

2 JANUARY 2004



Financial Management

**BUDGET GUIDANCE AND PROCEDURES
WITHIN AIR FORCE SPACE COMMAND**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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OPR: FMAO (Lt Natalie Martin)
Supersedes AFSPCI65-601, 2 Dec 97.

Certified by: FMA (Lt Col Mary Ensminger)
Pages: 16
Distribution: F

This instruction implements AFI 65-601V2, ***Budget Management for Operations***. It provides financial management procedures for resource management. This instruction applies to HQ Air Force Space Command (AFSPC) and subordinate units. It does not apply to Air National Guard (ANG) or Air Force Reserve (AFRES) units. Also, this instruction does not apply to Defense Health Program requirements. Those are coordinated directly with HQ AFSPC/SG. The reporting requirements in this publication are exempt from licensing in accordance with AFI 33-324, ***The Information Collections and Reports Management Program; Controlling Internal, Public and Interagency Air Force Information Collections***.

SUMMARY OF REVISIONS

This revision incorporates minor changes. It includes centers in discussions involving wings, adds the Government Purchase Card to resource advisor responsibilities and deletes Woomera Air Station as a contractor-operated facility. A bar (|) indicates a revision from the previous edition.

1. Philosophy:

1.1. **Air Force Philosophy.** Air Force commanders and managers are responsible for the effective, efficient, and economical use of all resources made available to the organization. Each level of management (command, wing, center, base, unit) actively participates in the formulation and execution of operating budgets and is responsible for management of the resources used.

1.2. **Air Force Space Command Philosophy.** Air Force Space Command (AFSPC) strives for balance between funding for our direct mission and quality of life for our people. We need to provide the quality of life necessary to retain our people, sustain their morale, and ensure their continued productivity if we are to provide the qualitative edge in our mission operations. Because of the continuing emphasis on fraud, waste, and abuse, command managers must make financial management a part of their every day activity.

1.2.1. **Controllable Expenses.** Controllable expenses are resources consumed at operating locations that are directly controllable or managers directly influence their use. There are positive means for a manager to influence the effectiveness, efficiency, and economy of resources used to perform the assigned missions. Most day-to-day operations, maintenance, and support costs are funded from the Operation and Maintenance (O&M) appropriation, which, of all Air Force appropriations, offers the highest degree of control to managers.

1.2.1.1. Temporary Duty Travel (TDY). Managers have direct control over a large portion of TDY funds. Most administrative TDY is controllable and mission TDY can be controlled by limiting the frequency of trips, number of travelers, mode of transportation, and allowances, i.e., requiring officers to utilize on-base dining facilities, authorizing proportional per diem instead of full per diem, etc. HQ AFSPC adheres to the USAF policy that states the unit to which an individual is assigned funds TDY. In situations where individuals assigned to other major commands are requested to assist an AFSPC unit, every effort should be made at the local level to implement the USAF policy. Exception: HQ AFSPC Inspector General (IG) funds TDY when units are requested to provide augmentees to AFSPC IG teams.

1.2.1.2. Other Commodities. Managers either control or significantly influence transportation, communications, contractual services, supplies, and equipment funds. Significant management flexibility exists in these areas. In addition, civilian personnel costs can be influenced because requests for authorizations are initiated by managers, and grade structure, overtime and overhires can be controlled.

1.2.1.3. Military Personnel. While not wing/center funded, military personnel are a part of the resources provided to managers at all levels. The manager's effectiveness in controlling on-the-job training, motivation, utilization, and personnel efficiency are key factors in the productivity of the total system.

2. Financial Analysis Office Responsibilities:

2.1. **Financial Analysis Office.** Preparation and execution of the financial plan for the unit is the responsibility of the wing/center financial analysis office.

2.2. **Review and Validation of Unit Financial Requirements.** Wing/center financial analysis offices review and validate financial plan inputs, execution plans, mid-year revisions and other inputs to the command by its units. Wings/centers validate and rank unit unfunded requirements to reflect the financial status of the unit and priorities of the wing/center commander. Submit only those items beyond the funding capability of the unit (in priority order) to HQ AFSPC/FMA for use in developing command priorities.

2.2.1. **Financial Plan.** Each wing/center supports the command effort to formulate a budget submission to the Air Staff. Wing/center inputs are generally due in March and the command financial plan is due in May. Unit inputs are routed through the wing/center for review, validation and consolidation. Wings/centers are required to follow command guidance and explain all unit requirements.

