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Financial Management

BUDGET OPERATING GUIDANCE

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The purpose of this pamphlet is for use as a training guide to assist users in locating the proper authoritative or regulatory guidance on financial and budget policies and procedures, as well as specific issues dealing with federal appropriations law. It is not directive in nature; that is the function of the source document or reference. It is the financial analyst's responsibility to be familiar with the source documents referenced throughout the publication. This pamphlet will not necessarily address every topic or issue you may have. Many instances require interpretation of Air Force and DoD policy, as well as public law. This pamphlet is not applicable to Air National Guard or United States Air Force Reserve units. See **Attachment 1** for a glossary of references and supporting information.

SUMMARY OF REVISIONS

This revision updates regulation references, regulation numbers (particularly the AFR and AFM 170 and 177 series accounting regulations converted to the DFAS 7000 numerical series), and terminology. New paragraphs from the previous publication cover significant changes addressed in various policy messages from HQ AMC/FMB over the course of the past two years. A **black line** to the left of the paragraph title in the Table of Contents below indicates these changes and are applicable to all subparagraphs as well. Additionally, a star **black line** to the left of all applicable paragraphs throughout the instruction indicates substantive changes to these paragraphs from the previous publication. See **Attachment 2** for a detailed list of changes

Chapter 1—INTRODUCTION **11**

1.1. Purpose and Scope 11

1.2. Policy Guidance 11

1.3. Distribution 11

1.4. Updates 11

Chapter 2— GENERAL FINANCIAL MANAGEMENT CONCEPTS 12

2.1. Introduction 12
2.2. Statement of Financial Management Policy 12
2.3. Antideficiency Act (ADA) 12
2.4. Bona Fide Need Rule (BFNR) 16
2.5. The “Necessary Expense” Doctrine 18
2.6. Participatory Financial Management 20
2.7. Managerial Responsibilities 20
2.8. Centrally Managed Programs 21
2.9. Budget Planning 22
2.10. Validation of Commitments and Obligations (ODL Certification) 22
2.11. Negative Unliquidated Obligation (NULO)/Unmatched Disbursement (UMD) Transactions 22
2.12. Prior Fiscal Year (PFY) Management 23
2.13. Operational Risk Management 25

Chapter 3—THE AMC PROGRAM 26

3.1. General Information 26
3.2. O-1 Line Item Structure 26
3.3. Financial Managers 27
3.4. Financial Management Board (FMB) 29
3.5. Financial Working Group (FWG) 29
3.6. The Budget Life Cycle 30
3.7. O&M Financial Plan (Fin Plan) and TWCF Budget Estimate Submission (BES) .. 30
3.8. Initial Distribution 31
3.9. Budget Execution 32
3.10. Unfunded Requirements (UR) 33
3.11. Training 33
3.12. Target Loading 34
3.13. Legal and Administrative Limitations 34
3.14. Funding Distribution System 35
3.15. Military Health Service 37

