requirements for Military Departments, Defense Agencies, and Field Activities	Revision
4.2	Deleted Exhibit OP-53 Overseas Funding Military Personnel Overseas Funding.	Deletion
4.2	Deleted Exhibit OP-53 Overseas Funding Country and Appropriation Summary.	Deletion
4.2	Deleted Exhibit OP-53 Overseas Funding Operation and Maintenance Overseas.	Deletion
4.2	Deleted Exhibit OP-53 Overseas Funding Family Housing, Operation Maintenance.	Deletion
4.2	Deleted Exhibit OP-53 Overseas Funding Family Housing, Family Housing Construction.	Deletion
4.2	Deleted Exhibit OP-53 Overseas Funding Military Construction.	Deletion
Definitions	Formatted Definitions only.	Revision

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CHAPTER 15

OVERSEAS COST REPORT

1.0 GENERAL

1.1 Purpose

1.1.1. This chapter provides instructions applicable to congressional justification material for the Overseas Cost Report which consists of the OP-53 Exhibit (Overseas Funding).

1.1.2. The following appropriations and accounts are covered in the scope of the subsections of the Overseas Cost Report:

1.1.2.1. Military Personnel appropriations (including Reserves and National Guard)

1.1.2.2. Operation and Maintenance appropriations

1.1.2.3. Family Housing Construction and Family Housing Operations appropriations

1.1.2.4. Military Construction appropriations

[*1.2 Authoritative Guidance](#)

[The instructions and related requirements prescribed in this chapter are derived primarily from, and in accordance with Title 10, United States Code, section 113 \(\[10 U.S.C. §113\]\(#\)\).](#)

1.3 Submission Requirements

Chapter 1 provides the general guidance about submission requirements for justification material. Chapter 15 covers specific material requirements for the Overseas Cost Report (See Volume 2A, Chapter 1 of this regulation).

1.4 Preparation of Material

Chapter 1 stipulates the general guidance concerning format and preparation of material. Chapter 15 provides additional specific guidance with regard to the material required for the Overseas Cost Report (See Volume 2A, Chapter 1 of this regulation).

1.5 References

Chapter 1 provides general funding policies, Chapter 2 provides specific policies related to Military Personnel appropriations, Chapter 3 provides specific policies related to Operation and Maintenance costs, Chapter 6 provides specific policies and formats related to Military Construction and Family Housing appropriations, [and Chapter 9 provides specific policies and](#)

formats related to Revolving Funds. (See Volume 2A, Chapters 1 - 3 and Volume 2B, Chapter 6, and 9-10).

2.0 PROGRAM AND BUDGET REVIEW SUBMISSION

2.1 General

General guidance with regard to submission requirements is presented in Chapter 1. Service components and Defense Agencies and Field Activities will submit the OP-53, Overseas Cost Report for the OSD Program/Budget Estimates Submission.

3.0 CONGRESSIONAL JUSTIFICATION/PRESENTATION

3.1 Purpose

This Section presents the exhibit requirement for submission to Congress and formats for the Overseas Cost report. Section 8125 of the FY 1989 DoD Appropriations Act (P.L. 100-463) as codified in 10 U.S.C. §113, requires that the Department of Defense separately identify the amounts necessary for payment of all personnel, operations, maintenance, facilities, and support costs for all DoD overseas military units and the costs of supporting all dependents who accompany DoD personnel outside the United States.

3.2 Submission Requirements

3.2.1. The Overseas Cost Report consists of the OP-53 exhibit (Overseas Funding). Chapter 1 contains general guidance on congressional justification material.

3.2.2. The OP-53 addresses all funding and personnel resources related to overseas activities as defined below.

* 3.2.3. The OP-53 data will be entered into and collected through the Office of the Director of Cost Assessment and Program Evaluation's (CAPE) Select & Native Programming Data Input System (SNaP). SNaP is available on unclassified network at <https://snap.cape.osd.mil/> and classified <https://snap.cape.osd.smil.mil/home.aspx>. The electronic submission will be the official submission of this exhibit.

* 3.2.4. The Military Departments will report all military personnel permanently assigned overseas and associated costs to include those assigned to Defense Agencies and Field Activities. Therefore, the Defense Agencies should not report data citing military personnel appropriations or line items. All Military Departments, Defense Agencies, and Field Activities must complete the OP-53 input for each country regardless of total annual costs.

3.3 Definitions

The following definitions pertain to the costs to be included in Military Department and Defense Agency input:

3.3.1. Overseas costs will include amounts only from the following appropriations: military personnel; operation and maintenance; family housing operation and maintenance; family housing construction; and military construction.

3.3.2. Overseas amounts include the appropriated support of all DoD activities located outside the United States that are being performed on a permanent basis at U.S. military bases and other locations (U.S. Embassy, U.S. Consulates, U.S. Mission, etc). **Components must ensure to report costs and number of United States Foreign and National Direct and Foreign National Indirect full-time equivalents.**

3.3.3. Overseas amounts also include the cost of transporting personnel, material, and equipment to and from permanent overseas locations. The overseas amounts do not include incremental costs associated with contingency operations.

3.3.4. The United States includes all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States (e.g., Guam, U.S. Virgin Islands, Puerto Rico, and Northern Mariana Islands).

3.3.5. Military and civilian personnel amounts will be based on the number of personnel assigned to permanent duty ashore outside the United States. Accordingly, personnel on temporary duty outside the United States are not included in the overseas amounts. Because personnel assigned to the deployed fleet are excluded from overseas troop strengths, amounts for deployed steaming days are not included.

3.3.6. Generally, funding for DoD activities in the United States in support of overseas activities is excluded. For example, overseas amounts exclude the funding of depot maintenance performed in the United States on components/aircraft used by an overseas unit. Similarly, flight/specialized training that is conducted in the United States would be excluded.

4.0 OVERSEAS COST REPORT SUBMISSION FORMATS

4.1 Purpose

The **information** provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, these formats should be adhered to.

***4.2 Exhibits in Support of Overseas Cost Report**

OP-53 Overseas Funding

*Exhibit OP-53 Overseas Funding

Class CountryCode ResourceType ManpowerType TreasuryCode BACode PY CY BY

Description of Data Elements: The Components should provide the following data elements for each appropriation and operation/activities financed with the funding identified. Updated guidance on the OP-53 exhibit can be found on the SNaP website by clicking the “Instructions” tab, then selecting the “Data Requirements.” (<https://snap.cape.osd.mil>)

A. Class: The Class data element is the classification of the data entered in the row.

B. CountryCode: The Country Code is a three-digit alphabetical code used to represent a country name. The Country Code list can be found on the SNaP website within the OP-53 Overseas Report Instructions document.

C. ResourceType: Identify the resource type for each appropriation and operation/activity. The resource type will be either a Total Obligation Authority (TOA) or manpower. If the resource type is TOA, select manpower type N/A. If the resource type is manpower, then select the manpower type civilian, enlisted, or officer.

D. ManpowerType: Identify funding by appropriation and manpower type. The manpower type list includes civilian, enlisted, officer, or N/A. Select manpower type N/A only when the resource type is TOA.

E. TreasuryCode: Treasury Code is a defined set of four-to-six digit numeric codes from the Comptroller that identifies resource types. The list of Treasury Code values can be found on the SNaP web site website by clicking the "Instructions" tab, then selecting the "Documents". The document is named “Appropriations List”. (<https://snap.cape.osd.mil>)

F. BA Code: Budget Activity is a two-digit identifier for the categories within each appropriation and fund account to identify the purposes, projects, or types of activities financed by the appropriation. Utilize applicable BA codes (e.g. Military Personnel appropriations should include costs associated with BA01 (Officer Pay and Allowance), BA02 (Enlisted Pay and Allowances), BA04 (Subsistence of Enlisted Personnel – Basic Allowance for Subsistence only), and BA05 (Permanent Change of Station Travel).

G. PY, CY, and BY: For Past Year (PY), Current Year (CY), and Budget Year (BY) provide direct funding by Country for payment of all military personnel, operation and maintenance, military construction, and family housing. of all DoD activities located outside the United States that are being performed on a permanent basis at U.S. Military bases and other locations (U.S. Embassy, U.S. Consulates, U.S. Mission, etc.) Overseas amounts also include the cost of transporting personnel, material, and equipment to and from permanent overseas locations. The overseas amounts do not include incremental costs associated with contingency operations.

Military construction costs will be computer generated from the Program Resources Collection Process for the OP-53 display. Data on this exhibit must match the Family Housing(Construction &

Operation and Maintenance) and Military Construction data in the Construction Programs (C-1) budget exhibit submitted in support of the President's budget.

*Definitions: Overseas Personnel and Related Costs Categories

U.S. Personnel

Categories

Description

1. American Salaries: Includes salary costs for full-time U.S. direct hires overseas.
2. Benefits: Includes standard benefits costs for full-time U.S. direct hires overseas, such as retirement contributions, health insurance, life insurance, and [Federal Insurance Contributions Act](#) payments.
3. Overtime/Availability Pay: Includes costs for overtime pay and Law Enforcement availability pay for U.S. direct hires overseas.
4. Danger Pay: Includes costs for Danger Pay Allowance, calculated as a percentage of basic compensation (15, 20 or 25%) paid for imminently dangerous conditions when the official U.S. community is the target of political violence.
5. Language Incentive Pay: Includes costs of language incentive pay to U.S. direct hires overseas.
6. Post (Cost of Living) Allowance: Includes costs for Cost of Living Adjustments (COLA) for U.S. direct hires overseas.
7. Difficult to Staff Incentive Differential (DTSID): Includes costs for the DTSID allowance, which is calculated as a percentage of basic compensation (15%) for serving at a determined difficult to staff post which has a 15%, 20% or 25% Post (“Hardship”) Differential.
8. Post (“Hardship”) Differential: Includes costs for post differential allowance, which is calculated as a percentage of basic compensation (5%, 10%, 15%, 20% and 25%) for environmental conditions significantly worse than the U.S. In addition to being paid to permanently assigned personnel.
9. Separate Maintenance Allowance (SMA): Includes cost for involuntary and voluntary SMA, which is paid when family members are prohibited from residing at a foreign post or when family members may go to a foreign post but opt not to for personal reasons.
10. Special Differential: Special differentials are available to Foreign Service officers who are required because of the nature of their assignments to perform additional work on a regular basis in substantial excess of normal requirements ([22 U.S.C. § 3972](#)).
11. Pay and Allowance: Includes MILPERS costs for military personnel assigned overseas at a U.S. Embassy, U.S. Consulate or U.S. Mission.
12. Housing: Includes costs for overseas housing for U.S. direct hires, including rents, leases, housing pool costs, and/or allowances provided for private leased quarters in lieu of Government provided housing.

Definitions: Overseas Personnel and Related Costs Categories (Continued)

13. Residential furnishings/Equipment (DPC only): Includes costs of residential furnishings, equipment, and appliances.
14. Education Allowance (DPC only): Includes costs for the education expenses for U.S. direct hire dependents (K-12) overseas.
15. Educational Travel (DPC only): Includes costs for one round trip annually between school attended in the U.S. and the foreign post of assignment.
16. [Permanent Change of Station \(PCS\)](#) Travel (employee & family moving expenses): Includes costs associated with [PCS](#) travel of employees and eligible family members, shipment of household effects and privately-owned vehicles, and placement of household effects into storage.
17. Rest and Recuperation (R&R) Travel: Includes the costs of R&R travel provided for U.S. direct hires overseas.
18. Home Leave Travel: Includes costs of travel for U.S. Direct Hires overseas to provide overseas employees the opportunity to spend significant periods of time in the United States while pursuing careers overseas.
19. Office Furnishings/Equipment/Information Management: Includes agency costs for the purchase and maintenance of office furnishings and equipment, such as computers, phones, computer networks, copiers, and communications equipment, including classified networks.
20. Office Leases: Includes the costs of all leased office space (off embassy/consulate compound) overseas.
21. Miscellaneous Office Expenses: Includes non-programmatic miscellaneous office expenses, such as utilities and supplies.
22. [International Cooperative Administrative Support Services \(ICASS\)](#) Charges: Includes costs of participation in ICASS.
23. Field Travel: Includes costs of all field travel conducted by U.S. direct hires overseas.
24. Representation: Includes costs for representation overseas in furthering the interests of the United States.
25. Security: Includes the costs of guards, alarms, cameras, etc. NOT covered under ICASS.
26. Other: Includes costs not captured above, such as language and other training, vehicles, agency specific benefits or allowances not included above, medical costs (physicals), etc. Please identify the items calculated as part of this category.

Definitions: Overseas Personnel and Related Costs Categories (Continued)

<u>Staffing</u>	<u>Description</u>
	• <u>Full-time Permanent U.S. Direct Hires</u>: Full-time, permanent U.S. direct hire personnel • <u>US Military Personnel</u>: U.S. military personnel (services members) • <u>US-contracted PSCs</u>: Personal services contractors (PSCs) hired from the United States and stationed overseas, eligible for similar support benefits (i.e., travel, housing, etc.) as U.S. direct hires. • <u>Foreign Service National (FSN)</u>: An FSN employee is a non-U.S. citizen directly hired by a U.S. mission • <u>Local Personal Services Contractors (PSCs) or Personal Services Agreement (PSAs)</u>: Individuals contracted locally to perform an identifiable task under the supervision and control usual to government employees rather than to furnish an end item of supply (U.S. citizen hired locally as a PSC should be accounted for under category no. 31). • <u>Third Country Nationals (TCNs)</u>: Individuals who are neither citizens of the United States nor of the country in which employed, who are employed on a limited appointment or personal services contract, and who are eligible for return travel at U.S. Government expenses to their home country or country from which recruited. • <u>Locally Hired Americans, including Eligible Family Members</u>: U.S. citizens (AMCITs) hired locally as temporary employees or PSC personnel. • <u>Long-term / rolling TDY positions</u>: (A TDY position is defined as any position requiring workspace (desk or non-desk) for more than six months in a year or positions routinely filled by TDY personnel on a rotating basis, even though no individual ever stays for more than six months).

VOLUME 2B, CHAPTER 16: “INTELLIGENCE PROGRAMS/ACTIVITIES”**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and denoted by **blue** font.

Substantive revisions are denoted by an (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by ***bold, italic, blue, and underlined font***.

The previous version dated **July 2013** is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated paragraph numbering system to consolidate classification, budget guidance requirements, and classified appeals information for the National Intelligence Program (NIP) and the Military Intelligence Program (MIP) in their own paragraphs.	Revision
All	Updated organizations, terminologies, and acronyms for relevancy.	Revision
1.0	Added the required Authoritative Guidance paragraph and moved the Definitions and Classification paragraph for the MIP and the NIP to their corresponding paragraphs.	Addition/ Revision
2.0	Created a new paragraph specific to the NIP. Modified guidance to reference all appropriations and clarify congressional requirement for whole, distinct NIP program elements. Incorporated all NIP-specific narratives from paragraphs in the previous version. Added Intelligence Community Directive 104 as reference.	Addition/ Revision
3.0	Created a new paragraph specific to the MIP. Modified guidance to reference all appropriations and clarify congressional requirement for whole, distinct MIP program elements. Incorporated all MIP-specific narratives from paragraphs in the previous version. Added the Department of Defense Financial Management for Sensitive Activities Security Classification Guide as reference.	Addition/ Revision

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CHAPTER 16

INTELLIGENCE PROGRAMS/ACTIVITIES***1.0 GENERAL****1.1 Purpose**

This chapter provides instructions applicable to budget formulation, implementation, and additional specific guidance regarding congressional justification material for the National Intelligence Program (NIP) and the Military Intelligence Program (MIP) Aggregations.

Volume 2A, Chapter 1 provides general guidance regarding classification of budget material.

1.2 Authoritative Guidance

The financial management and requirements prescribed by this chapter are in accordance with the applicable provisions of:

1.2.1. Title 50, United States Code, ([50 U.S.C.](#)), “War and National Defense”

1.2.2. Public Law 235 ([P.L. 235](#)), “National Security Act”

1.2.3. Executive Order 12333, ([EO 12333](#)), “United States Intelligence Activities”

1.2.4. [EO 12958](#), “Classified National Security Information”

1.2.5. DoD Directive 5143.01, ([DoDD 5143.01](#)), “Under Secretary of Defense for Intelligence and Security (USD(I&S))”

1.2.6. [DoDD 5205.12](#), “Military Intelligence Program”

1.2.7. Intelligence Community Directive 104, ([ICD 104](#)), “NIP Budget Formulation, Execution, and Performance Evaluation”

1.2.8. DoD Financial Management for Sensitive Activities Security Classification Guide (FM-SA SCG)

*2.0 NATIONAL INTELLIGENCE PROGRAM (NIP)

The NIP provides integrated intelligence that covers broad aspects of national policy and national security. The portion of the NIP contained in the Department of Defense (DoD) Budget contributes substantially to meeting Defense intelligence requirements and may also contain programs/activities in support of elements of the United States Government outside the DoD.

2.1 NIP Classification

2.1.1. The Office of the Director of National Intelligence (ODNI) determines classification of U.S. Intelligence funding and manpower information, pursuant to EO 12958, Section 1.5(c); EO 12333, Section 1.5(g), and the DNI's authorities under the National Security Act of 1947.

2.1.2. NIP resource information in all DoD databases must be classified as shown in paragraphs 2.1.2.1 thru 2.1.2.4 unless other specific NIP program guidance in effect requires higher classification. NIP resource information for military construction and family housing for defense agencies are exempt and must be maintained and presented as unclassified.

2.1.2.1. Information which, standing alone or in aggregate, reveals any Program Element (PE) total or DoD Component total funding or manpower requirements of any program in the NIP will be classified SECRET.

2.1.2.2. Information that permits the disclosure of any PE total or the funding or manpower requirements of any program in the NIP, for example, through a subtractive process, will be classified SECRET.

2.1.2.3. Whenever NIP funding and manpower information is combined with other unclassified programs in such a way as to effectively mask the NIP resource PE total, such combined resource PE total may be treated as unclassified.

2.1.2.4. Forward requests for clarification of the foregoing classification guidance to the Office of the Under Secretary of Defense for Intelligence and Security (OUSD(I&S)). The OUSD(I&S) will coordinate questions of application with the ODNI and disseminate responses to all interested DoD Components.

2.2 NIP Budget Submission Requirements

2.2.1. DoD Components with NIP Special Program Codes (SPCs) will prepare and provide NIP Congressional Budget Justification Books (CBJB) in accordance with guidance provided by the ODNI. Coordinate Decision Documents affecting elements of the NIP with the ODNI, the Office of the Under Secretary of Defense Comptroller (OUSD(C)) and the OUSD(I&S). The OUSD(C), Program/Budget (P/B), Investment Directorate will ensure that the DNI Chief Financial Officer (CFO) has an opportunity to review and provide comments.

2.2.2. The DoD Components will implement ODNI's ICD 104 and Military Personnel Resources Programming and Budgeting Policies and Procedures when developing NIP military personnel cost estimates for the budget submission.

2.2.3. The CBJB will incorporate an Intelligence Community (IC) project to PE crosswalk exhibit at the R-1, P-1, and OP-1 levels to help satisfy continuous congressional budget reconciliation and visibility requirements. DoD Components must continue to show steady, measurable progress toward achieving fully captured, whole, distinct, NIP data elements for all appropriations (Research, Development, Test, and Evaluation (RDT&E); Procurement (PROC); Operation and Maintenance (O&M); Military Construction (MILCON); and Military Personnel (MILPERS)) identified by NIP SPC. NIP resources will not be shared or aligned to Non-NIP PEs.

2.2.4. The ODNI will deliver one hardcopy and compact disk (CD) of NIP program and budget materials prescribed by the ODNI to the OUSD(C), P/B, Investment Directorate, Pentagon, Room 3C749, at the same time they are delivered to the Office of Management and Budget (OMB).

2.3 NIP Classified Appeals

2.3.1. Classified appeals may supplement actions included in the overall Defense Appeal where security considerations have dictated a less than complete justification. Prepare classified appeals at the appropriate level of classification to fully explain and justify the action. The ODNI will determine the appeals format and content.

2.3.2. Classified appeals will be consistent with the Secretary of Defense (SecDef) policy direction as articulated by the OUSD(C) and, in the case of appeals to legislative provisions, also as articulated by the Office or the General Counsel and the Deputy SecDef. Coordinate all NIP appeals with the OUSD(I&S), the OUSD(C) and the OMB before release to the House Permanent Select Committee on Intelligence (HPSCI), the Senate Select Committee on Intelligence, the House Appropriations Committee (HAC), and the Senate Appropriations Committee (SAC).

*3.0 MILITARY INTELLIGENCE PROGRAM (MIP)

The MIP consists of programs, projects, or activities that support the SecDef's intelligence, counterintelligence, and related responsibilities as outlined in DoD Directive 5205.12. This includes those intelligence and counterintelligence programs, projects, or activities that provide capabilities to meet warfighters' operational and tactical requirements more effectively. The term excludes capabilities associated with a weapons system whose primary mission is not intelligence, along with all, programs, projects, and activities under the NIP.

3.1 MIP Classification

3.1.1. MIP projects, individual PEs and line items may be classified or unclassified according to content, unless disclosure of such a total would allow derivation of classified totals. The total DoD funding for MIP is classified SECRET.

3.1.2. Intelligence project resource data will be sorted, aggregated, and used in different ways. It is essential that DoD Components comply with DoD FM-SA SCG and the OUSD(I&S) and the OUSD(C) receive DoD Component current SCGs to avoid inadvertent, unauthorized disclosure of classified information. Additionally, DoD Components are responsible to review and validate their project level classification and include SCG compliance statements in their Congressional Justification Book (CJB) validation memorandum submitted to OUSD(I&S).

3.2 MIP Budget Submission Requirements

3.2.1. The OUSD(I&S) will provide complementary MIP CJB guidance. The CJB is a functional aggregation of the MIP portion of the DoD request, containing program justification and resource highlights that must be consistent with and directly auditable to all DoD justification materials (e.g., R-2, P-40, OP-5) and any other DoD justification books that address the same resources.

3.2.2. The OUSD(I&S) will task DoD Components annually to provide SCG for each project, along with a citation of the source of classification and any other security classification guidance unique to the organization that may be pertinent to the MIP.

3.2.3. In accordance with Vol 2A/B, Chapters 3, 4 and 5, each DoD Component identified in DoDD 5205.12, with resources delineated by SPC 296, 355, 365, or 398 will prepare DoD justification materials for each appropriation. Classified justification materials will contain sufficient detail needed to fully justify the classified portion of the request, without the use of supplemental justification materials.

3.2.4. The CJB will incorporate a MIP project to PE crosswalk exhibit at the R-1, P-1, and O-1 levels to help satisfy continuous congressional budget reconciliation and visibility requirements. DoD Components must comply with achieving fully-captured, whole, distinct, MIP data elements for all appropriations (RDT&E, PROC, O&M, MILCON, and MILPERS) identified by SPC 296, 355, 365, or 398. MIP resources will not be shared or aligned to non-MIP PEs.

3.2.5. DoD Components will submit one hardcopy and PDFs of their classified R-2, P-40 or OP-5 and the OUSD(I&S) will deliver one final MIP hardcopy and PDFs of all volumes directly to the OUSD(C), P/B Investment Directorate, Pentagon, Room 3C749, at the same time as the unclassified details. The OUSD(C) will review and combine all DoD Component classified exhibits (SECRET and TOP SECRET) as a classified Defense-wide volume exhibit before releasing to OMB.

3.3 MIP Classified Appeals

3.3.1. Classified appeals may supplement actions included in the overall Defense Appeal where security considerations have dictated a less than complete justification. Prepare classified appeals at the appropriate level of classification necessary to fully explain and justify the action. Unclassified MIP appeals will follow normal procedures per additional guidance.

3.3.2. Classified Appeals will be completely consistent with the SecDef policy direction as articulated by the OUSD(C) and, in the case of appeals to legislative provisions, also as articulated by the Office or the General Counsel and the Deputy SecDef. The OUSD(I&S) will prepare classified appeals for the MIP and must coordinate with the OUSD(C), the ODNI CFO and the OMB before release to the House Armed Services Committee, Senate Armed Services Committee, HAC, and SAC, and HPSCI.

VOLUME 2B, CHAPTER 17: “CONTINGENCY OPERATIONS (BASE BUDGET)”**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue, and underlined font***](#).

The previous version dated [August 2008](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
1.1 (170101)	Updated Purpose	Revision
1.2 (170102)	Updated Submission Requirements	Revision
1.2 (170102)	Deleted Preparation of Materials	Deletion
1.3 (170103)	Updated References	Revision
2.2 (170202)	Updated Submission Requirements	Revision
3.0 (1703)	Updated Contingency Operations Submission Formats	Revision
3.1 (170301)	Purpose	Revision
3.2 (170302)	Updated Overseas Contingency Operations	Revision

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CHAPTER 17

CONTINGENCY OPERATIONS (BASE BUDGET)

1.0 GENERAL (1701)

1.1 Purpose (170101)

This chapter provides instructions applicable to budget formulation and congressional justification for contingency operations [funded from the base budget](#). The information provided for contingency operations, as reflected in this chapter, [is consistent with section 8074 of division A of Public Law 115-245, the Department of Defense Appropriations Act, 2019](#); which, [requests](#) the Department to include the same type of budget justification material for contingency operations as is provided for other DoD activities.

1.2 Submission Requirements (170102)

1.2.1. This chapter addresses the requirement to budget for new and ongoing contingency operations costs. This information will be used to justify resource requirements for directed contingency operations – specifically the justification of the incremental costs for supporting a designated operation. These incremental costs will become the basis for any funding requests forwarded to the Congress through the normal appropriations process or through emergency supplemental appropriation requests during the year of execution, if warranted. [Incremental costs are additional costs to the DoD Component appropriations that would not have been incurred had the contingency operation not been supported.](#) A more detailed discussion of contingency operations, as well as the methodology to be used to determine related incremental costs, is provided in [Volume 12, Chapter 23, Contingency Operations](#).

1.2.2. In order to ensure that the [requested funding](#) is defensible and realistic, and the submitted data and justification material complies with congressional requirements, each Component is required to submit the contingency operations budget exhibits included in section 3.0. These exhibits provide detailed cost estimates and must be completed for each contingency operation. [Each Component must submit an OP-5 Contingency Operations \(Base Budget\) Exhibit, a Contingency Operations Summary Exhibit for each contingency \(e.g., Bosnia, Kosovo, Operation Juniper Shield\), a Contingency Operations by Appropriations Exhibit that consolidates the Component's incremental costs for each contingency operation, and a CONOPS-1 Exhibit that displays incremental cost into cost categories.](#) Each Component will include in its submission the incremental costs for contingency operations for all Military Intelligence Program (MIP) except for the incremental costs for National Foreign Intelligence Programs (NFIP). The Community Management Staff (CMS) will [prepare](#) and submit the required exhibits to report the incremental costs for contingency operations for all NFIP-related activities.

1.2.3. The Components will use the Select Native & Programming (SNaP) website at <https://snap.cape.osd.mil> to submit data and create exhibits.

1.3 References (170103)

Volume 2A, Chapter 1 contains general guidance with regarding submission requirements. Volume 2B, Chapter 17 specifies backup material required for contingency operations. Volume 12, Chapter 23 promulgates financial policy and procedures for contingency operations. The Components should also consult all of the other volumes and chapters for exhibit requirements that are not specifically addressed in this chapter, including Volume 2B, Chapter 19, *Other Special Analyses*.

2.0 PROGRAM AND BUDGET REVIEW SUBMISSION AND CONGRESSIONAL JUSTIFICATION AND PRESENTATION (1702)

2.1 Purpose (170201)

This Section provides guidance for preparation and submission of budget estimates for contingency operations. The budget estimates will separately identify the incremental costs for operation and maintenance, military personnel, and other applicable (e. g., procurement) resources required to support specified contingency operations. For the President's Budget request submitted to the Congress, all approved contingency operations incremental cost requirements will be reflected in the Overseas Contingency Operations Transfer Fund (OCOTF) *justification book*, and the level of detail provided must address the congressional concerns for adequate visibility and justification of requirements.

2.2 Submission Requirements (170202)

2.2.1. For the Budget Estimate Submission (BES), the Components will submit exhibit details on-line using the Select & Native Programming (SNaP) data input system located at <https://snap.pae.osd.mil/Home.aspx>. The SNaP provided Program Data Requirements (PDR) for this exhibit will supersede the instructions identified in this chapter unless modified by the OUSD(C) budget guidance. The Components will update the force structure, budget (anticipated obligations, current and anticipated requests), and operational data.

2.2.2. For the President's Budget (PB), the Components will update the SNaP data input system on-line with any changes to the force structure, budget data (prior year obligations, current estimate, and request), and operational data. The base-funded contingency operations OP-5 exhibit is to be developed through the SNaP database. The Components will notify the OUSD(C) Operations Directorate via email (osd.pentagon.ousd-c.list.operations-directorate@mail.mil) upon completion of the OP-5 and SNaP OCOTF submissions.

2.2.3. In all instances, these exhibits will be prepared and submitted to OUSD(C) in accordance with the schedule defined in the annual budget guidance memorandum published by the OUSD(C) for the fall program and budget estimate submission (BES) and for the President's Budget submission. Each exhibit will be prepared separately for the BES and the congressional justification/presentation process.

3.0 CONTINGENCY OPERATIONS SUBMISSION FORMATS (1703)

3.1 Purpose (170301)

The formats provided on the following pages [are in accordance with](#) the guidance presented in sections 1.0 and 2.0. Unless modified by the OUSD(C) in a budget guidance memorandum, the formats must be followed.

3.2 Unique Exhibits in Support of Contingency Operations (170302)

[Contingency Operations Summary](#)

[Contingency Operations by Appropriations](#)

OP-5 Overseas Contingency Operations

[CONOPS-1](#)

Exhibit Contingency Operations Summary

COMPONENT NAME

CONTINGENCY OPERATIONS SUMMARY

FY Program and Budget Review Submission or FY President's Budget (as applicable)

OPERATION (Dollars in Thousands)	PY	CY	BY
Overseas Contingency Operations Transfer Fund (OCOTF)			
Bosnia Operations			
Kosovo Operations			
Joint Task Force – Bravo (Honduras)			
Operation Juniper Shield (OJS)			
Operation ENDURING FREEDOM – Horn of Africa (OEF-HOA)			
Operation NOBLE EAGLE (ONE)			
Operation SPARTAN SHIELD (OSS)			
TOTAL			

INSTRUCTIONS: Provide a summary page of applicable incremental costs for contingency operations that were funded with any portion of base funds plus any overseas contingency operation (OCO) funds used to supplement the operation. In the SNaP data input system, identify the planned obligations, enacted, or budgeted amounts by base or OCO.

Exhibit Contingency Operation by Appropriation Summary

COMPONENT NAME**CONTINGENCY OPERATIONS**

FY Program and Budget Review Submission or FY President's Budget (as applicable)

(Dollars in Thousands)	O&M	MilPers	Procurement	Other	Total
<u>PY</u>					
Operation 1					
Operation 2					
Operation 3					
TOTAL	0	0	0	0	0
<u>CY</u>					
Operation 1					
Operation 2					
Operation 3					
TOTAL	0	0	0	0	0
<u>BY</u>					
Operation 1					
Operation 2					
Operation 3					
TOTAL	0	0	0	0	0

INSTRUCTIONS: Provide a summary page of applicable incremental costs for contingency operations that were funded with any portion of base funds plus any overseas contingency operation (OCO) funds used to supplement the operation. In the SNaP data input system, identify the planned obligations, enacted, or budgeted amounts by base or OCO.

Exhibit OP-5 Overseas Contingency Operations

COMPONENT NAME

OVERSEAS CONTINGENCY OPERATIONS

FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)

Name of Contingency Operation:

This exhibit must be submitted [as an](#) electronic copy [via SNaP](#).

General Guidance: A separate exhibit should be prepared for (1) each contingency operation, (2) a summary exhibit for each region, and (3) a total exhibit for each Component. Each Component will include in its submission the incremental costs for contingency operations for all intelligence-related activities except for the incremental costs for National Foreign Intelligence Programs (NFIP). The Community Management Staff will be responsible for preparing and submitting the required exhibits to report the incremental costs for contingency operations for all NFIP-related activities.

I. Description of Operations Financed: Provide a narrative explanation characterizing the mission of this particular contingency operation and address the major cost drivers such as the number of base camps, the number of troop rotations, and the related troop strength supporting the contingency.

II. Force Structure Summary: Identify in tabular form by operation, the average [annual](#) troop strength for active duty, Guard and Reserve Components deployed for this contingency operation for prior year (PY), current year (CY), and budget year(s) (BY).

III. Financial Summary (\$ in Thousands): Report incremental costs only. **Note:** Include only non-NFIP intelligence costs. The CMS is responsible for reporting incremental NFIP costs.

A. Contingency Operation Total

<u>Cost Category</u>	<u>Fiscal Year (FY) CY Program</u>				<u>FY BY</u> <u>Estimate</u>	<u>FY BY1</u> <u>Estimate</u>
	<u>FY PY</u> <u>Actuals</u> ^{1/}	<u>Budget</u> <u>Request</u>	<u>Program</u> <u>Changes</u>	<u>Current</u> <u>Estimate</u> ^{2/}		
1. Personnel						
a. Military						
b. Civilians						
2. Personnel Support						
3. Operating Support						
4. Transportation						
Total						
Military Personnel						
Operation and Maintenance						
Other – Specify by appropriation (i.e., Procurement, RDT&E, etc.)						

Exhibit OP-5 Overseas Contingency Operation (Continued)

COMPONENT NAME

OVERSEAS CONTINGENCY OPERATIONS

FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)

Name of Contingency Operation:

^{1/} Should be consistent with amounts reported in the cost report. (For BES, include anticipated amounts through the end of the fiscal year.)

^{2/} Include all incremental costs, regardless of appropriation. For example, if military personnel costs are appropriated directly to the military personnel accounts rather than to the OCOTF include the amount expected to be required for contingency operations.

B. PY Reconciliation Summary:**FY PY to FY PY Changes**

	<u>Military Personnel</u>	<u>Operation & Maintenance</u>	<u>Other</u> (Specify as Appropriate)
1. Direct Appropriation to Component			
2. Amount Transferred from OCOTF			
3. Change			
4. Actual Cost			

Exhibit OP-5 Overseas Contingency Operation (Continued)

COMPONENT NAME**OVERSEAS CONTINGENCY OPERATIONS**

FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)
 Name of Contingency Operation:

C. Reconciliation of Increases and Decreases:

(\$ in Thousands)

1. FY CY President's Budget	<u>X,XXX</u>
2. Program Increases in FY CY	+x,xxx
a) Describe each increase	+xxx
b) Describe each increase	+xxx
(List and narrate each change by relating changes in troop strength, Active/Reserve Component (AC/RC) mix, density of weapon systems, operating tempo, use of contractor support, number of base camps, etc.)	
3. Program Decreases in FY CY	-x,xxx
a) Describe each decrease	-xxx
b) Describe each decrease	-xxx
(List and narrate each change by relating changes in troop strength, AC/RC mix, density of weapon systems, operating tempo, use of contractor support, number of base camps, etc.)	
4. Revised FY CY Estimate of Requirements	<u>X,XXX</u>
5. Price Growth (Use factors included in the budget guidance unless deviation is warranted.)	+x,xxx

Exhibit OP-5 Overseas Contingency Operation (Continued)

COMPONENT NAME**OVERSEAS CONTINGENCY OPERATIONS**

FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)
 Name of Contingency Operation:

6. Program Increases		+x,xxx
a) Describe each increase	+xxx	
b) Describe each increase	+xxx	
(List and narrate each change by relating changes in troop strength, AC/RC mix, density of weapon systems, operating tempo, use of contractor support, number of base camps, etc.)		
7. Program Decreases		-x,xxx
a) Describe each decrease	-xxx	
b) Describe each decrease	-xxx	
(List and narrate each change by relating changes in troop strength, AC/RC mix, density of weapon systems, operating tempo, use of contractor support, number of base camps, etc.)		

Note: Sections five through seven will repeat for any required subsequent budget years, as determined in the annual program and budget guidance.

Exhibit OP-5 Overseas Contingency Operation (Continued)

COMPONENT NAME**OVERSEAS CONTINGENCY OPERATIONS**

FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)

Name of Contingency Operation:

IV. Performance Criteria and Evaluation Summary:

<u>Troop Strength</u>	<u>Average Troop Strength</u>			
	<u>Total</u>	<u>Active Duty</u>	<u>National Guard</u>	<u>Reserve</u>
Planned FY PY				
Change Plan vs. Actual for FY PY				
Actual FY PY				
Planned FY CY				
Change Plan vs. Revised Estimate for FY CY				
Revised FY CY Estimate				
Change Revised FY CY Estimate to FY BY1				
FY BY1 Budget Request				
Change FY BY1 to FY BY2				
FY BY2 Budget Request				

Exhibit OP-5 Overseas Contingency Operation (Continued)

COMPONENT NAME

OVERSEAS CONTINGENCY OPERATIONS

FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)

Name of Contingency Operation:

	<u>Number Constructed</u>	<u>Number Maintained</u>	<u>Average Population</u>	<u>Other Data</u> (Include other pertinent information)
<u>Base Camps:</u>				
Planned FY PY				
Actual FY PY				
Planned FY CY				
Planned FY BY1				
Planned FY BY2				

MAJOR WEAPONS SYSTEMS DEPLOYEDAverage Number
Deployed/MonthTotal Days
in TheaterOperational
Usage *Tracked Vehicles:(list by type/model)

(Track Miles)

System 1 (e.g. M1)

Planned FY PY
Actual FY PY
Planned FY CY
Planned FY BY1

System 2 (e.g. M2)

Planned FY PY
Actual FY PY
Planned FY CY
Planned FY BY1

System 3 (e.g. M113)

Planned FY PY
Actual FY PY
Planned FY CY
Planned FY BY1

Helicopters: (list by type/model)

(Flying Hours))

System 1 (e.g. OH-58D)

Planned FY PY
Actual FY PY
Planned FY CY
Planned FY BY1

Exhibit OP-5 Overseas Contingency Operation (Continued)

COMPONENT NAME

OVERSEAS CONTINGENCY OPERATIONS

FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)

Name of Contingency Operation

<u>MAJOR WEAPONS SYSTEMS DEPLOYED</u>	<u>Average Number Deployed/Month</u>	<u>Total Days in Theater</u>	<u>Operational Usage *</u>
<u>Aircraft:</u> (list by type/model)			(Flying Hours)
<u>System 1</u> (e.g. F-117)	Planned FY PY Actual FY PY Planned FY CY Planned FY BY1 Planned FY BY2		
<u>System 2</u> (e.g. KC-135)	Planned FY PY Actual FY PY Planned FY CY Planned FY BY1 Planned FY BY2		
<u>System 3</u> (e.g. EA-6B)	Planned FY PY Actual FY PY Planned FY CY Planned FY BY1 Planned FY BY2		
<u>Naval Vessels:</u>			(Steaming Hours)
<u>System 1</u> (e.g. Combatants)	Planned FY PY Actual FY PY Planned FY CY Planned FY BY1 Planned FY CY2		
<u>System 2</u> (e.g. Auxiliaries/Support Ships)	Planned FY PY Actual FY PY Planned FY CY Planned FY BY1 Planned FY CY2		

* Select appropriate operational metrics currently in use. These are representative examples only.