2.2.2. **Budget Execution Reviews (BER).** Wings/centers identify unfunded requirements and/or excess funds for possible reprogramming against higher priority needs. The command financial structure reviews wing/center inputs against obligation profiles and available resources to deter-

mine potential funding adjustments. Requirements that exceed command-wide resources are prioritized and submitted to the Air Staff.

2.2.3. Fiscal Year-End Closeout. HQ AFSPC provides year-end budget and reporting guidance each year to assist in the closeout process. The closeout objective is to maximize the use of current year funding and minimize potential fall-in or fall-out in the following fiscal year. To achieve this goal, FMA must ensure controls are established to account for and properly obligate all valid current year requirements within available funding.

2.3. Resource Management System (RMS) Training:

2.3.1. RMS Training Guide. Each AFSPC wing/center prepares and publishes a resource management training guide tailored to the needs of the unit. Send an informational copy to HQ AFSPC/FMA. Consider the outline shown at [Attachment 1](#) when developing the training guide.

2.3.2. Initial RMS Training:

2.3.2.1. Organization Funds Managers (OFMs). OFMs who perform the role of financial analysis officer at AFSPC units require indoctrination in basic budget, and accounting and finance functions. The wing/center is responsible for providing training. Training is done at the organization and must be completed within 90 days of assumption of OFM duties.

2.3.2.2. Responsibility Center Managers (RCMs) and Resource Advisors (RAs). The financial analysis officer is responsible for starting training within 30 days of RCMs or RAs assuming financial management duties and completing it within 90 days.

2.3.3. Follow-On-Training. Follow-on training for RCMs, RAs, and other financial management personnel may be accomplished through briefings during financial management committee meetings or through formal follow-on training classes. Wing/center financial analysis personnel are responsible for periodic staff assistance visits (SAV) to field units. During the SAV, review the OFM's performance and provide additional training as required.

3. Unit Responsibilities:

3.1. Unit Commanders. Commanders are responsible for the productive, prudent, and lawful use of allocated resources under public law, established directives and guidance provided. Commanders should support and actively participate in all phases of resource management.

3.2. Base Comptrollers. Base comptrollers are required to establish and maintain an effective financial management structure for base level and subordinate units. Their interaction with the commander, RCMs, functional area experts, and other RMS players sets the tone for the unit financial management program.

3.3. Financial Analysis Officers. Basic responsibilities outlined in AFI 65-601, Volume 2, Budget Management for Operations, are to (1) help prepare, revise and carry out financial plans and (2) review and analyze accounting data to help match available funds against programmed requirements. Additional responsibilities are as follows:

3.3.1. Financial Coding Structure. HQ AFSPC/FMAI will develop a financial coding structure guide. The guide will include Responsibility Center/Cost Center (RC/CC), Element of Expense/Investment Code (EEIC), Emergency and Special Program (ESP) coding structure, Program Ele-

ment Codes (PECs), limitations and sales codes. All changes to coding structure must be coordinated with HQ AFSPC/FMAI and the appropriate accounting activity.

3.3.1.1. Help the Defense Finance and Accounting Service (DFAS) field site and accounting liaison office assign appropriate EEICs, RC/CCs and other appropriation and reporting elements, i.e., sales codes, functional categories, and ESP codes. Regularly review accounting reports and documents to ensure proper appropriation data elements are being used.

3.3.2. **Funding Documents.** Maintain a file of all funding documents and messages. Coordinate with the accounting liaison office to ensure all funding messages or memorandums of telephone funding actions have been received and are posted to the accounting records. Consult with the accounting liaison section before end-of-month to verify accounting records agree with funding documents. See [A2.3.2.](#) for additional information on fund distribution procedures. (**NOTE:** If passage of defense appropriations or other funds distribution from the Air Staff is delayed, HQ AFSPC/FMA will issue interim guidance. This normally provides authority to go on with essential activities consistent with the prior year level of effort).

3.3.2.1. **Funding Limitations.** Set up local controls and procedures to ensure full compliance with all legal and administrative limitations. Review status at least quarterly, or more frequently, as required, at Financial Management Board (FMB) and Financial Working Group (FWG) meetings. Report suspected Anti-Deficiency Act violations to HQ AFSPC/FMA and coordinate with the local accounting liaison office.

