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**Financial Management**

**THE AIR FORCE BUDGET CORPORATE  
PROCESS**

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This instruction implements the budget corporate review process for AFPD 65-6, *Budget*. It establishes budget corporate review procedures for Headquarters United States Air Force, the Air Force Reserve, and the Air National Guard. Use this instruction along with Department of Defense (DoD) guidance, DoD Instruction 7045.7, *Implementation of the Planning, Programming, and Budgeting System (PPBS)*, May 23, 1984 with Change 1, Air Force 16-, 65-, 90-, 172-, publications, and PPBS Primer to ensure a full understanding of the PPBS and the Air Force Corporate Structure. A Glossary Of References And Supporting Information is at **Attachment 1**.

**1. Air Force Board.** The Deputy Assistant Secretary (Budget) (SAF/FMB) chairs the Air Force Board for purposes of budget formulation and execution to include the Budget Estimate Submission (BES), Budget Review Cycle, and President's Budget (PB) (Reference AFI 16-501, *Control and Documentation of Air Force Programs*). The Air Force Board reviews those issues and topics related to developing and defending the Air Force Budget within the DoD PPBS including funding, pricing, and executability. The Investment Budget Review Committee (IBRC) and the Operating Budget Review Committee (OBRC) support the Air Force Board for purposes of budget formulation and execution with special functions as outlined below.

1.1. The Air Force Board's area of interest includes all financial and budgeting aspects for all Air Force appropriations and accounts (Active Forces, Air National Guard and Air Force Reserve) and Air Force Activity Groups in the Air Force Working Capital Fund (AFWCF) [formerly Defense Business Operations Fund (DBOF)]. The Air Force Board thoroughly reviews all issues falling within its purview and recommends courses of action to the Air Force Council, the Chief of Staff (CSAF), and the Secretary of the Air Force (SECAF).

1.2. The Air Force Board will accomplish the following actions.

1.2.1. In preparation for the BES:

1.2.1.1. The Air Force Board reviews budgetary issues concerning pricing, execution, and

executability of Air Force programs, including the findings and recommendations of the IBRC and OBRC, and makes recommendations consistent with Air Force priorities. The Air Force Board requests AF/XPP to identify offsets when required.

1.2.1.2. The Air Force Board Chairperson (SAF/FMB) briefs the Air Force Council on the Air Force Board's proposed recommendations and actions.

1.2.2. In preparation for the PB:

1.2.2.1. The Air Force Board reviews all Program Budget Decisions (PBDs) issued by the DoD. Determines the PBD impact on Air Force programs, identifies potential Major Budget Issues (MBIs), and recommends any reclama or rebuttal as a result of Air Force Board deliberations.

1.2.2.2. The Air Force Board (SAF/FMB) requests AF/XPP to identify offsets as required by final PBDs and in support of MBIs selected by Air Force senior leadership. The Air Force Board chairperson presents recommendations to the Air Force Council, the CSAF, the SECAF, and Office of the Secretary of Defense (OSD).

1.2.3. During the BES and PB exercises, the Air Force Board may review findings and recommendations from the Air National Guard and Air Force Reserve financial communities concerning program pricing, execution, and executability. This review includes the O&M (Guard), Military Personnel (Guard), Military Construction (Guard), O&M (Reserve), Military Personnel (Reserve), and Military Construction (Reserve) appropriations and accounts.

1.2.4. The Air Force Board chairperson requests assistance from the Mission and Mission Support Panels as required. The Air Force Board also may request assistance of the Air Force Executive Review Secretariat and other select groups in reviewing issues.

## **2. Investment Budget Review Committee (IBRC).**

2.1. The IBRC assists the Air Force Board and the Air Force Council in evaluating investment appropriations and accounts. The IBRC objective is executable budgets that can be justified and defended during OSD and Congressional review.

2.2. The IBRC's scope of review includes Research, Development, Test, and Evaluation (RDT&E), Procurement, Military Construction (Active Forces, Air National Guard and Air Force Reserve), Military Family Housing (MFH) Construction (Active Forces), MFH Operation and Maintenance (O&M) (Active Forces) appropriations and the Base Realignment and Closure (BRAC) account.

2.3. The Deputy Assistant Secretary (Budget) selects the IBRC Chair. Members and alternates are from the Secretariat/Air Staff organizations as indicated below. Organizations provide primary and alternate membership (by name) to SAF/FMBI.

Core members: SAF/FMBI, SAF/AQ, SAF/MI, AF/IL, AF/DP, AF/XO, and AF/XP

Non-Core Members: SAF/FMBM, SAF/FMBP, SAF/FMCC, AF/TE, AF/REC, NGB/FMB, and Mission and Mission Support Panel Chairpersons.