Exhibit OP-5 Overseas Contingency Operation (Continued)

COMPONENT NAME

OVERSEAS CONTINGENCY OPERATION

FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)
 Name of Contingency Operation:

V. OP 32 Line Items as Applicable (Dollars in Thousands):

<u>Change from FY PY to FY CY</u>				<u>Change from FY CY to FY BY</u>				<u>Change from FY BY to FY BY1</u>							
Foreign				Foreign				Foreign							
FY PY	Currency	Price	Program	FY CY	Currency	Price	Program	FY BY	Currency	Price	Program	FY BY1			
<u>Actuals</u>	<u>Rate</u>	<u>Diff</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Rate</u>	<u>Diff</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Rate</u>	<u>Diff</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
		(%)	(\$)			(%)	(\$)			(%)	(\$)			(%)	(\$)

1. List each applicable OP-32 line item number and title. **To be submitted for both the OSD and President's budget submissions.**
2. Include the percentage of price growth.

Exhibit CONOPS-1

COMPONENT NAME**OVERSEAS CONTINGENCY OPERATIONS**

FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)

Name of Contingency Operation:

(Dollars in Thousands)

<u>COST CATEGORIES</u>	<u>FY PY</u> <u>Actual</u>	<u>Change</u>	<u>FY CY</u> <u>Estimate</u>	<u>Change</u>	<u>FY BY</u> <u>Estimate</u>	<u>Change</u>	<u>FY BY1</u> <u>Estimate</u>
<u>PERSONNEL</u>							
Military Personnel Pay & Allowances							
Reserve Components Called to Active Duty							
Imminent Danger or Hostile Fire Pay							
Family Separation Allowance							
<i>Hardship Duty Pay - Location</i>							
Subsistence							
<i>Reserve Components Predeployment Training</i>							
Other Military Personnel							
Active Component Over-Strength							
Subtotal							
Civilian Pay and Allowances							
Civilian Premium Pay							
Civilian Temporary Hires							
Other Civilian Personnel							
Other Personnel Support							
Subtotal							

The CONOPS-1 exhibit is to be submitted [through SNaP](#).

Do not include NFIP program requirements. The Community Management Staff is responsible for submitting the required exhibits for all NFIP activities.

Exhibit CONOPS-1 (Continued)

COMPONENT NAME**OVERSEAS CONTINGENCY OPERATIONS**

FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable)

Name of Contingency Operation:

(Dollars in Thousands)

<u>COST CATEGORIES</u>	FY PY		FY CY		FY BY		FY BY¹
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>

PERSONNEL SUPPORT (Continued)

Temporary Duty/Temporary Additional Duty
 Clothing & Other Personnel Equip & Supplies
 Medical Support/Health Services
 Reserve Component Activation/Deactivation
 Other Personnel Support
Subtotal

OPERATING SUPPORT

Training
 Operations OPTEMPO (Fuel, Other POL, Parts)
 Other Supplies & Equipment

Exhibit CONOPS-1 (Continued)

COMPONENT NAME <u>OVERSEAS CONTINGENCY OPERATIONS</u> FY ____ Program and Budget Review Submission or FY ____ President's Budget (as applicable) Name of Contingency Operation: (Dollars in Thousands)							
<u>COST CATEGORIES</u>	<u>FY PY</u> <u>Actual</u>	<u>Change</u>	<u>FY CY</u> <u>Estimate</u>	<u>Change</u>	<u>FY BY</u> <u>Estimate</u>	<u>Change</u>	<u>FY BY1</u> <u>Estimate</u>
<u>OPERATING SUPPORT (Continued)</u>							
Facilities/Base Support							
Reconstitution							
C4I							
Other Services/Miscellaneous Contracts							
Subtotal							
<u>TRANSPORTATION</u>							
Airlift							
Ready Reserve Force/Fast Sealift Ship							
Port Handling/Inland Transportation							
Other Transportation							
Subtotal							
<u>GRAND TOTAL</u>							
Military Personnel							
Operation and Maintenance							
Other (specify by appropriation type (i.e., Procurement, RDT&E, etc.)							

NOTE: This information must be provided for each operation and in total.

VOLUME 2B, CHAPTER 18: “INFORMATION TECHNOLOGY (INCLUDING CYBERSPACE ACTIVITIES)”

SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue and underlined font](#).

The previous version dated [September 2015](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Throughout the Volume 2B, Chapter 18	Extensive revisions due to evolving and new policies, guidance and statutes, including changing “Cyberspace Operations” to “Cyberspace Activities” and new Segments and definitions.	Addition/ Revision
1.2 (180102)	Re-organized based on guidance for a mandatory “Authoritative Guidance” section	Revision
2.0 (1802)	Re-organized Chapter based on guidance for Definitions to become the 2 nd section vice a sub-section within GENERAL	Revision
1.4.8. (180104.H)	Added paragraph about new Security Operations Centers (SOC) reporting requirements	Addition
1.4.9. (180104.I)	Added paragraph about new Centrally Managed Enterprise Software License reporting requirements	Addition
1.4.10. (180104.J)	Added paragraph about new Cloud Environment Investments reporting requirements	Addition
1.4.11. (180104.K)	Revised paragraph based on new Cyberspace Activities definitions and reporting requirements	Addition
1.4.13. (180104.M)	Added paragraph about new Artificial Intelligence (AI) reporting requirements	Addition
1.5 (180105)	Updated the “Segment Architecture and Information Technology/Defense Information Infrastructure (DODIN) Reporting Structure” table	Addition

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CHAPTER 18

INFORMATION TECHNOLOGY (INCLUDING CYBERSPACE [ACTIVITIES](#))

1.0 GENERAL (1801)

1.1 Purpose (180101)

1.1.1. This chapter provides instructions applicable to supporting budgetary material and congressional justification for Information Technology and Cyberspace Activities (IT/CA) investments, as well as discussing requirements for contributions to approved Electronic Government (E-Gov) investments. The Department of Defense (DoD) Chief Information Officer (CIO) Deputy Chief Information Officer for Resources and Analysis (DCIO(R&A)) is responsible for collecting, assembling, and reporting of the Departments IT/CA budget for the purposes of submitting complete and accurate IT/CA justification materials to the Office of Management and Budget (OMB) and the Congress. DoD CIO DCIO(R&A) will issue annual supplemental guidance to these instructions that address detailed and amplifying submission requirements, adjustments since publication of these instructions, and submission due dates.

1.1.2. These instructions apply to the Office of the Secretary of Defense (OSD), the Military Departments (including their National Guard and Reserve Components), the Joint Staff, Unified Commands, the Inspector General DoD, the Defense Agencies, the DoD Field Activities, the Joint Service Schools, the Defense Health Program, and the Court of Military Appeals, hereafter referred to as the DoD Components.

1.1.3. [The budgetary materials developed in accordance with instructions in this and other applicable chapters in Volumes 11A and 11B represent the authoritative DoD IT/CA budget request.](#)

***1.2 Authoritative Guidance (180102)**

1.2.1. DoD Financial Management Regulation (FMR), Volume 2A, Chapter 1 provides general funding and appropriation policies, including expense and investment criteria (Section [010201](#)) and Budgeting for Information Technology and Automated Information Systems guidance (Section [010212](#)), as well as general preparation instructions and distribution requirements. The following table highlights DoD FMR references to the applicable appropriation.

Reference	Appropriation
Volume 2A, Chapter 3	Operation and Maintenance
Volume 2B, Chapter 4	Procurement
Volume 2B, Chapter 5	RDT&E
Volume 2B Chapter 6	Military Construction
Volume 2B Chapter 9	DWCF

Volume 2B, Chapter 16 discusses requirements for NIP and MIP justification materials. Additional CA justification guidance is provided in [180104.K](#) and via an annual guidance letter.

1.2.2. DoD Directive (DoDD) 5000.01, “The Defense Acquisition System,” DoD Instruction 5000.02, “Operation of the Defense Acquisition System,” and the Defense Acquisition Guidebook discuss acquisition and program management (PM) requirements for preparation of acquisition program Capital Asset Plan and Business Cases.

1.2.3. OMB Circular No. A-11, “Preparation, Submission and Execution of the Budget,” Section 51.19, “Budgeting for the acquisition of capital assets,” and Section 25.5, “What do I include in the budget request to OMB?” provide the general Federal reporting requirements for IT resources.

1.2.4. The Paperwork Reduction Act of 1995 and the Public Law 104-106 (Clinger-Cohen Act of 1996, as amended) contain supporting definitions regarding IT.

1.2.5. OMB Circular A-130, “Managing Information as a Strategic Resource” provides guidance on governance requirements including the Documented Capital Planning and Investment Control (CPIC) process, Agency Enterprise Architecture and the Information Resource Management (IRM) Plan.

1.2.6. DoDD 8115.01, “Information Technology Portfolio Management” and DoD Instruction 8115.02, “Information Technology Portfolio Management Implementation,” provide guidance and define responsibilities for DoD Mission Areas.

1.2.7. DoDD 7045.20, “Capability Portfolio Management,” establishes policy and assigns responsibilities for the use of capability portfolio management.

1.2.8. DoDD 5205.12, “Military Intelligence Program (MIP),” Establishes policy and assigns responsibilities for the MIP in accordance with the authority in DoDD 5143.01 (Reference (a)) to provide visibility into Defense Intelligence resource data and capabilities and to create a means for effectively assessing Defense Intelligence capabilities.

1.2.9. Joint Publication 3-13, “Information Operations,” dated November 20, 2014. This publication provides joint doctrine for the planning, preparation, execution, and assessment of information operations across the range of military operations.

1.2.10. Joint Publications 3-12, “Cyberspace Operations,” dated June 8, 2018. This publication provides joint doctrine to plan, execute, and assess cyberspace operations.

1.2.11. NIST Special Publication 800-82, “Guide to Industrial Control Systems (ICS) Security,” May 2015. This document provides guidance on how to secure ICS, including SCADA systems, Distributed Control Systems (DCS), and other control system configurations such as Programmable Logic Controllers (PLC), while addressing their unique performance, reliability, and safety requirements.

1.2.12. DoDD 8000.01, “Management of the Department of Defense Information Enterprise (DoD IE),” dated July 27, 2017. The directive establishes policy and assigns responsibilities for DoD IRM activities of the DoD CIO.

1.2.13. DoDI 8500.01, “Cybersecurity,” dated March 14, 2014. Provides instruction to establish a DoD cybersecurity program to protect and defend DoD information and IT.

1.2.14. DoDI 5000.75, “Business Systems Requirements And Acquisition,” January 24, 2020. Implements the statutory requirements of Title 10 USC Section 2222(c) and establishes policy for the use of business capability acquisition (BCAC) cycle for business systems requirements and acquisition.

1.3 Submission Requirements (180103)

1.3.1. General guidance for submission requirements is presented in Volume 2A, Chapter 1 of the DoD FMR and in the OSD Program/Budget guidance memos. This chapter covers specific submission and distribution instructions for the IT/CA Budget submission. All applicable automated database updates/formats will be submitted for both the OSD Program/Budget Estimates Submission and the Congressional Justification submission referred to in the DoD as the President’s Budget (PB) request. DoD CIO will distribute information, as appropriate, to Congressional committees, Government Accountability Office (GAO) and Inspector General activities in accordance with OMB Circular A-11, Section 22 – “Communications With The Congress And The Public And Clearance Requirements” – only after the OMB database is updated and OMB has approved the information for release.

1.3.2. All DoD Components that program, budget, or execute (obligate) resources to/which support IT/CA in any fiscal year of the Future Years Defense Program (FYDP), Prior Year (PY) and Current Year (CY) will report IT/CA data in preparation for the DoD Component’s inputs to the OMB Circular A-11 (Section 25.5 and Section 51.19), E-Gov reviews, governance documents as required by the OMB Circular A-130, “Managing Information as a Strategic Resource,” budget analyses, special data calls, and Congressional displays. The product previously called the “Exhibit 300A” is now called the “Major IT Business Case” and the “Exhibit 300B” is now called the “Major IT Business Case Detail”. All DoD appropriation accounts and funds including Defense Working Capital Fund (DWCF), Other Funding, and IT/CA portions of the Military Intelligence Program (MIP) are encompassed unless outlined in paragraph D. All MIP IT resource submissions shall be coordinated with the Office of the Under Secretary of Defense for Intelligence (OUSD(I))/Directors for Defense Intelligence (Intelligence Strategy, Programs & Resources) (DDI ISP&R/MIP Office)).

1.3.3. This chapter covers IT/CA submissions, including Defense Business Systems (DBS), National Security Systems (NSS), Command & Control (C2), Communications and related programs, Combat Identification, Joint Information Environment (JIE), National Leadership Command Capabilities, Cyberspace Operations, Cybersecurity, Artificial Intelligence (including Information Systems Security and machine learning), Cyber Mission Forces, Offensive Cyber Operations, Defensive Cyber Operations, Cyber Intelligence Surveillance and Reconnaissance, Operational Preparation of the Cyberspace Environment, Cyber Threat Detection and Analysis (including Insider Threat), meteorological systems, control systems, IT/CA associated Research, Development, Testing and Evaluations (RDT&E) and navigation systems/programs as well as budgeting for contributions to intergovernmental E-Gov investments. The IT/CA budget encompasses all DoD appropriation accounts and funds with the exception of nonappropriated funds as defined in DoD FMR Volume 13, Chapter 1.

1.3.4. This chapter's IT budget preparation and requirements do not apply to:

1.3.4.1. U.S. Army Corps of Engineers Civil Works (USACE-CW) appropriations.

1.3.4.2. IT acquired by a Federal Contractor "incidental" to performance of a Federal Contract.

1.3.4.3. Programs, projects, and activities embedded in non-C2 and non-Communications programs or weapon systems or embedded in Service force structure and, therefore, not readily identifiable in the budget. DoD CIO will have final determination on what systems, programs, projects, and activities will be reported.

1.3.4.4. Highly sensitive and special access programs whose resources are specifically exempted from budget reporting by the DoD CIO and other OSD authorities. In general, these resources are reviewed through separate budget processes.

1.3.4.5. National Intelligence Program (NIP) resources. The Office of the Director of National Intelligence staff submits NIP via separate mechanisms.

1.3.4.6. A Family of Systems (FoS) or System of Systems (SoS) recorded as such within the Department of Defense Information Technology Portfolio Registry (DITPR), systems within a FoS or SoS are subject to this chapter's requirements.

1.3.4.7. Resources related to systems with an inactive DITPR record (see DITPR Guidance¹, Section 9.4.g, for details).

1.3.5. All DoD Components and Enterprise Portfolio Mission Areas must prepare separate executive overviews for the Congressional Justification Submission. DoD CIO will provide guidance with specific areas of interest that must be addressed within the executive overview.

1.3.6. DoD CIO will designate investments required to submit a Major (see subparagraph 2.0.58) IT Business Case and Major IT Business Case Details to meet OMB Circular A-11, Sections 25.5 and 51.19 requirements. The Major IT Business Case Detail is designed to coordinate OMB's collection of Agency information for its reports to Congress, as required by the Federal Acquisition Streamlining Act of 1994 (FASA, Title V) and Clinger-Cohen Act of 1996. Currently, IT Business Cases are required for Part 1 (Mission Delivery – Segment 700) and Part 2 (Mission Support Systems – Segment 500) major IT Investments. OMB does not require IT Business Cases for Part 3 (IT Infrastructure, IT Security, and IT Management – Segments 600, 610, and 800). The Business Case and Business Case Detail submissions are not limited to acquisition or development and modernization programs.

1.3.7. Statement of Compliance (SoC) Requirement. The IT/CA submissions are transmitted electronically. For that reason, each Component is required to submit a coordinated

¹ DITPR Guidance v1.0 (May 2018), Available on RPB IT Budget Portal at <https://dodcio.sp.pentagon.mil/sites/Collaboration/ITBudget/IT%20Budget%20Docs/DITPR%20Guidance%20-%2005302018.pdf>

annual transmittal memo known as the “Statement of Compliance” memorandum with their IT/CA submissions, on the Submit/Certify due in accordance with the FY Budget Schedule. The SoC memorandum must be addressed to the DoD CIO and the DoD Chief Management Officer (CMO). Military Departments (MILDEP) must also include their MILDEP CMO as addressee on the SoC memorandum. The Component CIO and CFO, or individual(s) assigned with equivalent responsibilities, must jointly sign the SoC, which states their submissions are complete; accurately aligned with the submitting Component’s primary budget, program and acquisition materials; and are consistent with:

- Subtitle III, title 40 (formerly called the Clinger-Cohen Act), as amended, and with 10 U.S.C. §2222 (Defense business systems only);
- OMB Circular A-11 and documented exceptions to the Circular;
- 40 U.S.C. §11319(b)(1)(B)(ii), which provides that the CIO of each covered agency certifies that information technology investments are adequately implementing incremental development, as defined in capital planning guidance issued by OMB;
- Federal Information Technology Acquisition Reform Act (FITARA) Title VIII, Subtitle D of the National Defense Authorization Act (NDAA) for Fiscal Year 2015;
- OMB A-130;
- The Privacy Act;
- DoD CIO IT/CA budget guidance memoranda;
- The Paperwork Reduction Act;
- Section 508 of the Rehabilitation Act of 1973, Pub. Law 93-112, as amended (29 U.S.C. § 794d); and
- Other applicable Acts and requirements.

The statement may be based on the Program Manager’s SoC. The statement should also include explanations for investments that do not conform to DoD CIO budget guidance memorandum. DoD Components for which all IT resources are exempt from reporting based on Section 1.3.4 must still submit a SoC addressing the specific reasons for exemption.

1.3.8. If OMB requires additional governance information to accompany the IT/CA Budget, DoD CIO will determine how these requirements will be met, and provide direction to the Components. DoD CIO will also provide the Components documented guidance as well as training on any applicable changes to the Department of Defense Information Technology Information Portal (DITIP) and/or Select and Native Programming – Information Technology (SNaP-IT) systems which will be used to gather information requested by OMB (see 3.2).

1.3.9. Appointment of qualified project managers for investments listed in the IT/CA Budget is a matter of high-level interest to the OMB. Components are charged to provide complete Program Manager identification to comply with Project Manager reporting requirements for Major IT Business Case/Major IT Business Case Detail only.

1.3.10. 10 U.S.C §2432 requires that the Secretary of Defense submit, to the Congress, annual reports on all Major Defense Acquisition Programs (MDAP). This annual report, known as the Select Acquisition Report (SAR) will take the place of the OMB required Major Business Case and Major Business Case Detail exhibits for all MDAP IT programs.

1.3.10.1. All MDAP IT Programs, and Pre-MDAP IT Programs will be reported in DITIP/SNaP-IT (see paragraph 3.2) as single investments aligned to the Official MDAP Lists maintained in the Defense Acquisition Management Information Retrieval (DAMIR) Portal. Some programs may be broken out into increments with different Program Number (PNO) that may be associated with one Investment tied to the main or parent program. In such cases of one Investment to many PNO relationship, the valid one-to-one relationship for budget reporting purposes will continue to be in reference to the parent program.

1.3.10.2. For MDAP IT programs, Components must use the DAMIR program description within DITIP/SNaP-IT. The program description should be precisely worded to consider the Congressional staff audience. In addition, Components shall notify the Under Secretary of Defense for Acquisition and Sustainment (USD(A&S)) as soon as the Component anticipates that the program is within 10 percent of an Acquisition Categories (ACAT) I or IA program dollar threshold, as required by DoD Instruction (DoDI) 5000.02.

1.3.11. Components with investments deemed “Major” (see subparagraph 2.0.58) are required to provide updates to the Major IT Business Case and Major IT Business Case Detail, via SNaP-IT, that will be made available to the OMB Federal Information Technology Dashboard (ITDB). Updates include changes to Major IT Business Case Detail baselines, planned start/end dates, actual start/end dates, and planned/actual costs. Additional guidance for this process is promulgated in the DoD CIO’s annual guidance (see subparagraph 1.4.1).

1.3.12. Components must account for resources to acquire, operate and maintain each data center identified in the Data Center Inventory Management (DCIM) System database. Each Core Data Centers (CDC), Component Enterprise Data Centers (CEDC), and Installation Processing Nodes (IPN) must be reported in a single investment within DITIP/SNaP-IT (see paragraph 3.2). Components may report multiple data centers under one investment for other types of data centers, typically Special Purpose Processing Nodes (SPPN), and are not required to segregate costs. DWCF investments delivering IT Services are not required to have separate investment for each Data Centers.

1.3.13. Components must identify which investments are resourced through a DWCF, as well as whether such investment is either an IT product or an IT service (vice an investment in a non-IT product or service). The SNaP-IT DWCF IT budget module for IT Working Capital Fund (WCF) requirements located on the Nonsecure Internet Protocol (IP) Router Network (NIPRNet or “NIPR”) will forecast all planned revenue and revenue sources for the Investment to include any classified investment amounts residing in the Secret Internet Protocol Router Network (SIPRNet or “SIPR”). Refer to the annual OSD guidance for greater details.

1.3.14. Components are required to provide resourcing, within the timeframe being reported, that represents the total Life Cycle Cost Estimate (LCCE) of the investment.

1.3.15. Components must identify and break out resources applied to an investment as a result of directives associated with the annual Program Budget Review (PBR) process (e.g., DEPSECDEF Memorandum, Program Budget Decision (PBD), Program Decision Memorandum (PDM)). Refer to the annual OSD IT/CA budget guidance for greater details.

1.4 Preparation of Material (180104)

1.4.1. This section covers material reporting requirements for IT resources submission to the DoD CIO. The DoD CIO will provide augmenting guidance annually, by early August of the reporting year. The guidance will include changes to meet new or updated OMB A-11, OMB E-Gov, Congressional, and OSD submission requirements; special areas of emphasis; and a listing of the investments that require a Major IT Business Case/Major IT Business Case Detail.

1.4.2. All IT resources must be managed in accordance with appropriation guidance and applicable expense and investment criteria.

1.4.3. All IT resources will be reported within investments (see subparagraph 3.2.2). With the exception of DBS (see subparagraph 1.4.7.2), Major Automated Information Systems (MAIS) (see subparagraph 1.4.4), Approved Shared Services (see subparagraph 1.4.13), Data Centers (i.e., CDC, CEDC, IPN) (see subparagraph 1.3.13), centrally managed enterprise software license purchases (see paragraphs 1.4.9 and 2.10), Cloud projects (subparagraph 1.4.10), Artificial Intelligence projects (subparagraph 1.4.13), and Security Operations Centers (SOC) (see subparagraphs 1.4.8 and 2.0.75), investments can be systems, programs, projects, organizations, activities or grouping of systems with related functionality. Each Component will manage its classified and unclassified investments through the respective DITIP. Investments are registered with key categories of data required to meet internal and external reporting requirements. To register a new investment or amend/update existing investment data, DoD Components access DITIP's on-line investment registration capability. A Unique Investment Identifier (UII) is associated with each investment. The current and archived lists of investments are maintained on the DITIP web site. Additional guidance for the registration process is promulgated in the DoD CIO's annual guidance (see subparagraph 1.4.1).

DITIP provides a centralized location for IT investment portfolio data, is the authoritative data source for DoD IT Header information, and aligns IT systems information in DITPR with budget information in the SNaP-IT. DITIP provides for the entry and maintenance of common DITPR and SNaP-IT data elements, provides a mechanism to identify Data Center budget resource estimates and supports the DoD Chief Management Officer (CMO) DBS certification in accordance with the requirements of Title 10 U.S.C. §2222. DITIP is the system of record for the NDAA DBS data elements (i.e., Business Enterprise Architecture (BEA) Code, BEA Version, Business Process Re-engineering (BPR) Code, Requirements and Plan, Acquisition Strategy, and Auditability Requirement).

Components are responsible for verifying investment data entered in DITIP is consistent with that data entered into DITPR. At a minimum, each DITPR line item must be aligned against an active SNaP-IT UII or valid exception UII. Additional guidance for exception UII's is promulgated in the DoD CIO's annual guidance (see subparagraph 1.4.1).

1.4.4. All investments requiring a Major IT Business Case/Major IT Business Case Detail will be identified within the annual IT/CA Budget guidance (see subparagraph 1.4.1). Regardless of actual investment amount, all funding for MAIS and pre-MAIS programs (as designated in the authoritative MAIS list maintained by the Under Secretary of Defense for Acquisition and Sustainment (USD(A&S))) will be reported in the IT exhibit as major. Components that serve as

the executive or principal funding agent (a.k.a., “Owner”) for investments must report all sections of the Major IT Business Case and Major IT Business Case Detail.

1.4.5. Investments with multiple participating DoD Components are joint investments. All information submitted for a joint investment is the responsibility of the investment owner registered in DITIP/SNaP-IT. The owner shall coordinate/validate investment data with each participating DoD Component of that joint investment.

1.4.6. Group of Systems. With the exception of DBS (see subparagraphs 1.4.7 and 2.0.27), MAIS, Approved Shared Services (see subparagraph 1.4.13), data centers (see subparagraph 1.3.12), centrally managed enterprise software license purchases (see paragraphs 1.4.9 and 2.10), Cloud projects (subparagraph 1.4.10), Artificial Intelligence projects (subparagraph 1.4.13), and Security Operations Centers (SOC) (see subparagraphs 1.4.8 and 2.0.75), investments can be groupings of systems with *related functionality* if all the systems are within the same Mission Area/Segment, managed under the same construct, and financed under the same resource construct (program/project/organization). All systems grouped into an IT Budget Investment must report that investment’s UII in the appropriate DITPR system record.

1.4.7. Defense Business Systems (DBS).

1.4.7.1. In order to satisfy requirements of 10 U.S.C. §2222, for certification and approval of investments involving “defense business systems” as “covered defense business system programs,” as well as for budget information in the materials that the Secretary of Defense submits to the Congress under 10 U.S.C. §2222(i)(1)(A), investments in defense business systems must be reported individually within the IT/CA Budget (see paragraph 3.2).

1.4.7.2. The definition of a DBS is provided in section 2.0.27. All DBS must: (a) be included within the IT/CA Budget at the system level, not as system of systems, group of systems, or bundle of systems (i.e., Defense Business System = Investment); and (b) maintain a one-to-one relationship between DITIP/SNaP-IT and DITPR unless a specific exception is approved by the DoD CIO DCIO(R&A) office. The DoD CMO or military department CMO certifies DBSs prior to obligation of funds in the applicable fiscal year, in accordance with their policies. In cases where the CMO certifies PY or CY resources for a DBS, Components must report the amount certified plus any amount not certified that remain programmed or budgeted for the investment (i.e., Obligations + Commitments + Uncommitted balance) in the appropriate resource line(s) in the budget.

* 1.4.8 Security Operation Centers (SOC). Components must establish each SOC (see paragraph 2.0.75) as an individual investment and report resources accordingly (see paragraph 3.2). All SOC investments and resources will be reported within ‘Cyberspace Activities’ Segment 610-000 and ‘Cybersecurity Network Operation’ category of the DoD CA Taxonomy. SOC’s may take other names such as Cybersecurity Operation Center (CSOC), Joint Operation Center, Network and Security Operation Center, Cyberspace Operations and Integration Center (ACOIC).

* 1.4.9. Centrally Managed Enterprise Software License. Components must develop individual investments for each Centrally Managed Enterprise Software License and report

resources in the DoD IT/CA Budget accordingly (see paragraph 3.2). An enterprise license is an organization-wide (i.e., DoD-wide, Component-wide, Subcomponent-wide) software license that provides common usage rights within a defined community of users in the organization and may be customized to the organization's requirement (see paragraph 2.10). Typically, the defined community of users interface with the Software Publisher/Licensor under a single point of contact (i.e., centrally managed) including for acquisition, payments, inventory reporting, and other contractual actions. Examples of such Enterprise License include: Enterprise License Agreement (ELA), Joint ELA (JELA), Core Enterprise Technology Agreement (CETA), and purchasing agreements such as DoD Enterprise Software Initiative Enterprise Software Agreement (ESI ESA) (e.g. General Services Administration (GSA) IT Schedule 70 Blanket Purchase Agreement (BPA) and National Aeronautics and Atmospheric Administration Solutions for Enterprise Wide Procurement (NASA SEWP) agency catalog), Federal Category Management Leadership Council Best in Class (CMLC BIC) purchasing agreement (e.g. GSA IT Schedule 70 Software SINs and NASA SEWP), and DoD Component-level software purchasing vehicles.

* 1.4.10. Cloud Environment Investments. Components must develop individual investments for each General Purpose (GP), Fit-for-Purpose (F2P), and Internal cloud Projects and report resources in the DoD IT/CA Budget accordingly (see paragraphs 2.0.41, 2.0.45, 2.0.52). Register Cloud investments in DITIP (see paragraph 3.2.1).

* 1.4.11 Cyberspace Activities (CA).

1.4.11.1. DoD categorizes CA as a major reportable category of the DoD IT/CA budget. (see subparagraphs 2.0.22 and 2.2.23) There are three components within the CA budget: (1) Cybersecurity (also known as Information Assurance); (2) Cyberspace Operations (CO) - a. Offensive Cyberspace Operations (OCO), b. Defensive Cyberspace Operation (DCO), c. DODIN Operations; and (3) Research and Development of new applications to support the advancement of cybersecurity and cyberspace operations. Definitions are provided each budget year (BY) in OSD CA Implementation Guide.

1.4.11.2. Components with CA investments will report their resources through the SNaP-IT System (see paragraph 3.2). All CA resources will be reported within CA investments as prescribed by DoD CIO. Justification narratives to support the preparation of the DoD CA Congressional Justification Book (CJB) will be input directly into SNaP-IT (see subparagraph 4.3.2).

1.4.11.3. Components must align CA resources into specific CA budget lines identified in the DoD CIO DCIO(R&A) CA Appropriation Baseline (CAAB) database to comply with congressional direction for spending funding required for CA.² Within the IT/CA Budget submission, all: (a) Research, Development, Test, and Evaluation (RDT&E) CA resources must be programmed, budgeted, justified, and executed from unique RDT&E Projects; (b) Procurement CA resources must be programmed, budgeted, justified, and executed from unique Procurement Line-Items; and O&M CA resources must be programmed, budgeted, justified and executed from unique Operations and Maintenance (O&M) Activity/Sub-Activity Groups (AG/SAG). In order

² Fiscal Year 2019 House Appropriation Committee – Defense (HAC-D) report language.

to be included in the Department's CA budget, all projects, line-items, and AG/SAGs reporting CA resources must be approved by the DoD CIO and included within the CAAB. Additional CA guidance will be provided by the DoD CIO DCIO (R&A), as needed.

1.4.11.4. DoD CIO DCIO(R&A), in coordination with DCIO Cybersecurity and the offices of OSD Cost Assessment and Program Evaluation (CAPE), USD(C), OUSD(I), USD(A&S), USD(R&E), Principal Cyber Advisor (PCA), USCC, and Components as identified in subparagraph 1.1.2 will prepare a single DoD CA CJB containing materials supporting DoD's overall CA efforts. This information is collected simultaneously with the IT Budget utilizing SNaP-IT. Components must complete the SNaP-IT CA CJB submission for all investments identified in the 'Cyberspace Activities' Segment 610-000.

1.4.11.5. The Cyber Mission Forces were established in March 2013 and activated in January 2014. The Cyber Mission Forces have three main aspects: (a) Cyber National Mission Teams to help defend the nation against a strategic cyber-attack on U.S. interests including our critical infrastructure and key resources (CIKR); (b) Cyber Combat Mission Teams aligned with regional and functional Combatant Commanders to support their objectives; and (c) Cyber Protection Teams to help defend DoD information environment and the military cyber terrain. These cyber mission teams are the U.S. military's first joint forces dedicated to CA. They primarily support the Combatant Commands. In order to efficiently account for planned, programmed, and budgeted financial requirements, organizations are required to use the unique taxonomies and Program Elements (PEs) that SNaP-IT established for manning, training, and equipping of the Cyber Mission Forces. The PEs established for CMFs allow the Department to represent CMFs as a virtual Major Force Program (MFP) for reporting to Congress. OSD classified guidance and training will provide further details on managing UIIs with appropriate PEs and the OMB taxonomies.

1.4.12. Approved Shared Services. The DoD CIO Executive Board may occasionally authorize a DoD Approved Shared Service. In those cases, an Authorized Shared Service must be reported in a single SNaP-IT investment (see paragraph 3.2). The DoD CIO DCIO(R&A) will maintain a listing of Approved Shared Services and provide that listing within the DoD CIO's annual IT/CA Budget guidance (see subparagraph 1.1.1).

* 1.4.13. Artificial Intelligence (AI). Components must develop individual investments for each AI Project, register, tag as 'Artificial Intelligence', and report resources in the DoD IT/CA Budget accordingly (see paragraph 3.2). All AI investments that are stand-alone AI programs or projects and are not the sub-component of a specific end-item's software will be reported within the 'Artificial Intelligence' Segment 400-000 (see paragraph 2.2). All AI investments that are a sub-component of a specific end-item's software that enhances the capabilities of the end-item through AI technologies (e.g., an AI application that is a part of an operational or business system) will be reported in the Segment appropriate for that end-item.

1.4.14. Industrial Control Systems (ICS)/Platform Information Technology (PIT)/Supervisory Control and Data Acquisition (SCADA). As stated in National Institute of Standards and Technology (NIST) Special Publication 800-82, "ICS are typically used in industries such as electric, water and wastewater, oil and natural gas, transportation, chemical,

pharmaceutical, pulp and paper, food and beverage, and discrete manufacturing (e.g., automotive, aerospace, and durable goods). SCADA systems are generally used to control dispersed assets using centralized data acquisition and supervisory control. These control systems are vital to the operation of the U.S. critical infrastructures that are often highly interconnected and mutually dependent systems.” These systems, while not generally considered a typical Information System, are just as vulnerable to interception, modification, interruption and fabrication that threaten typical IT Systems. Likewise, the defensive measures taken to protect ICS/PIT/SCADA systems are similar to the cybersecurity measures currently taken to protect IT systems: Firewalls, Intrusion Detection Systems, strong passwords, and encryption to name a few. Therefore, the documented planning, programming and budgeting of the costs of researching, procuring, operating and maintaining these defensive mechanisms (Converged Systems) used to protect ICS/PIT/SCADA from these vulnerability exploitations must be captured in the IT/CA budget using SNaP-IT (see paragraphs 2.14, 2.15, and 2.0.70). PIT Control Systems (CS) purchased as part of a weapons systems or some other turn-key non-IT solution (i.e., as part of an HVAC system) would not be reported in the IT/CA Budget.

In summary, if the turn-key solution is IT then the ICS/PIT/SCADA systems would be reported within the turn-key investments IT/CA budget. If the CS/PIT is being purchased on its own or upgraded to address cyber security shortfalls, it would be reported in the IT/CA budget. Lastly there is no need to register each PIT/CS as a separate IT investment -- it can be a part of a larger investment (see paragraph 3.2). However, each resource owner, at a minimum, is responsible for creating at least one single CS/PIT investment for Converged Systems. Components are required to use the unique taxonomies established for CS/PIT within the ‘Cyberspace Activities’ Segment 610-000. OSD classified guidance and training will provide further details on managing CS/PIT UIIs with appropriate taxonomies.

1.5 Reporting Structure (180105)

IT/CA investments shall be managed by enterprise portfolios divided into Mission Area portfolios which are defined as Warfighting, Business, DoD portion of Intelligence, and Enterprise Information Environment³. In addition, all IT/CA resources will be associated with a single DoD Segment and DoD Sub-Segment (where applicable) (see section 1.5 for definitions), the Federal Enterprise Architecture (FEA) Business Reference Model (BRM), and DoD Segment taxonomy. IT/CA investments are also reported by appropriation details (Appropriation, Budget Activity (BA), Program Element (PE), Budget Line Item (BLI), Investment Stage and Funding Source (Base/Overseas Contingency Operations (OCO)), and by “major” and “other” categories. CA investments must further be assigned the DoD & Federal Cyberspace Activities Taxonomy. SNaP-IT records these business rules. Investments that cross more than one functional area, including Cyberspace Activities, may need to be broken down by area and registered in the Master UII List maintained in DITIP/SNaP-IT by the DoD CIO. The reporting area will normally be based upon the preponderance of the mission/capability concept. The DoD CIO DCIO(R&A) will annually issue supplemental guidance for other data requirements directed by the DoD CIO, Congress, or OMB.

³ Information Technology Portfolio Management (DoDD 8115.01) and Information Technology Portfolio Management Implementation (DoDI 8115.02)

*Segment Architecture and Information Technology/Defense Information Infrastructure (DODIN) Reporting Structure

Segment Code	Segment Title	Sub Segment Code	Sub Segment Title	Mission Area
400-000	Artificial Intelligence (AI)	400	Artificial Intelligence (AI)	WMA
500-000	Financial Management	500	Financial Management	BMA
510-000	Acquisition	510	Acquisition	BMA
520-000	Human Resources Management	520	Human Resources Management	BMA
530-000	Logistics and Supply Chain Management	530	Logistics and Supply Chain Management	BMA
540-000	Real Property Management (EI&E)	540	Real Property Management (EI&E)	BMA
550-000	Planning and Budgeting	550	Planning and Budgeting	BMA
560-000	Training and Readiness	560	Training and Readiness	BMA
570-000	Security Cooperation	570	Security Cooperation	BMA
580-000	Defense Security Enterprise	580	Defense Security Enterprise	BMA
599-000	Other Business Services	599	Other	BMA
600-000	DoD IT Infrastructure	010	Core Network Infrastructure	EIEMA
600-000	DoD IT Infrastructure	020	Non-Core Network Infrastructure	EIEMA
600-000	DoD IT Infrastructure	030	DoD Enterprise Services	EIEMA
610-000	Cyberspace Activities	TBD	TBD	EIEMA
620-000	Centrally Managed Enterprise Software License	620	Centrally Managed Enterprise Software License	EIEMA
700-000	Battlespace Awareness-ISR	700	Battlespace Awareness-ISR	DIMA
710-000	Battlespace Awareness-Environment	710	Battlespace Awareness-Environment	WMA
720-000	Battlespace Networks	720	Battlespace Networks	WMA
730-000	Command & Control	730	Command & Control	WMA
740-000	Force Application	740	Force Application	WMA
750-000	Protection	750	Protection	WMA
760-000	Defense Health	760	Defense Health	BMA
770-000	Force Management	770	Force Management	WMA
780-000	Force Training	780	Force Training	WMA
790-000	Building Partnerships	790	Building Partnerships	WMA
799-000	Core Mission	799	Core Mission	WMA
800-000	IT Management	800	IT Management	EIEMA

*2.0 DEFINITIONS (1802)

The definitions in this section provide relevant information for the chapter including, segment descriptions, technical capabilities and IT/CA Budget component terms.