3.3.3. **Program Development:**

3.3.3.1. Take part in the planning process to ensure all budgeting and funding considerations are included. Attend local meetings where plans and programs impacting appropriated funds are discussed.

3.3.3.2. Research, formulate and validate cost data, work units and cost factors used in financial plan preparation, revision and management decisions.

3.3.4. **Program Review and Analysis.** Analyze adequacy of funding to meet approved program objectives. Ensure essential mission and support requirements are funded. Identify unfunded requirements and make every effort to satisfy these requirements internally through reprogramming and through other economies. **NOTE:** HQ AFSPC does not maintain “contingency” funds to satisfy wing/center unfunded requirements.

3.3.4.1. **Program Balance and Reprogramming.** Identify inequities in funds distribution and research sources for potential reprogramming adjustments. Review reprogramming requests to ensure they are equitable, meet mission objectives, and are in compliance with current limitations and other appropriate guidance. Reprogramming Element of Expense/Investment Code (EEIC) 52XXX or 532XX or between facility projects requires HQ AFSPC/FMA and HQ AFSPC/MS (CER) approval.

3.3.4.2. Investigate variances and trends between actual obligation rates and planned targets. Keep staff, operating units, and financial management committees informed on all findings and recommend corrective action, i.e. policies, reprogramming, or controls, if necessary.

3.3.5. **Unfunded Requirements.** Develop unfunded requirements list for each operating budget account number (OBAN) and by appropriation, i.e. O&M (FC30), Military Family Housing (FC3Y), Base Procured Investment Equipment (FC17), following initial distribution. Remember,

organizations should make every attempt to reprioritize existing funding and solve through internal reprogramming.

3.3.5.1. **Process.** Unit unfunded requirements are submitted to the wing/center for review, validation and possible funding. The HQ AFSPC Comptroller and functional staff review and validate wing/center unfunded requirements when requested through the Budget Execution Review (BER) process or other tasking. Funds may be provided, if available, based on priorities established by the AFSPC Council.

3.3.5.2. **Contract Changes.** Statements of work (SOW) determine contract cost. Local policies must require OFM or financial analysis coordination on SOW changes to determine funds availability. SOW changes are considered unfunded requirements.

3.3.6. **Emergency Requirements.** Occasionally, an emergency will arise that needs an immediate funding solution, i.e., catastrophic electric or water line failure, or natural disaster response. Procedures are as follows:

3.3.6.1. With unit commander approval, use local funds to support emergency actions to protect human life, government property or facilities. Identify all associated expenses using a local ESP code.

3.3.6.2. Instruct unit civil engineer personnel to identify requirement(s) to their command counterparts, if applicable, and follow specific CE emergency project reporting procedures.

3.3.6.3. Units should immediately notify their wing/center financial analysis office by telephone to advise them of the circumstances and estimated cost. Follow up with written confirmation. Wing/center FMAs will in turn notify HQ AFSPC/FMA by telephone and follow up with a confirming message or e-mail. Submit Natural Disaster Report as specified in the AFSPC General Fiscal Guidance. The report should be submitted by applicable appropriation.

3.3.6.4. If a contractor is involved, notify the appropriate contracting officer before any action is taken to obligate the government. (**NOTE:** For procedures resulting from emergency conditions as a result of wartime activities, reference AFI 10-213, *Comptroller Operations Under Emergency Conditions*).

3.3.7. **Support Agreement Program.** The FMA should be actively involved in the wing support agreement program including:

3.3.7.1. Compute requirements and verify costs, develop or update reimbursement rates and cost factors as necessary, and bill in a timely manner.

3.3.7.2. Develop a system to track anticipated versus actual reimbursements related to support agreements and analyze all variances.

3.3.7.3. Coordinate on all support agreements to ensure all support provisions, financial data, and budget programming are correct and comply with governing directives.

3.3.7.4. Maintain, or have access to, a complete file of all active support agreements, utility sales agreements and memorandums of understanding that impact local resource management.

3.3.8. **Annual and One-Time Reports and Activities.** Perform special analyses to ensure accuracy of budget forecasts, projection of estimated requirements, or cost projections having budgetary implications.

3.3.8.1. **Contract Reviews.** Review major service contracts annually to validate requirements, reduce costs where possible and identify under-execution early.

3.3.8.2. **Fiscal Year-End Closeout.** Serve as the wing/center/base focal point for all closeout issues. Establish year-end closeout procedures and make sure they are followed.