Chapter 4— WORKING CAPITAL FUNDS (WCF) 38

4.1. Background 38

4.2. Concept of Operations 39

Chapter 5— REVENUE AND REIMBURSEMENTS 40

5.1. General Information 40

5.2. Reimbursements from Tenant Units 40

5.3. Support Agreements 40

5.4. The Economy Act 41

5.5. Orders Required by Law 42

5.6. Other Types of Air Force Orders 42

5.7. Reimbursement Targets 43

5.8. Medical Reimbursable Program 43

5.9. The “Miscellaneous Receipts” Statute 43

5.10. Joint Use Agreements with Civilian Airports 45

Chapter 6— MILITARY PERSONNEL 46

6.1. General Information 46

6.2. Clothing Allowance 46

6.3. Resource Augmentation Duty (READY) Program 47

Chapter 7— CIVILIAN PERSONNEL 48

7.1. Civilian Resource Management 48

7.2. Civilian Pay Program 48

7.3. Civilian Pay and Work-Year Utilization 49

7.4. Civilian Manpower and Funding Report 50

7.5. Civilian Employment Cost Management Committee (CECMC) 50

7.6. TWCF Manpower Criteria 50

Chapter 8— TEMPORARY DUTY (TDY) TRAVEL, CIVILIAN PERMANENT CHANGE OF STATION (PCS), AND VEHICLE RENTAL 51

8.1. General Information 51

8.2. TDY Per Diem Policy Overview 51

8.3. Types of Expenses on TDY Orders 54

8.4. TDY Funds Management 54

8.5. Unliquidated Travel Obligations 55
8.6. Command Directed TDY 55
8.7. Government Facilities 56
8.8. Civilian Employees 56
8.9. Air Force Personnel Center (AFPC) Travel Support 56
8.10. Education Services Travel Support 56
8.11. Senior NCO Academy (SNCOA), NCO Academy (NCOA) and Airman Leadership School (ALS) 57
8.12. Overseas Travel to Air Education and Training Command (AETC) or Air Force Materiel Command (AFMC) Schools 57
8.13. Continuing Health Education (CHE) 57
8.14. PHOENIX RAVEN Teams and Other Mission Essential Ground Personnel (MEGP) 57
8.15. Registration Fees 58
8.16. Civilian Permanent Change of Station (PCS) 58
8.17. Vehicle Rental 58
8.18. Centralized Witness Funding 59
8.19. PCS with TDY En Route or TDY Incident to PCS 59
8.20. HQ AMC Inspector General (IG) Oversight Visits (EORIs, ERIs, NSIs) 59
8.21. In-Place Consecutive Overseas Tour (IPCOT) 60
8.22. Technical Order Development TDY 60
8.23. Dependent Student Travel 61
8.24. Patient and Non-Medical Attendant Travel 61
8.25. Transportation of Family Members of Very Seriously Ill/Injured (VSI) or Seriously Ill/ Injured (SI) Active Duty Service Members or Active Duty Reserve Allowance 61
8.26. Attendance of Non-Federal Government Employees at Awards Ceremonies or Dinners 61
8.27. Evacuation Expenses for Nonappropriated Fund (NAF) and Army and Air Force Exchange (AAFES) Employees in Contingency and Emergency Situations 61

Chapter 9—TRANSPORTATION 63

9.1. General Information 63
9.2. Channel Transportation 63
9.3. Local Drayage 63
9.4. First Destination Transportation (FDT) Funding 63

9.5. Dedicated Airlift 64
9.6. Other TWCF Transportation Costs 64
9.7. Transportation of Aircraft Parts from ANG/AFRC Bases to MRTs Supporting NMC Aircraft Flying AMC Missions 64

Chapter 10—REPROGRAPHICS AND EQUIPMENT RENTAL 66

10.1. General Information 66

Chapter 11—UTILITIES 67

11.1. General Information 67
11.2. Category Codes for TWCF Facilities 67

Chapter 12—COMMAND, CONTROL, COMMUNICATIONS, AND COMPUTER SYSTEMS 69

12.1. General Information 69
Figure 12.1. Communications Review/Inspection Criteria 69
12.2. Telephone Reconnection Charges 70
12.3. Communications Services for Senior Officer Base Housing 70
12.4. Information Processing Equipment (IPE) 71
12.5. The Small Computer Support Office 71
12.6. Definition of a Small Computer 71
12.7. Funding Criteria 71
12.8. Local Area Network (LAN) Funding Definition 72
12.9. Application Software 72
12.10. Software Development Contracts 73
12.11. Software Purchased With Unlimited Data Rights 73
12.12. Tracking ADPE Related Expenses 74
Figure 12.2. RC/CC Coding of Base-Level TWCF ADPE Expenses 74

Chapter 13—PRINTING AND REPRODUCTION 75

13.1. General Information 75
13.2. Personalized Stationery, Calling and Greeting Cards 75
13.3. Printing of Invitations and Programs 76
13.4. Nametags Worn by Civilian Employees 76