2.4. The IBRC reviews all investment appropriations and will accomplish the following:

2.4.1. The IBRC conducts a review of investment budgets across the FYDP to ensure investment resources are applied in the most effective, executable manner and can be justified during OSD

and Congressional reviews. The investment budget review examines program executability, execution, obligation rates, and expenditure rates with respect to schedules and schedule changes, DoD guidance, fact of life changes, DoD requirements, Congressional interest and direction, and other long-standing DoD PBD measures. The IBRC recommends investment funding adjustments and MFH O&M and BRAC redistribution of funds to the Air Force Board.

2.4.2. Recommend to the Deputy Assistant Secretary (Budget) the “call” for Command MFH Budget and Financial Plan submissions and budget review guidance that continues the financial allocation strategy developed through the Program Objective Memorandum (POM), BES, and PB exercises.

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

2.4.4. Periodically, as deemed necessary by the Chairperson, the Mission and Mission Support Panel chairs will brief the IBRC regarding their decisions, status of key programs or items of high interest and other general issues.

2.4.5. Perform other functions assigned by Assistant Secretary of the Air Force (Financial Management and Comptroller), the Air Force Board and Air Force Council.

### **3. Operating Budget Review Committee (OBRC)**

3.1. The OBRC assists the Air Force Board and the Air Force Council in evaluating the program budgeting and execution of the Operation and Maintenance (O&M) appropriation. The OBRC objective is accurate budget submissions that reflect approved Air Force programs and provide field commanders sufficient O&M dollars required to execute their missions.

3.2. The OBRC’s areas of interest include all aspects of each program’s budgeting and execution activities for the O&M (Active Forces) appropriation and accounts.

3.3. The Deputy Assistant Secretary (Budget) selects the OBRC Chair. Members and alternates are from the Secretariat/Air Staff as indicated below. Organizations provide primary and alternate members to SAF/FMBO.

Core Members: SAF/FMBO, SAF/AA, SAF/AQ, SAF/MI, AF/DP, AF/IL, AF/SC, AF/XO, and AF/XP

Non-Core Members: SAF/FMBP, SAF/FMCC, SAF/FMBM, SAF/IG, SAF/SX, and AF/TE

3.4. The OBRC has oversight responsibility of all areas of the O&M appropriation and will accomplish the following:

3.4.1. Review Mission/Mission Support Panel and analyst recommendations for distribution of O&M funds. Develop an integrated recommendation for balancing resources across mission areas and commands consistent with Air Force policies and objectives. Review impact of execution strategies on outyear programs and budgets. The OBRC may solicit and consider recommendations made by responsible staff organizations having functional or policy responsibility for various programs funded by the O&M appropriation. (For example, the OBRC may review AF/IL recommendations for real property maintenance and environmental compliance.) Present recommendations to the Air Force Board and Air Force Council for final approval.

- 3.4.2. Approve and use program requirement indicators or metrics applied as one measure of funding balance in total and by all organizations receiving O&M funds. The OBRC will also use these metrics as one of several tools in effecting final funds distribution to Air Force Operating Agencies; for example, major commands, direct reporting units, and field operating agencies.
- 3.4.3. Provide appropriate tasking to, and coordinate with, Mission and Mission Support Panels and responsible functional staff agencies (for example, AF/IL, AF/DPC, etc.). Consider recommendations during program and budget exercises and in the funds distribution process for O&M accounts.
- 3.4.4. Ensure consistent application of O&M funds for accomplishment of Air Force approved program objectives through management reviews.
- 3.4.5. Validate the annual repricing of the POM and BES O&M baselines prior to the start of each cycle. Ensure proper pricing of the approved baseline program before incorporating any changes.
- 3.4.6. Recommend to the Deputy Assistant Secretary (Budget) the "Calls" for Command Budget and Financial Plan submissions that continue the financial allocation strategy developed through the POM, BES, and PB exercises.
- 3.4.7. Review all Air Force field operating agency financing.
- 3.4.8. Act as an advising body and be responsible to the Air Force Board and the Air Force Council on all matters having O&M implications.
- 3.4.9. Remain cognizant of Air Force and DoD total requirements (all appropriations).
- 3.4.10. Periodically, as deemed necessary by the OBRC Chairperson, Mission and Mission Support Panels will brief the OBRC regarding their decisions, status of key programs or items of high interest, and other general issues. The OBRC may request briefings, as required, from responsible functional staff organizations, especially from those staff agencies responsible for cross-cutting programs.
- 3.4.11. Perform other functions assigned by the Assistant Secretary of the Air Force (Financial Management and Comptroller), the Air Force Board and Air Force Council.