3.3.8.2.1. Maintain a prioritized list of approved unfunded requirements that may be obligated before end-of-year final reporting.

3.3.8.2.2. Notify HQ AFSPC/FMA of any funds that cannot be obligated as soon as possible but no later than 24 hours prior to year-end closeout (30 September).

3.3.8.2.3. Establish procedures to ensure all unliquidated obligations, particularly those supported by miscellaneous obligation reimbursement documents (MORDs), are recorded.

3.3.8.2.4. Coordinate with base supply and the contracting office to ensure timely obligation of funds. Ensure adjustments to contractual documents are coordinated with contracting and necessary modifications are issued. Check with the accounting liaison office to determine when documents have been received and recorded. Ensure MORDs (both credits and debits) for year-end adjustments are established IAW DFAS-DE/Air Force Interim Guidance, Accounting for Obligations, April 2000.

3.3.8.3. Prepare annual financial plan using format and instructions provided by HQ AFSPC/FMA. Provide resource managers instructions and formats for presenting requirements for the program year. Consolidate requirements for FWG review and FMB approval ensuring essential mission and support requirements are given funding priority. (See [A2.1.3.1](#)).

3.3.9. **Military Family Housing.** Make sure Military Family Housing (MFH) funds are handled in accordance with Air Force budgeting and funding policies. Reprogramming between budget projects is not authorized without prior HQ AFSPC/FMA approval. Reprogramming of quarterly authority between EEICs within P721 subaccounts, P722, and P728 is authorized except for 52X or 532. Ensure the appropriate fund code is used (3Y for FY02 and beyond, 83 for FY01 and prior years).

3.3.9.1. **Fund Determination.** Use the P720 program for specific MFH supporting requirements only. A portion of the MFH appropriation available to the command is to reimburse the O&M appropriation for civilian labor, supplies, fuel oil, in-house produced utilities and so on.

3.3.9.1.1. **Civilian Pay.** Civilian pay costs for MFH management branch personnel assigned to RC/CCs XX4406 and XX4407 are reimbursed to the O&M (3400) appropriation. These persons must be used full-time in MFH. If MFH management branch personnel are used in any non-MFH related activity, O&M (3400) direct funds are needed, which could result in an under-earning in the O&M (3400) established reimbursement program. HQ AFSPC/FMA issues funds by budget project and sub-project (within P-721) with a recommended EEIC distribution.

3.3.9.1.2. **Facility Projects.** The Civil Engineer (CE) manages the Sustainment and Restoration Maintenance by Contract (SRMC) program. Distribution of funds for maintenance, repair and minor construction is based on information and priorities extracted from the Automated Civil Engineering System (ACES). These are intended for specific projects. Do not divert the funds to other PECs without HQ AFSPC/MS(CEP)/FMA approval.

3.3.10. Staff Assistance to Subordinate Units:

3.3.10.1. Provide technical help to responsibility center managers, resource advisors, subordinate units, other staff officials and tenant units in the development of operating budgets and financial plans, and to carry out approved programs.

3.3.10.2. Provide financial management policy decisions and procedural guidance to appropriate resource management personnel.

3.3.10.3. Maintain personal contact with operating activities to be familiar with functions, plans, accomplishments and problems.

3.3.11. Quality Assurance Program:

3.3.11.1. Use checklists to make sure all functional responsibilities are accomplished and comply with standard self-inspection program procedures. Develop local checklists or use those provided by HQ AFSPC/FMA and supplement as needed.

3.3.11.2. Review AFSPC reports from other bases and check for like deficiencies.

3.3.12. Other Administrative Functions:

3.3.12.1. Resource Management System (RMS) Administration. Ensure administrative requirements of wing/center or unit financial management committees are developed and maintained including membership appointments, meeting notifications, agenda, briefing requirements, development of financial management policies and fund controls, implementation of USAF, AFSPC and wing/center policies and directives, and appropriate minutes of meetings.

3.3.12.2. Resource Management Team (RMT). Participate in RMT visits to RC/CCs to give help and advice, to gather and distribute new resource management ideas, and to identify restricting policies and procedures. RMT visits are not mandatory. However, an active program at AFSPC units is encouraged. See AFI 65-601, Volume 2, Budget Management for Operations, for guidelines on establishing a RMT.

3.3.12.3. File Documentation. Establish and maintain files to support documentation requirements necessary to ensure office continuity, show accomplishment of assigned responsibilities, and identify financial program data, decisions, policies and guidance.