2.0.1. Acquisition Segment (510-000). IT supporting the activities necessary to provide goods/services for DoD operations, including during the stages of conceptualization, initiation, design, development, test, contracting, production, deployment, modification, and disposal of weapons and other systems, supplies, or services (including construction) to satisfy DoD needs, intended for use in, or in support of, military missions. This does not include logistics support, which should be reported within the ‘Logistics and Supply Chain Management’ Segment (530-000).

2.0.2. Artificial Intelligence (AI) Segment (400-000). AI refers to the ability of machines to perform tasks that normally require human intelligence – recognizing patterns, learning from experience, drawing conclusions, making predictions, taking actions, and more – whether digitally or as the smart software behind autonomous physical systems. This segment includes any investments for AI programs or stand-alone AI projects. This segment also includes AI supporting activities for creating a common foundation of shared data, reusable tools, frameworks and standards, and edge services, through decentralized development and experimentation such as research, longer-term technology creation, and innovative concepts. Do not include AI resources embedded within end-item software system/application investments; report AI embedded within applications as application costs within the appropriate application Investment.

2.0.3. Battlespace Awareness-Environment Segment (710-000). IT supporting the ability to collect, analyze, predict and exploit meteorological, oceanographic and space environmental data.

2.0.4. Battlespace Awareness-ISR Segment (700-000). IT supporting the ability to conduct activities to meet the intelligence needs of national and military decision-makers.

2.0.5. Battlespace Networks Segment (720-000). IT that extends DoD’s “commercial like” IT Infrastructure to meet the unique connectivity and interoperability needs of deployed and mobile warfighting capabilities. Focuses on information transport, computing, enterprise services capabilities that supports the Combined Joint Task Force. NOTE: All investments aligned with the Battlespace Networks segment should be identified as NSS. If it is not an NSS system, then it probably should be aligned with the IT Infrastructure segment (600-000).

2.0.6. Budget Identification Number (BIN). See definition for Unique Investment Identifier (UII) (see paragraph 4.3 and subparagraph 2.0.84).

2.0.7. Building Partnerships Segment (790-000). This segment covers the IT supporting the capability for setting conditions for interaction with partner, competitor or adversary leaders, military forces, or relevant populations by developing and presenting information and conducting activities to affect their perceptions, will, behavior, and capabilities.

2.0.8. Business Mission Area (BMA). The BMA ensures that the right capabilities, resources, and materiel are reliably delivered to our warfighters: what they need, where they need it, when they need it, anywhere in the world. In order to cost-effectively meet these requirements, the DoD current business and financial management infrastructure - processes, systems, and data standards - are being transformed to ensure better support to the warfighter and improve accountability to the taxpayer. Integration of business transformation for the DoD business enterprise is led by the CMO of the Department.

2.0.9. Business Services Segment Group. This segment includes investments for foundational mechanisms and back-office services used to support the mission of the agency, which encompasses all the segments under the BMA. Segments included in this group are: Financial Management, Acquisition, Human Resources Management, Logistics and Supply Chain Management, Real Property Management (EI&E), Planning and Budgeting, Training and Readiness, Security Cooperation, Defense Security Enterprise, and Defense Health. NOTE: there could be a few defense business services related to IT investments that do not currently fit within the Other business service segments (see subparagraph 2.08).

2.0.10. Centrally Managed Enterprise Software License Segment (620-000). An organization-wide (i.e., DoD-wide, Component-wide, Subcomponent-wide) software license that provides common usage rights within a defined community of users in the organization and may be customized to the organization's requirement. Typically, the defined community of users interface with the Software Publisher/Licenser under a single point of contact (i.e., centrally managed) including for acquisition, payments, inventory reporting, and other contractual actions. Examples include: ELA, JELA, CETA, and purchasing agreements such as DoD ESI ESA (e.g. GSA IT Schedule 70 BPA and NASA SEWP agency catalog), Federal CMLC BIC purchasing agreement (e.g. GSA IT Schedule 70 Software SINs and NASA SEWP), and DoD Component level software purchasing vehicles.

2.0.11. Communications. Communications elements include fixed plant, sustaining base infrastructure in the U.S. and selected overseas locations; long haul transmissions via Defense-owned or leased terrestrial facilities; transmissions via satellite or other radio systems; and mobile, tactical transmission systems.

2.0.12. Command and Control (C2). Includes the facilities, systems, and manpower essential to a commander for planning, directing, coordinating and controlling operations of assigned forces. C2 capabilities cover the joint/tactical operations echelon and down to front line tactical elements.

2.0.13. Command and Control Segment (730-000). This segment provides the IT that facilitates the exercise of authority and direction over DoD-mission related activities supporting the joint warfighter.

2.0.14. Control System. A system in which deliberate guidance or manipulation is used to achieve a prescribed value for a variable. Control systems include supervisory control and data acquisition (SCADA), distributed control system (DCS), programmable logic controllers (PLCs)

and other types of industrial measurement and control systems. Examples: Utility monitoring and control systems, building control systems, microgrid control systems.

2.0.15. Converged System. A system of systems that includes a combination of traditional IT, control systems, and/or platform information technology.

2.0.16. Core Financial System. Is an information system, or system of system, that may perform all financial functions including general ledger management, funds management, payment management, receivable management, and cost management. The core financial system is the system of record that maintains all transactions resulting from financial events. It may be integrated through a common database or interfaced electronically to meet defined data and processing requirements. The core financial system is specifically used for collecting, processing, maintaining, transmitting, and reporting data regarding financial events. Other uses include supporting financial planning, budgeting activities, and preparing financial statements. Any data transfers to the core financial system must be: traceable to the transaction source; posted to the core financial system in accordance with applicable guidance from the Federal Accounting Standards Advisory Board (FASAB); and in the data format of the core financial system.

2.0.17. Core Mission Services Segment (799-000). Placeholder for those “few” core mission service related IT investments that do not currently fit into the existing core service segments.

2.0.18. Core Mission Services Segment Group. This segment group contains investments that directly support the Department’s core missions. Segments included in this group are; Battlespace Awareness – Environment, Battlespace Awareness – Intelligence, Surveillance, and Reconnaissance (ISR), Battlespace Networks, Command and Control, Force Application, Protection, Building Partnerships, Force Management, Force Training, and Health.

2.0.19. Cost. A monetary measure of the amount of resources applied to a cost objective. Within the DoD, “costs” are identified following the GAO accounting principles and standards as implemented in this Regulation. The fact that collections for some cost elements are deposited into Miscellaneous Receipts of the Treasury does not make those costs “extraneous.” It simply means the Congress has not authorized such amounts to be retained by appropriation accounts. After costs have been identified, following the Comptroller general cost accounting rules, a DoD Component may proceed to eliminate cost elements, or process waivers, in accordance with legal authorities.

2.0.20. Cybersecurity. As referenced in DoDI 8500.01 “Prevention of damage to, protection of, and restoration of computers, electronic communications systems, electronic communications services, wire communication, and electronic communication, including information contained therein, to ensure its availability, integrity, authentication, confidentiality, and nonrepudiation.”

2.0.21. Cyberspace. A global domain within the information environment consisting of the interdependent networks of information technology infrastructures and resident data, including the Internet, telecommunications networks, computer systems, and embedded processors and

controllers.

2.0.22. Cyberspace Activities (CA). Employment of cyberspace capabilities for the primary purpose of achieving objectives in or through cyberspace. For the purposes of budget reporting within the SNaP-IT, there are three major components of CA: Cybersecurity, Cyberspace Operations, and Research & Development. Refer to definitions in subparagraphs 1.4.11 and 2.0.23. The DoD CIO DCIO(R&A) office will provide further guidance on CA budget reporting via classified channels.

2.0.23. Cyberspace Activities (CA) Segment (610-000). IT supporting the DoD's ability to maintain an appropriate level of confidentiality, integrity, authentication, non-repudiation and availability; the information and information assets; the documentation of threats and vulnerabilities; the trustworthiness of users and interconnecting systems; the impact of impairment or destruction to the DoD information system(s) and cyberspace; and cost effectiveness (see subparagraph 1.4.11). For the purposes of budget reporting within SNaP-IT, there are three major components of CA: Cybersecurity, Cyberspace Operations, and Research & Development (see subparagraph 2.0.22).

2.0.24. Cyber Mission Forces (CMF). The U.S. military's first joint tactical command with a dedicated mission focused on Cyberspace Activities and primarily support the Combatant Commands and U.S. Cyber Command (USCYBERCOM). The CMF consists of three elements: (1) the Cyber Protection Force (CPF), (2) Cyber National Mission Forces (CNMF), and (3) Cyber Combat Mission Force (CCMF). Further definition is available in Joint Staff Publication (JP 3-12). For IT/CA budget purposes, the CMF budget represents a virtual Major Force Program and consists of the resource to man, train and equip the CMF.

2.0.25. Data Administration. Program Area of Related Technical Activities. Activities reported in this area include: Data sharing and data standardization. Component data administration programs are defined in the Data Administration Strategic Plans.

2.0.26. Data Center Budget. All Data Centers reported in the DoD Data Center Optimization Initiative (DCOI)⁴ inventory currently maintained in the DCIM System must maintain an appropriate budget estimate in DITIP at all times. Components must develop individual investments Core Data Center (CDC), Component Enterprise Data Centers (CEDC), and Installation Processing Nodes (IPN) data centers and report resources in the DoD IT/CA Budget accordingly. Working Capital Funds (WCF) Investments delivering IT Services are not required to have a separate Investment per data center. (see subparagraph 1.3.12).

2.0.27. Defense Business System (DBS). The term "defense business system" as defined in 10 U.S.C §2222(i)(1)(A) means an information system operated by, for, or on behalf of the DoD, including: financial systems, financial data feeder systems, contracting systems, logistics systems, planning and budgeting systems, installations management systems, and human resource management systems. The term does not include NSS, or an information system used exclusively by and within the defense commissary system or the exchange systems or other instrumentality of

⁴ OMB M-16-19, Data Center Optimization Initiative (DCOI), Aug 1, 2016 (<https://datacenters.cio.gov/policy/m-16-19/>)

the DoD conducted for the morale, welfare, and recreation of members of the armed forces using nonappropriated funds (see 10 U.S.C §2222(i)(1)(B)). The term “covered defense business system” as defined at 10 USC §2222(i)(2) means any defense business system that is expected to have a total amount of budget authority in excess of \$50,000,000 over the period of the current future-years defense program submitted to the Congress under 10 U.S.C §221.

2.0.28. Defense Health Segment (760-000). IT systems and services that enable the Department’s capabilities to maintain the health of military personnel, which includes the delivery of healthcare required during wartime. The Defense Health Program provides for worldwide medical and dental services (including delivery of TRICARE benefits) to active forces and other eligible beneficiaries, veterinary services, occupational and industrial health care, specialized services for the training of medical personnel, and medical command headquarters.

2.0.29. Defense Security Enterprise Segment (580-000). IT supporting the activities necessary to provide the organizations, infrastructure, and measures (to include policies, processes, procedures, and products) in place to safeguard DoD personnel, information, operations, resources, technologies, and facilities against harm, loss, or hostile acts and influences, in accordance with DoDD 5200.43. This includes any IT that supports Industrial Security Control systems and the National Security Investigation System. This does not include systems/applications that support CA, which doesn’t belong within this business function or the ‘Business Mission Area’ domain.

2.0.30. Defensive Cyberspace Operations (DCO). Missions to preserve the ability to utilize blue cyberspace capabilities and protect data, networks, cyberspace-enabled devices, and other designated systems by defeating on-going or imminent malicious cyberspace activity. Also called DCO.

2.0.31. Department of Defense Information Network (DODIN). DODIN (as defined in DoDD 8000.01 as well as the Office of the Chairman of the Joint Chiefs of Staff, “DoD Dictionary of Military and Associated Terms),” is the set of information capabilities, and associated processes for collecting, processing, storing, disseminating, and managing information on-demand to warfighters, policy makers, and support personnel, whether interconnected or stand-alone, including owned and leased communications and computing systems and services, software (including applications), data, security services, other associated services, and NSS. The DODIN includes owned and leased communications and computing systems and services, software (including applications), data, security services, other associated services, and NSS. The DODIN consists of information capabilities that enable the access to, exchange, and use of information and services throughout the Department and with non-DoD mission partners. The principal function of the DODIN is to support and enable DoD missions, functions, and operations. The overarching objective of the DODIN vision is to provide the National Command Authority (NCA), warfighters, DoD personnel, Intelligence Community, business, policy-makers, and non-DoD users with information superiority, decision superiority, and full-spectrum dominance.

2.0.32. Department of Defense Information Technology Portfolio Registry (DITPR). DITPR is the enterprise service composed of a centralized consolidated inventory of IT systems. DITPR provides a comprehensive inventory of mission critical and mission essential DoD information systems as required in 10 U.S.C. 2223(a)(5) and DoDD 5144.02. DITPR supports IT portfolio management (PfM) in accordance with the Office of Management and Budget (OMB) Circular A-130, “Managing Information as a Strategic Resource” and DoD enterprise architecture management under 44 U. S. C. 3601. DITPR is used to support portfolio management of the Defense Business Systems (DBS), Information Enterprise Mission Area (EIEMA), Warfighter Mission Area (WMA), and DoD Portion of the Intelligence Mission Area (DIMA).

2.0.33. Department of Defense Information Technology Investment Portal (DITIP). DITIP provides a centralized location for IT investment portfolio data and aligns IT systems information in the DITPR with budget information in the SNaP-IT. DITIP provides for the entry and maintenance of common DITPR and SNaP-IT data elements and supports the CMO DBS certification.

2.0.34. Development, Modernization, and Enhancement (DME). DME refers to projects and activities leading to new IT assets/systems, as well as projects and activities that change or modify existing IT assets to substantively improve capability or performance, implement legislative or regulatory requirements, or meet an agency leadership request. DME activity may occur at any time during a program’s life cycle. As part of DME, capital costs can include hardware, software development and acquisition costs, commercial off-the-shelf acquisition costs, government labor costs, and contracted labor costs for planning, development, acquisition, system integration, and direct project management and overhead support. Technical Refresh is not included in Dev/Mod, but rather in O&S (see subparagraph 2.0.65).

2.0.35. DoD portion of Intelligence Mission Area (DIMA). The DIMA includes IT investments within the Military Intelligence Program and DoD component programs of the National Intelligence Program. The OUSD(I) has delegated responsibility for managing the DIMA portfolio to the Director, Defense Intelligence Agency, but OUSD(I) retains final signature authority. The DIMA management will require coordination of issues among portfolios that extend beyond the Department of Defense to the overall Intelligence Community.

2.0.36. Enterprise Information Environment Mission Area (EIEMA). The EIEMA represents the common, integrated information computing and communications environment. The Enterprise Information Environment (EIE) is composed of assets that operate as, provide transport for, and/or assure local area networks, campus area networks, tactical operational and strategic networks, metropolitan area networks, and wide area networks. The EIE includes computing infrastructure for the automatic acquisition, storage, manipulation, management, control, and display of data or information, with a primary emphasis on the DoD enterprise hardware, software operating systems, and hardware/software support. The EIE also includes a common set of enterprise services, called Core Enterprise Services, which provide awareness of, access to, and delivery of information.

2.0.37. Enterprise Services Segment Group. This segment group includes investments for IT services and infrastructure that support core mission and business services. Segments included in this group are; CA, IT Infrastructure, and IT Management.

2.0.38. Financial Event. Is any activity having financial consequences to the Federal government related to the receipt of appropriations or other financial resources; acquisition of goods or services; payments or collections; recognition of guarantees, benefits to be provided, or other potential liabilities; distribution of grants; or other reportable financial activities.

2.0.39. Financial Management (FM) Segment (500-000). IT supporting the facilitation and implementation of financial management solutions providing timely and accurate decision support data, stronger internal controls, establishing standards for acquiring and implementing FM systems through shared business processes, IT services, and data elements. This includes IT systems/applications that support the following core financial capabilities: fund the force, banking and disbursing, pay support, accounting support, cost management, financial operations, and management of financial internal controls. This does not include Planning and Budgeting systems/applications, which should be reported within the 'Planning and Budgeting' Segment (550-000).

2.0.40. Financial Management Systems. FM systems perform the functions necessary to process or support financial management activities. These systems collect, process, maintain, transmit, and/or report data about financial events or supporting financial planning or budgeting activities. These systems may also accumulate or report cost information, support preparation of financial transactions or financial statements or track financial events and provide information significant to the DoD Components financial management.

2.0.41. Fit-for-Purpose (F2P) Cloud. A cloud environment that meets highly specialized mission requirements that cannot easily be met through a General Purpose Cloud solution and is suitable for scaling to adopt new DoD customers at the enterprise level. Determination criteria include utility for mission, ease of management (including provisioning and reporting), and contract terms.

2.0.42. Force Application Segment (740-000). IT supporting the capability to integrate the use of maneuver and engagement in all environments, to creating the necessary effects for achieving DoD mission objectives.

2.0.43. Force Management Segment (770-000). IT supporting the ability to integrate new and existing human and technical assets from across the Joint Force and its mission partners to make the right capabilities available at the right time/place to support National Security.

2.0.44. Force Training Segment (780-000). IT supporting the ability to enhance the capacity to perform specific functions and tasks in order to improve the individual or collective performance of personnel, units, forces, and staffs.

2.0.45. General Purpose Cloud. Infrastructure and Platform as a Service (IaaS/PaaS) offerings that meet the majority of the DoD's cloud computing needs across all Components of the enterprise organization.

2.0.46. Human Resources Management Segment (520-000). IT supporting DoD human resource management, personnel and readiness ensuring human resources are recruited, capable, motivated, and ready to support the Department. Human Resources Management is the strategic and operational management of activities related to the performance of the human resources in an organization with functions that include: employee and labor/management relations, compensation and benefits, equal opportunity employment compliance, staffing, and human resource development. This does not include training systems/applications, which should be reported within the 'Training and Readiness' business function.

2.0.47. Information System (IS). (Reference section 3502 of title 44 U.S.C.) An information system is a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information. This includes automated information systems (AIS), enclaves, outsourced IT-based processes and platform IT interconnections. To operate information systems, Components must support related software applications, and necessary architectures and information security activities.

2.0.48. Information Technology (IT). (Reference section 11101 of title 40 U.S.C. and PL 113-291, Subtitle D –Federal Information Technology Acquisition Reform Act) The term “information technology” with respect to an executive agency is defined as:

2.0.48.1. Services or equipment, or interconnected system(s) or subsystem(s) of equipment, that are used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency; and

2.0.48.2. Services or equipment that are used by an agency if used by the agency directly or if used by a contractor under a contract with the agency that requires either use of the services or equipment or requires use of the services or equipment to a significant extent in the performance of a service or the furnishing of a product.

2.0.48.3. The term “information technology” includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including provisioned services such as cloud computing and support services that support any point of the lifecycle of the equipment or service), and related resources.

2.0.48.4. The term “information technology” does not include any equipment that is acquired by a contractor incidental to a contract that does not require use of the equipment.

2.0.48.4.1. With respect to an executive agency means any equipment or interconnected system or subsystem of equipment, used in the automatic acquisition, storage,

analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the executive agency, if the equipment is used by the executive agency directly or is used by a contractor under a contract with the executive agency that requires the use-- (i) of that equipment; or (ii) of that equipment to a significant extent in the performance of a service or the furnishing of a product;

2.0.48.4.2. Includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including support services), and related resources; but

2.0.48.4.3. Does not include any equipment acquired by a federal contractor incidental to a federal contract.”

2.0.49. Information Technology/Cyberspace Activities (IT/CA) Investment. The IT/CA budget is collected and reported by IT/CA Investments. Each IT/CA Investment is assigned a Unique Investment Identifier (UII). An IT/CA investment may include a project or projects for the development, modernization, enhancement, or maintenance of a single IT asset or group of IT assets with related functionality, and the subsequent operation of those assets in a production environment. All IT/CA investments should have a defined life cycle with start and end dates, with the end date representing the end of the currently estimated useful life of the investment, consistent with the investment’s most current alternatives analysis if applicable. When the asset(s) is essentially replaced by a new system or technology, the replacement should be reported as a new, distinct investment, with its own defined life cycle information.

2.0.50. Information Technology (IT) Resources. The term “information technology resources” is defined as:

2.0.50.1. Agency budgetary resources, personnel, equipment, facilities, or services that are primarily used in the management, operation, acquisition, disposition, and transformation, or other activity related to the lifecycle of IT;

2.0.50.2. Acquisitions or interagency agreements that include IT and the services or equipment provided by such acquisitions or interagency agreements; but

2.0.50.3. Does not include grants to third parties which establish or support IT not operated directly by the Federal Government.

2.0.51. Information Technology (IT) Portfolio. The DoD IT portfolio consists of investments representing a common collection of capabilities and services. The portfolios are an integral part of the Department’s decision making process and are managed with the goal of ensuring efficient and effective delivery of capabilities while maximizing the return on Enterprise investments.

2.0.52. Internal Cloud. Specific F2P solutions for systems and applications that need to operate in a private, on-premises cloud environment due to security or operational reasons.

2.0.53. IT Infrastructure Segment (600-000). DoD IT Infrastructure represents the common, integrated information computing and communications environment of the DODIN and its assets that operate as, provide transport for, and/or assure local area networks, campus area networks, tactical operational and strategic networks, metropolitan area networks, and wide area networks. DoD IT infrastructure includes four major categories: Core Network Infrastructure; DoD Enterprise Services; Security (i.e., all defensive CA as which gets reported under 'Cyberspace Activities' Segment 610-000); Non-Core Network Infrastructure.

2.0.54. IT Management Segment (800-000). Facilitates planning, selection, implementation and assessment of IT investments and programs supporting the broader enterprise. This includes: IT strategic planning, promulgation of policy and direction governing the provisioning of services; establishing and maintaining enterprise architectures and transition strategies; cost analysis, performance measurement and assessment in order to best mitigate risks.

2.0.55. Joint Information Environment (JIE). JIE is a fundamental shift in the way the DoD will consolidate and manage IT infrastructure, services, and assets in order to realign, restructure, and modernize how the Department's IT networks and systems are constructed, operated, and defended. JIE will consolidate and standardize the design and architecture of the Department's networks. The JIE represents the DoD migration from military service-centric IT infrastructures and capabilities, with their mixture of disparate networks and applications, to enterprise capabilities based on common infrastructure and shared services to support Joint needs. These needs include networks, security services, cyber defenses, data centers, and operation management centers. Consolidation and standardization will result in a single, reliable, resilient, and agile information enterprise for use by the joint forces and mission partners. The vision of JIE is to ensure that DoD military commanders, civilian leadership, warfighters, coalition partners, and other non-DoD mission partners have access to information and data provided in a secure, reliable, and agile DoD-wide information environment. The ultimate beneficiary of JIE is the commander in the field, allowing for innovative integration of information technologies, operations, and cybersecurity at a tempo more appropriate to today's fast-paced operational conditions. The objective is for authorized users to access required information and resources from anywhere, at any time, using any approved device across the JIE, enabling warfighter information sharing and mission operations. Since JIE is not a Program of Record, it should be noted that the Department will utilize existing DoD Component programs, initiatives, technical refresh plans, acquisition processes, and funding to deploy and migrate the existing infrastructure to the JIE standards. OSD guidance and training will provide more details concerning the alignment of UIIs to achieving JIE goals and standards.

2.0.56. Life-Cycle Cost (LCC). LCC represents the total cost to the Government for an IS, weapon system, program and/or investment over its full life. It includes all developmental costs, procurement costs, Military Construction (MILCON) costs, operations and support costs, and disposal costs. LCC encompasses direct and indirect initial costs plus any periodic or continuing sustainment costs, and all contract and in-house costs, in all cost categories and all related appropriations/funds. LCC may be broken down to describe the cost of delivering a certain capability or useful segment of an IT investment. LCC normally includes 10 years of sustainment funding following Full Operational Capability (FOC) or Full Deployment for Automated

Information Systems. For investments with no known end date and that are beyond FOC, LCC estimate should include 10 years of sustainment.

2.0.57. Logistics and Supply Chain Management Segment (530-000). IT supporting the ability to project and sustain a logistically ready joint force to meet mission objectives and activities, including technical and management activities conducted to ensure supportability, and resources to sustain the system in the field. This includes IT systems/applications that support ordering, shipping, and tracking of materiel.

2.0.58. Major. A system or investment requiring special management attention because of its importance to an agency mission; its high development, operating, or maintenance costs; or its significant role in the administration of agency programs, finances, property or other resources. Systems or investments that have been categorized as “Major” can include resources that are associated with the planning, acquisition and /or sustainment life cycle phases.

2.0.59. Military Intelligence Program (MIP). The MIP consists of programs, projects, or activities that support the Secretary of Defense’s intelligence, counterintelligence, and related intelligence responsibilities. This includes those intelligence and counterintelligence programs, projects, or activities that provide capabilities to meet warfighters’ operational and tactical requirements more effectively. The term excludes capabilities associated with a weapons system whose primary mission is not intelligence. MIP resourcing used for IT or Cyberspace Activities (CA) must be included within Components’ IT/CA budget submission.

2.0.60. National Leadership Command Capabilities (NLCC). A capability encompassing the entirety of the DoD command, control, communications, computer, intelligence, surveillance, and reconnaissance systems and services that provides national leadership, regardless of location and environment, with diverse and assured access to integrated, accurate, and timely data, information, intelligence, communications, services, situational awareness, and warnings and indications from which planning and decision-making activities can be initiated, executed, and monitored. OSD guidance and training will provide more details concerning the alignment of UIIs to the NLCC.

2.0.61. National Security Systems (NSS). (Reference section 3552 of title 44 U.S.C.) NSS means any information system (including any telecommunications system) used or operated by an agency contractor of any agency or other organization on behalf of an agency: (1) the function, operation, or use of which- involves intelligence activities; involves cryptologic activities related to national security; involves command and control of military forces; involves equipment that is an integral part of a weapon or weapons system; or subject to subparagraph (B), is critical to the direct fulfillment of military or intelligence missions; or (2) is protected at all times by procedures established for information that have been specifically authorized under criteria established by an Executive order or an Act of Congress to be kept classified in the interest of national defense or foreign policy. NSS also includes equipment that is an integral part of a weapon or weapons system, or is critical to the direct fulfillment of military or intelligence missions. NSS DOES NOT include a system that is to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications).

2.0.62. Obligation. The amount representing orders placed, contracts awarded, services received, and similar transactions during an accounting period that will require payment during the same, or a future, period. Obligations include payments for which obligations previously have not been recorded and adjustments for differences between obligations previously recorded and actual payments to liquidate those obligations. The amount of obligations incurred is segregated into undelivered orders and accrued expenditures - paid or unpaid. For purposes of matching a disbursement to its proper obligation, the term obligation refers to each separate obligation amount identified by a separate line of accounting.

2.0.63. Offensive Cyberspace Operations. Joint Publication 3-12 defines Offensive Cyberspace Operations as “Mission intended to project power in and through Cyberspace.”

2.0.64. Office Automation (also referred to as “Desktop Processing”). Facilities that support file servers or desktop computers used for administrative processing (e.g. word processing or spreadsheets) rather than application processing, should be reported as Office Automation (listed as a separate function).

2.0.65. Operation and Sustainment (O&S) Costs. Operation Costs refers to the expenses required to operate and maintain an IT asset that is operating in a production environment. At the Federal level, is also Sustainment, O&S is also referred to as Steady State (SS). O&S costs represents the cost of operations at the current capability and performance level of the application, infrastructure program and/or investment when the budget is submitted. That is, the cost with no changes to the baseline other than fact-of-life reductions, termination or replacement. O&S costs include: (1) personnel whose duties relate to the general management and operations of information technology, including certain overhead costs associated with Program Management (PM) offices; (2) maintenance of an existing application, infrastructure program or investment; (3) corrective software maintenance, including all efforts to diagnose and correct actual errors (e.g., processing or performance errors) in a system; (4) maintenance of existing voice and data communications capabilities; (5) replacement of broken IT equipment needed to continue operations at the current service level; (6) business operations and commercial service; (7) Technical Refresh; and (8) all other related costs not identified as Development/Modernization (Dev/Mod).

2.0.66. Operational Preparation of the Environment (OPE). Non-intelligence enabling activities conducted to plan and prepare for potential follow-on military operations. OPE in cyberspace includes identifying data, software, systems, networks, and facilities to determine vulnerabilities and activities to assure future access or control during anticipated hostilities.

2.0.67. “Other” Category (also referred to as “All Other”). For those DME or O&S costs/obligations as well as investments not designated in the major categories. “Other” category investments are aligned with the applicable IT Reporting Structure functional/mission area (see Section 1.5).

2.0.68. Other Business Services Segment (599-000). This segment is applicable only in very limited cases, for those “few” defense business service related IT investments that do not currently fit within the other business segments. Business systems/applications that would fall

within this segment involve or provide inherently managerial functions or provide business functions or capabilities such as case/correspondence/workflow/records management/collaboration, or other staff functions.

2.0.69. Planning and Budgeting Segment (550-000). IT supporting the facilitation of Defense planning and budgeting functions, in accordance with the DoD Planning, Programming, and Budgeting Execution (PPBE) process (DoDD 7045.14), including: (1) developing a set of actions that have been thought of as a way to do or achieve Defense strategic goals, including a comprehensive financial plan encompassing the totality of receipts and outlays (expenditures); and (2) developing a plan of operations for a fiscal period in terms of estimated costs, obligations, and expenditures; source of funds for financing, including anticipated reimbursements and other resources; and history and workload data for the projected Defense program and activities.

2.0.70. Platform Information Technology (PIT). Computer resources, both hardware and software, that are physically part of, dedicated to, or essential in real time to the mission performance of special-purpose systems. PIT does not include general purpose systems. Examples: HVAC systems or electric vehicle fueling systems.

2.0.71. Program Cost. (also referred to as investment cost and total acquisition cost). The total of all expenditures, in all appropriations and funds, directly related to the IS, program, or investment's definition, design, development, and deployment; incurred from the beginning of the "Concept Exploration" phase through deployment at each separate site. For incremental and evolutionary program strategies, program cost includes all funded increments. Program cost is further discussed in DoD 5000 series documents.

2.0.72. Protection Segment (750-000). IT supporting the capability to prevent and/or mitigate adverse effects of attacks on personnel (combatant or non-combatant) and physical assets of the U.S, its allies and friends.

2.0.73. Real Property Management Segment (540-000). IT supporting the ability to provide and maintain installation real property assets necessary to support U.S. military forces in a cost effective, safe, sustainable, and environmentally sound manner. This includes the missions to: Improve DoD's use of Installation and Operational Energy in order to enhance military capability, reduce risk, and mitigate cost; Protect DoD mission capabilities from incompatible development from utility-scale energy projects, and other encroachment threats; Protect human health and the environment in an uninterrupted and cost effective manner to include systems acquisition, while ensuring the success of the Defense world-wide mission; Function as an independently appropriated DoD Headquarter Activity with unique capability to assist states and local governments impacted by base closures and realignments, expansions of military installations, or DoD decisions to cancel or reduce defense acquisition programs, as well as maintain a Compatible Land Use program. This does not include installation security access, which should be reported within the 'Defense Security Enterprise' business function.

2.0.74. Security Cooperation Segment (570-000). IT supporting the facilitation of Security Cooperation activities, in accordance with DoDD 5132.03, undertaken by the DoD to encourage and enable international partners to work with the U.S. to achieve strategic objectives.

Security Cooperation activities include all DoD interactions with foreign defense and security establishments, including all DoD-administered security assistance programs, that: build defense and security relationships that promote specific U.S. security interests, including all international armaments cooperation activities and security assistance activities; develop allied and friendly military capabilities for self-defense and multinational operations; and provide U.S. forces with peacetime and contingency access to host nations. This also includes any IT systems/applications that support Foreign Military Sales.

2.0.75. Security Operation Center (SOC). OMB Circular A-11 defines as, “a SOC defends an organization against unauthorized activity within computer networks, including, at a minimum, detecting, monitoring, and analyzing suspicious activity as well as leading the response to malicious activity, contributing to restoration activities, and providing a structure for users to report suspected cybersecurity events. A SOC would generally be composed of security analysts organized to detect, analyze, respond to, report on, and prevent cybersecurity incidents.”

2.0.76. Segments. A portfolio management concept required by OMB Circular A-11. Segments serve as the basis for organizing IT investments for both budget management and performance management purposes. Three groups of segments have emerged to characterize the way in which their segments enable functional capabilities of the enterprise – and to differentiate the way in which investments are governed; Business Services Segment Group, Core Mission Services Segment Group, and Enterprise Services Segment Group.

2.0.77. Select & Native Programming-Information Technology (SNaP-IT). The electronic system used by the DoD CIO to collect IT/CA Budget data and generates reports mandated by the OMB and the Congress. SNaP-IT is a database application used to plan, coordinate, edit, publish, and disseminate IT budget justification books required by the Congress. SNaP-IT generates all forms, summaries, and pages used to complete the publishing of the IT Congressional Justification materials and the OMB submissions, such as the IT Investment Portfolio Summary, the IT Business Case, and monthly updates to the OMB ITDB. SNaP-IT provides users the ability to gain access to critical information needed to monitor and analyze the IT/CA Budget submitted by the DoD Components. SNaP-IT is the authoritative application used by the DoD to report and justify the IT/CA budget resources.

2.0.78. Special Interest Communications Programs. Electronic Commerce/ Electronic Data Interchange and Distance Learning Systems are special interest programs that should be reported in this area. The resource category "Other" may not be used with Special Interest Communications.

2.0.79. Steady State (SS). See definition for Operation & Sustainment (see subparagraph 2.0.65).

2.0.80. Technical Activities. This refers to activities that deal with testing, engineering, architectures and inter-operability.

2.0.81. Technology Refresh. Technology refreshment, as defined in FMR Volume 2A, Chapter 1, Section 010201.D.3.c, is the intentional, incremental insertion of newer technology to

improve reliability, improve maintainability, reduce cost, and/or add minor performance enhancement, typically in conjunction with depot or field level maintenance. The insertion of such technology into end items as part of maintenance is funded by the operation and maintenance appropriations. However, technology refreshment that significantly changes the performance envelope of the end item is considered a modification and, therefore, an investment.

2.0.82. Threat Detection and Analysis. This refers to activities that identify, characterize, examine, and track previously undefined types and sources of cyber threats against data, system, or network vulnerabilities to determine the risks to particular data, systems, networks, or operations.

2.0.83. Training and Readiness Segment (560-000). IT supporting the training and readiness of DoD employees performing routine administrative and business functions such as Acquisition, FM (PPBE, accounting and payroll), Human Resources (hire-to-retire and personnel management), Defense Health, logistics, and installation management. Training is the level of learning required to adequately perform the responsibilities designated to the function and accomplish the mission assigned to the system. Training and readiness systems and processes are those involved with teaching needed skills or keeping track of this training. This segment does not include the force mission training and combat readiness. IT supporting force mission training and readiness should be reported within Warfighting Mission Area (WMA)-Force Support.

2.0.84. Unique Investment Identifier (UII). Previously called a “Budget Identification Number (BIN)”, the UII is a database index field automatically generated with the DITIP/SNaP-IT interface when registering or creating a new investment.

2.0.85. Warfighting Mission Area (WMA). The WMA provides life cycle oversight to applicable DoD Component and Combatant Commander IT investments (programs, systems, and investments). WMA IT investments support and enhance the Chairman of the Joint Chiefs of Staff’s joint warfighting priorities while supporting actions to create a net-centric distributed force, capable of full spectrum dominance through decision and information superiority. WMA IT investments ensure Combatant Commands can meet the Chairman of the Joint Chiefs of Staff’s strategic challenges to win the war on terrorism, accelerate transformation, and strengthen joint warfighting through organizational agility, action and decision speed, collaboration, outreach, and professional development.

2.0.86. Working Capital Fund (WCF) Investment. The Defense WCF (DWCF) authority at 10 U.S.C. § 2208 allows the DoD to finance inventories of supplies and provide working capital for industrial and commercial-type activities. DWCF activities are dependent on revenue, as are commercial businesses. DWCFs provide a mechanism for the DoD Components to finance those supply and commercial and industrial activities that have been chartered under Volume 11B, Chapter 2, or this Regulation. It enables such DoD Components to absorb risk in planning investment programs for maintenance and supply. The intent was to allow chartered commercial, industrial and supply management activities to make capital investments when needed and recoup the costs through future year pricing structure.

3.0 PROGRAM AND BUDGET ESTIMATES SUBMISSION (1803)

3.1 Purpose (180301)

This section provides guidance for preparation and submission of the IT/CA Budget Estimate Submission (BES) to the DoD CIO, and for preliminary updates to OMB resource exhibits in September in preparation for the OMB “draft guidance” and IT/CA Budget hearings. Resources reported in the IT/CA submission must be consistent with other primary appropriation justification and FYDP submissions. DoD CIO DCIO(R&A) will annually issue supplemental guidance for other data requirements directed by the DoD CIO, Congress, or OMB. Timelines for updates will be provided as information becomes available and will be designated in the program and budget call memorandum. Technical requirements and templates are provided in DITIP/SNaP-IT.

3.2 Submission Requirements (180302)

The following information is required. Unless modified in a subsequent budget call, Components shall use the formats in DITIP and on the SNaP-IT web page (NIPRNet <https://snap.cape.osd.mil/snapit/> or SIPRNet <https://snap.cape.osd.smil.mil/snapit/>) to provide an automated submission. The OSD budget estimates material will be available electronically through the SNaP-IT site. Additional reporting requirements will be identified in the DoD CIO, DCIO for Resources and Analysis call memorandum, as necessary. Additional management and supporting data may be designated by the DoD CIO to support detailed justification requirements. All supporting program documentation not submitted with the budget submission must be made available to the DoD CIO within two business days of its request.

3.2.1. Investment Registration. Add, modify, retire, and un-retire investment and associated data to accurately represent the current environment for the IT investment and the Component using the DITIP investment registration (NIPRNet <https://snap.cape.osd.mil/ITPortal/> or SIPRNet <https://snap.cape.osd.smil.mil/ITPortal/>). This includes Titles, Descriptions, Type of IT, IT/NSS Classification, DoD Segment and FEA information, investment ownership and participation, and other investment unique information.