ROBERT F. HALE  
Assistant Secretary of the Air Force for Financial Management  
and Comptroller

## Attachment 1

## GLOSSARY OF REFERENCES AND OTHER SUPPORTING INFORMATION

*References*

AFPD 65-6, *Budget*

AFPD 90-6, *The Air Force Corporate Structure (Not published yet)*

AFI 16-501, *Control and Documentation of Air Force Programs, 1 January 1997*

DoD Instruction, 7045.7, *Implementation of the Planning, Programming, and Budgeting System (PPBS)*, May 23, 1984 with Change 1

*Abbreviations and Acronyms*

**AFWCF**—Air Force Working Capital Fund

**BRAC**—Base Realignment and Closure

**BES**—Budget Estimate Submission

**BPPBS**—Biennial Planning, Programming and Budgeting System (see PPBS)

**CSAF**—Chief of Staff of the Air Force

**DBOF**—Defense Business Operations Fund

**DoD**—Department of Defense

**IBRC**—Investment Budget Review Committee

**MBI**—Major Budget Issue

**MFH**—Military Family Housing

**OBRC**—Operating Budget Review Committee

**O&M**—Operation and Maintenance

**OSD**—Office of the Secretary of Defense

**PB**—President's Budget

**PBD**—Program Budget Decision

**POM**—Program Objective Memorandum

**PPBS**—Planning, Programming, and Budgeting System

**SECAF**—Secretary of the Air Force

**TWCF**—Transportation-Working Capital Fund

*Terms*

**Budget Estimate Submission (BES)**—A recosting of the POM as modified by the Program Decision Memorandum. Fact-of-life adjustments, including congressional actions impacting POM and Program Decision Memorandum positions, are made consistent with Office of Management and Budget and OSD

direction. Various special displays, and narrative and supporting data are required to the follow-on Office of Management and Budget and OSD reviews.

**Air Force Working Capital Fund (AFWCF) [formerly Defense Business—Operations Fund (DBOF)]**--The AFWCF was established 11 December 1996 through the restructure of the DBOF into individual component Working Capital Funds. AFWCF activities sell goods and services to a wide range of customers including DoD operating forces, WCF activities, other US government activities, and foreign military sales customers. AFWCF consists of the Depot Maintenance Activity Groups (DMAG), the Information Services Activity Group (ISAG), and the Supply Management Activity Group (SMAG). The Supply Management Activity Group consists of Retail Supply and Wholesale Supply. Retail supply management activities include the resources and costs of the General Support Division, Fuels Division, Medical-Dental Division, Troop Support Division, and Air Force Academy Cadet Store. The Wholesale supply management activities include resources and costs of the Material Support Division which consolidated the Repairable Support Division, the System Support Division, and the Cost of Operations Division Depot Maintenance, Supply Management, and Information Services. Effective in FY 1998, USTRANSCOM'S Transportation Working Capital Fund (TWCF), previously known as DBOF-Transportation, will report to the AFWCF for cash management.

**Investment Budget Review Committee (IBRC)**—Assists the Air Force Board and Air Force Council in evaluating the program budgeting and execution of the investment appropriations and accounts.

**Major Budget Issue (MBI)**—A PBD action causing serious unfavorable impact to Air Force programs or missions which warrant a personal discussion between the Chief of Staff, the Secretary of the Air Force and the Secretary of Defense.

**Operating Budget Review Committee (OBRC)**—Assists the Air Force Board and Air Force Council in evaluating the program budgeting and execution of the operation and maintenance (O&M) appropriation.

**Program Budget Decision (PBD)**—A decision authorizing changes to a submitted service budget estimate and the Future Years Defense Program. PBDs are developed during the joint Office of Secretary of Defense, Office of Management and Budget, review of the service budget estimate submissions and are signed by the Secretary of Defense or the Deputy Secretary of Defense. These decisions reflect the approved program and funding levels to be included in the defense budget request which is part of the President's Budget.

**Program Objective Memorandum (POM)**—A biennial memorandum submitted to the Secretary of Defense from each Military Department and Defense agency. It proposes total program requirements for the next six years. It includes rationale for planned changes from the approved Future Years Defense Program baseline within the Fiscal Guidance issued by the Secretary of Defense.

**Planning, Programming, and Budgeting System (PPBS)**—The DoD resources management system controlled by the Secretary of Defense and used to establish, maintain, and revise the Future Years Defense Program and DoD portion of the President's Budget. It is a biennial, cyclical process containing three interrelated phases: planning, programming, and budgeting. Sometimes referred to as the Biennial Planning, Programming and Budgeting System (BPPBS).