3.3.12.4. Financial Management Directives. Maintain and have access within the comptroller activity to applicable directives on financial management. Establish local directives and supplements, as necessary.

3.4. Organization Funds Manager (OFM) Responsibilities. This paragraph applies to units that are charged with the management of appropriated funds without a manpower authorization for financial analysis.

3.4.1. Unit Commander Role. The unit commander appoints in writing an OFM responsible for managing the unit financial program. The commander chairs the unit Financial Management Panel (FMP), and reviews and approves/disapproves financial management decisions.

3.4.2. Organization Funds Manager. Performs the same basic responsibilities as a financial analysis officer as identified in AFI 65-601, Volume 2, Budget Management for Operations, and paragraph **3.3.**, above. In addition, the OFM:

3.4.2.1. Serves as the primary unit contact for all financial management matters, and is the unit financial point of contact with the wing/center financial analysis office and HQ AFSPC financial analysts. Develops controls to ensure all applicable legal and administrative limitations involving unit appropriated funds are not violated. Advises the commander and staff on unit funding.

3.4.2.2. Acts as recorder of the unit FMP. Prepares minutes of the FMP to show attendance, issues briefed, and actions taken, and any RMS training provided. Forwards a copy of the minutes to the wing/center financial analysis office within 12 days after the meeting.

3.4.2.3. Maintains a continuity folder to include OFM responsibilities, procedures, points of contact, etc. (**NOTE:** OFMs are not required to conduct unit RMT visits. However, they may request the host base provide a RMT visit).

3.5. Responsibility Center (RC) Responsibilities. RCs represent an organizational subdivision of an operating activity. They are the focal point for control of subordinate RCs and/or cost centers (CCs) and function as a reporting level for financial accounting. Each unit commander determines the unit RC structure to make sure responsibility for resource management is clearly assigned within all subordinate organizations. Focal points for organizational resource management are responsibility center managers (RCMs), resource advisors (RAs) and cost center managers (CCMs).

3.5.1. Responsibility Center Manager. The organizational chief of a designated "RC" is the RCM and is responsible for resource management throughout the RC. Specific duties are outlined in AFI 65-601, Volume 2, Budget Management for Operations, Chapter 10.2.3.

3.5.2. Resource Advisor. RAs are the primary point of contact with comptroller personnel and other RAs on resource management matters within their specific RC. The RA must:

3.5.2.1. Analyze planned versus actual financial performance (targets and obligations) of subordinate organizations to identify imbalances in resource distribution. Develop alternative actions to correct and recommend appropriate action to the RCM to resolve issues within the constraints of the RC financial program. Reprogram funds internally between CCs, with RCM approval, to resolve imbalances and funding problems.

3.5.2.2. Brief the RCM at least monthly on the RC financial program including annual program status, unfunded requirements, actual and potential problems, and recommended reprogramming actions. As necessary, brief RC program status and present requirements to the FWG.

3.5.2.3. Ensure essential operating requirements are fully financed within the annual program.

3.5.2.3.1. Establish internal program priorities and be prepared to take action to reduce program costs depending on local funds available and priorities.

3.5.2.3.2. Maintain a prioritized list of unfunded requirements and submit to the financial analysis office as required.

3.5.2.4. Provide planning, surveillance, coordination and control of RC day-to-day financial operations.

3.5.2.4.1. Review and coordinate on all funding documents to verify purpose, amount, and funds availability. All requests should be included in the RC funded program. Assign appropriate RC/CC, EEIC and other data elements as needed.

3.5.2.4.2. Review TDY orders and ESP codes to ensure compliance with USAF, HQ AFSPC and local policies.

3.5.2.4.3. Monitor annual contracts and delivery orders to ensure proper posting of charges.

3.5.2.4.4. Coordinate on all actions pertaining to support agreements that impact RC resources.

3.5.2.4.5. Set up internal controls that apply to all persons who may initiate obligation of funds.

3.5.2.4.6. Establish and monitor AF Form 4009, **Government Purchase Card Fund Cite Authorization**, for Government Purchase Card use.

3.5.2.5. Administrative Requirements:

3.5.2.5.1. Establish and maintain a file of directives needed for managing the RC resources.

3.5.2.5.2. Maintain a continuity folder to include developing written operating instructions detailing unit operating procedures, i.e., processing TDY orders, ordering supplies and equipment, and local purchase procedures.