3.2.2. IT Investment Resources. Collection of resources by Component; Security Classification; Appropriation/Fund (Treasury Code); Investment Stage; BA/Line Item; OSD PE Code; Funding Source (Base/OCO); PY, CY, BY, BY+1, +2, +3, and +4 for submitting the IT Investment Portfolio Summary as required by the OMB A-11, Section 51.19 and 25.5. In addition, resources are reported in the Technology Business Management (TBM) framework by TBM Tower and Cost Pool.

3.2.3. IT Business Case. Capital Asset Plan and Business Case (IT) for major investments. The IT Business Case, is in accordance with the requirements outlined in OMB A-11 Section 51.19 and 25.5. DoD Components are required to complete an IT Business Case for those investments determined as Major by the DoD CIO. In addition to the IT investment resources information reported in the IT Investment Portfolio Summary (Section 3.2.2), IT Business Case investments will report associated Full Time Equivalent (FTE) personnel, and provide the Milestone Decision

Authority (MDA) approved program schedule and Life Cycle Cost Estimate (LCCE) of the investment.

3.3 Arrangement of Backup Exhibits (180303)

The SNaP-IT will provide an option to assemble information in the sequence shown in Section 3.2, as applicable. Components will be able to generate IT Investment Portfolio Summary level data outputs for internal review only.

4.0 CONGRESSIONAL JUSTIFICATION/PRESENTATION (1804)

4.1 Purpose (180401)

This section provides guidance on organizing the IT/CA resource justification materials submitted in support of the PB. The Department will submit draft and final consolidated outputs to the OMB in the January timeframe and for the Congress by the date set by the Comptroller, usually in the first week of March.

4.2 Justification Book Preparation (180402)

Justification information will be taken from the SNaP-IT system, reflecting the OMB requirements for IT Investment Portfolio Summary and IT Business Case. Special outputs will be designed for select investments and summaries based on Congressional requirements. DoD Component requirements and review of these outputs will be discussed in the final budget call memorandum. Congressional justification materials will be extracted or derived from materials developed for the OMB updates.

4.3 Submission Requirements (180403)

Submission requirements are as specified in Section 3.2, except the following:

4.3.1. IT Overview. IT Investment Portfolio Assessment Overview is an Executive summary of a DoD Component's and the Enterprise Portfolio Mission Area's IT Investments providing high-level justification of the portfolio selections and priorities. Information provided must be consistent with the Component's overall budget justification materials. CA section is required and must be consistent with information reported in CA justification materials and financial reporting. Format will be provided via the SNaP-IT web page or the DoD CIO budget guidance.

4.3.2. Congressional Justification Book. Beginning with the FY 2021 President's Budget submission, Congress directed the Department to submit the IT/CA Budget no later than 5 days after OMB releases the overall President's Budget submission to Congress. The unclassified Congressional justification submission will consist of the following elements: a) Overview of the IT Budget, b) IT-1 Spreadsheet, c) Cloud Report, and d) Standard Investment Reports. The classified Congressional justification submission will consist of the following elements: a) Overview of the IT/CA Budget; b) IT-1 Spreadsheet; c) Cloud Report; d) CJB for Cyberspace

Activities (including O&M OP-5/OP-32 docs, RDT&E R-2A docs, and Procurement P-1 docs); and e) Standard Investment Reports. The due date for these materials is based on OUSD(C) timelines governing the development and submission of the overall Department budget. The submission of the Cyberspace Activities Congressional Justification Book's supporting documents must be uploaded to DITIP. Due date details will be provided in the annual IT/CA Budget Schedule.

4.4 Input for Summary Information Technology Justification Books (180404)

4.4.1. All exhibit data shall be submitted in automated form and be consolidated in SNaP-IT (NIPRNet <https://snap.cape.osd.mil/snapit/> or SIPRNet <https://snap.cape.osd.smil.mil/snapit/>). The DoD CIO is responsible for providing the DoD IT summary tables per Congressional direction. SNaP-IT will generate the OMB and Congressional PB reporting packages after the DoD Component IT Overview and IT Business Case documents have been submitted to the DoD CIO, DCIO(R&A) and/or posted to the SNaP-IT web page. SNaP-IT will generate correct identification information, a cover page, a table of contents, an overview and appendices; the IT Index, report, annex and appendix and the IT Business Case; or Congressional extract reports. These will generate a single, integrated submission in Adobe Acrobat Portable Document Format (PDF) that can be used for internal coordination. To accomplish this requirement, the DoD Components will populate the SNaP-IT to generate their submission. The DoD CIO will maintain (and make available to the DoD Components and OSD staff) the digital IT/CA Budget database. Other specific guidance for IT/CA Budget materials will be provided as required.

4.4.2. Once security and the OMB have released the justification books, summary and detail data will be transmitted to the Congress (House Defense Appropriations Subcommittee, Senate Defense Appropriations Subcommittee, House Armed Services Committee, and Senate Armed Services Committee). Any unclassified data made available to the Congress will be available on the public web page(s) in accordance with the format, table and media guidance (Justification Material Supporting the PB Request) in Volume 2A, Chapter 1.

5.0 INFORMATION TECHNOLOGY PROGRAM SUBMISSION FORMATS (1805)

5.1 Format Location (180501)

The required input formats are located on the SNaP-IT web page NIPRNet <https://snap.pae.osd.mil/snapit> or SIPRNet <https://snap.cape.osd.smil.mil/snapit/>

VOLUME 2B, CHAPTER 19: “OTHER SPECIAL ANALYSES”**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue, and underlined font***](#).

The previous version dated [July 2007](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Overall	Formatting and room location changes.	Revision
PB-18 Exhibit	Removed Troop Strength column from PB-18.	Deletion
PB-28 Exhibit	Update PB-28 Exhibit to included manpower, education and training.	Revision
PB-28 Exhibit	Update PB-28 Exhibit to include Environmental Management Systems.	Revision

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CHAPTER 19**OTHER SPECIAL ANALYSES****1.0 GENERAL (1901)****1.1 Purpose (190101)**

1.1.1. This chapter provides instructions applicable to budget formulation and congressional back-up justification for various special interest areas not covered in preceding chapters.

1.1.2. The exhibit requirements cover resources crossing DoD appropriations and are generally functional in nature.

1.1.3. Areas covered in this chapter are as follows:

Section

- 2.0 Combating Terrorism
- 3.0 Major Range and Test Facility Base
- 4.0 Test and Evaluation Funding
- 5.0 Financial Management Activities
- 6.0 Government Performance and Results Act (GPRA)
- 8.0 Federal Credit Programs
- 9.0 Other Special Analyses
- 10.0 Classifications and Definitions Special Programs Major Force Program 3

1.2 Submission Requirements (190102)

Unless indicated in individual sections of this chapter and submission distribution in Chapter 1, exhibits are required for both the program and Budget Review Submission and for the Congressional Justification/Presentation submission. General guidance with regard to submission requirements is presented in Chapter 1.

1.3 Preparation of Material (190103)

General guidance with regard to format and preparation of material is presented in Chapter 1. Chapter 19 provides additional specific guidance with regard to the material required for these special exhibits.

1.4 References (190104)

Chapter 1 provides general funding policies, Chapter 3 provides specific policies related to Operation and Maintenance costs, Chapter 4 provides specific policies related to Procurement appropriations, Chapter 5 provides specific policies related to RDT&E, Chapter 6 provides specific policies related to Military Construction appropriations, and Chapter 9 provides specific policies

related to the Defense Working Capital Funds. Certain requirements are also addressed in OMB Circular No. A-11.

2.0 COMBATING TERRORISM (1902)

2.1 Purpose (190201)

2.1.1. This chapter provides instructions applicable to budget formulation for the DoD Combating Terrorism (CbT) funding requirements included in the DoD Components' budget requests. These instructions apply to all Components and all DoD appropriations and revolving funds.

2.1.2. The data collected through this reporting process will be used to comply with congressional and OMB reporting requirements. Data will also be used by the Department to evaluate Components' combating terrorism efforts during program and execution reviews.

2.2 Submission Requirements (190202)

2.2.1. Submission of exhibits is required for the Program and Budget Review Submission and an update (using an abbreviated exhibit format) is required for the President's budget submission. Each Component will complete the CbT-1 Exhibit, Combating Terrorism Detail, and the CbT-2 Exhibit, Combating Terrorism Narrative, for the Program and Budget Review Submission and for the President's budget submission. The CbT-3 Exhibit, Vulnerability Assessments, will be completed only during the Program and Budget Review Submission and is NOT required for the President's budget submission. The President's budget submission exhibits will be presented in a consolidated congressional justification book which will be prepared by OASD(SO/LIC). Specific instructions for completing these exhibits are included in Section 2.2.

2.2.2. The USD(I) Security Directorate will validate tactical counterintelligence resources identified by the Components and advise the OUSD (Comptroller) P/B Operations Directorate that reported resources are accurate.

2.2.3. Copy requirements are identified in Chapter 1. Components shall submit their exhibits through the Select and Native Programming (SNaP) Data Input System located on the NIPRNet at <https://snap.pae.osd.mil>. The most current version of this exhibit will be found at this site.

2.3 Special Instructions (190203)

2.3.1. The OASD (SO/LIC) will actively participate in the review of all budget submissions for combating terrorism activities and will offer recommendations to ensure approved CbT policies are reflected in the budget. The OASD(SO/LIC) will consolidate and provide to the Congress a single budget justification book detailing the Department's CbT efforts and associated funding requests.

2.3.2. The OASD (SO/LIC), Joint Staff Deputy Directorate for Antiterrorism/Homeland Defense, (J-34), Antiterrorism/Force Protection Division, and USD(I) will participate with representatives of the OUSD (Comptroller), OSD PA&E, and OMB in the review of all budget

submissions for combating terrorism to ensure that DoD combating terrorism activities are funded adequately.

2.3.3. The CbT-1 and CbT-2 exhibits in Section 12.2 are used to identify the Department's combating terrorism resources, dollars and personnel. They consist of tabular and narrative data as outlined below. These exhibits will report only those resources (including civilian and military pay) associated with DoD's Combating Terrorism Program. Combating terrorism within DoD includes 1) antiterrorism (defensive measures taken to reduce vulnerability to terrorist acts), 2) counterterrorism (offensive measures taken to prevent, deter, and respond to terrorism), 3) terrorism consequence management (preparation for and response to the consequences of a terrorist incident/event), and 4) intelligence related support (collection and dissemination of terrorism-related information) taken to oppose terrorism throughout the entire threat spectrum, to include terrorist use of WMD and/or high explosives. The four functional categories are described below:

2.3.3.1. Antiterrorism

2.3.3.1.1. Physical Security Equipment - Any item, device, or system that is used primarily for the protection of assets, personnel, information, or facilities to include alarms, sensors, protective lighting and their control systems, military working dogs, and the assessment of the reliability, accuracy, timeliness and effectiveness of those systems, such as (but not limited to): exterior surveillance and/or intrusion detection systems; lighting systems; access controls and alarms systems; residential security equipment; improvised explosive device defeat systems; commercially procured armored vehicles (both heavy and light); equipment for executive protection, to include added doors, increased ballistic protection at offices/residences, personal body armor, individual protective equipment, and armored vehicles; and detection devices.

2.3.3.1.2. Physical Security Site Improvements - Any facility improvements (using O&M or MILCON funding) or new construction whose purpose is to protect DoD assets, personnel, or information to include walls, fencing, perimeter/area lighting, doors, windows, ceilings, barricades, or other fabricated or natural impediments to restrict, limit, delay or deny entry into a Defense installation or facility, such as (but not limited to): acquisition of land for stand-off distance, installation perimeter barriers, vehicle barriers, mylar/fragment retention film, and interior barriers; safe havens; evacuation facilities; and surveillance platforms.

2.3.3.1.3. Physical Security Management and Planning - Personnel who manage physical security programs, resources, and assets such as, but not limited to, headquarters staff.

2.3.3.1.4. Security Forces/Technicians - All personnel and operating costs associated with protective forces whose primary or supporting mission is to safeguard assets, personnel or information. Included, but not limited to, are costs for: salaries, overtime, benefits, materials, supplies, travel, support equipment, facilities, vehicles, training, communications equipment, and management, for the personnel engaged in the following activities such as (but not limited to): dedicated response forces and security forces; locksmiths; perimeter, installation or facility access control; inspection and maintenance of barriers and security system components; antiterrorism training for security forces; and antiterrorism awareness programs and training.

2.3.3.1.5. Law Enforcement - All personnel and operating costs associated with law enforcement to include, but are not limited to, salaries, overtime, benefits, material and supplies, equipment and facilities, vehicles, helicopters, training, communications equipment, and management, such as (but not limited to): protective service details, including advance work; response forces; and military police.

2.3.3.1.6. Security and Investigative Matters Category - Includes Defense criminal investigative resources, conduct of vulnerability assessments (periodic high level reviews and physical security assessments), security and intelligence activities, and any cross-discipline security functions which do not easily fit into other security categories such as (but not limited to): terrorism investigations; executive antiterrorism training; surveillance and counter surveillance teams; protective service details including advance work; route surveys; and antiterrorism awareness programs and training.

2.3.3.1.7. RDT&E - Includes any RDT&E resources expended in the area of antiterrorism. Activities include (but are not limited to) are Defense Threat Reduction Agency, Counterterrorism Technical Support Program (CTTS), the Physical Security Equipment Action Group (PSEAG), the Technical Support Working Group (TSWG), Defense Advanced Research Projects Agency (DARPA) and Chemical Biological Defense Program (CBDP).

2.3.3.2. Counterterrorism

Offensive measures taken to prevent, deter, and respond to terrorism. The sensitive and compartmental programs of counterterrorism (CT) will be reported separately in the appropriate classified program submissions.

2.3.3.2.1. Special Operations Command Activities

2.3.3.2.2. Research Development Test and Evaluation (example, CTTS or TSWG)

2.3.3.2.3. DoD Rewards Program

2.3.3.3. Terrorism Consequence Management

DoD defines Consequence Management (CM) as those measures taken to protect public health and safety, restore essential government services, and provide emergency relief to governments, businesses, and individuals affected by the consequences of a chemical, biological, radiological, nuclear, and/or high-yield explosive (CBRNE) situation. The Department has a wide variety of unique warfighting support capabilities, both technical and operational, which could be used to provide assistance to state and local authorities in the event of a terrorist attack. The Department's role is to provide assistance emphasizing the unique resources and capabilities that are not found in other federal agencies, such as the ability to mass mobilize and to provide extensive logistical support. The Department supports the lead federal agency within existing required resources while not adversely affecting overall military preparedness. This also includes the activities of installation first responders. For clarity, descriptions of subcategories are as follows:

2.3.3.3.1. Consequence Management Response – Includes war fighting units and installation first responders within the Department that possess specialized equipment, knowledge, skills, and training that could be brought to bear after a WMD incident. Units would include, but are not limited to, the Defense Nuclear Advisory Team, 52nd Ordnance Group, Edgewood Chemical and Biological Forensic Analytical Center Modular On-site Laboratory, Medical Chemical Biological Advisory Team, US Army Medical Research Institute of Infectious Diseases, Radiological Control Teams, Radiological Advisory Medical Team, Response Task Force, 20th Support Command – Chemical Biological Radiological Nuclear and High Yield Explosives (CBRNE), and Chemical/Biological Incident Response Force. Also includes funding for Installation Emergency Responders such as fire departments, security forces, law enforcement, medical responders, civil engineers, medical surveillance, and explosive ordinance disposal. Funding includes training, exercises, and evaluation for base and headquarters personnel, support for formal and supplemental training courses, developing and evaluating response plans, and other associated activities. Funding in this category also includes procurement efforts for the Chemical Biological Installation Protection program and operations and maintenance for the Chemical, Biological, Radiological, and Nuclear Defense program. Funding also includes a pilot program to expand emergency responder capabilities to handle CBRNE emergencies through the procurement of specialized equipment, additional training, and exercises.

2.3.3.3.2. Weapons of Mass Destruction Civil Support Teams - Include the Joint Task Force Civil Support and the 55 congressionally mandated WMD Civil Support Teams (CSTs). Joint Task Force Civil Support is responsible for the planning and execution of military assistance to civil authorities for consequence management of WMD incidents within the United States, its territories and possessions. CST funds are used for unique individual and collective unit training. Funds also support operational deployments, equipment upgrades, and communications links.

2.3.3.3.3. Research Development Test and Evaluation - RDT&E support to the terrorism consequence management efforts. Includes, but is not limited to, the activities of OSD, and the portion of DARPA's Biological Warfare Defense Program that is dedicated to domestic terrorism consequence management.

2.3.3.4. Intelligence Related Support to Combating Terrorism- Collection, analysis, and dissemination of all-source intelligence on terrorist groups and activities intended to protect, deter, preempt, or counter the terrorist threat to US personnel, forces, critical infrastructures, and interests. THIS PORTION OF THE SNAP SUBMISSION IS NOT INCLUDED IN THE COMBATING TERRORISM JUSTIFICATION BOOK AND WILL ONLY BE COLLECTED DURING THE PROGRAM AND BUDGET REVIEW DATA COLLECTION CYCLE – IT WILL NOT BE COLLECTED DURING THE PRESIDENT'S BUDGET DATA COLLECTION CYCLE.

2.3.3.4.1. Counterintelligence (CI) - Includes personnel and funding associated with Military Intelligence Program (MIP). These activities include terrorism investigations, surveillance and counter surveillance teams, terrorism analysis and production, force protection source operations, threat assessments, terrorism collection, route surveys, and intelligence staff support to deployed forces. Only those counterintelligence resources directly supporting force protection/combating terrorism activities are to be reported in this resource summary. Army and Marine Corps tactical CI resources and Army Security and Intelligence Activities CI resources will be

reported by the Army and Marine Corps. The Counterintelligence Field Activity (CIFA) will report CIFA resources that directly support force protection/combating terrorism activities.

2.3.3.4.2. Research Development Test and Evaluation - For example, Counter Terrorism Technical Support Program.

2.3.4. Entries for CbT-1 Exhibit

2.3.4.1. General: DoD Components should prepare a separate summary for each applicable appropriation and revolving fund. Each summary will report resources (funding and personnel) by the combating terrorism functional categories described above.

2.3.4.2. Appropriation Summary: For each appropriation (O&M, Military Personnel and Military Construction) report budget authority by appropriation, budget activity, and applicable subactivity group level/program line item/project. Procurement, and RDT&E appropriations, report the total combating terrorism budget authority funds by budget activity and by program element. For Revolving Funds, report obligation authority at the Working Capital Fund business area.

2.3.4.3. Financial Summary Section:

2.3.4.3.1. Military Personnel. Report resources by CbT functional category and CbT activity group at the appropriation budget activity level.

2.3.4.3.2. Operation and Maintenance. Report resources by CbT functional category, CbT activity group, budget activity, and subactivity group level (O-1 line).

2.3.4.3.3. Procurement. Report resources by CbT functional category, CbT activity group, and Program Element (PE) (P1 line item).

2.3.4.3.4. RDT&E. Report resources by CbT functional category and CbT activity group, and PE (PE/R-1 line item).

2.3.4.3.5. Military Construction. Report resources by CbT functional category and CbT activity group, State/Country, and project title.

2.3.4.3.6. Revolving Funds. Report resources by CbT category and activity group by business area level.

2.3.4.4. Personnel Summary Section:

2.3.4.4.1. For each applicable appropriation, report civilian and contractor personnel full-time equivalents (FTEs) and military (active and reserve component) end strength by CbT functional category and CbT activity group.

2.3.4.4.2. The following generic Military Occupational Series (MOS) and civilian job series should be reported as full-time Combating Terrorism assets -- even if these persons

spend only a portion of their time on combating terrorism activities. Additionally, personnel not in these MOS's and/or job series who are assigned permanently or detailed to force protection offices and who spend at least 51% of their time directly supporting combating terrorism activities should be reported on this exhibit:

2.3.4.4.2.1. Military Career Fields/Occupational Series: Military Police, Law Enforcement Specialist and Security, Master at Arms, Security Forces, Criminal Investigator, Interrogator, Interpreter/Translator, Counterintelligence Officer, and Office of Special Investigations. Appropriate subspecialties/subfunctions/skills are to be captured in these career fields/occupational series, in support of combating terrorism, with the exception of military working dogs in counterdrug missions.

2.3.4.4.2.2. The following civilian Job Series are to be reported if responsibilities relate to CbT efforts: Physical Security Manager (GS-0080), Civilian Police (GS-0083), Security Guard (GS-0085), and those personnel in the Security Clerical and Assistance (GS-0086) series, and all associated wage grade positions that are in direct support of the previously aforementioned series.

2.3.4.4.2.3. Personnel data associated with classified combating terrorism programs will be reported as follows: Army and Marine Corps tactical counterintelligence resources and all Army security and intelligence activities and CIFA's counterintelligence resources will be reported in the CbT exhibits by the applicable components.

3.0 MAJOR RANGE AND TEST FACILITY BASE (1903)

3.1 Purpose (190301)

3.1.1. This Chapter provides instructions applicable to budget formulation for the DoD Major Range and Test Facility Base (MRTFB) funding requirements included in the DoD Components' budget requests. The exhibit formats submitted in support of the Program and Budget Review Submission (August timeframe) will be the same as those submitted to the Director, DoD Test Resource Management Center (TRMC) in support of the President's Budget (March timeframe) except that the President's Budget submission will not include updates to any of the Direct (User) funding or MILCON information on any Exhibit to include Exhibit 2D, Source of Direct Funds, in whole.

3.1.2. These instructions apply to the activities included in the MRTFB as defined in DoDD 3200.11 and listed below.

Army:

Aberdeen Test Center (ATC), Aberdeen Proving Ground, MD
Dugway Proving Ground, (DPG), Dugway Proving Grounds, UT
Electronic Proving Ground (EPG), Ft. Huachuca, AZ
High Energy Laser Systems Test Facility (HELSTF), White Sands Missile Range, NM
Ronald Reagan BMD Test Site (RTS), Kwajalein Atoll, Marshall Islands
White Sands Missile Range (WSMR), White Sands Missile Range, NM
Yuma Proving Ground (YPG), Yuma Proving Ground, AZ

Navy:

Atlantic Undersea T&E Center (AUTEC), Andros Island, Bahamas
Naval Air Warfare Center-Aircraft Division (NAWCAD), Patuxent River, MD
Naval Air Warfare Center-Weapons Division (NAWCWD), China Lake
and Point Mugu, CA
Pacific Northwest Range Complex, (NanOOSE and Dabob Ranges), Keyport, WA
Pacific Missile Range Facility (PMRF), Barking Sands, Kauai, HI

Air Force:

30th Space Wing (30SW), Vandenberg AFB, CA
45th Space Wing (45SW), Patrick AFB, FL
Arnold Engineering Development Center (AEDC), Arnold AFB, TN
Air Armament Center (AAC), 46 Test Wing (46TW), Eglin AFB, FL and 46th Test Group,
(46TG), Holloman AFB, NM
Air Force Flight Test Center (AFFTC), Edwards AFB, CA
Nevada Test and Training Range (NTTR), Nellis AFB, NV
Utah Test and Training Range (UTTR), Hill AFB, UT

Defense Information System Agency:

Joint Interoperability Test Command (JTIC), Ft. Huachuca, AZ, Slidell, LA,
and Arlington, VA

3.1.3. The TRMC is charged with administering OSD responsibilities for the MRTFB in accordance with DoDD 3200.11. Modifications to these instructions, requests for deviations from their provisions, or requirements for their clarification or applicability should be directed to and coordinated with the TRMC and OUSD (Comptroller) Program/Budget.

3.1.4. Budget estimates will be developed in accordance with guidance contained in Chapter 1 and the various chapters for appropriations and accounts.

3.2 Submission Requirements (190302)

Copies of the following exhibits will be submitted twice annually in support of the President's Budget (March timeframe) and the Program and Budget Review (August timeframe) for each major range and test facility. The same format and guidance are used for both submissions. However, the

Program and Budget Review submission shall include all the full budget exhibits, addressing both institutional and direct funding, whereas the President's Budget submission shall be an abbreviated version that needs only address updates to the institutional funding elements on each exhibit. Copy requirements are identified in Chapter 1. Exhibit formats are provided in Section 12.0.

3.2.1. MRTFB-1 Exhibit, (Activity Title) Financial Summary.

3.2.2. MRTFB-2 Exhibit Set, (Activity Title) Financial Details.

3.2.3. MRTFB-3 Exhibit Set, (Activity Title) Improvement and Modernization Analysis.

3.3 Preparation of Material (190303)

Budget estimate data submitted by each DoD Component for the MRTFB will be assembled separately and identified by a cover sheet specifically entitled "Major Range and Test Facility Base (Army/Navy/Air Force/DISA) Program Budget Estimate."

3.4 Special Instructions (190304)

Representatives of the OUSD (Comptroller), DOT&E, TRMC and OMB will participate in the review of all budget submissions for the major ranges and test facilities to ensure that:

3.4.1. Funding is adequate to maintain and sustain the DoD MRTFB test capability.

3.4.2. Excess capability is not being unnecessarily maintained in the MRTFB.

3.4.3. Unnecessary duplication does not exist within the MRTFB activities.

3.4.4. Test facility capability needed in the future is being planned and supported.

3.4.5. All new major test facilities are thoroughly coordinated prior to their approval to reflect the needs of all elements of DoD.

4.0 TEST AND EVALUATION FUNDING (1904)

4.1 Purpose (190401)

4.1.1. This Chapter provides instructions applicable to budget formulation for the Test and Evaluation Exhibit (T&E-1) needed for review and analysis of Test and Evaluation (T&E) funding requirements included in the DoD Components' requests. The instructions specify the requirements for the program and budget submission.

4.1.2. The Director, Operational Test and Evaluation (DOT&E), is charged with oversight of the DoD T&E resources and funding of T&E by each major DoD program. Modifications to these instructions, requests for deviations from their provisions, or requests for their clarification or applicability should be directed to and coordinated with DOT&E and OUSD (Comptroller) Program/Budget.

4.2 Submission Requirements (190402)

Each DoD Component will, for the Program and Budget Review only, complete an Exhibit T&E-1, Test and Evaluation for each of the Major Defense Acquisition Programs (MDAP) as listed on the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) website. This process is accomplished on-line using the Select & Native Programming Data Input System (SNaP) located at: <http://snap.pae.osd.smil.mil>. Note: The SNaP system operating instructions specified in the Programming and Budgeting Data Requirements on the SNaP system will supersede the instructions identified in this document if the instructions are different.

4.3 Special Instructions (190403)

The DOT&E will participate with representatives of OUSD (Comptroller), USD(AT&L), and OMB in the review of all budget submissions for T&E funding to ensure that:

4.3.1. Resources required for the test and evaluation of the MDAP and Special Interest Programs, as identified in the Test and Evaluation Master Plan (TEMP), are adequately funded.

4.3.2. Unwarranted test capability is not being maintained at private industry facilities.

4.3.3. Unwarranted duplication does not exist among DoD Component assets and private industry.

4.3.4. Test facilities and capabilities required are adequately funded and supported.

4.3.5. All new major test facilities are approved by the Defense Test and Evaluation Steering Group to ensure they are warranted and meet the needs of all DoD components.

5.0 FINANCIAL MANAGEMENT ACTIVITIES (1905)

5.1 Financial Management Activities (190501)

5.1.1. This Section provides guidance for presenting budget estimates related to Financial Management Activities. It is designed to fulfill the requirements of Section 52, Information on Financial Management, of OMB Circular A-11.

5.1.2. Information on funding levels for financial management activities is required for oversight and review of component resources devoted to these activities and to ensure that their use is in accordance with the government-wide 5-year financial management plan prepared by OMB as required by the Chief Financial Officers Act of 1990.

5.1.3. Submission of Exhibit 52—Information on Financial Management, as shown in OMB Circular A-11, is required for the Program and Budget Review and an update is required for the President's budget submission (Congressional Justification/Presentation). The exhibit should meet the definitions/descriptions contained in Section 52. Guidance for the automation of the data submission will be provided as part of the budget call for the Program and Budget Review.

5.1.4. Copies are to be provided directly to the OUSD (Comptroller), at the following address: Director, Accounting and Finance Policy and Analysis Directorate, Room 3E987, 1100 Defense Pentagon, Washington DC, 20301 (Commercial (703) 697-8283; DSN 277-8283).

5.2 Financial Improvement Initiative (formerly Financial Improvement Initiative, FII 52 (190502))

5.2.1. This section provides guidance for presenting program and budget estimates related to the Financial Improvement Initiative (FII). It supplements the information provided on the Exhibit 52 in the preceding section and also, supplements the PB-15, "Advisory and Assistance Services" exhibit.

5.2.2. Information on funding levels including budget and program years is required for oversight and review of component resources devoted to financial improvement and to respond to congressional questions about the amounts budgeted and programmed for financial improvement. The funding levels related to financial improvement include the amounts for the Financial Improvement and Audit Readiness report submitted to Congress and the amounts to achieve all of the milestones in the Financial Improvement Plan.

5.2.3. A Schedule 52, will be submitted for the Program and Budget Review and the update for the President's Budget submission. The schedule shows the resources that are programmed and budgeted for the Department to produce reliable, accurate, and timely information and to finance the costs of annual financial statements audits. (Click on the link for the format and guidance for Schedule 52.)

5.2.4. Copies are to be provided directly to the OUSD (Comptroller), Financial Improvement and Audit Readiness Directorate, 1550 Crystal Drive, Suite 212, Arlington, VA 22202, (703-607-0300), extension 138; DSN 327-0300, extension 122).

5.3 Preparation and Audit of Financial Statements (190503)

5.3.1. Sections 1008 (b) and (d) of the Fiscal Year 2002 Authorization Act, require the Under Secretary of Defense(Comptroller) to submit, with the annual budget justification, the following information:

5.3.1.1. An estimate of the resources that the Department of Defense is saving, or expects to save, as a result of actions taken or to be taken, with respect to the preparation and audit of financial statements (FS), and

5.3.1.2. A discussion of how resources saved in (1) above have been redirected or are redirected to improvement of systems, financial policies, procedures, and internal controls underlying financial management within the department. The Components should submit these costs for the preceding fiscal year, the current year, and the following fiscal year. Click on the link for the format and guidance for the Section 1008 report.

5.3.2. Copies are to be provided directly to the OUSD (Comptroller), Financial Improvement and Audit Readiness Directorate, 1550 Crystal Drive, Suite 212, Arlington, VA 22202 (703-607-0300), extension 138; DSN 327-0300, extension 122).

6.0 GOVERNMENT PERFORMANCE AND RESULTS ACT (GPRA) (1906)

6.1 Purpose (190601)

The purpose of this section is to establish basic guidance for aligning GPRA reporting requirements with the Department's budget development process and OMB Circular A-11's requirement to submit an annual performance budget.

6.2 Submission Requirements (190602)

6.2.1. The 1993 Government Performance and Results Act (GPRA) require the Department of Defense to submit a strategic plan (updated at least once every 4 years), an annual performance plan, and an annual performance report.

6.2.2. The Quadrennial Defense Review, issued every four years, serves as the Department's strategic plan; the QDR establishes strategic outcome goals for the Department.

6.2.3. The Secretary's Annual Defense Report (ADR) to the President and the Congress, in combination with the statutory reports of the Military Departments and budget justification materials serve as the Department's performance plan. The Military Departments' statutory reports describe how service-level strategies and associated performance goals support the Department's overall performance framework. The congressional budget justification materials, which list program-level goals and performance measures that support both Component-level and Departmental performance goals, serve as a performance budget. OMB Circular A-11, Section 220, provides additional details.

6.2.4. The Performance and Accountability Report (PAR), Section II, documents actual results against the Defense-wide performance goals established in the ADR, and thus serve as the Department's performance report.

6.2.5. The QDR, ADR, performance budget, and PAR satisfy the standards set forth by the 1993 Government Performance and Results Act. Together they serve as the Secretary's primary public record of how well the Department is managing to results.

7.0 INFORMATION ON OVERSEAS STAFFING (POSITIONS FILLED) (1907)

7.1 Purpose (190701)

The purpose of this section is to establish basic guidance for the annual reporting of the number of overseas employees assigned to the Chief of Mission staff as required by OMB Circular A-11 and the Department of State, Capital Security Cost Sharing (CSC) Program.

7.2 Submission Requirements (190702)

7.2.1. OMB Circular A-11, Section 25 requires the Department of Defense to submit an exhibit on Information on Staffing Overseas on an annual basis. Submission is required on overseas staffing if your agency assigns employees to overseas positions under a Chief of Mission, as defined below.

7.2.2. This information is required to analyze the number of overseas employees assigned to a Chief of Mission staff and the cost of new positions being assigned. Overseas employee means an American citizen employed outside the United States and its territories. Chief of Mission means the ranking officer in an embassy, permanent mission, legation, consulate general or consulate.

7.2.3. Information reported will be compared for accuracy against the Department of State reports. Discrepancies will be validated by the Component or Defense Agency.

7.2.4. The following types of positions are to be reported:

1. U.S. Hires
2. Full-time permanent (FTP) U.S. direct-hire positions (USDH)
3. U.S. – Contracted Personnel Services Contractors (PSC)
4. U.S. military positions
5. Locally Engaged Staff
6. Foreign Service National (FSN)
7. PSCs or Personnel Services Agreements (PSA)
8. Third Country Nationals (TCNs)
9. Locally Hired Americans, including eligible family members
10. TDY – long term/rolling TDY employees

7.2.5. Additional information and guidance can be found in OMB Circular A-11, Section 25 and the Department of State, Capital Cost Sharing Program (<http://www.state.gov/obo/c11275.htm>). The PB-59, DoD Overseas Staffing exhibit must be submitted in an EXCEL spreadsheet to OUSD (Comptroller) P/B, Operations Directorate, Room 3C710, the Pentagon.

8.0 FEDERAL CREDIT PROGRAMS (1908)

8.1 Purpose (190801)

This Section provides guidance for presentation of annual budget estimates for Federal credit programs. Credit programs in the Department of Defense consist of direct loans and guaranteed loans.

8.2 Submission Requirements (190802)

8.2.1. Military Departments and Defense Agencies, as appropriate, will submit to OSD in support of Federal credit programs all materials required by, and in the format specified in, OMB Circular No. A-11, Section 85. Copies of appropriate exhibits will be submitted in support of the Program and Budget Review Submission only.

8.2.2. Definitions: The following definitions apply to the credit account structure. Agencies should refer to OMB Circular A-34 and A-11 for a more detailed explanation of terminology and budget instructions.

8.2.2.1. A direct loan is a disbursement of funds by the Government to a non-Federal borrower under a contract that requires repayment of such funds with or without interest. The term includes the purchase of, or participation in, a loan made by a non-Federal lender. It also includes the sale of a Government asset on credit terms of more than 90 days duration.

8.2.2.2. A direct loan obligation is a legal or binding agreement by a Federal agency to make a direct loan when specified conditions are fulfilled by the borrower.

8.2.2.3. A loan guarantee is any guarantee, insurance, or other pledge with respect to the payment of all or part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender, but does not include the insurance of deposits, shares, or other withdrawal accounts in financial institutions.

8.2.2.4. A loan guarantee commitment is a legally binding agreement by a Federal agency to make a loan guarantee when specified conditions are fulfilled by the borrower, the lender, or any other party to the guarantee agreement.

8.2.2.5. Financing Account is the non-budget account or accounts associated with each credit program account for post-1991 direct loans or loan guarantees. It holds balances, receives the subsidy cost payment from the credit program account, and includes all other cash flows to and from the Government. Separate financing accounts are required for direct loans and loan guarantees.

8.2.2.6. Modifications are any Government action that alters the estimated subsidy cost, compared to the estimate contained in the most recent budget submitted to Congress, of an outstanding direct loan (or direct loan obligation) or an outstanding loan guarantee (or loan guarantee commitment). Actions permitted within the terms of an existing contract are the only exception. Modifications to pre-1992 direct loans and loan guarantees are included in this definition, as well as modifications to post-1991 direct loans and loan guarantees. For pre-1992 direct loans and loan

guarantees, the loan asset or guarantee liability will be transferred from the liquidating account to the appropriate financing account. A one-time adjusting payment will be made between the liquidating and financing accounts. The subsequent cash flows will be recorded in the financing account.

8.2.2.7. Program Account is the budget account into which an appropriation to cover the subsidy cost of a direct loan or loan guarantee program is made and from which such cost is disbursed to the financing account. Usually, a separate amount for administrative expenses is also appropriated to the program account. Each program account is associated with one or two financing accounts, depending on whether the program account makes both direct loans and loan guarantees. The program account pays subsidies to the financing account for post-1991 direct loans and loan guarantees, for modifications, and for re-estimates. These subsidy payments are counted in calculating budget outlays and the deficit.

8.2.2.8. Subsidy is the estimated long-term cost to the Government of a direct loan or loan guarantee, calculated on a net present value basis, excluding administrative costs. In net present value terms, it is the portion of the direct loan disbursement that the Government does not expect to recover, or the portion of expected payments for loan guarantees that will not be offset by collections. The subsidy may be for post-1991 direct loan obligations or loan guarantee commitments, for re-estimates of post-1991 loans or guarantees, or for modifications of any direct loans or loan guarantees.

8.2.2.9. Re-estimates are the recalculation of the subsidy cost of each risk category within the cohort of direct loans or guaranteed loans. Re-estimates must be made at the beginning of each fiscal year following the year in which the initial disbursement was made and as long as the loans are outstanding unless a different plan is approved by OMB.

8.2.2.10. Cohort - Direct loans obligated or loan guarantees committed by a program in the same year, even if disbursements occur in subsequent years or the loans are modified. Modified pre-1992 direct loans will constitute a single cohort; modified pre-1992 loan guarantees will constitute a single cohort. For loans subsidized by no-year or multi-year appropriations, the cohort may be defined by the year of appropriation or the year of obligation. The Program and Financial Control Directorate of OUSD (Comptroller) P/B will contact OMB for proper determination.

8.2.3. Materials required by this Section will be provided for credit programs for the DoD Family Housing Improvement program, the Army ARMS Initiative Program, the Defense Export Loan Guarantee Program, and for any additional programs involved in direct loans or guaranteed loans.

8.2.4. Copies of these materials are required as part of the program and budget review submission in the quantities identified in Chapter 1.

9.0 OTHER SPECIAL INTEREST AREAS (1909)

9.1 Purpose (190901)

This Chapter prescribes instructions for the preparation and submission of budget justification backup data for special areas in which the Congress or OMB has expressed interest. Most of these requirements affect more than a single appropriation.

9.2 Submission Requirements (190902)

9.2.1. Data in the exhibit formats provided in Section 12.0 are required for the following program areas:

PB-14 Functional Transfers.....	66
PB-15 Advisory and Assistance Services.....	67
PB-16 Legislative Proposals.....	71
PB-18 Foreign Currency Exchange Data.....	72
PB-22 Major Department of Defense Headquarters Activities.....	73
PB-23 Acquisition and Technology Workforce Transformation Program.....	75
PB-24 Professional Military Education.....	77
PB-25 Host Nation Support.....	80
PB 28 Funds Budgeted for Environmental Quality (Non-ER, Army, Navy, AF or Defense wide).....	95
PB 28A Funds Budgeted for Environmental Security Technology.....	98
PB 28B - Operational Range Sustainment and Environmental Management.....	99
PB-41, ADMINISTRATIVE MOTOR VEHICLE OPERATIONS.....	100
PB-42 Competitive Sourcing and Alternatives.....	101
FY BY1/BY2 OSD Submit/President's Budget.....	103
PB-50 Child Development, School-Age Care, (SAC) Family Centers, and Family Advocacy Programs.....	105
PB-52A DoD Aeronautics Budget.....	110
PB-52B DoD Space Budget.....	112
PB-53 Budgeted Military and Civilian Pay Raise Amounts.....	113
PB-54, Civilian Personnel Hiring Plan.....	114
PB-55 International Military Headquarters.....	115
PB-58 Combatant Command Direct Funding Removed.....	115
PB-59, DoD Overseas Staffing Report.....	116
PB-60 Life Cycle Sustainment	117

9.2.2. Definitions are to be identical to those most recently used in furnishing data to the Congress.

9.2.3. All exhibits are required for the Program and Budget Review Submission and the congressional justification/presentation submission. Copies of exhibits are required with the submissions in the quantities identified in Chapter 1.

10.0 CLASSIFICATIONS AND DEFINITIONS – COMMAND, CONTROL, COMMUNICATIONS, AND INTELLIGENCE PROGRAMS (1910)

10.1 Purpose (191001)

The Office of the Director for Program Analysis and Evaluation maintains a listing of program elements (PEs) in the Future Years Defense Program (FYDP) making up these programs. For details,

please contact the POC for the FYDP Resource Structure Management (RSM) system. The RSM system and its Web site are described in FMR Volume 2A, Section 010702.

11.0 NOT USED (1911)

12.0 OTHER SPECIAL ANALYSES SUBMISSION FORMATS (1912)

12.1 Purpose (191201)

The formats provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, these formats should be adhered to.

12.2 Exhibits in Support of Section 1902 – Combating Terrorism (191202)

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12.3 Exhibits in Support of Section 1903 - Major Range and Test Facility (191203)

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MRTFB-2a Source of Direct Funds.....	47
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Instructions for Major Range and Test Facility Base (MRTFB) Budget Exhibits.....	56

12.4 Exhibits in Support of Section 1904 - Test (191204)

T&E 1.....	61

12.5 Exhibits in Support of Section 1909 - Other Special Interest Areas (191205)

Exhibit PB-14 Functional Transfers.....	66
Exhibit PB-15 Advisory and Assistance Services.....	67
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Exhibit PB-41 Administrative Motor Vehicle Operations.....	100
Exhibit PB-42 Competitive Sourcing and Alternatives.....	101
Exhibit PB-50 Child Development, School Age Care (SAC), Family Center, and Family Advocay Program.....	105
Exhibit PB-52A DoD Aeronautics Budget.....	110
Exhibit PB-52B DoD Space Budget.....	112
Exhibit PB-53 Budgeted Military and Civilian Pay Raise Amounts.....	113
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HCbT 1 Combating Terrorism Activities Detail - SNaP Format

HCbT 1 Combating Terrorism Activities Detail - SNaP Format

Class	Component	CBTCategory	CBTActivity Group	Program Title	Funding Source	Treasury Code	BACode	Budget Line Item	Resource Type

Occupation Service	Occupation Code	Personnel Assigned To	Program Element	CONUS- OCONUS	CONUS- OCONUS Rationale	Reason Code	Reason For Change	PBD_PDM _Num	PBD_PDM _Date

FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013

Instructions

- 1) For all fields listed above, please report the funded and levels of Manpower, Total Obligation Authority (TOA), and Quantity Procured for all combating terrorism activities. Reporting is required by Program Title, within CbT Activity Group, CbT Category, Component and Org. Please refer to the attached relationship table to properly identify CbT Categories and their associated CbT Activity Groups.
- 2) Under the field name Resource Type, select "Funding" to report appropriations not explicitly listed: e.g., MilCon, Procurement, RDT&E, and Revolving Funds.
- 3) Report \$ in Thousands; Civilians and Contractors in FTEs; Military Personnel in Authorized End-Strength; and Quantity Procured in Units.

For Manpower:

1. For each applicable appropriation, report civilian and contractor personnel full-time equivalents (FTEs) and military (active, guard, and reserve component) end strength by CbT Category, CbTActivityGroup, and Program Title.
2. The following generic Military Occupational Series (MOS) and civilian job series should be reported as full-time Combating Terrorism assets -- even if these persons spend only a portion of their time on combating terrorism activities. Additionally, personnel not in these MOSs and/or job series who are assigned permanently or detailed to force protection offices and who spend at least 51% of their time directly supporting combating terrorism activities should be reported on this exhibit:
 - A. Military Career Fields/Occupational Series: Military Police, Law Enforcement Specialist, Security, Master at Arms, Security Forces, Criminal Investigator, Interrogator, Interpreter/Translator, Counterintelligence Officer, and Office of Special Investigations. Appropriate subspecialties/subfunctions/skills are to be captured in these career fields/occupational series, in support of combating terrorism, with the exception of military working dogs in counterdrug missions.
 - B. The following civilian Job Series are to be reported: Physical Security Manager (GS-0080), Civilian Police (GS-0083), Security Guard (GS-0085), and those personnel in the Security Clerical and Assistance (GS-0086) series, and all associated wage grade positions that are in direct support of the previously aforementioned series.
 - C. Personnel data associated with classified combating terrorism programs will be reported as follows: Army and Marine Corps tactical counterintelligence resources and all Army Security and Intelligence Activities counterintelligence resources will be reported in the CbT exhibits by the applicable Components.

HCbT 1 Combating Terrorism Activities Detail - SNaP Format

(Page 1 of 4)

HCbT 1 Combating Terrorism Activities Detail - SNaP Format (Continued)

- D. The services shall report all CbT military manpower (\$ and End-strength) and annotate (using the OccupationService field) the Combatant Command, Defense Agency, or Field Activity that any personnel are detailed to.
- E. The Combatant Command, Defense Agencies, and Field Activities shall report the military End Strength detailed to their organization and annotate (using the Occupation Service field) the service providing the manpower.

CbT 1 Definitions

Class: System Field: Classification. **All information for this exhibit must be submitted at the unclassified level on the unclassified network.**

U: UNCLASSIFIED

Component: Identifies the duty status for military service units and defense agencies.

Active:

DADW: Defense Area Defense Wide. Used by non-service defense agencies.

Guard:

Reserve:

JIEDDO: Joint IED Defeat Organization

CBTCategory: Antiterrorism (defensive measures), Counterterrorism (offensive measures), Terrorism Consequence Management (preparedness and response for mitigating the consequences of a WMD incident), and Intelligence Related Support.

CBTActivityGroup: A specified grouping of activities and functions that describe the type of CbT effort within a CbT Category. Refer to the CbTCategory & CbTActivityGroup Relationship Matrix.

Program Title: Descriptive name of your program: associated with the PE's and the resources for the CbTActivityGroup. This is a required field and must be entered through the data management segment of SNaP prior to entering Program Details.
Open List. Add entries to pick list.

Funding Source: Annotate if the original source of the funding was the Defense Emergency Response Fund (DERF '03), Supplemental Funding for FY 2007, FY 2008, or N/A for all other funding.

DERF '03

Supplemental '06

Supplemental '07

Supplemental '08

N/A:

Treasury Code: Identifies resources by type, organization and component. Select from the defined set of four to six-digit codes provided from the Comptroller.

HCbT 1 Combating Terrorism Activities Detail - SNaP Format (Continued)

BACode: The Budget Activity Code as defined by OUSD (Comptroller), in the Financial Management Regulation located in the “Publications” section of DefenseLink.
www.defenselink.mil/comptroller/fmr/
See Data Matrix

Budget Line Item: (Closed List) Provide the Activity Group (AG) and Sub-Activity Group (SAG) if the appropriation is O&M; the Project Number as used in the R2 report for RDT&E; Line Item if Procurement; Project Number if MilCon; and Activity Group (AG) N/A if Revolving funds. The list of Budget Line Item/Budget Line Item Name values is located on the PDR Info page of the SNaP website (<https://SNaP.PAE.OSD.MIL>).

Resource Type:

Civilian Pay - Direct Hire Civilian: Civilian Pay part of TOA in the identified PE that provides resources for the Direct Hire Civilians within the CbT Activity Group and Program Title.

Civilian Pay - Foreign Direct Civilian: Civilian Pay part of TOA in the identified PE that provides resources for the Foreign Direct Civilians within the CbT Activity Group and Program Title.

Civilian Pay - Foreign Indirect Civilian: Civilian Pay part of TOA in the identified PE that provides resources for the Foreign Indirect Civilians within the CbT Activity Group and Program Title.

Contractor: Number of Contractors designated as CbT in that CbT Activity Group, Program Title, and Program Element.

Contractor Pay: TOA portion of the identified PE that provides resources for contractor pay with the CbT Activity Group and Program Title.

Direct Hire Civilian: Number of Direct US civilians designated as CbT in that CbT Activity Group, Program Title, and Program Element

Enlisted: Report Enlisted end-strength carrying occupation codes designated as AT, CT, TCM, or INT at the individual occupational specialty code level for each CbT Activity Group, Program Title, and Program Element.

Foreign Direct Civilian: Number of Foreign Direct Civilians designated as CbT in that CbT Activity Group, Program Title, and Program Element

Foreign Indirect Civilian: Number of Foreign Indirect Civilians designated as CbT in that CbT Activity Group, Program Title, and Program Element

Funding: Identify funding for MILCON, Procurement, RDT&E, DWCF, and Revolving Funds

MilPay - Enlisted: Report funding for all Enlisted personnel carrying occupation codes designated as AT, CT, TCM, or INT for each CbT Activity Group, Program Title, and Program Element.

MilPay - Officers: Report funding for all Officers carrying occupation codes designated as AT, CT, TCM, or INT for each CbT Activity Group, Program Title, and Program Element.

Officers: Report Officer end-strength carrying occupation codes designated as AT, CT, TCM, or INT at the individual occupational specialty code level for each CbT Activity Group, Program Title, and Program Element.

Other O&M: Operations and Maintenance TOA portion of the identified PE that provides resources for the described program within the AT/FP activity (excludes Civilian Pay which will be reported separately)

Quantity Procured: Number in units of each piece of physical security equipment or Installation First Responder reported.

HCbT 1 Combating Terrorism Activities Detail - SNaP Format (Continued)

Occupation Service: Closed List. For defense agencies and field activities, identify the Service providing the manpower for Officer or Enlisted resource types. For the services, identify the service, defense agency or field activity the manpower is detailed to for Officer and Enlisted resource types. Select Civil Service for Direct Hire Civilian resource type. Select N/A for all other Resource Types.

Air Force:

Army:

Civil Service:

Navy:

Marine Corps:

DHP

DTRA

NDU

OSD

SOCOM

TRANSCOM

N/A

Occupation Code: Provide the occupational specialty code/civilian job series and title for all manpower (Officer, Enlisted, Direct Hire Civilian, Indirect Hire Civilian, Foreign Indirect Hire Civilian). For example: Civ 4804 Locksmith, Off 31A Military Police, or Enl 5822 Polygraph Examiner. Occupation Codes are taken from the Defense Manpower Data Center (DMDC) DoD Occupation Database (ODB). The complete list of valid codes is available on the PDR info page of the SNaP website (<https://SNaP.PAE.OSD.MIL>)

CONUS_OCONUS:

CONUS: Select CONUS for CONUS assets (Equipment, funding, personnel)

OCONUS: Select OCONUS for OCONUS assets.

CONUS_OCONUS Rationale: Explain the methodology used to assign or derive the CONUS/OCONUS breakout.

ReasonCode: Select the reason necessitating the change to the data: PBD, PDM, Congressional Action or Other.

Congressional Action:

Other:

PBD:

PDM:

Reason For Change: If 'Other' was selected under ReasonCode, provide text explaining the reason for the change.

PBD_PDM_Num: Enter the PBD or PDM number that necessitated the change if applicable, else select N/A.

PBD_PDM_Date: Enter the date (Month and Year) of the PBD or PDM that necessitated the change if applicable, else select N/A.

CbT 2 Combating Terrorism Narrative – SNaP Format (PB Only)

CbT 2 Combating Terrorism Narrative – SNaP Format (PB Only)

Class	Organization	CbTActivityRollupName
Planned Activities	Reconciliation of Activities' Increases and Decreases (explanation for resource level changes)	

Instructions

Provide the name, division of organization, phone number, and email address of the individual responsible for the information contained in the planned activities and reconciliation for each CbTActivityRollupName.

CbT 2 Definitions

Class: System Field: Classification. **All information for this exhibit must be submitted at the unclassified level on the unclassified network.**

U: UNCLASSIFIED

Organization: The POM reporting entities directed to submit this data requirement. For a complete list of organizations see by data requirement see Appendix A of the PDR.

CbTActivityRollupName: The name that all data will be aggregated to for the President's Budget Justification Book. Rollup supporting CbTActivityGroups to the CbTActivityRollupName as outlined in the Data Matrix below.

Planned Activities: Describe all activities planned for the budget year at the CbTActivityRollupName level of detail.

Reconciliation of Activities' Increases and Decreases: Explain any fiscal year to fiscal year changes in total program funding at the CbTActivityRollupName and appropriation level of detail.

CbT 2 Combating Terrorism Narrative – SNaP Format (PB Only) (Continued)

CbT 2 Combating Terrorism Narrative – SNaP Format (Program/Budget Review Only)

Class	Component	CbTActivityGroup	ProgramTitle	Description

POCFirstName	POCLastName	POCDivision	POCPhone

Instructions

- 1) Provide the Name, Division of Organization, Phone Number and email address of the Individual responsible for the information contained in the Program Title and Description. For each CbTActivityGroup and Program Title combination, provide a description of your program.

CbT 2 (Program Budget) Definitions

Class: System Field: Classification. **All information for this exhibit must be submitted at the unclassified level on the unclassified network.**

U: UNCLASSIFIED

Component: Identifies the duty status for military service units and defense agencies.

Active:

DADW: Defense Area Defense Wide. Used by non-service defense agencies.

Guard:

Reserve:

CbTActivityGroup:

A specified grouping of activities and functions that describe the type of CbT effort within a CbT Category. Refer to the CbTCategory, CbTActivityRollupName, & CbTActivityGroup Relationship Matrix below.

ProgramTitle: Descriptive name of your program: associated with the PE's and the resources for the CbTActivityGroup.

Description: Description of the Program described by the PE's and the resources for the CbTActivityGroup.

POCFirstName: First Name of Program POC.

POCLastName: Last Name of Program POC.

POCDivision: Division within the Organization responsible for the Program.

POCPhone: Phone Number for Program POC

POCEmail: Email address for Program POC

CbT 1&2: Data Matrix: CbT Category, CbT Activity Rollup Name, CbBT Activity Group Relationship

CbT 1&2: Data Matrix: CbT Category, CbT Activity Rollup Name, CbBT Activity Group Relationship

CbT Category	CbT Activity Rollup Name	CbT Activity Group
Antiterrorism	Physical Security Equipment	Physical Security Equipment (PSE) Blast Mitigation
	Physical Security Equipment	(PSE) Communication
	Physical Security Equipment	(PSE) Explosive Detection
	Physical Security Equipment	(PSE) Barriers
	Physical Security Equipment	(PSE) Intrusion Detection
	Physical Security Equipment	(PSE) Personal Protection
	Physical Security Equipment	(PSE) Patrol Boats
	Physical Security Equipment	(PSE) Up-Armored HMMV
	Physical Security Equipment	(PSE) Commercial Heavy Armored Vehicles
	Physical Security Equipment	(PSE) Commercial Light Armored Vehicles
	Physical Security Equipment	(PSE) Improvised Explosive Device (IED) Defeat
	Physical Security Equipment	(PSE) Other Special Equipment
	Physical Security Site Improvements	Physical Security, Site Improvements
	Physical Security Management and Planning	Physical Security, Management and Planning
	Security Forces and Technicians	Physical Security, Security Forces and Technicians
	Law Enforcement	Physical Security, Law Enforcement
	Security and Investigative Matters	Security and Investigative Matters
	AT Research, Development, Test, and Evaluation	Antiterrorism (AT) R&D, Technical Support R&D
	AT Research, Development, Test, and Evaluation	AT R&D, Physical Security and Other R&D
	AT Research, Development, Test, and Evaluation	AT R&D, COTS Product/Technology Integration
Counterterrorism	Individual Counterterrorism (CT) Programs	Individual Counterterrorism (CT) Programs
	CT Research, Development, Test, and Evaluation	Counterterrorism (CT) R&D, Technical Support R&D
	CT Research, Development, Test, and Evaluation	CT R&D, COTS Product/Technology Integration
	CT Research, Development, Test, and Evaluation	CT R&D, Other CT R&D
Terrorism Consequence Management	Assistance to State and Local Authorities	Assistance to State and Local Authorities Medical Elements
	Assistance to State and Local Authorities	Assistance to State and Local Decontamination Elements
	Assistance to State and Local Authorities	Assistance to State and Local Reconnaissance Elements

CBT Category	CbT Activity Rollup Name	CBTActivity Group
Terrorism Consequence Management	Weapons of Mass Destruction Civil Support Teams	Assistance to State and Local Weapons of Mass Destruction Civil Support Teams
	Consequence Management Response	Chemical and Biological Installation Protection (CBIP)
	Consequence Management Response	Chemical, Biological, Radiological, Nuclear (CBRN) Defense
	Consequence Management Response	Installation First Response Preparedness
	Consequence Management Response	Installation First Response Preparedness - Detectors
	Consequence Management Response	Installation First Response Preparedness - Firetrucks
	Consequence Management Response	Installation First Response Preparedness - Haz Mat Suits
	Consequence Management Response	Installation First Response Preparedness - Personal Protective Equipment for First Responders
	Consequence Management Response	Installation First Response Preparedness - Sensors
	Consequence Management Response	Installation First Response Preparedness - Thermal Imagers
	Consequence Management Response	Special Response Units (SRU) US Army
	Consequence Management Response	SRU Special Medical Augmentation Response Team (SMART)
	Consequence Management Response	SRU US Marine Corps Chem/Bio Incident Response Force (CBIRF)
	TCM Research, Development, Test, and Evaluation	DARPA Biological Warfare Defense Program
	TCM Research, Development, Test, and Evaluation	CM R&D, COTS Product/Technology Integration
	TCM Research, Development, Test, and Evaluation	CM R&D, Other R&D
	TCM Research, Development, Test, and Evaluation	Consequence Management (CM) R&D, Technical Support R&D
Intelligence Related Support	Counterintelligence	Counter-Intelligence
	IR Research, Development, Test, and Evaluation	Intelligence Related (IR) R&D, Technical Support R&D
	IR Research, Development, Test, and Evaluation	IR R&D, COTS Product/Technology Integration
	IR Research, Development, Test, and Evaluation	IR R&D, Other R&D

Combating Terrorism Supporting Detail Definitions

Combating Terrorism Supporting Detail Definitions

- 1) Antiterrorism: those defensive measures taken to reduce vulnerability to terrorist attacks.

Physical Security

Physical Security Equipment (PSE): Any item, device, or system that is used primarily for the protection of assets, personnel, information for facilities, to include alarms, sensors, protective lighting and their control systems and the assessment of the reliability, accuracy, timeliness and effectiveness of those systems, such as (but not limited to): Exterior surveillance and/or intrusion detection systems; lighting systems; access controls and alarms systems; residential security equipment; equipment for executive protection, to include added doors, increased ballistic protection at offices and residences, personal body armor, armored vehicles, and detection devices.

Blast Mitigation Consists of (but not limited to):

- 1) Fragmentation reduction film, blast walls, etc.
- 2) Explosive containers

Communication Consists of (but not limited to):

- 1) Personnel Alerting Systems
- 2) Pagers & Radios
- 3) Databases and assessment tools

Explosive Detection Consists of (but not limited to):

- 1) Portable & non portable detectors
- 2) Under Vehicle Surveillance Systems
- 3) Canine systems

Barriers Consists of (but not limited to):

- 1) Passive (cable reinforced fences, planters, jersey barriers, shrubs, trees, berms ditches, and inflatable booms)
- 2) Active (bollards, drums & sliding gate, cable beam)

Intrusion Detection Consists of (but not limited to):

- 1) Wide Area Security and Surveillance Systems
- 2) Detection devices (thermal, spectral, mechanical, etc.)
- 3) Special lighting
- 4) Biometrics
- 5) Sensors

Personal Protection Consists of (but not limited to):

- 1) Body Armor
- 2) Personnel protective equipment
- 3) Unarmored Vehicles/Sedans

Combating Terrorism Supporting Detail Definitions (Continued)

Patrol Boats**Up-Armored HMMWV****Commercial Heavy Armored Vehicles****Commercial Light Armored Vehicles****Improvised Explosive Device (IED) Defeat**

Other Special Equipment: Specify Equipment Type. This is a required field and must be entered through the data management segment of SNaP prior to entering program details. Add equipment types to the CBTActivityGroup pick list. With format of (PSE) Other Special Equipment: <Equipment Type>.

Physical Security Site Improvements: Any facility improvements (or increment of improvements) (using O&M or MILCON funding) or new construction (or increment of new construction) that is for the purpose of the physical protection of assets, personnel or information. These include walls, fences, barricades or other fabricated or natural impediments to restrict, limit, delay or deny entry into a Defense installation or facility, such as (but not limited to):

- 1) Primary facility modification/features such as special structural improvements to walls, doors, windows, ceilings, etc.; interior barriers; or include any land acquisition for standoff distances)
- 2) Supporting facility modification features such as site improvements in fencing, perimeter/area lighting, blast mitigation barriers, vehicle barriers, special landscaping)
- 3) Safe havens
- 4) Evacuation facilities
- 5) Surveillance platforms

Physical Security Management and Planning: Personnel who manage physical security programs, resources, and assets such as but not limited to headquarters staff. CINC headquarters staff elements performing such functions should also be reported here.

Security Forces and Technicians: All personnel and operating costs associated with protective forces used to safeguard assets, personnel or information, to include (but not limited to) salaries overtime, benefits, materials and supplies, equipment and facilities, vehicles, helicopters, training, communications equipment, and management, such as (but not limited to):

- 1) Dedicated response forces and security forces
- 2) Locksmiths
- 3) Perimeter, installation or facility access control
- 4) Inspection and maintenance of barriers and security system components
- 5) Antiterrorism training for security forces
- 6) Antiterrorism awareness programs and training

Law Enforcement: All personnel and operating costs associated with law enforcement, to include but not limited to salaries, overtime, benefits, material and supplies, equipment and facilities, vehicles, helicopters, training, communications equipment, and management, such as (but not limited to):

- 1) Response forces
- 2) Military police
- 3) Protective service details, including advance work

Combating Terrorism Supporting Detail Definitions (Continued)

Security and Investigative Matters: Includes Defense criminal investigative resources, security and intelligence activities, and any cross-discipline security functions which do not easily fit into other security categories, such as (but not limited to):

- 1) Terrorism Investigations
- 2) Executive antiterrorism training
- 3) Surveillance and counter-surveillance teams
- 4) Protective service details, including advance work
- 5) Route surveys
- 6) Antiterrorism awareness programs and training

Antiterrorism R&D: Includes any RDT&E resources expended in the area of antiterrorism, showing the program and purpose

Antiterrorism (AT) Technical Support R&D

Physical Security and Other R&D

AT COTS Product/Technology Integration

- 2) Counterterrorism: Offensive measures taken to prevent, deter and respond to terrorism

Individual CT programs

Counterterrorism R&D- Includes any RDT&E resources expended in the area of counterterrorism showing the program and purpose.

Counterterrorism (CT) Technical Support R&D

CT COTS Product/Technology Integration

Other CT R&D

- 3) Terrorism Consequence Management: Preparation for and response to the consequences of a terrorist incident/event

Chemical and Biological Installation Protection (CBIP): Include all costs and personnel (\$ and End Strength/FTE's) associated with these activities including procurement of equipment.

CBRN Defense: Include all costs and personnel (\$ and End Strength/FTEs) associated with these activities. Also include the quantity of equipment procured of all CBRN assets.

Assistance to State and Local Authorities: The employment of DoD assets and expertise to assess suspected nuclear, biological, chemical, or radiological event in support at the local or state authority. DoD assets to be reported include:

Weapons of Mass Destruction Civil Support Teams

Decontamination Elements

Reconnaissance Elements

Medical Elements

Special Response Units US Army

US Marine Corps Chem/Bio Incident Response Force (CBIRF)

Special Medical Augmentation Response Team (SMART)

Installation First Response Preparedness: As a new initiative for FY 2001, the Services were directed to develop requirements, train personnel, and procure equipment for first response preparedness at DoD installations and facilities. These initiatives will be reported here, above the baseline.

Combating Terrorism Supporting Detail Definitions (Continued)

Include and itemize all equipment procurement for: fire trucks, thermal imagers, sensors, detectors, and haz mat suits. Also include ALL personnel (\$ and end strength/FTE's) associated with these activities.

Consequence Management R&D: Includes any RDT&E resources expended in the area of CbT Terrorism Consequence Management showing the program and purpose.

Consequence Management (CM) Technical Support R&D**CM COTS Product/Technology Integration****Other CM R&D**

DARPA Biological Warfare Defense Program: That portion dedicated to domestic terrorism consequence management. Applied research program to develop and demonstrate technologies to thwart the use of biological warfare agents (including bacterial, viral, and bioengineered organisms and toxins) by both military and terrorist opponents (against US assets at home and abroad). That portion dedicated to domestic terrorism consequence management is reported here. DARPA's primary strategy for accomplishing this goal is to create technologies applicable to broad classes of pathogens and toxins. Projects include:

- 1) real-time environmental sensing
- 2) external protection (including novel methods of protection, air and water purification, and decontamination)
- 3) consequence management tools
- 4) advanced medical diagnostics for the most virulent pathogens and their molecular mechanisms
- 5) pre- and post-exposure medical countermeasures
- 6) pathogen genome sequencing

4) Intelligence Related Support: Collection and dissemination of terrorism-related information taken to oppose terrorism throughout the entire threat spectrum to include terrorist use of WMD and/or high explosives. This category will only be reported in the combating terrorism formats during the Program/Budget Review data collection cycle – not during the President's Budget data collection.

Counter-Intelligence: All Army and Marine Corps tactical counterintelligence resources and all Army Security and Intelligence Activities CI resources will be reported in this tab. The Counterintelligence Field Activity will report CIFA resources that directly support force protection/combating terrorism activities. Counterintelligence is considered to include (but is not limited to) activities such as:

- 1) Terrorism Investigations
- 2) Surveillance and counter-surveillance teams
- 3) CI Terrorism analysis and production
- 4) Force protection source operations
- 5) Threat assessments
- 6) CI Terrorism collection
- 7) Route surveys
- 8) Intelligence staff support to deployed task forces

Intelligence Related R&D: Includes any DoD MIP RDT&E resources expended in the area of CbT Intelligence Related Support (counter-intelligence), showing the program and purpose.

Combating Terrorism Supporting Detail Definitions (Continued)

Intelligence Related (IR) Technical Support R&D/IR COTS Product/Technology Integration**Intelligence Related (IR) Technical Support R&D/Other IR R&D****CATEGORIES NOT TO BE REPORTED IN COMBATING TERRORISM DETAIL:**

Intelligence - Not reported in this TAB: NIP or MIP funding and personnel, such as (but not limited to):

- Terrorism collection (generally HUMINT, possibly SIGINT)
- Terrorism analysis and production (excluding CI)
- Terrorism watch centers
- Terrorism indications and warning
- Intelligence staff support to deployed task forces

The Director, National Intelligence will report related intelligence support in accordance with the PPI, Section one, Part V, “Data Formatting and Economic Instructions,” “Intelligence Programs” as part of the NIP instructions.

Information Assurance - Not reported in this Section: Includes assuring readiness, reliability, and continuity of information assets, systems, networks, and their functions, protecting information systems against penetration/exploitation, providing the means to re-establish vital information system capabilities effectively and efficiently. Examples include Computer Emergency Response Teams (CERTs), and computer network security “fire walls.”

Counterproliferation - Not reported in this format: Chem/Bio Defense Program and WMD.

HCbT 3 Vulnerability Assessments (Program/Budget Review Only)

HCbT 3 Vulnerability Assessments (Program/Budget Review Only)

Class	CountryCode	State	Component	AssessmentDetail

FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013

Instructions

- 1) Report only those assessments addressing DoD standard 26, E3.1.1.26.4-.7 higher headquarters vulnerability assessments. Note that the standard requires an assessment of all installations at least once every three-(3) years.
- 2) Provide by country code and component the total number of installations.
- 3) DoDEA will report this information for all schools located off post.
- 4) Provide by country code and component the number of installations that contain family housing, VIP Housing, and or DoDES facilities. These will not add up to total installations.
- 5) Provide by country code and component the cost and number of assessments planned for future years and conducted in the prior and current years.
- 6) Provide total military, civilian and contractor manpower required to conduct assessments.
- 7) TOA is entered in dollars thousands (\$000).
- 8) Military personnel are entered as End strength and Civilians and Contractors as FTEs.
- 9) See Appendix A for reporting requirements for your organization.

CbT 3 Definitions

Class: System Field: Classification. **All information for this exhibit must be submitted at the unclassified level on the unclassified network.**

U: UNCLASSIFIED

CountryCode: (Closed List)

AF	Afghanistan
AL	Albania
AG	Algeria
AN	Andorra
AO	Angola
AC	Antigua and Barbuda
AR	Argentina
AM	Armenia
AS	Australia
AU	Austria

AJ	Azerbaijan
BF	Bahamas, The
BA	Bahrain
BG	Bangladesh
BB	Barbados
BO	Belarus
BE	Belgium
BH	Belize
BN	Benin
BT	Bhutan
BL	Bolivia
BK	Bosnia and Herzegovina
BC	Botswana
BR	Brazil
BX	Brunei
BU	Bulgaria
UV	Burkina Faso
BM	Burma
BY	Burundi
CB	Cambodia
CM	Cameroon
CA	Canada
CV	Cape Verde
CT	Central African Republic
CD	Chad
CI	Chile
CH	China
CO	Colombia
CN	Comoros
CF	Congo (Brazzaville)
CG	Congo (Kinshasa)
CS	Costa Rica
IV	Côte d'Ivoire
HR	Croatia
CU	Cuba
CY	Cyprus
EZ	Czech Republic
DA	Denmark
DJ	Djibouti

DO	Dominica
DR	Dominican Republic
TT	East Timor
EC	Ecuador
EG	Egypt
ES	El Salvador
EK	Equatorial Guinea
ER	Eritrea
EN	Estonia
ET	Ethiopia
FJ	Fiji
FI	Finland
FR	France
GB	Gabon
GA	Gambia, The
GG	Georgia
GM	Germany
GH	Ghana
GR	Greece
GJ	Grenada
GT	Guatemala
GV	Guinea
PU	Guinea-Bissau
GY	Guyana
HA	Haiti
VT	Holy See
HO	Honduras
HU	Hungary
IC	Iceland
IN	India
ID	Indonesia
IR	Iran
IZ	Iraq
EI	Ireland
IS	Israel
IT	Italy
JM	Jamaica
JA	Japan
JO	Jordan
KZ	Kazakhstan

KE	Kenya
KR	Kiribati
KN	Korea, North
KS	Korea, South
KU	Kuwait
KG	Kyrgyzstan
LA	Laos
LG	Latvia
LE	Lebanon
LT	Lesotho
LI	Liberia
LY	Libya
LS	Liechtenstein
LH	Lithuania
LU	Luxembourg
MK	Macedonia
MA	Madagascar
MI	Malawi
MY	Malaysia
MV	Maldives
ML	Mali
MT	Malta
RM	Marshall Islands
MR	Mauritania
MP	Mauritius
MX	Mexico
FM	Micronesia, Federated States of
MD	Moldova
MN	Monaco
MG	Mongolia
MO	Morocco
MZ	Mozambique
WA	Namibia
NR	Nauru
NP	Nepal
NL	Netherlands
NZ	New Zealand
NU	Nicaragua
NG	Niger
NI	Nigeria

NO	Norway
MU	Oman
PK	Pakistan
PS	Palau
PM	Panama
PP	Papua New Guinea
PA	Paraguay
PE	Peru
RP	Philippines
PL	Poland
PO	Portugal
QA	Qatar
RO	Romania
RS	Russia
RW	Rwanda
SC	Saint Kitts and Nevis
ST	Saint Lucia
VC	Saint Vincent and the Grenadines
WS	Samoa
SM	San Marino
TP	Sao Tome and Principe
SA	Saudi Arabia
SG	Senegal
YI	Serbia and Montenegro
SE	Seychelles
SL	Sierra Leone
SN	Singapore
LO	Slovakia
SI	Slovenia
BP	Solomon Islands
SO	Somalia
SF	South Africa
SP	Spain
CE	Sri Lanka
SU	Sudan
NS	Suriname
WZ	Swaziland
SW	Sweden
SZ	Switzerland
SY	Syria

TI	Tajikistan
TZ	Tanzania
TH	Thailand
TO	Togo
TN	Tonga
TD	Trinidad and Tobago
TS	Tunisia
TU	Turkey
TX	Turkmenistan
TV	Tuvalu
UG	Uganda
UP	Ukraine
AE	United Arab Emirates
UK	United Kingdom
US	United States
UY	Uruguay
UZ	Uzbekistan
NH	Vanuatu
VE	Venezuela
VM	Vietnam
YM	Yemen
ZA	Zambia
ZI	Zimbabwe

State: (Closed List)***AK:*** ALASKA***AL:*** ALABAMA***AR:*** ARKANSAS***AZ:*** ARIZONA***CA:*** CALIFORNIA***CO:*** COLORADO***CT:*** CONNECTICUT***DC:*** DISTRICT OF COLUMBIA***DE:*** DELAWARE***FL:*** FLORIDA***GA:*** GEORGIA***HI:*** HAWAII***IA:*** IOWA***ID:*** IDAHO***IL:*** ILLINOIS

IN: INDIANA
KS: KANSAS
KY: KENTUCKY
LA: LOUISIANA
MA: MASSACHUSETTS
MD: MARYLAND
ME: MAINE
MI: MICHIGAN
MN: MINNESOTA
MO: MISSOURI
MS: MISSISSIPPI
MT: MONTANA
NA: Not Applicable
NC: NORTH CAROLINA
ND: NORTH DAKOTA
NE: NEBRASKA
NH: NEW HAMPSHIRE
NJ: NEW JERSEY
NM: NEW MEXICO
NV: NEVADA
NY: NEW YORK
OH: OHIO
OK: OKLAHOMA
OR: OREGON
PA: PENNSYLVANIA
RI: RHODE ISLAND
SC: SOUTH CAROLINA
SD: SOUTH DAKOTA
TN: TENNESSEE
TX: TEXAS
UT: UTAH
VA: VIRGINIA
VT: VERMONT
WA: WASHINGTON
WI: WISCONSIN
WV: WEST VIRGINIA
WY: WYOMING

Component: Identifies the duty status for military service units and defense agencies.

Active:

DADW: Defense Area Defense Wide. Used by non-service defense agencies.

Guard:

Reserve:

AssessmentDetail: (Closed List)

Assessment Capability: Number of Installations that can be assessed with the current teams.

Assessments Conducted: Number of assessments conducted by country for 200–5-2006.

Assessments Planned: Number of assessments planned by country for 2007-2013.

Civilian FTEs: Number of civilian personnel conducting assessments.

Contractor FTEs: Number of contractor personnel conducting assessments.

Installations with DoDES Facilities:

Installations with Family Housing:

Installations with VIP Housing:

Military End-Strength: Number of military personnel conducting assessments.

TOA: Total funding programmed to conduct vulnerability assessments by country code.

Total Installations: Total number of installations by component by country should be obtainable from the Installation Summary.

MRTFB 1 Installation Financial Summary

DoD Component
(MRTFB Activity Title) Financial Summary

(\$ Thousands)

Funding SourceFY PY-1FY PYFY CYFY BYFY BY+1**Total Institutional Funding:** (Header Only)**Institutional Funding PE () Total**

In-House Effort

Contractor Effort

Military Personnel (Institutional and Direct)

Total Institutional and Military Personnel Funding**Direct (User Funding)** (Header Only)

Parent Service

Other DoD

Other U.S. Government

FMS

Foreign Government

Commercial

Total Customer Direct Funding

Support to Training (Non-Add)

Other Non T&E MRTFB Customer (Specify) (Non-add)

Total Non-T&E Customer Direct (Non-add)**Total Institutional and MilPers, and Direct****Other Funds - T&E Mission** (Header Only)

T&E BOS

T&E Mission SRM (Sustainment)

T&E Mission SRM (Restoration & Modernization)

Military Construction (MILCON)

Minor Construction

BRAC

Improvement & Modernization (Total from Exhibit 3)

Other Funds applicable to the Test Mission (Specify PE)

(Add lines as required to identify additional PE's)

(MRTFB Activity Title) Financial Summary

(Page 1 of 2)

MRTFB 1 Installation Financial Summary (Continued)

Sub-Total Other T&E Mission

Other Funds - Non-T&E Mission *(Header Only)*
(Add lines as required to identify additional PE's)

**Sub-Total Other Non-T&E
Mission**

Total MRTFB Activity

Exhibit 1-Financial Summary

MRTFB 2a Institutional Funding Element of Expense Listing

		DOD Component				
		(MRTFB Activity Title) Institutional Funding Element of Expense Listing				
		(\$ Thousands)				
DODEE	Description	<u>FY PY-1</u>	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>	<u>FY BY+1</u>
	Military Personnel					
01	Civilian Pay					
02	Travel of Persons					
03	Transportation of Things					
04/05	Utilities/Rental/Leases					
06	Communications					
07	Printing/Reproduction					
09	Purchased Equipment Maintenance					
10	Periodic Depot Level Maintenance (PDM)					
13	Other Purchased Services					
13a	Facility Projects (non add)					
13b	Critical Space Operations (non-add)					
14	Aircraft POL (flying)					
16	Other Supplies					
16a	Fuels (other than flying) (non-add)					
16b	Depot Level Repairable (DLR) (non-add)					
17	Purchased Equipment					
18	Other					
Total Institutional Funding						

Exhibit 2a-Element of Expense

MRTFB 2a Institutional Funding Element of Expense Listing (Continued)

DOD Component
(MRTFB Activity Title) Direct Funding Element of Expense Listing

(\$ Thousands)

DODEE	Description	<u>FY PY-1</u>	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>	<u>FY BY+1</u>
	Military Personnel					
01	Civilian Pay					
02	Travel of Persons					
03	Transportation of Things					
04/05	Utilities/Rental/Leases					
06	Communications					
07	Printing/Reproduction					
09	Purchased Equipment Maintenance					
10	Periodic Depot Level Maintenance (PDM)					
13	Other Purchased Services					
13a	Facility Projects (non add)					
13b	Critical Space Operations (non-add)					
14	Aircraft POL (flying)					
16	Other Supplies					
16a	Fuels (other than flying) (non-add)					
16b	Depot Level Repairable (DLR) (non-add)					
17	Purchased Equipment					
18	Other					
	Total Direct Funding					

Exhibit 2a-Element of Expense

MRTFB 2b Schedule of Increases and Decreases

DOD Component						
(MRTFB Activity Title) Schedule of Increases and Decreases						
(\$ Thousands)						
		<u>FY PY-1</u>	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>	<u>FY BY+1</u>
1. FY PY-1 to FY PY						
a.	(Description/justification of increase and decrease)					
b.						
c.						
etc.						
2. FY PY to FY CY						
a.	(Description/justification of increase and decrease)					
b.						
c.						
etc.						
3. FY CY to FY BY						
a.	Inflation					
b.	Civilian pay raise					
c.	(Description/justification of increase and decrease)					
etc.						
4. FY BY to FY BY+1						
a.	Inflation					
b.	Civilian pay raise					
c.	(Description/justification of increase and decrease)					
etc.						