3.5.2.5.3. Make sure the alternate RA is trained to assume full responsibility.

3.5.2.5.4. Maintain a valid cost center coding structure.

3.6. **Contractor-Operated Facilities.** This paragraph applies to all contractor-operated sites.

3.6.1. **Responsibilities.** The military and civil service employees at contractor-operated installations are responsible to higher headquarters for management of the resources provided for O&M of the installation. The commander is charged with financial management of the installation.

3.6.2. **Statement of Work (SOW).** The SOW in each major AFSPC contract should task the contractor to provide resource management advice to the Air Force during preparation and execution of financial plans and programs. The contractor is tasked in the SOW to assist the on-site Air Force staff in the process of adjusting unit requirements to expected funds availability specified by HQ AFSPC. This is done by identifying the highest priority needs at each unit and specifying the operational impact of leaving the lower priority requirements unfunded. The contractor provides input on which items should be funded to the local USAF authority, who renders the final decisions for budget submission to HQ AFSPC/FMA.

3.6.2.1. During the fiscal year, the contractor should work with the Air Force representative to stay within the fiscal constraints for supplies, work projects, contractor TDY and other expenses established by higher headquarters.

3.6.2.2. The financial analysis officer is the focal point for resource management and advises the chief quality assurance evaluator (CQAE) on the effectiveness of the contractor's resource management advice and help as required by the SOW. At wings with range management squadrons, the program management office reports on the effectiveness of the contractor's resource management advice and help as required by the SOW.

4. **Financial Management Committees:**

4.1. **Committee Membership.** Each unit should establish a participatory financial management system. All activities funded by AFSPC should use financial management committees as a basis for this system since advocates for all functional areas are represented. Although financial management committees are a proven asset to the commander, he/she can elect not to establish them. In this case, the commander must review and approve funds distributions, reprogramming actions, unfunded requirements, financial plans and other financial management matters recommended by the OFM or financial analysis officer.

4.1.1. **Organization.** At base level, this structure consists of two financial committees, the Financial Management Board (FMB) made up of senior management, and the subordinate Financial Working Group (FWG) made up of middle management. At unit level there is only one committee, the Financial Management Panel (FMP). Bases that also function as wings can elect to incorporate wing business in the base committee structure or form a separate wing structure such as the FMP. The wing financial committee structure should be identified through appointment letter format or in a supplement to this instruction. Specific duties and required briefing topics are outlined in AFI 65-601, Volume 2, Budget Management for Operations, paragraph 10.3.

4.1.1.1. Financial Management Panel. At the unit level, participatory financial management is accomplished by use of this formal committee. The FMP takes the place of the FMB and FWG in situations where the membership of the FWG and FMB would be nearly the same because of the small size of the unit. The unit commander decides the composition of the FMP, in writing, based on local management needs. The FMP membership focuses on the major users of resources. Responsibilities and format mirror those of the FMB identified in AFI 65-601, Volume 2, Budget Management for Operations, paragraph 10.3.1.

4.1.1.2. Relationship with Host Base. Numerous AFSPC units are on or off-base tenants of other major command bases. AFI 65-601, Volume 1, **Budget Guidance and Procedures**, provides general guidance on host versus tenant funding responsibilities. To ensure communications between the tenant and host, each AFSPC tenant should appoint a member or observer to the host base FWG. Attending meetings at the host base depends on time, distance, and costs. However, the member or observer keeps the host base apprised of tenant requirements that are the funding responsibility of the host. This is particularly true for base procured investment equipment (3080) funds.

4.2. **Submission of Financial Reports:**

4.2.1. **Budget Execution Reviews (BER).** HQ AFSPC/FMA tasks wings/centers to submit a BER periodically throughout the fiscal year to evaluate execution status, unfunded requirements, and potential reprogramming requirements. This review may include data on O&M, MFH, and 3080 investment equipment financial status. Format will be provided along with suspense criteria for each tasking.

4.2.2. **Financial Plans.** HQ AFSPC/FMA submits financial plans to the Deputy Assistant Secretary (Budget), Directorate of Budget Operations (SAF/FMBO), about five months prior to the year of execution. Wing/center inputs provide the foundation for the command submission. Specific guidance and formats accompany the tasking. Wings/centers who do not provide the required data or deviate significantly from prescribed formats may be required to make a formal resubmission.