Exhibit 2b-Schedule of Increases and Decreases

MRTFB 2c Workyears

DOD Component

(MRTFB Activity Title) Workyears

CATEGORY	FY PY-1				FY PY				FY CY				FY BY				FY BY+1			
	INST	DIR	OTH	TOT	INST	DIR	OTH	TOT	INST	DIR	OTH	TOT	INST	DIR	OTH	TOT	INST	DIR	OTH	TOT
Military																				
Officer																				
Enlisted																				
Civilian																				
Contractor																				
Total																				

Narrative Section:

Exhibit 2c-Workyears

MRTFB Source of Direct Funds

		DOD Component				
		(MRTFB Activity Title) Source of Direct Funds				
		(\$ Thousands)				
		<u>FY PY-1</u>	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>	<u>FY BY+1</u>
A. DIRECT FUNDING - CUSTOMER						
1. PARENT SERVICE						
<u>Appn</u>	<u>BAC</u>	<u>PE</u>	<u>Title</u>			
RDTE						
	(List customers)					
	BAC Total					
	RDTE Total					
Operation & Maintenance						
	(List customers)					
	BAC Total					
	Operation & Maintenance Total					
Procurement Appropriations						
	(List customers with subtotal by appropriation)					
	Procurement Appropriation Total					
Other Appropriations						
	(List customers with subtotal by appropriation)					
	Other Appropriation Total					
	TOTAL PARENT SERVICE					

(MRTFB Activity Title) Source of Direct Funds (Continued)

(Page 1 of 3)

MRTFB Source of Direct Funds (Continued)

2. OTHER DOD (Identify Service or OSD)ServiceAppropriation

(List customers)

Appropriation Total

Service Total

TOTAL OTHER DOD**3. OTHER U.S. GOVERNMENT**

(List Agencies)

TOTAL OTHER U.S. GOVERNMENT**4. FOREIGN MILITARY SALES**

(List country or program)

TOTAL FOREIGN MILITARY SALES**5. FOREIGN GOVERNMENT**

(List country or program)

TOTAL FOREIGN GOVERNMENT(MRTFB Activity Title) Source of Direct Funds (Continued)
(Page 2 of 3)

MRTFB Source of Direct Funds (Continued)

6. COMMERCIAL

(List company or program)

TOTAL COMMERCIAL _____**TOTAL CUSTOMER DIRECT FUNDING** _____**B. DIRECT FUNDING - NON-CUSTOMER**

(List types)

TOTAL NON-CUSTOMER DIRECT FUNDING _____(MRTFB Activity Title) Source of Direct Funds (Continued)
(Page 3 of 3)

MRTFB Improvement and Modernization (I&M) Projects Summary

DOD Component**(MRTFB Activity Title) I&M Summary****Improvement and Modernization Projects
(\$Thousands)**

Appn	PE	Project Title	Total Est. Cost	Prior Years	FY PY-1	FY PY	FY CY	FY BY	FY BY+1	Cost To Complete
		(List Projects)								
SUBTOTAL										
TOTAL I&M										

* Asterisk indicates the project meets threshold required for submission of a Quad chart

MRTFB Improvement and Modernization (I&M) Listings Military Construction and BRAC

DOD Component

(MRTFB Activity Title) I&M Listings

**Military Construction and Base Realignment and Closure Projects
(\$ Thousands)**

**MILCON
PROJECTS**

<u>Appn</u>	<u>PE</u>	<u>Title</u>	<u>Programmed FY</u>	<u>Est Cost at Complete</u>	<u>Programmed Funds</u>
Funded Projects:					
(List projects)					
Total Funded MILCON Projects					
Planned Projects:					
(List projects)					
Total Panned MILCON Projects					

Exhibit 3a-I&M Listing
(Page 1 of 2)

MRTFB Activity Title Improvement and Modernization (I&M) Listings Military Construction and BRAC (Continued)

BRAC PROJECTS

<u>Appn</u>	<u>PE</u>	<u>Title</u>	<u>Programmed FY</u>	<u>Est Cost at Complete</u>	<u>Programmed Funds</u>
Funded Projects:					
(List projects)					
Total Funded BRAC Projects					

Instructions for Major Range and Test Facility Base (MRTFB) Budget Exhibits

MRTFB-1 FINANCIAL SUMMARY

The MRTFB-1 is the basic, central exhibit for the Major Range Test Facility Base program and budget review submission. All other exhibits are related to this exhibit. The MRTFB-1 reflects total funds from all sources to be expended at each MRTFB activity. The instructions for preparation and definitions are in the following paragraphs. For each line entry, a fully comparable figure will be entered in each of the five columns.

The amounts reflected in the institutional entries are to be directly related to those amounts included in the appropriation submission of budget estimates to OSD/OMB.

Definitions and Instructions:

Total Institutional Funding - This line is for header purposes only and denotes the section dealing with the institutional funds that support the MRTFB activity's mission.

Institutional (P.E. _____) - Denotes the funding which each Component provides directly to the activity for ongoing effort which cannot be ascribed to users of the activity. The financing program element number is to be entered in the parenthesis.

In-House Effort - The amount of the activity's T&E Institutional funding which is devoted to supporting efforts conducted by government personnel at the activity.

Contractor Effort - The amount of Institutional funding expended by any contractor in support of the activity's mission, either on-site or elsewhere.

Military personnel – Denotes the cost of the Military Personnel who are primarily assigned to the MRTFB activity for institutional and direct user support activities. This line does not include costs for Military Personnel assigned to non-T&E mission work.

Total Institutional and Military Personnel Funding – This line is the total of institutional funding, both-in-house and contractor, plus the cost of the Military Personnel which are assigned to the MRTFB activity for institutional and direct user support activities.

Direct (User Funding) - This line is for header purposes only, to denote the section dealing with funds received from customers for MRTFB activity mission efforts.

Parent Service - Funds that come to the activity from users who are from within the same service but distinguished from the institutional funds.

Other DoD - Funds from customers within DoD but not from the same service as the activity.

Other U.S. Government - Funds from other U.S. Government customers outside the DoD

Foreign Military Sales (FMS) - Funds received from FMS cases.

Foreign Government - Funds from foreign governments for other than FMS cases.

Commercial - Funds received from commercial customers, including DoD contractors that do not have a DoD program sponsor.

Support to Training (Non-add) – Customer funds from any source received by the activity to support any DoD training mission. These funds are reflected in the Total Customer Direct Funding line and are reflected here separately as a non-add line item only.

Other Non-T&E Support (Non-add) – Any other customer funds besides support to training that do not result in T&E work. The specific category of support should be reported if the funding level exceeds \$1 million dollars in any given fiscal year. These funds are reflected in the Total Customer Direct Funding line and are reflected here separately as a non-add line item only.

Total Institutional, Military Personnel and Direct - The sum of the amounts in the Total Institutional, Military Personnel and Total Direct lines.

Other Funds-T&E Mission – This line is for header purposes only and denotes the section dealing with funding that directly supports the T&E mission but which is not included in the institutional, direct and military personnel items elsewhere on the exhibit. Additional lines may be added as required to identify all funds that directly support the T&E mission. The intent is to accurately reflect funds received from all sources to support the MRTFB's overall T&E mission and to facilitate comparability across the Services. If additional categories are required to reflect the total "institutional" funding that is required for the activity, such as Environmental Compliance, additional lines should be added.

T&E Base Operating Support (BOS) – Funds for T&E base operating support costs. Do not include costs already identified in the MRTFB institutional funding line above. Provide the program element number for each entry.

T&E Mission SRM (Sustainment) – Funds for T&E sustainment costs. Do not include costs already identified in the MRTFB institutional funding line above. Provide the program element number for each entry.

T&E Mission SRM (Restoration and Modernization) – Funds for T&E restoration and modernization costs. Do not include costs already identified in the MRTFB institutional funding line above. Provide the program element number for each entry. Do not include restoration and modernization costs paid from the Improvement and Modernization funding lines.

Military Construction (MILCON) – Total of MRTFB MILCON projects from Exhibit 3-b.

Minor Construction – Total of minor construction projects. Minor construction is defined as projects totaling \$750K or less.

Base Re-alignment and Closure (BRAC) – Total of MRTFB BRAC projects from Exhibit 3-b.

Improvement and Modernization (I&M) – Total funding provided to the MRTFB activity for improvement and modernization efforts. Do not include costs already identified in the MRTFB institutional funding line above.

Other Funds Applicable to the T&E Mission – Any other funding received by the MRTFB for costs associated with the MRTFB T&E mission.

Other Funds – Non-T&E Mission – This line is for header purposes only and denotes the section dealing with any other funding received by the MRTFB for efforts not identified in previous categories. Report individual activities by PE, purpose, and amount.

Total MRTFB Activity – The sum of the amounts in the Total Institutional, Military Personnel and Direct line, Other Funds – T&E Mission line, and Other Funds – Non-T&E Mission line.

MRTFB-2a, ELEMENT OF EXPENSE LISTING

For the Total Institutional and Direct funds entered on MRTFB-1 Exhibit, Financial Summary, provide a breakout by element of expense. The cost of Military Personnel should reflect the Full Time Equivalent (FTE's) military personnel cost associated with the T&E mission. The sum of the institutional and direct military personnel costs should equal the total on the MRTFB-1, Military Personnel line.

MRTFB-2b, SCHEDULE OF INCREASES AND DECREASES

Provide a several sentence description/justification of each increase and/or decrease, covering year-to-year changes in the total institutional funding entry on the MRTFB-1 Exhibit. Changes should address any financial increase or decrease that exceeds \$500 thousand. There may be more than one increase or decrease to any or all entries on the MRTFB-1. Separately identify inflation and civilian pay increases. Identify any changes in T&E capability regardless of the amount of funding, to include elimination of any facilities, moth balling, etc.

MRTFB-2c, WORKYEARS

Submit a numerical summary of military, civilian, and contractor Full Time Equivalent (FTE) workyears. Civilian and contractor workyears should be divided into those that are institutionally funded and those that are reimbursed by direct user funding. Military workyears should also be reported in the category of work that is supported whether the workyears are reimbursed or not from direct users, i.e. military workyears used to perform T&E customer work should be shown as direct workyears.

The workyears reported in the Institutional category should reflect only those workyears funded from the institutional program element of the MRTFB. Workyears funded by “Other Funds – T&E Mission”, such as BOS and SRM, should be reported as “Other” workyears. Workyears funded by sources identified on the MRTFB-1 as “Non-T&E Support Direct” should not be reported in this exhibit.

Changes in workyears between fiscal years that exceed 10 percent in any category should be addressed in the narrative section of this exhibit.

MRTFB-2d, SOURCE OF DIRECT FUNDS

Identify by major program, the source of the Direct Funds contained in MRTFB-1, Direct User Funding.

For Direct Funding – Customer, provide the following breakout: For the parent service RDT&E and O&M funds, the Program Element, title, Budget Activity Code (BAC), and appropriation descriptors must be provided. For Parent Service procurement appropriations, provide a list of customers greater than \$1M for any FY and group smaller customers at the appropriation level. For Other DoD, provide a list of customers by appropriation and Service. For Other U.S. Government, provide a list of customers by Agency. For FMS and Foreign Government, provide a list of customers by country/program and for Commercial, provide a list of customers by

company or program. This section should reflect both test and non-test customer funds.

For Direct Funding – Non-Customer, provide a one-line summary by type of funding. Include Direct funding that is not customer related such as inter-organizational miscellaneous reimbursements as well as pass-through and transfers sent off the MRTFB. This section is not reflected on MRTFB-1.

For unidentified workload, enter estimates of Unidentified Workload in the appropriation (for RDT&E include data by budget activity) that best reflect historical workload. It is acceptable to group small efforts into one multiple line item, but groupings funded by Parent Service appropriations should not exceed ten percent of any category

MRTFB-3a, IMPROVEMENT & MODERNIZATION SUMMARY

Provide a project level listing covering fiscal years from PY-1 through the BY+1. For projects that extend beyond the BY+1, include the cost to complete. Ensure that the exhibit includes all improvement and modernization (I&M) anticipated for the activity, whether the funding source is institutional, the parent Service T&E program element(s), customer funding or CTEIP funding.

Report all I&M projects, regardless of funding source, which exceed \$200 thousand in any single fiscal year or \$1 million cumulatively. List each project by appropriation and program element.

For any project exceeding \$1 million in any year or cumulative funding of \$5 million, including the projects not funded, provide summary data that includes potential benefits, cost savings and capability improvements in the form of a quad chart. Use an asterisk to indicate the projects meeting this threshold on the total project-level listing. Quad charts should include the following detail:

Project Title:

- (1) Description - Concise description of what is to be acquired, where it will be located, its relationship to other upgrades at this facility or other DoD facilities. Identify whether the effort is required to provide an enhanced capability or whether it modernizes an existing capability.
- (2) Requirements/Payoffs - Specify the operational requirement being addressed by the project. If it is required to provide an enhanced capability, list the programs that will benefit and provide the required operating date. If required as an improvement to an existing capability, provide a payback date and the schedule for retirement of existing equipment that will become obsolete as a result of the upgrade. Discuss what other alternatives and what cross-service opportunities were considered in the review of this requirement.
- (3) Tests to be Supported - List the programs and tests to be supported by the I&M project. Indicate the acquisition category for each program that will be using the upgraded equipment or facility.
- (4) Schedule - Provide the critical milestones for the project. Include the approval date of the operational requirements document, the date of TERIB and TRMC review, the contract award dates, IOC and FOC.
- (5) Funding Profile - Provide total funding plan, including all funding sources, for development through FOC and the follow-on sustainment costs. Funding should be consistent with that identified in the MRTFB-3a, Summary of I&M Projects, and with that included in the other R&D program and budget review submission exhibits.

Quad charts prepared for TRMC reviews can be used for the program and budget review submission as long as all of the requested information is included. Indicate the projects not funded in the Requirements section along with a statement indicating why it was not funded.

MRTFB-3b, MILITARY CONSTRUCTION AND BASE REALIGNMENT AND CLOSURE PROJECTS

Provide summary data for all Military Construction (MILCON) and Base Realignment and Closure (BRAC) projects that are programmed to support the MRTFB mission at the activity and are funded in either PY-1, PY, CY, BY and BY+1 of the Program Budget Submission.

For funded MILCON and BRAC projects, identify by fiscal year the individual funded projects with the same title as the approved DD Form 1391.

For Planned MILCON projects, identify by fiscal year the projects that are planned for the MRTFB through the FYDP period.

The total funded projects listed on this exhibit should match the MRTFB Exhibit-1 Military Construction and BRAC funding line.

Exhibit T&E 1, Test and Evaluation Funding

Test and Evaluation Funding

Exhibit T&E 1

PNO Title	T&E Type	Treasury Code	BA Code	Budget Line Item	Program Element	Funding Source	Funding Type	PY-1	PY	CY	BY 1	BY 2	BY2+ 1	BY2+ 2	BY2+ 3	BY2+ 4
Select from pick list	DT&E	Treasury Code list provided	Select from pick list	Select from pick list	Select from pick list	Government	# of Articles	#	#	#	#	#	#	#	#	#
	OT&E					Contractor	Articles Funding	\$	\$	\$	\$	\$	\$	\$	\$	\$
	LFT&E					Articles	Facilities	\$	\$	\$	\$	\$	\$	\$	\$	\$
							Instrumentation	\$	\$	\$	\$	\$	\$	\$	\$	\$
							Targets/Threat Simulators	\$	\$	\$	\$	\$	\$	\$	\$	\$
							Other T&E Funding	\$	\$	\$	\$	\$	\$	\$	\$	\$

Instructions for Exhibit T&E-1, Test and Evaluation

**Instructions for
Exhibit T&E-1, Test and Evaluation**

1. Purpose.

A. The Exhibit T&E-1 is the Test and Evaluation (T&E) funding exhibit for the Program and Budget review. It consists of tabular and narrative data describing the funding for T&E of the Major Defense Acquisition Programs (MDAP) as specified in DoD 5000.1 and Special Interest Programs identified in the Program Objective Memorandum (POM) Instructions, Table C-1. This reporting process is accomplished on-line using the Select & Native Programming Data Input System (SNaP) located at: <http://snap.pae.osd.smil.mil>. **Note:** The SNaP system operating instructions as specified in the Programming and Budgeting Data Requirements on the SNaP system will supersede the instructions identified in this document if they are different.

B. This exhibit reflects total funds included in the above-specified systems/programs for T&E regardless of what organization performs the T&E. It does not include funds in T&E programs, such as Major Range and Test Facilities Base (MRTFB) direct funding, used to provide services on a nonreimbursable basis to weapon systems.

2. Entries.A. Instructions for Completing the Test & Evaluation Database

(1) Provide Test and Evaluation Detail by Funding Type for Major Defense Acquisition Programs by Treasury Code, Budget Activity, Budget Line Item (BLI) and Program Element (PE), and Facility Type.

(2) Provide narrative for all detail provided in a Word Document organized by the following:

(a) Program Description: For each Program Element/Project provide a brief description of the major program and major changes from the most recent President's budget request and the reason for the changes.

(b) T&E Program/Project Description: For each major T&E Program/Project, exceeding \$1 million in a single year or \$5 million over the life of the program describe the program/project, provide major changes from the most recent budget baseline and the reasons for the changes. Divide the discussions into Development Test and Evaluation (DT&E), Operational Test and Evaluation (OT&E), and Live Fire Test and Evaluation (LFT&E). Within each T&E type, distinguish between contractor and government activities and include data on articles funding and the number of articles. For facilities provide a narrative to justify as required in the T&E Facilities entries in the Tabular Data Worksheet (above).

(c) T&E Milestones/Schedules: Identify by date, the major milestones and scheduled T&E events (PT 3A, OT2, etc.) for each T&E program, noting deviations and reasons from what is stated in the approved Test and Evaluation Master Plan (TEMP).

Instructions for Exhibit T&E-1, Test and Evaluation (Continued)

(d) Approved TEMP Funding: Provide the difference (delta) in funding from the funding included in the most recently approved TEMP and provide a brief discussion of the reason for the difference.

(e) Funding: Briefly describe the use of the funds.

(f) Facilities Justification: Describe the reason for use of government or contractor facility. If capability is duplicated provide reasoning.

B. Definitions

(1) Organization: The POM reporting entities are directed to submit this data requirement. For a complete list of organizations required to submit a T&E-1 Exhibit, see Appendix A of the Programming and Budgeting Data Requirements (PBDR).

(2) Program Control Numbers (PNO) Code: Three-digit numeric code that identifies MDAP programs. If program is not an MDAP program leave blank. PNO codes are listed on the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) website at: http://friends.acq.osd.mil/ara/dab_oipt/schedule/mdaplist.html.

(3) T&E Type:

(a) *DT&E*: Developmental Test and Evaluation (DT&E) is any engineering-type test used to verify status of technical progress, verify that design risks are minimized, substantiate achievement of contract technical performance, and certify readiness for initial operational testing. Development tests generally require instrumentation and measurements and are accomplished by engineers, technicians, or soldier operator-maintainer test personnel in a controlled environment to facilitate failure analysis.

(b) *OT&E*: Operational Test and Evaluation is 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.

(c) *LFT&E*: Live Fire Test and Evaluation is full-up, system-level survivability or lethality testing of a covered system, major munitions program, missile program, or product improvement to a covered system, major munitions program, or missile program before it can proceed beyond low-rate initial production.

(4) Treasury Code: The Treasury Code is a defined set of four-digit numeric codes provided by the Comptroller that identifies resource types.

(5) BA Code: The Budget Activity Code as defined by OUSD (Comptroller), in the Financial Management Regulation

Instructions for Exhibit T&E-1, Test and Evaluation (Continued)

(6) Budget Line Item Number: Provide the Activity Group and Sub-Activity Group (SAG) if the appropriation is O&M; the Project Number as used in the R2 report for RDT&E; Line Item if Procurement; Project Number if MilCon; and Activity Group and Customer if Revolving funds.

(7) Program Element (PE): The PE applies to RDT&E, Procurement and O&M appropriations. The PE is up to ten-digits in length, a seven-digit numeric identifier followed by up to three-digits alphanumeric code for Future Years Defense Program (FYDP) organization.

(8) Funding Source:

(a) *Government*: Resources, facilities, and capabilities that are owned by the U.S. Government.

(b) *Contractor*: Resources, facilities, and capabilities that are owned by a private company or firm.

(c) *Article*: An individual system or subsystem to be subjected to the test process

(9) Funding Type:

(a) *Facilities*: Includes all funding for provision of T&E capability through investment in plant and equipment (non-instrumentation) at facilities by funding source. For Government facilities these costs include all funding included as reimbursable orders (customer funding) to the Major Range and Test Facility Base and other installations.

(b) *Instrumentation*: Includes all funding for provision of T&E instrumentation (non-portable) by funding source.

(c) *Targets and Threat Simulators*: Includes all funding identified for targets and threat simulators by funding source.

(d) *Other Costs*: Include any additional funding not captured in the other Funding Types for performing T&E at facilities by funding source

(e) *Articles Funding*: Includes the funding for test articles to support the T&E planned for the system

(f) *# Articles*: Provide the number of test articles to support the T&E planned for the system by year of delivery of the article.

C. Business Rules

Instructions for Exhibit T&E-1, Test and Evaluation (Continued)

(1) Project or Line Item Number and Title relationship—A project or line item number can only have one title. When users add new numbers they will be prompted to add the corresponding title. The new title will only be valid with the new number.

(2) O&M --Requires funding entries for fiscal years only.

(3) Funding Source = Article, report a Funding Type = Articles funding and # of Articles.

Funding Source and Funding Type Relationship Matrix	
Funding Source	Funding Type
Government	Facilities
	Instrumentation
	Targets/Threat Simulators
	Other T&E Funding
Contractor	Facilities
	Instrumentation
	Targets/Threat Simulators
	Other T&E Funding
Articles	# of Articles
	Articles Funding

Exhibit PB-14 FUNCTIONAL TRANSFERS

FUNCTIONAL TRANSFERS

Component: _____

FY BY1**FY BY2****FY BY2+1****FY BY2+2****FY BY2+3****FY BY2+4****PART I**

Adjustment as result of Functional Transfers:

(Show the total adjustment to Component topline as a result of inter-Component functional transfers included in the program and budget submission but not included in the Program Review. In addition, show the adjustment to each appropriation separately.)

PART II

(Show the following adjustments for each inter-Component functional transfer impacting all accounts included in Part I.)

Functional Transfer Title

Description: Provide succinct narrative explanation for each functional transfer.

Gaining Appropriation(s)/Budget Activity(s)/Subactivity Group(s)/line item/program

Civilian Full-Time Equivalent (FTE)

Military End Strength

Funding (\$ 000)

Losing Appropriation (s)/Budget Activity(s)/Subactivity Group(s)/line item/program

Civilian Full-Time Equivalent (FTE)

Military End Strength

Funding (\$ 000)

Exhibit PB-14 Functional Transfers

Exhibit PB-15 Advisory and Assistance Services

ADVISORY AND ASSISTANCE SERVICESDEPARTMENT/AGENCY

<u>Appropriation/Fund</u>	<u>FY PY Actuals</u>	<u>(Dollars in Thousands)</u>		<u>FY BY2 Estimate</u>
		<u>FY CY Estimate</u>	<u>FY BY1 Estimate</u>	
1. Management & Professional Support Services				
FFRDC Work*				
Non-FFRDC Work*				
Subtotal				
2. Studies, Analysis & Evaluations				
FFRDC Work*				
Non-FFRDC Work*				
Subtotal				
3. Engineering & Technical Services				
FFRDC Work*				
Non-FFRDC Work*				
Subtotal				
TOTAL				
FFRDC Work*				
Non-FFRDC Work*				
Reimbursable				

Explanation of Funding Changes

*Provide a narrative explanation (in program terms) for any increase/decrease that is in excess of the estimated rate of inflation. This explanation of increase/decrease is required for changes between the PY and the CY, between the CY and the BY1, and between the BY1 and the BY2.

Notes:

1. All totals displayed must equal amounts reported in object class 25.1.
2. FFRDC - Federally Funded Research & Development Centers.
3. A separate PB-15 must be prepared for each appropriation/fund.
4. A summary PB-15 must be prepared when consulting services are funded from more than one appropriation/fund.

Instructions for Exhibit PB-15 Advisory and Assistance Services

ADVISORY AND ASSISTANCE SERVICES
Instructions for Exhibit PB-15

BACKGROUND: The purpose of the exhibit is to provide Congress with actual estimates on the amount spent by DoD on advisory and assistance services which are utilized to enhance, assist, or improve the ability of government employees to make decisions on governmental processes, program, and systems. Congressional concern stems from both the cost and nature of advisory and assistance services. When contractors provide advice or assistance that may affect decision-making, influence policy development, or provide support to project or program management, it is essential to ensure that the contractor's performance is free of potential conflicts of interest and does not impinge upon the performance of inherently governmental functions by government employees. As such, advisory and assistance services require an appropriate degree of enhanced management and oversight. When using contractor provided products, final decisions, or actions must reflect the independent conclusions of DoD officials. Advisory and Assistance Services (object class 25.1) include services acquired by contract from non-governmental sources that provide management and professional support services; studies, analyses, and evaluations; and engineering and technical services, as defined below.

The definitions indicated below have been substantially revised to incorporate the changes indicated in section 911 of the National Defense Authorization Act for FY 1999 (codified in section 2212(b) of title 10 U.S.C.).

ADVISORY AND ASSISTANCE SERVICES DEFINITION (Object Class 25.1): Obligations for advisory and assistance services acquired by contract from non-governmental sources (including Federally Funded Research and Development Centers (FFRDCs) and non-FFRDCs) to support or improve organization policy development, decision making, management, and administration; support program and/or project management and administration; provide management and support services for Research and Development (R&D) activities; provide engineering and technical support services; or improve the effectiveness of management processes or procedures. The products of advisory and assistance services may take the form of information, advice, opinions, alternatives, analyses, evaluations, recommendations, training, and technical support. Object class 25.1 consists of the following three categories:

Management and Professional Support Service: This category includes funding for contractual services that provide engineering or technical support, assistance, advice, or training for the efficient and effective management and operation of organizations, activities (including management and support services for R&D activities), or systems. These efforts are closely related to the basic responsibilities and mission of the using organization and contribute to improved organization of program management, logistics management, project monitoring and reporting, data collection, budgeting, accounting, performance auditing, and administrative/technical support for conferences and training programs.

Studies, Analyses, and Evaluations: This category includes funding for contractual services to provide organized, analytic assessments to understand or evaluate complex issues to improve policy development, decision making, management, or administration and that result in documents containing data or leading to conclusions or recommendations. Those services may include databases, models, methodologies, and related software created in support of a study, analysis, or evaluation.

Engineering and Technical Services: This category includes funding for contractual services that take the form of advice, assistance, training, or hands-on training necessary to maintain and operate fielded weapon systems, equipment, and components (including software when applicable) at design or required levels of effectiveness.

ADDITIONAL GUIDANCE: Section 911 of Public Law 105-261, "the FY 1999 National Defense Authorization Act" reinstated the exemptions allowed under DoD 4205.2, "DoD Directives Acquiring and Managing Contracted Advisory and Assistance Services (CAAS)," dated February 10, 1992. Therefore, the number of currently authorized exemptions exceeds the number of exemptions as stipulated in the latest OMB Circular A-11 (June 1999).

Instructions for Exhibit PB-15 Advisory and Assistance Services (Continued)

The following exemptions from DoD 4205.2 describe various contracted services that are not advisory and assistance services. Revisions to DoD 4205.2 may change these exemptions. Any such changes will be highlighted in supplemental guidance prior to the program and budget review submission.

- Activities that are reviewed and/or acquired in accordance with the OMB Circular A-76 program.

Architectural and engineering services for construction and construction management services procured in accordance with the Federal Acquisition Regulation (FAR), Part 36. Work not related to construction as defined by Part 36, and that meets the A&AS definition under existing architectural and engineering contracts, shall come under the purview of this Guidance.

Day-to-day operation of facilities (for example, the Arnold Engineering Development Center and related facilities) and housekeeping services and functions (for example, building and grounds maintenance, and physical security).

Routine maintenance of systems, equipment, and software; routine administrative services; printing services; and direct advertising (media) services.

Initial training services acquired as an integral part of the procurement of weapon systems, automated data processing systems, equipment or components, and training obtained for individual professional development.

Basic operation and management contracts for Government-owned, contractor-operated facilities (GOCOs); for example, the Holston Army Ammunition Plant in Kingsport, TN. Any contract action meeting the A&AS definition and procured under the GOCO basic contract shall come under the purview of this Guidance.

Clinical and medical services for direct healthcare.

The ADP and/or telecommunication functions and related services controlled in accordance with Title 41, Federal Information Resources Management Regulation (FIRMR), Code of Federal Regulations, Part 201.

The ADP and/or telecommunications functions and related services exempted from FIRMR control pursuant to Title 10, United States Code (U.S.C.), section 2315 and reported in Budget Exhibit 43a, "Report on Information Technology Systems," of DoD 7110.1-M.

Services supporting the policy development, management, and administration of the Foreign Military Sales Program that are not paid for with funds appropriated by the U.S. Congress. (Includes A&AS funded with appropriated funds and reimbursed by the foreign customer).

Services (for example, systems engineering and technical services) acquired by or for a program office to increase the design performance capabilities of existing or new systems or where they are integral to the logistics support and maintenance of a system or major component and/or end item of equipment essential to the operation of the system before final Government acceptance of a complete hardware system. Care must be exercised to avoid exempting services acquired to advise and assist the program office and/or manager for program and/or contractor oversight and administration processes, resource management, planning and programming, milestone and schedule tracking, or other professional or administrative services necessary in performing its mission.

Research on theoretical mathematics and basic medical, biological, physical, social, psychological, or other phenomena.

Auctioneers, realty-brokers, appraisers, and surveyors.

Services procured with funds from the Defense Environmental Restoration Account.

Instructions for Exhibit PB-15 Advisory and Assistance Services (Continued)

COVERAGE: This reporting requirement covers all DoD appropriations and funds. Consulting services acquired from contracts managed by other Government Agencies and paid for with DoD appropriations **must** be reported.

PREPARATION REQUIREMENTS FOR EXHIBIT PB-15: Each DoD Component must submit the PB-15 exhibit even if they are not procuring advisory and assistance services; negative replies are required. A separate exhibit is required for each appropriation and fund. For annual and multiyear appropriations, planned obligations should be shown in the year of the appropriation rather than the year the obligation is planned. Prior year columns should reflect actual obligations incurred plus additional obligations planned over the remaining life of that fiscal year appropriations. Current and budget year columns should reflect all obligations planned over the life of those appropriations. The Defense Working Capital Fund (DWCF) business areas should identify budgeted obligations in the year those obligations are planned for contracts in support of DWCF activity functions but not those in support of customer workload. The identification of advisory and assistance services in support of appropriations managed by one Component but executed by another Component, fund (e.g., DWCF), or through federally funded research and development centers is the responsibility of the appropriation fund manager. In determining whether a contract is for advisory and assistance services, the contracting or executing organization is not relevant. For example, advisory and assistance services in support of one of the Environmental Restoration transfer appropriations but executed by the Military Departments must be identified in appropriation exhibits submitted for that Environmental appropriation. Each Component will provide overall summary displays for their Component appropriations/funds totals.

SUBMISSION REQUIREMENTS: For the OSD/OMB program and budget review submission, the PB-15 exhibit will be submitted as a separate exhibit. For the President's budget submission to the Congress, the PB 15 exhibit will be included as an exhibit in Volume II - Data Book. Each Military Department and Defense Agency will provide an exhibit for each appropriation/fund. In addition, each Military Department and Defense Agency will provide a consolidated exhibit for all appropriations/funds under their control.

****** The PB-15 exhibit should reflect the same resource amounts as identified in Object Class 25.1. Any discrepancies between the PB-15 and Object Class 25.1 must be fully explained. Each PB-15 exhibit is required to contain each appropriation manager's name and telephone number.******

Exhibit PB-16 Legislative Proposals

LEGISLATIVE PROPOSALS
(Dollars in Thousands)

<u>Proposal Number</u>	<u>Proposal Title</u>	<u>APPN(s)</u>	<u>BY1</u>	<u>BY2</u>	<u>BY2+1</u>	<u>BY2+2</u>	<u>BY2+3</u>	<u>BY2+4</u>

- Proposal number should reflect the number assigned via the Office of Legislative Council (OLC) and Unified Legislation and Budgeting (ULB) processes (e.g., MPP-01-B41A, OLC-100).
- Amounts should reflect cost or savings (-) included in the budget submission for proposals to be approved by the Congress.
- Provide a total for each proposal, a total for each appropriation/fund, and a grand total.
- The Component's Budget Review Submission should include all approved proposals submitted through the ULB process.
- The Component's Congressional Justification/Presentation submission should include all proposed legislation submitted through the OLC process, which have not been disapproved.
- The proposals must be fully funded for the budget year(s) and throughout FYDP.
- If the proposal impacts manpower, provide the end strength and workyear adjustments (average strength for military and FTE for civilians) by type of employment status.

Exhibit PB-16 Legislative Proposals

Exhibit PB-18 Foreign Currency Exchange Data

Component:

Date: _____

FOREIGN CURRENCY EXCHANGE DATA
FY BY1/FY BY2 Budget Submit/President's Budget
Identify Appropriation
 (\$ in Thousands)

Country	FY PY		FY CY		FY BY1		FY BY2	
	U.S. \$	Budgeted	U.S. \$	Budgeted	U.S. \$	Budgeted	U.S. \$	Budgeted
	Requiring	Execution	Requiring	Execution	Requiring	Execution	Requiring	Execution
	<u>Conversion</u>	<u>Rates</u>	<u>Conversion</u>	<u>Rates</u>	<u>Conversion</u>	<u>Rates</u>	<u>Conversion</u>	<u>Rates</u>
Denmark	1/2/	3/	1/2/	3/	1/2/	3/	1/2/	3/
Euro								
Japan								
Norway								
Singapore								
South Korea								
Turkey								
United Kingdom								

TOTAL

1. / U.S. dollar value of program purchased with foreign currency at prescribed exchange rate. For the FY PY actual numbers, the value of the overseas program will agree with the obligations incurred at the budget rate reflected on the DD-Comp(M) 1506 report, and the Foreign Currency Fluctuations, Defense Report (MilPers) as of 30 September (See DoDFMR Volume 6A, Chapter 7).
2. / The amounts requiring conversion for military personnel Cost of Living Allowance (COLA) will be the Component's (by country at prescribed rates) amount of COLA payments. Prepare separate exhibits for O&M, COLA and Basic Allowance for Housing (BAH) Overseas estimates. Also include a summary exhibit for the COLA and BAH appropriations.
3. / As prescribed in OSD guidance issued by OUSD (Comptroller) P/B. Express the foreign currency exchange rates in terms of units of foreign currency that can be purchased with one (1) U.S. dollar (e.g., 125.4900 Japanese yen per one U.S. dollar).

Exhibit PB-18 Foreign Currency Exchange Data
 (Page 1 of 1)

Exhibit PB-22 Major Department of Defense Headquarters Activities

MAJOR DEPARTMENT OF DEFENSE HEADQUARTERS ACTIVITIES

FY PY Actual				FY CY Estimate				FY BY1 Estimate				FY BY2 Estimate			
Military			Total	Military			Total	Military			Total	Military			Total
Avg.	Civ		Obligation	Avg.	Civ		Obligation	Avg.	Civ		Obligation	Avg.	Civ		Obligation
Obligation															
<u>Strength</u>	<u>FTEs</u>	<u>Mpwr</u>	<u>(\$ 000)</u>	<u>Strength</u>	<u>FTEs</u>	<u>Mpwr</u>	<u>(\$ 000)</u>	<u>Strength</u>	<u>FTEs</u>	<u>Mpwr</u>	<u>(\$ 000)</u>	<u>Strength</u>	<u>FTEs</u>	<u>Mpwr</u>	<u>(\$ 000)</u>

INSTRUCTIONS

Category/Organization/Appropriation/Fund: This exhibit provides manpower, payroll, and non-labor cost data directly related to the Major Headquarters mission. Data will be displayed by appropriation/fund (including Military Personnel) for all organizations listed in the DoD 5100.73, "DoD Directives Major Department of Defense Headquarters Activities." Deviations from the DoDD 5100.73 must be approved by OSD. Additionally, this exhibit will separately identify the manpower and cost data by Combatant and Non-Combatant Headquarters Activities. The Secretaries of the Military Departments shall provide personnel strength and operating costs in Major DoD Headquarters Activities under their management control. In addition, they shall provide strength and operating costs of Service-provided personnel and funding in the U.S. Combatant Command Headquarters Activities in accordance with Commander-in-Chief programmed and Joint Staff approved levels. Service personnel and funding for the U.S. Special Operations Command shall be coordinated with the Commander-in-Chief, Special Operations Command (CINCSOC). Resources for International Military Headquarters are **not** to be reported in this exhibit; these costs are to be reported on the PB-55, International Military Headquarters below. A narrative explanation is required for all increases and decreases. Non-labor costs that are **not** directly related to the Major Headquarters mission such as Pentagon Renovation should not be reported in this exhibit. Components should footnote the items that are excluded. Organizations will be displayed according to the following categorization of Major Headquarters Activities. Manpower and TOA will be identified by appropriation or fund for each major headquarters category.

- I. Combatant Major Headquarters Activities
 1. Combatant Commands*
 2. Service Combatant Commands*
- II. Non-Combatant Major Headquarters Activities
 - Defense-Wide Activities
 - a. Departmental Activities
 - b. Departmental Support Activities
 - c. Functional Activities (Defense Agencies, Other)
- III. Military Department Activities*
 - a. Departmental Activities
 - b. Departmental Support Activities
 - c. Functional Activities

Total Summary by Category (i.e., Combatant/non-Combatant Commands) and by appropriation.

Exhibit PB-22 MAJOR DEPARTMENT OF DEFENSE HEADQUARTERS ACTIVITIES (Continued)

IV. Reconciliation of Increases and Decreases

* To include direct reporting units, as appropriate.

Under "Total Obligations" TOA should be limited to costs directly in support of major headquarters and should not include operational elements of expense for programs centrally funded or managed at the headquarters but executed elsewhere in the Department. Classified data will be reported.

Under each appropriation/fund, manpower strengths and funds will be identified as direct or reimbursable.

Totals will be provided by categories listed above, e.g., Combatant Commands, Service Combatant Commands, etc.

Revolving funds that support headquarters activities will be reflected in the same fashion as appropriated funds.

A total summary by appropriation/fund and category (Combatant/Non-Combatant) must be provided.

National Guard and Reserve officers serving on active duty and performing duties described in 10 U.S.C. 10211 will be excluded from this exhibit.

Numbers reported in this exhibit must be consistent with the numbers reported in the Components' budgets and accompanying the FYDP, as identified by program elements designated as major headquarters activities.

THIS EXHIBIT IS REQUIRED WITH THE PROGRAM AND BUDGET REVIEW SUBMISSION AND WITH THE PRESIDENT'S BUDGET SUBMISSIONS. HOWEVER, FOR THE PRESIDENT'S BUDGET SUBMISSION, THIS EXHIBIT MUST BE PROVIDED TO THE OPERATIONS DIRECTORATE NO LATER THAN JANUARY 22 IN ORDER TO BE INCLUDED IN THE "OPERATION AND MAINTENANCE OVERVIEW" JUSTIFICATION BOOK.
POC: Phone No.

Exhibit PB-23 Acquisition, Technology and Logistics Workforce Transformation Program

Category	Component Acquisition and Technology Work Force Manpower (Active-duty Military End Strength and Civilian Full-Time Equivalents (FTEs))															
	PY-1		PY		CY		BY1		BY2		BY2+1		BY2+2		BY2+3	
	Mil	Civ	Mil	Civ	Mil	Civ	Mil	Civ	Mil	Civ	Mil	Civ	Mil	Civ	Mil	Civ
Program Management																
Contracting																
Industrial and Contract Property Management																
Purchasing																
Acquisition Logistics																
Business, Cost Estimating, Financial Management																
Auditing																
Information Technology																
Manufacturing, Production and Quality Assurance																
Test and Evaluation																
Systems Planning, Research, Development and Engineering																
Facilities Engineering																
Other																
TOTAL																

Acquisition, Technology and Logistics Workforce Transformation Program (Continued)
(TOA, Dollars in Thousands)

Military Personnel and Civilian Pay (TOA, Dollars in Thousands):

Military Personnel

Civilian Personnel

TOTAL**Targeted Workforce Improvement Initiatives (TOA, Dollars in Thousands)**

1. Recruiting
2. Hiring
3. Career Development
4. Workforce Information
5. Retention

TOTAL**Explanation of Changes Between Fiscal Years:** (Provide an explanation of increases and decreases between fiscal years.)

Exhibit PB-23 Acquisition, Technology and Logistics Workforce Transformation Program (Continued)

Acquisition, Technology and Logistics Workforce Transformation Program Exhibit Instructions

Background: Section 912(b) of the National Defense Authorization Act for FY 1998 required the DoD to adopt and implement a new definition of the Defense acquisition workforce. This new definition is based on specified organizational and occupational criteria that are described in the Jefferson Solutions technical report “Identification of the DoD Key Acquisition and Technology Workforce, DASW01-98-C-0010, May 1999.” This report is available from the DoD Acquisition Education, Training, and Career Development office at (703) 681-3464.

The final report of the Defense Acquisition 2005 Task Force, entitled “Shaping the Civilian Acquisition Workforce of the Future,” set forth many recommendations aimed at improving the workforce. The report included 31 initiatives, the first of which was to develop and implement human capital strategic plans. The Components have begun to develop strategic plans. Other important initiatives related to recruiting, hiring, career development, workforce information, and retention. In March 2002, the Department reported to the Congress on the status of these recommendations and indicated that many are now being implemented.

Display: In order to provide the required congressional reports, the acquisition, technology and logistics workforce must be identified. Therefore, each Component is required to submit the exhibit PB-23. This exhibit must be submitted for both the Program and Budget Review Submission and the President’s Budget. This exhibit displays manpower categories (active-duty military end-strength (E/S) and civilian full-time equivalents (FTEs)) by career field for each fiscal year. In addition to meeting congressional reporting requirements, this information will provide insights about how the Components plan to transform their workforces consistent with the Department’s overall transformation program. The exhibit also displays funding for a selected group of the Task Force’s initiatives currently in implementation. This exhibit is submitted on-line using the Select & Native Programming Data Input System (SNaP) located at: <http://snap.pae.osd.smil.mil>. **Note:** The SNaP system operating instructions as specified in the Programming and Budgeting Data Requirements on the SNaP system will supersede the instructions identified in this document if they are different.

Each Component must provide manpower for the designated career fields for each fiscal year, along with the TOA associated with the workforce. In addition, the Components are encouraged, but not required, to provide funding information for the specified initiatives. However, a total funding level for the entire package of specified initiatives is required. Recruiting initiatives focus on marketing and the Student Educational Employment Program, along with administrative requirements to support the program. Hiring initiatives will address bonus programs, payments for permanent change of station, student loan repayment, and supporting administrative costs. Career development includes training, continuous learning, assignment and rotation programs, industry exchanges and related administrative costs. Workforce information initiatives relate to tracking and reporting systems and programs to promote workforce communications. Retention initiatives include bonuses, annual awards, telecommuting programs, programs to fund licenses, and supporting administrative programs.

Negative replies are required.

Exhibit PB-23 Acquisition, Technology and Logistics Workforce Transformation Program
(Page 2 of 2)

Exhibit PB-24 Professional Military Education Schools

PROFESSIONAL MILITARY EDUCATION SCHOOLS

SERVICE _____
 SCHOOL _____

(Provide a separate exhibit for each school)

I. Narrative Description (Statement of Requirements and Mission):

II. Description of Operations Financed: Provide a description of what is funded below. Include the course length and frequency. Indicate whether or not short courses, correspondence courses, and non-resident courses are included. Indicate other activities funded by the school such as wargaming facilities and other support activities.

III. Financial Summary (\$ Thousands):

		FY CY						
	<u>FY PY</u>	<u>Budget Request</u>	<u>Appn</u>	<u>Current Estimate</u>	<u>FY BY1 Estimate</u>	<u>FY BY2 Estimate</u>	<u>FY CY/FY BY1 Change</u>	<u>FY CY/FY BY2 Change</u>
Mission (O&M)								
Base Operations								
Military Personnel								
O&M								
Military Personnel ^{1/}								
School Personnel								
Total Direct Program								
Total Reimbursable Program ^{2/}								
Total Direct and Reimbursable								

^{1/}Use standard rates (i.e. average cost per officer and average cost per enlisted) to calculate military personnel assigned.

^{2/}As a minimum, include costs of courses that are being reimbursed from acquisition training funds and reimbursement from Foreign Military Sales (FMS). Identify reimbursements from acquisition training separately.

Provide a description of changes between the current year (CY) appropriation and current estimate as well as between the current year (CY) and the budget year 1 (BY1) and between the BY1 and budget year 2(BY2).

Exhibit PB-24 Professional Military Education Schools (Continued)

PROFESSIONAL MILITARY EDUCATION SCHOOLS (Continued)

SERVICE _____
SCHOOL _____

IV. Performance Criteria and Evaluation:

	<u>FY PY</u>	<u>FY CY</u> <u>Estimate</u>	<u>FY BY1</u> <u>Estimate</u>	<u>FY BY2</u> <u>Estimate</u>	<u>FY CY/FY BY1</u> <u>Change</u>	<u>FY CY/FY BY2</u> <u>Change</u>
<u>Direct Funded:</u>						
Student Input						
Student Load						
Graduates						
<u>Reimbursable Funded:</u>						
Student Input						
Student Load						
Graduates						

Average Cost per Student Load (Total Direct and Reimbursable from Part III divided by the total direct and reimbursable student load.)

Include student input, load, and graduates for resident course only.

III. Personnel Summary: (Exclude students)

	<u>FY PY</u>	<u>FY CY</u>		<u>FY BY1</u>	<u>FY BY2</u>	<u>FY CY/FY BY1</u>	<u>FY CY/FY BY2</u>
	<u>Budget</u>		<u>Current</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>
	<u>Request</u>	<u>Appn</u>	<u>Estimate</u>				
<u>Military End Strength (Total)</u>							
Officers							
Enlisted							
<u>Military Average Strength (Total)</u>							
Officers							
Enlisted							
<u>Civilian End Strength (Total)</u>							
USDH							
<u>Civilian FTEs (Total)</u>							
USDH							

Exhibit PB-24 Professional Military Education Schools (Continued)

Instructions for Professional Military Education (PB-24) (Continued)

A Separate Exhibit is to be submitted for each of the following schools:

- Industrial College of the Armed Forces
- National War College
- Army Sergeants Major Academy
- Army Command and General Staff College
- Army War College
- Army Management Staff College
- College of Naval Command and Staff
- College of Naval Warfare
- Naval Postgraduate School
- Navy Senior Enlisted Academy
- Marine Corps Staff NCO Academy
- Marine Corps Command and Staff College
- Air Force Senior NCO Academy
- Air Command and Staff College
- Air War College
- Air Force Institute of Technology

In addition, the Army will provide a consolidated exhibit for the National Defense University.

This exhibit is required for the Program and Budget Review Submission and the President's budget submission.

Exhibit PB-25 Host Nation Support

**HOST NATION SUPPORT (HNS) COST EXHIBIT 1/
FY BY1/FY BY2 PRESIDENT'S BIENNIAL BUDGET**

COUNTRY (And SUMMARY) _____		DOD COMPONENT _____		
		(\$ in Millions)		
I. <u>GENERAL INFORMATION</u>				
	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>
A.	Exchange Rate Used			
B.	Inflation Rates Used			
	1. Labor			
	2. Non-Labor			
II. <u>DIRECT SUPPORT</u>				
A.	Rent			
B.	Labor			
	1. Foreign National Labor Cost Sharing			
	2. Percent of Labor Covered			
	3. Katusa Labor (Korea Only)			
C.	Utilities			
	1. Dollar Value of Hns			
	2. Percent of Utilities Covered			
D.	Facilities			
	1. Sustainment, Restoration and Modernization (SRM)			
	2. Facilities Improvement Program			
	3. Relocation Construction			
	4. Other (List)			
E.	Miscellaneous (List)			
	Total			

Memo - Identify Amount Of Cash Contribution Included Above.

Exhibit PB-25 Host Nation Support (Continued)

**HOST NATION SUPPORT (HNS) COST EXHIBIT 1/
FY BY1/FY BY2 PRESIDENT'S BIENNIAL BUDGET**

COUNTRY (And SUMMARY) _____		DOD COMPONENT _____		
	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>
III. <u>END STRENGTH (E/S)</u>				
A.	<u>Foreign National Direct Hires</u>			
	1. E/S Funded Solely By U.S. 2/			
	2. E/S Funded By Host Nation Cash Payments To U.S.			
	3. E/S Funded By Host Nation Assistance-In-Kind			
B.	<u>Foreign National Indirect Hires</u>			
	1. E/S Funded Solely By U.S. 2/			
	2. E/S Funded By Host Nation Cash Payments To U.S.			
	3. E/S Funded By Host Nation Assistance-In-Kind			
C.	<u>U.S. Direct Hires</u>			
	1. E/S Funded Solely By U.S. 2/			
	2. E/S Funded By Host Nation Cash Payments To U.S.			
	3. E/S Funded By Host Nation Assistance-In-Kind			
D.	<u>Total Hires</u>			
	1. E/S Funded Solely By U.S. 2/			
	2. E/S Funded By Host Nation Cash Payments To U.S.			
	3. E/S Funded By Host Nation Assistance-In-Kind			

Exhibit PB-25 Host Nation Support (Continued)

**HOST NATION SUPPORT (HNS) COST EXHIBIT 1/
FY BY1/FY BY2 PRESIDENT'S BIENNIAL BUDGET**

COUNTRY (And SUMMARY) _____	DOD COMPONENT _____			
	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>
IV. FULL-TIME EQUIVALENTS (FTEs)				
A. <u>Foreign National Direct Hires</u>				
1. FTEs Funded Solely By U.S. <u>2/</u>				
2. FTEs Funded By Host Nation Cash Payments To U.S.				
3. FTEs Funded By Host Nation Assistance-In-Kind				
B. <u>Foreign National Indirect Hires</u>				
1. FTEs Funded Solely By U.S. <u>2/</u>				
2. FTEs Funded By Host Nation Cash Payments To U.S.				
3. FTEs Funded By Host Nation Assistance-In-Kind				
C. <u>U.S. Direct Hires</u>				
1. FTEs Funded Solely By U.S. <u>2/</u>				
2. FTEs Funded By Host Nation Cash Payments To U.S.				
3. FTEs Funded By Host Nation Assistance-In-Kind				
D. <u>Total Hires</u>				
1. FTEs Funded Solely By U.S. <u>2/</u>				
2. FTEs Funded By Host Nation Cash Payments To U.S.				
3. FTEs Funded By Host Nation Assistance-In-Kind				

Exhibit PB-25 Host Nation Support (Continued)

**HOST NATION SUPPORT (HNS) COST EXHIBIT 1/
FY BY1/FY BY2 PRESIDENT'S BIENNIAL BUDGET**

COUNTRY (And SUMMARY) _____ (\$ in Millions)	DOD COMPONENT _____	
	FY PY	FY CY
	FY BY1	FY BY2
V. <u>TOTAL COMPENSATION</u> 3/		
A. <u>Foreign National Direct Hires</u>		
1. FTEs funded solely by U.S. 2/		
2. FTEs funded by host nation cash payments to U.S.		
3. FTEs funded by host nation assistance-in-kind		
B. <u>Foreign National Indirect Hires</u>		
1. FTEs funded solely by U.S. 2/		
2. FTEs funded by host nation cash payments to U.S.		
3. FTEs funded by host nation assistance-in-kind		
C. <u>U.S. Direct Hires</u>		
1. FTEs funded solely by U.S. 2/		
2. FTEs funded by host nation cash payments to U.S.		
3. FTEs funded by host nation assistance-in-kind		
D. <u>Total Hires</u>		
1. FTEs funded solely by U.S. 2/		
2. FTEs funded by host nation cash payments to U.S.		
3. FTEs funded by host nation assistance-in-kind		

1./The HNS is defined as those amounts paid in cash to the U.S. or provided as assistance-in-kind by a Host Nation to defray the costs of U.S. forces permanently assigned in that country during peacetime. Assistance-in-kind (AIK) includes any support provided without charge by the Host Nation (i.e., Japanese local national labor cost sharing). This exhibit is to be completed by country. Part II of the Exhibit is to be completed by country by appropriation. Additionally, complete the exhibit summarizing data for all countries. Similarly, provide a summary of Part II by appropriation. Cost and civilian end strength estimates are to reflect host nation support contributions only for activities supported by appropriated funds.

2./ Excludes non-appropriated funded activities.

3./ Personnel costs are to be consistent with OP-8 budget exhibits.

Exhibit PB-25 Host Nation Support (Continued)

DEFINITIONS

Exchange Rate Used – Rates should be based on approved budgeted rates.

Inflation Rates Used - Indicate the inflation factor used in all calculations provided in the HNS exhibit. If there is a different rate used within non-labor categories, list the items separately. Be sure all amounts shown are adjusted for inflation.

DIRECT SUPPORT

Rents - The amount of lease/rental payments by the Host Nation Government for the use of private property by U.S. forces.

Labor - The amount of payments by the Host Nation for U.S. Direct Hires, Foreign National Direct Hires, and Foreign National Indirect Hires.

Percent of Labor Covered Under Agreement - Indicate the percentage of U.S. forces labor costs paid by HNS.

KATUSA Labor - This category is for Korea only and is the amount of payments made by Korea for Korean Augmentees to the U.S. Army.

Utilities - The amount of payments by the Host Nation for U.S. forces use of on-base and off-base electricity, heating fuels, water, and sewer. Indicate the percentage of U.S. forces utility costs paid by HNS.

Facilities - The amount of Host Nation payments for the planning, design, construction (PDC) and sustainment and repair of facilities used by U.S. forces. Host nation payment for residual value of property turned over to host nations due to base closures is not to be included as HNS.

Maintenance and Repair - The amount of Host Nation payments for the maintenance and repair of U.S. forces' facilities.

Facilities Improvement Program - The amount of Host Nation payments for facilities for the PDC of projects such as family and bachelor housing, community support and recreation facilities, and utilities upgrade. It also includes operational support facilities such as hangars and hardened aircraft shelters.

Relocation Construction - The amount of payments by the Host Nation for facilities for the PDC of projects associated with the relocation of U.S. forces primarily for the convenience of the Host Nation.

Instructions for completing the PB-28 Exhibits

1. Purpose.

The Department will collect both program and budget data through the SNaP (Select & Native Programming Data Input System) process. The Military Departments and applicable Defense Agencies will update the SNaP immediately upon completion of the program/budget decisions and budget lock by the Department. The SNaP system will reformat the data into congressional justification exhibits, which can be printed out by the respective Components and included in their justification materials. For Environmental Quality, Environmental Technology and Operational Range Sustainment and Environmental Management the Programming and Budgeting Data Requirements (PBDR) will be collected in PBDR exhibits PB- 28, PB-28A and PB-28B. Components shall submit their exhibits through the Select and Native Data (SNaP) Input System located on the NIPRNet at <https://snap.pae.osd.mil> and on the SIPRNet at <https://snap.pae.osd.smil.mil>. The most current version of this exhibit will be found at these sites.

2. Coverage.

For the PB-28, each Component will be asked to enter data for each appropriation/fund inside the United States and territories as well as for each appropriation/fund for foreign (i.e. outside the United States and Territories) for cleanup activities overseas. (That is, those activities that would be funded in the Environmental Restoration Accounts if they occurred inside the United States).

3. Submission Requirements.

The PBDR data is to be submitted for the joint program/budget review and the President's Budget Submission. The DoD Components shall prepare and submit separate narrative justification material for their respective programs. The narrative material shall describe significant and unique items contained in the material including at a minimum the following:

- justification supporting changes between fiscal years.
- amount of funds allocated for compliance actions related to operational, test and training ranges (e.g. Clean Water Act funds allocated to respond to compliance action at a training range)

For Environmental Technology funding, the SNaP system will obtain funding information from the FYDP database by program element and project number.

The data entry sheets required for the SNaP system for Environmental Quality are included on the following pages. Following the SNaP data entry sheets are examples of the PB-28, PB-28A and PB-28B exhibits produced by SNaP for congressional justification.

Exhibit PB-28 Funds Budgeted for Environmental Quality

Class	Component	Location	EnvironmentalActivityCostType	EnvironmentalCosts	ProgramElement TreasuryCode	TreasuryCode ProgramElement	FY2006	FY2007

FY2008	FY2009	FY2010	FY2011	FY2012	FY2013

Instructions

- 1) Provide domestic and foreign environmental quality costs for compliance, pollution prevention, and conservation by program element and resource type by Environmental Cost and Program categories described below.
- 2) Provide narrative in word document explaining program changes between fiscal years by compliance, pollution prevention, and conservation.
- 3) See Appendix A for reporting requirements for your organization

Definitions

Class: System **Field:** Classification

C: CONFIDENTIAL

C/NF: CONFIDENTIAL//NOFORN

F: FOR OFFICIAL USE ONLY

S: SECRET

S/NF: SECRET//NOFORN

U: UNCLASSIFIED

Component: Identifies the duty status for military service units and defense agencies.

Active:

DADW: Defense Area Defense Wide. Used by non-service defense agencies.

Guard:

Reserve:

Location:

Domestic: Inside the United States, District Of Columbia and U.S. Territories.

Foreign: All areas outside Domestic

EnvironmentalActivityCostType:

Compliance Non-Recurring: Compliance is as defined in DODI 4715.6, of April 24, 1996 Environmental Compliance. Include one-time costs associated with meeting federal, state, or locally directed requirements.

Compliance Recurring: Compliance is as defined in DODI 4715.6, of April 24, 1996 Environmental Compliance. Includes ongoing costs for items such as manpower; education and training; permits and fees; sampling analysis and monitoring; supplies; data management, and recurring reporting, etc.

Conservation Non-Recurring: Conservation is as defined in DODI 4715.3, of May 3, 1996 Environmental Conservation Program. Include one-time costs associated with meeting federal, state, or locally directed requirements.

Conservation Recurring: Conservation is as defined in DODI 4715.3, of May 3, 1996 Environmental Conservation Program. Include ongoing costs for **manpower, education and training**; permits and fees, supplies, travel, data management, recurring reporting, and recurring updates for plans.

Pollution Prevention Non-Recurring: Pollution Prevention is as defined in DODI 4715.4, of June 18, 1996 Pollution Prevention. Include one-time costs associated with meeting federal, state, or locally directed requirements.

Pollution Prevention Recurring: Pollution Prevention is as defined in DODI 4715.4, of June 18, 1996 Pollution Prevention. Include ongoing costs for [manpower](#); [education and training](#); supplies, travel, data management, recurring reporting, recurring updates for plans, and operating recycling facilities, etc.

Environmental Costs:

Clean Air Act: Costs associated with this title are to be captured in Non-Recurring Compliance or Non-Recurring Pollution Prevention, as appropriate.

Clean Water Act: Costs associated with this title are to be captured in Non-Recurring Compliance or Non-Recurring Pollution Prevention, as appropriate.

Conservation Recurring: Include ongoing costs for manpower education and training at the aggregate level and at the program area. Include ongoing costs for permits and fees, supplies, travel, data management, and recurring reporting.

Education & Training: Costs associated with education and training of personnel in environmental programs (including compliance, pollution prevention and conservation).

Environmental Management Systems (EMS): Costs required to implement and maintain an EMS in accordance with DoD requirements. Includes cost for EMS audits, conformance declaration, and registration if applicable.

Hazardous Material Reduction: Efforts to reduce the use of pollutant-producing products and hazardous materials.

Historical & Cultural Resources: Baseline inventories of historic buildings, structures, and historical and archeological sites/environmental analyses to assess and mitigate potential cultural resource adverse actions. Mitigation to meet existing permit conditions or written agreements. Initial archeological materials curation. Development of integrated Cultural Resources Management Plans; and consultations with Native American Groups.

Manpower: All recurring government (civilian and Military manpower costs) and contractor costs applicable to management of the environmental quality program (including Compliance, Pollution Prevention, and Conservation).

Other Compliance Non-Recurring: Costs for Radon/Asbestos investigations and mitigation including facility demolition (if greater than 50% of the cost is required to meet Environmental Compliance standards). Also include Spill Response Plans, (other than Cleanup requirements, e.g. initial preparation of spill response plans); action to prevent pollution from ships; Toxic Substance Control Act compliance; and Federal Insecticide, Fungicide, Rodenticide Act Compliance (upgrade of pesticide storage facilities to meet regulatory standards).

Other Compliance Recurring: Those costs for supplies (Spill team equipment, labels, drums, updating recurring plans such as Spill Response Plans, manifests, etc.). It also includes travel, National Pollution Discharge Elimination System permit records/reporting; biannual Hazardous Waste reporting (Resource Conservation Recovery Act Subtitle C); Clean Air Act inventories (routine/recurring reporting); Federal Insecticide, Fungicide, Rodenticide Act reporting; and Environmental Self-Assessments, etc.

Other Natural Resources Non-Recurring: Management plans; develop other biological resource management plans; biodiversity conservation requirements; ecosystem management requirements; habitat restoration; public awareness/outreach related to specific legal requirements.

Other Pollution Prevention Non-Recurring: This includes efforts to prepare and implement an acquisition strategy for Alternative Fueled Vehicles, (excludes AFV purchases or lease); conversion of regular vehicles to alternative fuels; source protection plans for safe drinking water; and other P2 efforts that do not fit in other categories.

Other Pollution Prevention Non-Recurring: This includes efforts to prepare and implement an acquisition strategy for Alternative Fueled Vehicles, (excludes AFV purchases or lease); conversion of regular vehicles to alternative fuels; emerging contaminants initiatives; and other P2 efforts that do not fit in other categories

Overseas Clean-Up: One-time costs associated with meeting clean-up requirements directed in the Overseas Environmental Baseline Guidance Document and/or Final Governing Standards. (These costs would be paid for with Environmental Restoration Account funds if inside the United States. Additionally, they are a non-add memo entry only and are a subset of the foreign costs reported in the Non-Recurring Compliance headings.)

Permits & Fees: Costs of environmental permits, licenses and fees to operate the Environmental Compliance program.

Planning: Nonrecurring costs to meet federally directed requirements in the National Environmental Policy Act.

Pollution Prevention Recurring: Ongoing costs for supplies, travel, data management, and recurring reporting

RCRA C-Hazardous Waste: Costs associated with this title are to be captured in Non-Recurring Compliance or Non-recurring Pollution Prevention, as appropriate.

RCRA D-Solid Waste: Costs associated with this title are to be captured in Non-Recurring Compliance or Non-recurring Pollution Prevention, as appropriate.

RCRA I-Underground Storage Tanks: Costs associated with this title are to be captured in Non-Recurring Compliance or Non-recurring Pollution Prevention, as appropriate.

Safe Drinking Water Act: Costs associated with this title are to be captured in Non-Recurring Compliance or Non-recurring Pollution Prevention, as appropriate. Compliance may be upgrading drinking water systems to meet environmental standards, e.g., backflow preventers. Pollution Prevention efforts may be well head protection efforts to prevent pollution of drinking water sources.

Sampling, Analysis & Monitoring: The recurring cost that satisfy such requirements in environmental permits.

Threatened & Endangered Species: Threatened and Endangered Species and habitat inventories; biological assessments, surveys, or habitat protection for a specific listed species; mitigation to meet existing biological opinions/written agreements, including INRMPS; developing Endangered Species Management Plans.

Waste Disposal: The disposal of Federal and State regulated hazardous waste and disposal of excess depleting substances in the DLA stockpile. Include only those costs associated with packaging for transportation, treatment/disposal of hazardous waste and other special services that are paid for through a Hazardous Waste Disposal Vehicle (either through a Defense Reutilization and Marketing Service or directly). Do not include in-house costs such as manpower, supplies, or equipment purchase/maintenance

Wetlands: Inventory and delineation of wetlands; wetlands mitigation to meet permit conditions/written agreements; as well as enhancements to meet Executive Order 11990 provision for "no net loss".

TreasuryCode: Treasury Code is a defined set of four-to-six digit numeric codes from the Comptroller that identifies resource types. The list of Treasury Code values is located on the PDR Info page of the SNaP website (<https://SNaP.PAE.OSD.MIL>).

ProgramElement: The Program Element is a primary data element in the Future Years Defense Program (FYDP) and generally represents aggregations of organizational entities and related resources. The PE is up to ten-digits in length, a seven-digit numeric identifier followed by up to three-digits alphanumeric code for FYDP organizations.

Business Rules

Data Matrix: Environmental Activity Cost Type, Environmental Costs Relationship

Environmental Activity Cost Type	Environmental Costs
Compliance Recurring	Manpower
	Education & Training
	Environmental Management Systems
	Permits & Fees
	Sampling, Analysis & Monitoring
	Waste Disposal
	Other Compliance Recurring
Compliance Non-Recurring	RCRA C-Hazardous Waste
	RCRA D-Solid Waste
	RCRA I-Underground Storage Tanks
	Clean Air Act
	Clean Water Act
	Environmental Management Systems

Environmental Activity Cost Type	Environmental Costs
Compliance Non-Recurring	Planning
	Safe Drinking Water Act
	Other Compliance Non-Recurring
	Overseas Clean-Up
Pollution Prevention Recurring	Pollution Prevention Recurring
	Environmental Management Systems
	Manpower
	Education & Training
Pollution Prevention Non-Recurring	RCRA C-Hazardous Waste
	RCRA D-Solid Waste
	Clean Air Act
	Clean Water Act
	Environmental Management Systems
	Hazardous Material Reduction
	Safe Drinking Water Act
	Other Pollution Prevention Non-Recurring
Conservation Recurring	Conservation Recurring
	Manpower
	Education and Training
Conservation Non-Recurring	Threatened & Endangered Species
	Wetlands
	Other Natural Resources Non-Recurring
	Historical & Cultural Resources

Subject Matter Experts: Questions regarding this data requirement should be directed to **Trish Huheey 703-604-1846** and **Mr. Shah Choudhury, 703-571-9067**.

Technical Issues: If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: <https://snap.pae.osd.mil> or call (703) 601-4860 EXT #107 OR #108.

Exhibit PB-28A Environmental Technology

Class	TreasuryCode	BACode	EnvironmentalProgram	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013

Instructions

- 1) Provide total costs by appropriation and Environmental Program (i.e., Cleanup, Pollution Prevention, Compliance, Conservation, and Unexploded Ordnance) associated with the Environmental Technology Program.
- 2) Separately identify appropriation amounts by the budget activity code (BA1, BA2, etc.) for each Environmental Program.
- 3) Provide explanatory narrative in word document explaining program changes between fiscal years by environmental program.
- 4) OSD will separately identify SERDP and ESTCP amounts and the Military Departments are not to include these amounts in their program.
- 5) See Appendix A for reporting requirements for your organization.

Definitions

Class: System Field: Classification

C: CONFIDENTIAL

C/NF: CONFIDENTIAL//NOFORN

F: FOR OFFICIAL USE ONLY

S: SECRET

S/NF: SECRET//NOFORN

U: UNCLASSIFIED

TreasuryCode: Treasury Code is a defined set of four-to-six digit numeric codes from the Comptroller that identifies resource types. The list of Treasury Code values can be found on the SNaP web site website by clicking the "Instructions" tab, then selecting the "Documents". (<https://SNaP.PAE.OSD.MIL>).

3400:

1319:

3020:

3010:

0400:

2040:

3600:

BACode: Budget Activity is a two-digit identifier for the categories within each appropriation and fund account to identify the purposes, projects, or types of activities financed by the appropriation fund. The list of BA Code values can be found on the SNaP web site website by clicking the "Instructions" tab, then selecting the "Documents" item. (<https://SNaP.PAE.OSD.MIL>).

05:

04:

03:

02:

20:

01:

07:

06:

Environmental Program: Environmental Technology Programs

Cleanup: Cleanup is as defined in DODI 4715.7 of April 22, 1996. Include funding for innovative environmental technologies that improve the restoration process.

Compliance: Compliance is as defined in DODI 4715.6, of April 24, 1996, Environmental Compliance. Include funding for innovative environmental technologies that improve Compliance.

Conservation: Conservation is as defined in DODI 4715.4, of May 3, 1996, Environmental Conservation Program. Include funding for innovative environmental technologies that enhance the protection of natural and cultural resources, thereby sustaining mission readiness.

Pollution Prevention: Pollution Prevention is as defined in DODI 4715.4, of June 18, 1996, Pollution Prevention. Include funding for innovative environmental technologies that reduce or eliminate pollution.

Unexploded Ordnance: Unexploded ordnance (UXO) is as defined in 10U.S.C. 101(e)(5). Include funding for innovative environmental technologies that improve the UXO screening, detection, discrimination and recovery process.

Business Rules

Subject Matter Experts: Questions regarding this data requirement should be directed to **Ms. Trish Huheey, 703-604-1846** and **Mr. Shah Choudhury, 703-571-9067**.

Technical Issues: If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: <https://snap.pae.osd.mil> or call (703) 601-4860 ext. #107 or #108.

Exhibit PB-28B Munitions Response at Operational Ranges

Class	Component	RangeLocation	RangePrograms	RangeManagementActivities	RangeResourceDetail	FY2006	FY2007	FY2008	FY2009	FY2010			
<table><tr><td>FY2011</td><td>FY2012</td><td>FY2013</td></tr></table>											FY2011	FY2012	FY2013
FY2011	FY2012	FY2013											

Instructions

- 1) Report Range and Resource Detail for all operational test and training ranges to include active and inactive ranges as defined in Title 10USC, Section 101(e) (as revised by FY04 NDAA, Sec 1042).
- 2) For the Range Program -- Range inventory, report the following range detail—Number (#) of Ranges, Number (#) of Acres (Land Ranges), Number (#) of Square Miles (Water Ranges). Number (#) of Ranges with Environmental Range Assessments and Number (#) of Acres with Environmental Range Assessments (Land ranges), and Number (#) of Square Miles with Environmental Range Assessments (Water ranges).
- 3) The total number of Ranges Assessed cannot exceed the total number of Ranges. The total number of Acres Assessed cannot exceed the total number of Acres.
- 4) Enter the cumulative number of Ranges and Acres that either have been assessed or will be assessed by the end of each fiscal year shown.
- 5) Military Departments by Component and appropriate Defense Agencies report ranges in Acres and funds in \$Thousands
- 6) Provide narrative in a Microsoft Word document that describes program changes and unfunded requirements.
- 7) This document is non-additive to the amounts displayed in Exhibit PB-28 Funds Budgeted for Environmental Quality. It displays the environmental funds dedicated to sustaining ranges but does not remove them from reporting under PB28.
- 8) The intent of this exhibit is to capture and display the identifiable environmental investments in Operational ranges, as part of the Training Range Sustainment Plan called for in Section 366 of the FY 2003 National Defense **Authorization Act. 7)**

Definitions

Class: System Field: Classification

C: CONFIDENTIAL

C/NF: CONFIDENTIAL//NOFORN

F: FOR OFFICIAL USE ONLY

S: SECRET

S/NF: SECRET//NOFORN

U: UNCLASSIFIED

Component: Military Departments report by Active, Guard and Reserve. Defense Agencies choose Defense Agency.

Active:

DADW: Defense Area Defense Wide. Used by non-service defense agencies.

Guard:

Reserve:

RangeLocation:

Domestic: United States, District of Columbia, and U.S. Territories.

Foreign: All areas outside Domestic.

RangePrograms:

Range Assessments: Any assessment to determine the extent of environmental effects due to operational range activities.

Range Inventory: Number and size of ranges total and those surveyed.

Range Response Actions: Actions to remediate munitions constituents or other contaminants that will have a deleterious effect on human health or the environment.

Range Sustainment Actions: Environmental Sustainment actions taken to preserve ranges over their perpetual life.

Range Management Activities:

All Environmental Range Response Actions: Any and all one-time actions to address the removal of munitions constituents or other environmental contamination on ranges, or to prevent release off of an operational range, including the design and implementation of response action. (Do not include cleanup actions covered under the Environmental Restoration Accounts – report these on Exhibit ENV 30).

Environmental Range Assessments: Any environmental assessment to determine the extent of environmental effects due to training and testing range activities, including any sampling, monitoring or analysis involved in the effort.

Integrated Natural Resource Management Plans: (including Sikes Act requirements) Identify any natural resource planning costs (including Integrated Natural Resource Management Plan (INRMP) costs) required to address Sustainment of operational ranges, including projects called for in signed INRMPs.

Land Ranges:

Other Range Assessment Costs: Any other assessment costs necessary to determine and document the extent of environmental effects of operational range activities

Other Sustainment Actions: Any other assessment costs necessary to determine and document the extent of environmental effects of operational range activities.

Water Ranges:

Range Resource Detail:

Acres with Environmental Range Assessments: The total number of acres on ranges where environmental range assessments have occurred or will occur in the future by fiscal year.

of Acres: The total number of acres on the operational ranges, as defined in 10USC, Section 101(e).

of Ranges: The total number of operational ranges under the jurisdiction, custody or control of the Component. Includes all designated land and water areas set aside, managed and used for range activities.

of Square Miles:

Ranges with Environmental Range Assessments: The total number of operational ranges where Environmental Range Assessments have or will occur, by fiscal year.

DWCF:

MilCon:

MilPers:

O&M:

Proc:

RDT&E:

Business Rules

- 1) *MilCon is not an accepted resource type for the Range Program--Range Management.*
- 2) *Number of Ranges and Acres are reported with an Activity of Physical Detail and Range Program of Range Inventory only.*

Data Matrix: Range Programs, Range Management Activities, Range Resources Detail Relationship

RANGE PROGRAMS	RANGE MANAGEMENT ACTIVITIES	RANGE RESOURCE DETAIL
Range Inventory	Land Ranges	# of Ranges
	Land Ranges	# of Acres
	Land Ranges	# Ranges with Environmental Range Assessments
	Land Ranges	# Acres with Environmental Range Assessments
	Water Ranges	# of Ranges
	Water Ranges	# of Square Miles
Range Assessments	Environmental Range Assessments	O&M
	Environmental Range Assessments	RDT&E
	Environmental Range Assessments	Proc
	Environmental Range Assessments	DWCF
	Environmental Range Assessments	MilPers
	Other Range Assessment Costs	O&M
	Other Range Assessment Costs	RDT&E
	Other Range Assessment Costs	Proc
	Other Range Assessment Costs	DWCF
Range Response Actions	Other Range Assessment Costs	MilPers
	All Environmental Range Response Actions	O&M
	All Environmental Range Response Actions	MilCon
	All Environmental Range Response Actions	DWCF
	All Environmental Range Response Actions	RDT&E
	All Environmental Range Response Actions	Proc
Range Sustainment Actions	All Environmental Range Response Actions	MilPers
	Integrated Natural Resource Management Plans	O&M
	Integrated Natural Resource Management Plans	MilCon
	Integrated Natural Resource Management Plans	RDT&E
	Integrated Natural Resource Management Plans	Proc
	Integrated Natural Resource Management Plans	DWCF
	Integrated Natural Resource Management Plans	MilPers
	Other Sustainment Actions	O&M
	Other Sustainment Actions	RDT&E
	Other Sustainment Actions	Proc
	Other Sustainment Actions	DWCF
	Other Sustainment Actions	MilPers
	Other Sustainment Actions	MilCon

Subject Matter Experts: Questions regarding this data requirement should be directed to **Ms. Trish Huheey, 703-604-1846** and **Mr. Shah Choudhury**.

Technical Issues: If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: <https://snap.pae.osd.mil> or call (703) 601-4860 ext. #107 or #108.