4.2.3. **Recurring Reports:**

4.2.3.1. Quarterly Authority Reports. OBANs are required to submit quarterly authority status

reports to HQ AFSPC/FMAI by the first of December, March and June. No report is required for the fourth quarter. The report should provide quarterly requirements to include shortages or excesses in current quarterly authorization. Make quarterly authorization requests sufficient to cover estimated end-of-quarter obligations and commitments but at the same time not so much to where large unobligated or uncommitted balances remain. Round reports to the nearest hundred (that is, \$10,200,000.00 = \$10,200.0). See [Table 1](#).

Table 1. Quarterly Authority Report.

	Current Quarterly		Revised Quarterly
	Authority	Increase/Decrease	Authority
Part I - Direct O&M			
BAC 01			
BAC 02			
BAC 03			
BAC 04			
TOTAL O&M			
Part II - MFH			
P72110			
P72120			
P72130			
P72140			
P72150			
P722			
P723			
P728			
TOTAL MFH			

4.2.3.2. Prior Fiscal Year (PFY). All prior year upward adjustments must be reported in the Obligation Adjustment Reporting System (OARS).

4.2.3.3. Other Reports and Requests for Data. Submit other data when requested. Higher level taskings occasionally require quick responses, which require direct input to the command by a unit subordinate to a wing/center.

OSWALDO Y. MULLINS, Col, USAF
Comptroller

Attachment 1**RESOURCE MANAGEMENT SYSTEM TRAINING GUIDE FORMAT**

Appropriation Structure and Data Elements:

Appropriations:

Operation and Maintenance (O&M) (3400).

Budget Activity Code (BAC).

Program Element (PE).

Base-Procured Investment Equipment (3080).

Military Family Housing (0745)

Data Elements:

Element of Expense/Investment Code (EEIC).

Responsibility Center/Cost Center (RC/CC).

Emergency and Special Program (ESP) Code.

Budgeting:

Formulation.

Review and enactment.

Execution.

Types of funds.

Preparing Financial Plans:

Developing requirements.

Narrative descriptions.

Justification and impact statements.

Funded program.

Unfunded requirements.

Distribution of approved financial plan.

Executing an Approved Funding Program:

Funding documents.

Initial distribution of funds.

Annual/quarterly funding.

Legal and administrative limitations.

Funding targets.

Reprogramming.

Unfunded requirements.

Budget Execution Review (BER).

Year-end closeout procedures.

Financial Transactions:

Reimbursements.

Refunds.

Commitments.

Obligations.

Expenses.

Fund Citations.

ESP Codes.

Financial Management:

Need for financial management

Responsibilities.

Wing/group.

Financial analysis officers.

Organization Funds Managers (OFMs).

Commanders.

Responsibility Center (RC) managers.

Resource Advisors (RAs).

Procedures.

Resource management at contract-operated activities.

Glossary of financial management terms.

Management Reports:

Accounting system for operations reports (BQ).

Material expense management reports (SBSS).

Financial Management Committees:

Financial Management Board (FMB).

Financial Working Group (FWG).

Financial Management Panel (FMP).

Exceptions to the financial management committee system.

Resource Management Training:

Wing responsibilities.

Financial analysis officer responsibilities.

OFM responsibilities.

Host base responsibilities.

Attachment 2

BUDGET CYCLE IN AIR FORCE SPACE COMMAND

The budget cycle is comprised of three stages: formulation, review and enactment, and execution.

A2.1. Formulation:

A2.1.1. **Budget Estimate Submission (BES).** The Deputy Assistant Secretary (Budget), Directorate of Budget Operations (SAF/FMBO), prepares the BES 13 months before the fiscal year concerned based upon the approved Future Year Defense Plan (FYDP) plus/minus approved program or pricing changes.

A2.1.1.1. The BES is reviewed by The Office of the Secretary of Defense (OSD) and the Office of Management and Budget (OMB). Final decisions are presented to the President and subsequently become the President's Budget (PB) submission to Congress in February.

A2.1.2. **President's Budget (PB).** After SAF/FMBO knows the amount of financial resources in the PB, they issue the call for the financial plan for the upcoming fiscal year. The call is normally issued in late February and contains a tentative dollar amount known as the bogey, which indicates the command's anticipated funding for the next fiscal year.