Exhibit PB-28 Funds Budgeted for Environmental Quality

PB 28 Exhibit Display
DEPARTMENT OF _____
SUMMARY OF FUNDS BUDGETED FOR ENVIRONMENTAL PROJECTS
FY ____ BUDGET ESTIMATE
(\$ in Thousands)

<u>Environmental Quality</u>	<u>PY</u> <u>Actual</u>	<u>CY</u> <u>Estimate</u>	<u>BY1</u> <u>Estimate</u>	<u>BY2</u> <u>Estimate</u>	<u>Change</u> <u>CY/BY1</u>	<u>Change</u> <u>BY1/BY2</u>
Appropriation: _____						
Inside the United States and Territories _____ or Outside the U.S. and Territories _____						
1. Environmental Compliance - Recurring Costs (Class 0)	(Enter Total of a + b + c + d + e + f)					
a. Manpower						
b. Education & Training						
c. Permits & Fees						
d. Sampling, Analysis, Monitoring						
e. Waste Disposal						
f. Other Recurring Compliance Costs						
3. Environmental Pollution Prevention - Recurring Costs (Class 0)	(Enter Total of a + b + c)					
a. Manpower						
b. Education & Training						
c. Other Recurring Pollution Prevention Costs						
4. Environmental Conservation - Recurring Costs (Class 0)	(Enter Total of a + b + c)					
a. Manpower						
b. Education & Training						
c. Other Recurring Conservation Costs						
Total Recurring Costs	(Enter Total of 1+2+3+4)					
5. Environmental Compliance - Nonrecurring (Class I/II)						
a. RCRA Subtitle C - Hazardous Waste						
b. RCRA Subtitle D - Solid Waste						
c. RCRA Subtitle I - Underground Storage Tanks						
d. Clean Air Act						

Exhibit PB-28 Funds Budgeted for Environmental Quality (Continued)

Exhibit PB-28 Funds Budgeted for Environmental Quality (Continued)

PB 28 Exhibit Display
DEPARTMENT OF _____
SUMMARY OF FUNDS BUDGETED FOR ENVIRONMENTAL PROJECTS
FY ____ BUDGET ESTIMATE
(\$ in Thousands)

	<u>PY</u> <u>Actual</u>	<u>CY</u> <u>Estimate</u>	<u>BY1</u> <u>Estimate</u>	<u>BY2</u> <u>Estimate</u>	<u>Change</u> <u>CY/BY1</u>	<u>Change</u> <u>BY1/BY2</u>
e. Clean Water Act						
f. Safe Drinking Water Act						
g. Planning						
h. Other						
Total Nonrecurring (Class I/II)						
6. Pollution Prevention - Nonrecurring (Class I/II)						
a. RCRA Subtitle C - Hazardous Waste						
b. RCRA Subtitle D - Solid Waste						
c. Clean Air Act						
d. Clean Water Act						
e. Hazardous Material Reduction						
f. Other						
Total Nonrecurring (Class I/II)						
7. Environmental Conservation - Nonrecurring Costs - (Class I/II)						
a. T&E Species						
b. Wetlands						
c. Other Natural Resources						
d. Historical & Cultural Resources						
Total Nonrecurring (Class I/II)						
GRAND TOTAL ENVIRONMENTAL QUALITY						

Exhibit PB-28 Funds Budgeted for Environmental Quality (Continued)

Exhibit PB-28 Funds Budgeted for Environmental Quality (Continued)

Environmental Cleanup Program Outside the United States

(Memo entry for overseas cleanup amounts included above) (The amounts entered in this item shall not include any of the 50 states, District of Columbia, Guam, Puerto Rico, or other territories and possessions of the U. S.)

All Funds Budgeted for Environmental Security Technology are to be reported on PB-28A.

Exhibit PB-28 Funds Budgeted for Environmental Quality (Continued)

Exhibit PB-28A Display Summary of Funds Budgeted for Environmental Projects

Exhibit PB-28A - Display
DEPARTMENT OF _____
SUMMARY OF FUNDS BUDGETED FOR ENVIRONMENTAL PROJECTS
FY ____ BUDGET ESTIMATE

Environmental Security Technology <u>By Appropriation</u>	(\$ in Thousands)					
	<u>PY</u> <u>Actual</u>	<u>CY</u> <u>Estimate</u>	<u>BY1</u> <u>Estimate</u>	<u>BY2</u> <u>Estimate</u>	<u>Change</u> <u>CY/BY1</u>	<u>Change</u> <u>BY1/BY2</u>
1. Cleanup						
2. Compliance						
3. Pollution Prevention						
4. Conservation						
TOTAL						

1. Provide a summary sheet of all appropriations/funds.
2. Provide narrative justification for changes from year to year
3. For each appropriation, include applicable breakout categories. For example, for activities funded by RDT&E appropriations, separately identify the amounts for each budget activity (BA):
 BA1 - Basic Research, BA2 – Advanced Research, BA3 - Advanced Technology Development, BA4 - Demonstration/Validation,
 BA5 - Engineering and Manufacturing Development, BA6 - RDT&E Management Support, and BA7 - Operational Systems Development.

Exhibit PB-28A Funds Budgeted for Environmental Security Technology
 (Page 1 of 1)

Exhibit PB-28B Operational Range Sustainment and Environmental Management

Display Example:

DEPARTMENT OF _____
SUMMARY OF FUNDS BUDGETED FOR ENVIRONMENTAL PROJECTS
FY ____ BUDGET ESTIMATE

	(\$ in Thousands)					
- Operational Range Sustainment and Environmental Management	<u>PY</u>	<u>CY</u>	<u>BY1</u>	<u>BY2</u>	<u>Change</u>	<u>Change</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>CY/BY1</u>	<u>BY1/BY2</u>
Range Inventory						
<i>Land Ranges</i>						
Number of Ranges	#	#	#	#	#	#
Number of Acres	#	#	#	#	#	#
Number of Ranges with Environmental Range Assessments	#	#	#	#	#	#
Number of Acres with Environmental Range Assessments	#	#	#	#	#	#
<i>Water Ranges</i>						
Number of Ranges	#	#	#	#	#	#
Number of Square Miles	#	#	#	#	#	#
Range Assessments						
Environmental Range Assessments	\$	\$	\$	\$	\$	\$
Other Range Assessment Costs	\$	\$	\$	\$	\$	\$
Total Range Assessments	\$	\$	\$	\$	\$	\$
Range Response Actions						
All Environmental Range Response Actions	\$	\$	\$	\$	\$	\$
Total Range Response Actions	\$	\$	\$	\$	\$	\$
Range Sustainment Actions						
Integrated Natural Resource Management Plans	\$	\$	\$	\$	\$	\$
Other Sustainment Actions	\$	\$	\$	\$	\$	\$
Total Range Sustainment	\$	\$	\$	\$	\$	\$
Grand TOTAL	\$	\$	\$	\$	\$	\$

Exhibit PB-41 Administrative Motor Vehicle Operations

ADMINISTRATIVE MOTOR VEHICLE OPERATIONS (PB-41)

(Name of Component)

(Dollar in Thousands)

<u>Cost Category</u>	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>	<u>CY-BY1 Change</u>	<u>BY1-BY2 Change</u>
1. Operating Costs for Non-Tactical Fleets						
2. Accident Damage (Net loss to Government)						
3. Vehicle Procurement Costs						
4. Commercial Leases						
5. Interagency Fleet Management System (IFMS) Leases						
6. Disposal Costs						
7. Capital Expenditures for Facilities and Equipment						
8. Privately Operated Vehicles (used for official business)						
Total						

Distribution by Appropriation/Fund

(Identify the amounts included above by appropriation and fund.)

Total

BACKGROUND: Public Law 99-272, "Consolidated Omnibus Budget Reconciliation Act" of 1985, Subtitle C - Federal Motor Vehicle Expenditure Control of requires that each Federal Agency establish and operate a central monitoring system for motor vehicle costs and establish a data collection system and to report such data in support of the President's budget. Guidance as to the definition and coverage of this requirement is provided by the General Services Administration in Federal Property Regulations. The vehicles used for military training, combat or tactical purposes are specifically excluded.

PREPARATION REQUIREMENTS: Every Component of the Department is required to complete a PB-41 Motor Vehicle Operations Exhibit. Negative replies are required. These will be used by the Office of the Under Secretary of Defense (Comptroller), Operations Directorate, 3C710 Pentagon, to prepare a consolidated exhibit, which will be provided to the Office of Management and Budget as required by OMB Circular A-11 (Section 100 – Additional Information Required After Passback). In order to meet the OMB schedule and include this information in the printed President's budget request, the PB-41 exhibit for the Congressional Justification/Presentation must be submitted by **January 5th**. Include in the lower right hand corner, the date of preparation, and the name and telephone number of an individual responsible for answering questions concerning the submission.

Exhibit PB-41 Administrative Motor Vehicle Operations

Exhibit PB-42 Competitive Sourcing and Alternatives

DoD Component
FY BY1/BY2 OSD Submit/President's Budget
Competitive Sourcing and Alternatives

Instructions: Each Service and Defense Agency/Activity is to submit this exhibit in Select & Native Programming Data Input System (SNaP) located at <https://snap.pae.osd.mil>. The most current version of this exhibit will be available at this site. Once loaded the data will be available in the Operations & Support Data Center. Program/Budget data displays will be produced through the Data Center. Questions about the SNaP interface should be referred to the Office of the Director (Program Analysis & Evaluation) Programming and Fiscal Economics Division (703) 697-0223.

The exhibit is composed of three parts. Part I displays costs and savings associated with A-76 studies. Part II displays the same information for Approved Alternatives. Part III summarizes Parts I and II, presenting the total Competitive Sourcing and Alternatives savings generated by both A-76 and non A-76 initiatives. Part III will be calculated automatically from SNaP, so there is no need to enter summary data. Dollars and manpower are presented by appropriation throughout. Dollars are reported in thousands with all numbers as positive numbers (costs and savings). Manpower savings are reported as end strength (ES) for military and reserve personnel and Full Time Equivalents (FTEs) for civilian personnel.

PART I

STUDIES: Report baseline manpower and dollars for all studies started (in the one PY reflected on the budget exhibit) and scheduled (CY, BY1, etc.) for competitive sourcing. Each activity should be reported in the year that the study is scheduled to be initiated. The annual cost of positions studied (total estimated compensation) should be reported even if you plan to outsource during the fiscal year. Report positions studied and cost by appropriation (e.g., O&M, Revolving Funds).

COST TO CONDUCT STUDIES: The cost to conduct studies is the cost associated with conducting the competitive sourcing study. The costs should reflect actual costs in the PY and the amounts budgeted in the other years to conduct the studies. In the narrative description section, discuss the methodology used to develop study costs and provide justification for significant deviations from the nominal average of \$5,000 per FTE. Costs should be reported by appropriation.

TRANSITION COSTS: Report costs of transition to Most Efficient Organization (MEO) or contract. Such costs include severance pay, Voluntary Separation Incentive Pay (VSIP), etc. In the narrative section, discuss the assumptions used to determine transition costs including the categories of cost included.

MANPOWER SAVINGS: For military and civilian manpower reflect net savings for that year (not cumulative).

GROSS DOLLAR SAVINGS: Gross dollar savings should reflect total compensation associated with billets saved in that fiscal year (not cumulative). Gross savings should not be offset by the cost of studies or transition costs. In the narrative description, include a discussion of the methodology used to develop both manpower and dollar savings.

Exhibit PB-42 Competitive Sourcing and Alternatives
(Page 1 of 4)

Exhibit PB-42 Competitive Sourcing and Alternatives (Continued)

NET DOLLAR SAVINGS: Net savings are equal to gross savings, offset by the Cost to Conduct Studies and Transition Costs. [Note: Net Dollar Savings will be calculated automatically by SNaP, so there is no need to enter data for this section.]

PART II

Same as above for all categories except Studies should reflect the information by Alternative. Each Alternative must be approved by OSD(AT&L) Housing and Competitive Sourcing.

PART III

Summarizes all categories. [Note: The summary will be calculated automatically by SNaP, so there is no need to enter data for this section.]

Exhibit PB-42 Competitive Sourcing and Alternatives (Continued)

Part __ of III
(Part I – A-76 Studies, Part II – Non A-76 Studies, Part III – Total)
(Direct Dollars in Thousands, Military End Strength, Civilian Full-Time Equivalents)

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>	<u>FY BY2+1</u>	<u>FY BY2+2</u>	<u>FY BY2+3</u>	<u>FY BY2+4</u>	<u>TOTAL</u>
<u>PART I</u>									
<u>A-76 STUDIES</u>									
Total Positions Studied/To Be Studied									
Military									
Appropriation 1									
Appropriation 2, etc.									
Subtotal Military									
Civilian									
Appropriation 3									
Appropriation 4, etc.									
Subtotal Civilians									
Total Civilians and Military									
Cost of Positions studied									
Appropriation 1									
Appropriation 2, etc.									
Total Cost									
<u>COST TO CONDUCT STUDIES</u>									
Appropriation 1									
Appropriation 2, etc.									
Total Study Costs									
<u>TRANSITION COSTS</u>									
Appropriation 1									
Appropriation 2, etc.									
Total Transition Costs									
<u>MANPOWER Savings</u>									
Military End Strength									
Appropriation 1									
Appropriation 2, etc.									
Subtotal Military									
Civilian Full-Time Equivalents									
Appropriation 1									
Appropriation 2, etc.									
Subtotal Civilians									

Exhibit PB-42 Competitive Sourcing and Alternatives (Continued)
FY BY1/BY2 OSD Submit/President's Budget

Part __ of III
(Part I – A-76 Studies, Part II – Non A-76 Studies, Part III – Total Studies)
(Direct Dollars in Thousands, Military End Strength, Civilian Full-Time Equivalents)

GROSS DOLLAR SAVINGS

Appropriation 1

Appropriation 2, etc.

Total Gross Dollar Savings

NET DOLLAR SAVINGS

Appropriation 1

Appropriation 2, etc.

Total Net Dollar Savings

NARRATIVE:

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs

DATE: _____

**CHILD DEVELOPMENT, SCHOOL-AGE CARE, (SAC) FAMILY CENTERS,
AND FAMILY ADVOCACY PROGRAMS**

Identify Component

(TOA, \$ in Millions)

FY PY

FY CY

FY BY1

FY BY2

I. CHILD CARE PROGRAMS

(Child Development Program (CDP) & School Aged Care (SAC) Programs for children 0-12)

A. CHILD DEVELOPMENT CENTERS

Appropriation (Identify costs by appropriation (i.e., O&M, Mil Con, etc.) and total)

Total Direct Costs ^{1/}

Total Indirect Costs ^{2/}

Total (should include the expense elements in DoDI 7000.12)

Child Care Parent Fee Revenue

Non-Appropriated Fund Subsidy

Workload

No. of Child Care Spaces (operational capacity)

Personnel

Civilian FTEs (Appropriated Fund Employees)

Nonappropriated Fund (NAF) FTEs funded thru uniform resources programs with Appropriated Funds (APF)

Total

B. FAMILY CHILD CARE

Appropriation (Identify costs by appropriation and total)

Personnel

Civilian FTEs (Appropriated Fund Employees Only)

Nonappropriated Fund (NAF) FTEs funded thru uniform resources programs with Appropriated Funds (APF)

Total

Workload

No. of Child Care Spaces (operational capacity)

C. SUPPLEMENTAL PROGRAM SERVICES/RESOURCE & REFERRAL/OTHER

Appropriation (Identify costs by appropriation and total)

Personnel

Civilian FTEs (Appropriated Fund Employees Only)

Nonappropriated Fund (NAF) FTEs funded thru uniform resources programs with Appropriated Funds (APF)

Total

Workload

No. of Child Care Spaces (operational capacity)

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs

(Page 1 of 5)

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs
(Continued)

**CHILD DEVELOPMENT, SCHOOL-AGE CARE, (SAC) FAMILY CENTERS,
AND FAMILY ADVOCACY PROGRAMS**

Identify Component

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>
SCHOOL-AGE CARE (SAC)				

Appropriation (Identify costs by appropriation (i.e., O&M, Mil Con, etc.) and total)

Total Direct Costs ^{1/}

Total Indirect Costs ^{2/}

Total (should include the expense elements in DoDI 7000.12)

SAC Parent Fee Revenue

Non-Appropriated Fund Subsidy

Personnel

Civilian FTEs (Appropriated Fund Employees)

Nonappropriated Fund (NAF) FTEs reimbursed with Appropriated Funds (APF)

Total

Workload

No. of SAC Spaces (operational capacity)

No. of SAC Care Spaces Required (100%)

% of Spaces to Required Spaces

TOTAL CHILD CARE PROGRAM

Appropriation

Total Direct Costs ^{1/}

Total Indirect Costs ^{2/}

Total (should include the expense elements in DoDI 7000.12)

Total Parent Fee Revenue

NAF Subsidy

Personnel

Civilian FTEs (Appropriated Fund Employees Only)

Workload

No. of Child Care Spaces (operational capacity)

No. of Child Care Spaces Required (100%)

% of actual Spaces to Required Spaces

Explanation of Changes: For each category, provide an explanation of the changes between current year (CY) and biennial budget year 1 (BY1) and between BY1 and biennial budget year 2 (BY2); identify price & program growth between each year.

^{1/} Direct costs include those costs that can be directly attributed to the activity and include civilian pay and benefits, travel, training, supplies and equipment, contracts, FCC subsidy, etc.

^{2/} Indirect cost includes costs that are attributed to more than one activity and include rents, utilities, communications, minor construction, repair and maintenance, contracts, and engineering support.

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs
(Page 2 of 5)

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs
(Continued)

**CHILD DEVELOPMENT, SCHOOL-AGE CARE, (SAC) FAMILY CENTERS,
AND FAMILY ADVOCACY PROGRAMS**

Identify Component

		(TOA, \$ in Millions)		
	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>
II. <u>YOUTH PROGRAMS</u>				

Appropriation (Identify costs by appropriation (i.e. O&M, Mil Con, etc.) and total)

Total Direct Costs ^{1/}

Total Indirect Costs ^{2/}

Total (should include the expense elements in DoDI 7000.12)

Estimated Youth Fee Revenue

Non-Appropriated Fund Subsidy

Personnel

Civilian FTEs (Appropriated Fund Employees)

Nonappropriated Fund (NAF) FTEs reimbursed with Appropriated Funds (APF)

Total

Narrative: Explain changes between the CY and BY1 and between BY1 and BY 2. Identify price and program growth between each year.

III. FAMILY CENTERS

Appropriation (Identify costs by appropriation and total)

Personnel

Military (E/S)

Civilian FTEs

Workload (Excludes workload supported by OSD funds (i.e. Relocation, Transition, Family Advocacy). These are documented separately.

- A. The number of single transactions which take approximately 10-15 minutes or less.
- B. Cases (assessment/case management/counseling) which take longer than 10-15 minutes (each session is counted as one).
- C. Number of people involved in command consultation (briefings, meetings, unit visits).
- D1. Number of classes
- D2. Number of participants in classes.

Narrative: Explain changes between the CY and BY1 and between BY1 and BY 2. Identify price and program growth between each year.

IV. FAMILY ADVOCACY PROGRAM (To be completed by the DoD Dependent Schools) (Services should not fill in unless they have funds separate from DoD Dependent Schools funding.)

CORE FAMILY ADVOCACY PROGRAM (Prevention, Direct Services, Training, Evaluation and Administration)

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs
(Continued)

**CHILD DEVELOPMENT, SCHOOL-AGE CARE, (SAC) FAMILY CENTERS,
AND FAMILY ADVOCACY PROGRAMS**

Identify Component

		(TOA, \$ in Millions)		
	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>
A.1. Prevention Services				
<u>Appropriation</u> (Identify costs by appropriation and total)				
<u>Personnel</u>				
Military (E/S)				
Civilian FTEs				
Contract Employees FTEs				
<u>Workload</u>				
Number Served (Actual population contacts)				
Workload per Prevention Services Provider (Number Served divided by the Number (FTE) of Prevention Services Providers)				
A.2 Direct Services				
<u>Appropriation</u> (Identify costs by appropriation and total)				
<u>Personnel</u>				
Military (E/S)				
Civilian FTEs				
Contract Employees FTEs				
<u>Workload</u>				
Number Served (Actual population contacts)				
Workload per Direct Services Staff				
A.3. Training, Evaluation, and Administration				
<u>Appropriation</u> (Identify costs by appropriation and total)				
<u>Personnel</u>				
Military (E/S)				
Civilian FTEs				
Contract Employees FTEs				
B. <u>NEW PARENT SUPPORT</u>				
<u>Appropriation</u> (Identify costs by appropriation and total)				
<u>Personnel</u>				
Military E/S				
Civilian FTEs				
Contract Employees FTEs				
<u>Workload</u>				
Number Served				

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs
(Page 4 of 5)

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs
(Continued)

**CHILD DEVELOPMENT, SCHOOL-AGE CARE, (SAC) FAMILY CENTERS,
AND FAMILY ADVOCACY PROGRAMS**

Identify Component

		(TOA, \$ in Millions)	
<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>

C. YOUTH AT RISK

Appropriation (Identify costs by appropriation and total)

Personnel

Military E/S

Civilian FTEs

Contract Employees FTEs

Workload

Youth Served

TOTAL FAMILY ADVOCACY PROGRAM

Appropriation (by appropriation and total)

Personnel

Military E/S

Civilian FTEs

Contract Employees FTEs

Narrative: Explain changes between the CY and BY1 and between BY1 and BY2 at the total program level. Identify price and program growth between each year.

Exhibit PB-52A DoD Aeronautics Budget

DoD Aeronautics Budget
(Name of DoD Component)
(\$ Millions)

[illegible]

Exhibit PB-52A DoD Aeronautics Budget
(Page 1 of 2)

Exhibit PB-52A_DoD Aeronautics Budget (Continued)

Instructions

Exhibit PB-52A_DoD Aeronautics Budget

1. Purpose. This exhibit identifies research and development funding for Aeronautics programs. The data are used to prepare the overall DoD input into the annual President's Aeronautics and Space Report which is prepared by the Office of Management and Budget (OMB). A copy of the final report is available for information in the OUSD (Comptroller) Investment Directorate.

2. Submission.

a. Exhibit PB-52A should separately identify all RDT&E program elements providing funds in support of the development of systems, subsystems and components used in rotary and fixed wing aircraft.

b. Data are to be provided in millions of dollars, using 3 decimal points.

c. Submission of the required exhibit will be made in hard paper copy and in a DOS/Excel format.

d. The submission of the completed exhibits to the OUSD (Comptroller) is due no later than 15 working days after transmission of the President's budget to the Congress.

3. Entries.

Exhibit PB-52A (Aeronautics Programs)

a. Program Title. Insert the official program title as reflected in the R-1 budget exhibit.

b. Program Element Number. Insert the official 7-digit plus organization program element designator as reflected in the R-1 budget exhibit.

c. Budget Estimate. The completed exhibits are to reflect the estimated cost, as funded in the Future Years Defense Program (FYDP), by fiscal year for the period FY 20PY-2 through FY 20BY2 (the three prior years, the current year and the budget years). All amounts should be in then years (TY)

Exhibit PB-52B DoD Space Budget

DoD Space Budget
(Name of DoD Component)

Purpose. This exhibit identifies all funding for Space programs. The data from the DoD exhibit is used to support a myriad of Space Budget Justification requirements including Congressional Space Budget Justification and the DoD input into the President's Aeronautics and Space Report which is prepared by the Office of Management and Budget (OMB). The data are also used to support congressional hearings on space programs and to fulfill other various information requests regarding space-related funding.

The PB-52B Space Budget will be compiled by the OUSD (Comptroller), Investment Directorate using Service/Agency input into the OD, PA&E-maintained FYDP database.

Exhibit PB-52B DoD Space Budget
(Page 1 of 1)

Exhibit PB-53 Budgeted Military and Civilian Pay Raise Amounts

DEPARTMENT OF _____ FY 20BY1/FY 20BY2 PRESIDENT'S BUDGET BUDGETED MILITARY AND CIVILIAN PAY RAISE AMOUNTS (\$ IN THOUSANDS)			
<u>MILITARY PERSONNEL</u>	<u>FY 20CY</u>	<u>FY 20BY1</u>	<u>FY 20BY2</u>
<u>Military Personnel</u> , Army, Navy, MC, Air Force			
CY	(Specify date and percentage of pay raise)		
BY1	(Specify date and percentage of pay raise)		
BY2	(Specify date and percentage of pay raise)		
Total			
<u>Reserve Personnel</u> , Army, Navy, MC, Air Force			
CY	(Specify date and percentage of pay raise)		
BY1	(Specify date and percentage of pay raise)		
BY2	(Specify date and percentage of pay raise)		
Total			
<u>National Guard Personnel</u> , Army, Air Force			
CY	(Specify date and percentage of pay raise)		
BY1	(Specify date and percentage of pay raise)		
BY2	(Specify date and percentage of pay raise)		
Total			
TOTAL MILITARY PERSONNEL			
<u>CIVILIAN PERSONNEL</u>			
<u>Operations and Maintenance</u> , Army, Navy, MC, Air Force, Defense Agencies			
<u>Classified</u>			
CY	(Specify date and percentage of pay raise)		
BY1	(Specify date and percentage of pay raise)		
BY2	(Specify date and percentage of pay raise)		
Total			
<u>Wage Board</u>			
CY	(Specify date and percentage of pay raise)		
BY1	(Specify date and percentage of pay raise)		
BY2	(Specify date and percentage of pay raise)		
Total			
<u>Foreign National</u>			
CY			
BY1			
BY2			
Total			
Total Operation and Maintenance			
<u>Research, Development, Test, and Evaluation (RDT&E)</u> , Defense Working Capital Fund, Family Housing, etc.			
TOTAL CIVILIAN PERSONNEL			

Exhibit PB-54 Civilian Personnel Hiring Plan

CIVILIAN PERSONNEL HIRING PLAN

COMPONENT _____

FY _____

APPROPRIATION: _____

<u>Month</u>	<u>E/S</u> <u>Beginning</u>	<u>Gains</u>	<u>Separations</u>			<u>Total</u>	<u>Net</u> <u>Change</u>	<u>E/S</u> <u>Revised</u>	<u>FTE</u>
a	b	c	d	e	f	g	h	i	j
Oct									
Nov	<u>Definitions</u>								
Dec	<u>Column</u>	<u>Title</u>	<u>Definition</u>						
Jan									
Feb	a	Month	Month of the fiscal year						
Mar	b	E/S Beginning	Civilian end strength at the beginning of the month						
Apr	c	Gains	Civilian end strength hires during the month						
May		Separations	Column d-f; civilian personnel losses during the month						
Jun	d	Attrition	Civilian end strength monthly losses not covered in columns e and f						
Jul	e	Retire	Number of civilian employees who retired during the month						
Aug	f	RIF	Number of civilian employees who separated due to reductions in force during the month.						
Sep	g	Total	Sum of columns d-e; total number of civilian separations during month						
Total	h	Net Change	Net change of gains and separations (column c less column g)						
	i	E/S Revised	End Strength at the end of the month (column b plus column h)						
	j	FTE	Full time equivalents. Enter full time equivalent for month.						

The October, E/S Beginning (column b) is the same as the September E/S Revised (column i) of the previous fiscal year.

The September E/S Revised (column i) must match the end strength reported on other budget exhibits (OP-5, OP-8).

The Total annual FTE (total of column j) must match FTE reported on other budget exhibits (OP-5, OP-8).

This exhibit must be provided for the current year (FY CY) and the budget years (FY BY1 and FY BY2) for both the OSD/OMB Program and Budget Review Submission and for the President's budget submission.

Exhibit PB-54 Civilian Personnel Hiring Plan
(Page 1 of 1)

Exhibit PB-55 International Military Headquarters

INTERNATIONAL MILITARY HEADQUARTERS

FY PY Actual				FY CY Estimate				FY BY1 Estimate				FY BY2 Estimate			
Military			Total	Military			Total	Military			Total	Military			Total
Avg	Civ		Obligation	Avg	Civ		Obligation	Avg	Civ		Obligation	Avg	Civ		Obligation
Strength	FTEs	Mpwr	(\$ 000)	Strength	FTEs	Mpwr	(\$ 000)	Strength	FTEs	Mpwr	(\$ 000)	Strength	FTEs	Mpwr	(\$ 000)

INSTRUCTIONS

Category/Organization/Appropriation: This exhibit will provide manpower, payroll, and non-labor cost data directly related to DoD personnel serving in the International Military Headquarters mission. Data will be displayed by appropriation/fund (including Military Personnel). A narrative explanation is required for all increases and decreases.

Manpower and TOA will be identified by appropriation or fund as displayed in the following example:

	FY BY1 Estimate			
	Military A/S	Civilian FTEs	Total Mpwr	Total Obl. (\$000)
<u>International Military Headquarters</u>	<u>1,225</u>	<u>256</u>	<u>1,481</u>	<u>89,517</u>
MPMC	255		255	15,600
MPN	970		970	59,031
OMN		256	256	14,886
(DIR)		(250)	(250)	(14,461)
(REIMB)		(6)	(6)	(425)

- Under "Total Obligations" TOA should be limited to costs directly in support of International Military headquarters and should not include operational elements of expense for programs centrally funded or managed at the headquarters but executed elsewhere in the Department.
- Under appropriation, manpower strengths and funds will be identified as direct or reimbursable.
- Revolving funds that support headquarters activities will be reflected in the same fashion as appropriated funds.
- A total summary by appropriation, as well as a grand total, will be provided.
- Classified data will be reported.
- National Guard and Reserve officers serving on active duty and performing duties described in 10 U.S.C. 10211 will be excluded from this exhibit.
- Attached an addendum to provide a listing of organizational acronyms and their meanings used in this exhibit.

POC: _____ Phone No. _____

Exhibit PB-55 International Military Headquarters
(Page 1 of 1)

Exhibit PB-59 DoD Overseas Staffing Report

DoD Overseas Staffing Report
(Name of DoD Component, COCOM or Defense Agency)

Country: _____	Post: ^{1/} _____						
Category:	FY PY	FY CY	FY BY1	FY BY2	FY BY3	FY BY4	FY BY5
Controlled Access Area (CAA) ^{2/}							
U.S. Direct Hire							
U.S. Military Position							
Locally Engaged Staff							
Non-Controlled Access Area (Non-CAA) ^{3/}							
U.S. Direct Hire							
U.S. Military Position							
Locally Engaged Staff							
Non-Office ^{4/}							
U.S. Direct Hire							
U.S. Military Position							
Locally Engaged Staff							
Never Colocate ^{5/}							
U.S. Direct Hire							
U.S. Military Position							
Locally Engaged Staff							
Total							

1/ Identify Post (U.S. Embassy, U.S. Consulate or U.S. Mission)

2/ Controlled Access Area: Authorized office positions to work within an area authorized to handle classified information

3/ Non-Controlled Access Area: Authorized office positions that work outside the CAA area

4/ Non-Office: Authorized positions not assigned a desk, office or workstation (includes custodians, laborers, warehouse staff, drivers, etc.)

5/ Never-Collocate: Authorized positions that work in non-USG owned or leased facility or other non-mission facilities

Instructions for Completing:

1. Report personnel assigned overseas under the Chief of Mission as of January 1st for the year reporting.
2. All COCOMs, Components and Defense Agencies that have personnel assigned overseas under the Chief of Mission must complete this exhibit
3. Defense Agencies will report military personnel assigned to their agency
4. Components (Army, Navy, Marine Corps and Air Force) will consolidate input reported by field units.
5. Marine Corps must identify Guard and Non-Guard totals

DATE PREPARED:

POC:

TELEPHONE:

EXHIBIT PB-59 DoD
Overseas Staffing Report

Instructions for Preparation of PB-60

INSTRUCTIONS FOR PREPARATION OF PB-60

1. Services are required to submit this exhibit at the end item level for the selected pilot programs.
2. The PB-60 provides essential materiel readiness and sustainability information for justification of the OSD and President's budget estimates. The PB-60 metrics will incorporate all appropriations (i.e. Research and Development, Procurement, Operations and Maintenance) related to the specified end item.
3. "Materiel Availability" (MA) is a measure of the percentage of the total inventory of a system operationally capable of performing an assigned mission at a given time based on materiel condition. This can be expressed mathematically as the number of operational end items divided by the total population. Determining the optimum value for Materiel Availability requires a comprehensive analysis of the system and its planned use, including the planned operating environment, operating tempo, reliability alternatives, maintenance approaches, and supply chain solutions. Materiel Availability is primarily determined by system downtime, both planned and unplanned, requiring the early examination and determination of critical factors such as the total number of end items to be fielded and the major categories and drivers of system downtime. The Materiel Availability KPP (Key Performance Parameter) must include the total population of usable end items we have that is either functional or can be brought to functionality through maintenance/repair. The total life cycle timeframe, from placement into operational service through the planned end of service life, must be included. The service will express Materiel Availability on the exhibit as a number between 0 and 100. This metric should represent the average for the year that the entire population of systems is materially capable for operational use during the specified period (current year, budget year, budget year +1).

$$\text{Materiel Availability} = \frac{\text{Number of End Items Operational}}{\text{Total Population of End Items}}$$

4. "Materiel Reliability" is a measure of the probability that the system will perform without failure over a specific interval. Reliability must be sufficient to support the warfighting capability needed. Materiel Reliability is generally expressed in terms of a mean time between failure(s) (MTBF), and once operational, can be measured by dividing actual operating hours by the number of failures experienced during a specific interval. Reliability may initially be expressed as a desired failure-free interval that can be converted to MTBF for use as a KSA (Key System Attribute) (e.g. 95% probability of completing a 12-hour mission, free from mission-degrading failure; 90% probability of completing 5 sorties without failure, etc.). NOTE: Operating hours is operational hours and failure is not ready for issue. Single-shot systems and systems for which other units of measure are appropriate must provide supporting analysis and rationale. MTBF will be expressed on the exhibit as a numeric value representing time (hours) between failure during the specified period (current year, budget year, budget year +1, etc.).

$$\text{Materiel Reliability} = \text{Mean Time Between Failure} = \frac{\text{Total Operating Hours}}{\text{Total Number of Failures}}$$

5. "Ownership Cost" provides balance to the sustainment solution by ensuring that the Operations and Support (O&S) costs associated with materiel readiness are considered in making decisions. Use of the Cost Analysis Improvement Group's O&S Cost Estimating Structure will ensure consistency and proper capitalization of existing efforts in support of this KSA. Only the following cost elements are required for this assessment:

Instructions for Preparation of PB-60 (Continued)

INSTRUCTIONS FOR PREPARATION OF PB-60 (Continued)

2.0 Unit Operations (2.1.1 (only) Energy (fuel, petroleum, oil, lubricants, electricity)); 3.0 Maintenance (All); 4.0 Sustaining Support (All except 4.1, System Specific Training); and 5.0 Continuing System Improvements (All). Base fuel cost on the full burdened cost of fuel. Costs are to be included regardless of funding source. The KSA value should cover the planned lifecycle timeframe, consistent with the timeframe used in the Materiel Availability KPP. Sources of reference data, cost models, parametric cost estimating relationships and other estimating techniques or tools must be identified in supporting analysis. Programs must plan for maintaining the traceability of costs incurred to estimates. The planned approach to monitoring, collecting, and validating operating and support cost data to supporting the KSA must be provided. For the purpose of this exhibit, Ownership Cost needs to be divided into annual ownership cost (dollars) for the specified period (current year, budget year, budget year +1).

Ownership Cost = O&S costs*

* Using the CAIG O&S Cost Estimating Structure Selected cost elements:

2.0 Unit Operations (2.1.1 (only) Energy (Fuel, POL, Electricity))

3.0 Maintenance (All)

4.0 Sustaining Support (All except 4.1, System Specific Training)

5.0 Continuing System Improvements (All)

6. “Mean Downtime” (MDT) is the average Total Downtime required to restore an asset to its full operational capabilities. MDT includes the time from reporting an asset down to the asset being available to unit to operate. MDT includes administrative time of reporting, logistics and materials procurement, and lock-out/tag-out of equipment for repair or preventative maintenance events. Criteria for failure must be consistent with criteria used for Materiel Reliability. MDT will be expressed on the exhibit as a numeric value representing the average number of hours between failures during the specified period (current year, budget year, budget year +1).

Mean Down Time (MDT) = $\frac{\text{Total Down Time for All Failures}}{\text{Total Number of Failures}}$

7. The metric sections of the exhibit must be populated with the sustainment goal for the associated metric in each fiscal year represented, the actual/projected metric based on the current budget submission in each fiscal year represented, and the associated data from which the metric is derived for each fiscal year represented (BSO must maintain traceability data for the Ownership Costs). The “Explanation” sections will provide, as necessary, what issues preclude reaching the sustainment goal including funding shortfalls by required year(s), appropriation, and line item/PE/SAG. The “Explanation” section should also be used to explain changes to metrics between submissions caused by external events, such as increased OPTEMPO, unplanned environment, etc.

EXHIBIT PB-60 Life Cycle Sustainment
(Page 2 of 3)

Instructions for Preparation of PB-60 (Continued)

CLASSIFICATION:

PB-60, Life Cycle Sustainment Exhibit			DATE:	
APPROPRIATION/BUDGET ACTIVITY	P-1/R-1 Line Item/PE	Weapon System Name		

Materiel Availability (MA)	Prior FY	Current FY	Budget Year	Budget Year +1
Number of End Items Operational				
Total Population of End Items				
Sustainment Goal				
*Actual/Projected				

Explanation (required if metric is less than goal): What precludes reaching the goal? (i.e. contractor availability, out of production parts, funding, etc) If funding is the issue, provide the amount required, by years(s)/appropriation/line item?

Materiel Reliability	Prior FY	Current FY	Budget Year	Budget Year +1
Total Operating Hours				
Total Number of Failures				
Sustainment Goal				
*Actual/Projected				

Explanation (required if metric is less than goal): What precludes reaching the goal? (i.e. contractor availability, out of production parts, funding, etc) If funding is the issue, provide the amount required, by years(s)/appropriation/line item?

Ownership Cost	Prior FY	Current FY	Budget Year	Budget Year +1
Sustainment Goal				
*Actual/Projected				

Explanation (required if metric is less than goal): What precludes reaching the goal? (i.e. contractor availability, out of production parts, funding, etc) If funding is the issue, provide the amount required, by years(s)/appropriation/line item?

Mean Down Time (MDT)	Prior FY	Current FY	Budget Year	Budget Year +1
Total Down Time for All Failures				
Total Number of Failures				
Sustainment Goal				
*Actual/Projected				

Explanation (required if metric is less than goal): What precludes reaching the goal? (i.e. contractor availability, out of production parts, funding, etc) If funding is the issue, provide the amount required, by years(s)/appropriation/line item?

* Based on current budget submission.