A2.1.3. **Financial Plan Call.** Generally, HQ AFSPC issues a call using command specific guidance prior to receiving the call from SAF/FMBO in order to provide wings/centers maximum time to construct an accurate, meaningful financial plan. Wing/center financial plans serve as the foundation for the command financial plan. The final objective is to develop a command financial plan that completely presents and defends our requirements within the framework stipulated by the call instructions and AFI 65-601, Volume I, Budget Guidance and Procedures.

A2.1.3.1. **Financial Plan Structure.** The estimated requirements set forth in the command financial plan are presented by Budget Activity Code (BAC), Program Element (PE) and Element of Expense/Investment Code (EEIC). Requirements for the MFH financial plan differ slightly. These estimated needs are detailed by PE, Budget Project Account Code (BPAC) and EEIC. Follow specific guidance issued by your command analyst for the MFH financial plan. Detailed justification and an explanation of increases or decreases between years must accompany the dollar requirements. Where possible, objective measurements or statistics are used to clarify increases or decreases in funding between years. Program or pricing changes are also explained.

A2.1.3.2. Due to budget constraints imposed by the President and Congress, the bogey provided for preparing the financial plan is almost always less than the requirements identified for the upcoming fiscal year. Therefore, requirements are submitted in two parts. Part I contains mission requirements that can be funded within the bogey. Part I requirements must reflect a balanced program that meets all mission requirements including support to tenants, which is a host responsibility. Part I must be prepared under the assumption that no additional funding is available during the fiscal year. Items that fall outside bogey constraints are identified as Part II unfunded requirements.

A2.1.3.3. Review and approval of inputs to the command financial plan:

A2.1.3.3.1. **Unit Level Process.** At AFSPC units, the FMP, or the unit commander if no committee has been established, reviews and approves the financial plan. The approved financial plan is sent to the wing/center financial analysis office at the next higher level.

A2.1.3.3.2. **Base Level Process.** Wings/centers review, validate and consolidate all subordinate base or unit requirements into a single wing/center submission. At AFSPC wings/centers, the FMB reviews and approves the financial plan inputs based on the recommendations of the FWG. If the base has elected not to have a committee structure, the commander reviews and approves the financial plan. The approved financial plan is then forwarded to HQ AFSPC/FMA.

A2.1.3.3.3. **Command Process.** When HQ AFSPC/FMA receives wing/center inputs, the review and approval process is repeated to develop the command financial plan. The Program Element Monitors (PEMs), integration teams, AFSPC Group and AFSPC Board review the financial plan and make recommendations to the AFSPC Council. After approval by the AFSPC Council, the command financial plan is submitted to SAF/FMBO.

A2.2. Review and Enactment. In this stage, Congressional committees hold hearings and prepare reports that ultimately lead to the passage of authorization and appropriation bills, which permit the obligation of funds. Congress begins review of the PB proposals in February. The review process normally requires 8-10 months before the final appropriations are passed. If the needed legislation is not enacted by the beginning of the fiscal year, Congress will pass a Continuing Resolution Authority (CRA) to provide funds for essential operations until the appropriation bills are passed and signed into law. A CRA places the financial manager in a position of uncertainty and potential funds shortage because the actual funds available to conduct the unit's mission for that fiscal year are unknown.

A2.3. Execution:

A2.3.1. **Annual and Quarterly Phasing.** The budget execution period runs from 1 Oct through 30 Sep of the fiscal year. After the appropriations bill and subsequent allocations to SAF/FMBO, the command receives annual and quarterly obligation authority and provides it to wings/centers. This obligation authority is the basis for controlling total dollar expenditures. HQ AFSPC provides the rationale involved in arriving at the total dollar funding for wings/centers. The funding provided is on a cumulative quarterly and annual basis. The annual obligation authority is provided primarily for planning purposes. Funds are apportioned on a quarterly basis because the Treasury does not have an unlimited source of money. Also, the time phasing of funding provides a management control device for reviewing progress of planned programs and controlling obligations. The total cumulative quarterly and annual funding provided for each appropriation are legal limitations and may not be exceeded. Penalties may be invoked for violation of the limitation under Administrative Control of Appropriations.

A2.3.2. **Funds Distribution.** HQ AFSPC normally receives and distributes annual O&M funds to each base or unit during the first quarter of the fiscal year based on specific information from the wing/center financial analysis office. Initial distribution may be somewhat tentative since it may be based on a CRA. HQ AFSPC/FMA then accomplishes funding adjustments to the initial program after they receive a firm program from SAF/FMBO.