Chapter 14—REAL PROPERTY MAINTENANCE BY CONTRACT (RPMC) 77

14.1. General Information 77

14.2. RPMC Change Orders 77

14.3. Emergency Facility and Storm Damage Funding 77

14.4. TWCF Facilities 77

14.5. AMC Tenant Funding Procedure 78

14.6. Funding for Tenant Anti-Terrorism/Force Protection Measures at Host AMC Bases 79

Chapter 15— OTHER CIVIL ENGINEERING (CE) SERVICES 80

15.1. Custodial Services 80

15.2. Architect-Engineering (A-E) Design Services 80

15.3. Trash, Waste, and Recycling Program 80

15.4. Other CE Services 80

15.5. Federal Facility Compliance Guidance (FFCG) 81

15.6. Hazardous Materials (HAZMAT) Spill 81

Chapter 16—EDUCATION AND TRAINING 82

16.1. Military Personnel 82

16.2. Civilian Personnel 82

Chapter 17—CONTRACT MAINTENANCE OF EQUIPMENT 83

17.1. General Information 83

Figure 17.1. RC/CC Coding of Base-Level Office Machine Expenses 83

17.2. Funding Approval 84

17.3. Preventive Maintenance Agreement (PMA) Determinations 84

Chapter 18—OTHER CONTRACTUAL SERVICES 85

18.1. ALFA Standby Force Aircrews 85

18.2. Laundry and Dry Cleaning 85

18.3. Alternative Health Medical Care Program 85

18.4. Contract Conversions 86

18.5. Classrooms for Religious Activities 87

18.6. Meal Surcharges 87

18.7. Department of Defense (DoD) Observances 87

18.8. Honorariums 87

18.9. Awards and Trophies 87
18.10. Payments Received From the Sale and Lease of DoD Real Property 88
18.11. Open Houses, Aerial Demonstrations, Static Displays, and Other Community Relations 89
18.12. Purchase of Books, Periodicals, Newspapers, and Pamphlets 89
18.13. Refreshments at Awards Ceremonies 90
18.14. Conferences, Meetings and Seminars 91
18.15. Canceled Hotel Reservations 93
18.16. TWCF Contract and On Base Lodging Charge System 94

Chapter 19—SUPPLIES AND EQUIPMENT **95**

19.1. Turn-Ins without Credit 95
19.2. Base Supply Responsibilities 95
19.3. Fuel Oil 95
19.4. Budgeting and Funding for Dormitory Items 96
19.5. AMC Unaccompanied Personnel Facility Improvement Program 96
19.6. Flying Clothing 96
19.7. Refueling of Transient Air Force Vehicles 96
19.8. Mobility Bags and Mobility Equipment 97
19.9. Chemical Warfare Defense Equipment (CWDE) Funding Policy 97
19.10. Time Compliance Technical Order (TCTO) Kits 97
19.11. Snacks and Beverages 97
19.12. Contractor Operated Stores 97
19.13. Funding for Clothing and Tool Requirements Associated with Able Chief Participants 98
19.14. Procurement of Permanently Installed Carpets and Wall-to-Wall Carpet Tile 98
19.15. Memo Due-Outs for Equipment Authorization Inventory Data (EAID) Authorizations 98
19.16. Office Furniture 98
19.17. Capital Investment Equipment (Items Costing $100,000 or More) 99
19.18. Centrally Managed and Procured Equipment Items 99
19.19. Entertainment, Recreational, and Food Serving Supplies 100
19.20. Break Area Furnishings 100
19.21. Exchange and Trade-In of Items 101

19.22. Use of Medical Funds to Purchase Food Items for Health Promotion Functions . 101
19.23. Depot Level Reparables (DLRS) 101
19.24. Aviation Fuel (AVPOL) Decentralization 103
19.25. Individual Clothing 104
19.26. Sporting Equipment and Uniforms 105
19.27. Unit Level Fitness Centers and Exercise Rooms 105
19.28. Contact Lenses 106
19.29. Maintenance Support of AFRC or ANG Aircraft 106
19.30. Chaplain Programs 106

Chapter 20—OTHER MISCELLANEOUS ITEMS AND ISSUES 108

20.1. Subsistence-in Kind (SIK) 108
20.2. Emergency and Special Program (ESP), Responsibility Center/Cost Center (RC/CC), and Element of Expense/Investment Codes (EEIC) 108
20.3. AMC Operational Test and Evaluation (OT&E) Program 109
20.4. Management of Support Agreements 109
20.5. Military Interdepartmental Purchase Requests (MIPR) 112
20.6. Base Veterinary Clinics 112
20.7. Medical Insurance Billings and Reimbursements in Air Force Medical Treatment Facilities (MTFs)--Third Party Collection (TPC) Program 112
20.8. Medical Third Party Liability Notification 112
20.9. Liquid Substitutes and “Sports” Beverages 112
20.10. Air Navigation and Overflight Fees 113
20.11. Landing and Parking Fees 113
20.12. Border Clearances 113
20.13. International Merchants Purchase and Authorization Card (IMPAC) 114
20.14. Support of Service Members on Delayed AMC Organic Aircraft 116
20.15. Contingency Operations 116
20.16. Official Representation Funds (ORF) 117
20.17. Treaty Inspection Teams 117
20.18. Licenses and Certificates 117
20.19. The Federal Medical Care Recovery Act (FMCRA) 118
20.20. Availability of Samples, Drawings, Information Equipment, Materials, and Certain Services 119

20.21. Funding Policy for Quality of Life Enhancement, Defense Account (QOL,DA) . 119
20.22. Funding for Claims 120
20.23. Interest Penalty Charges 122
20.24. Imprest Funds 123
20.25. Private Organizations (POs) 123
20.26. Memorialization 123
20.27. Contest Entry Fees and Prizes/Awards 124
20.28. Administrative Expenses Related to Certain Real Property Transactions 124
20.29. Insurance 125
20.30. Other Items of Interest 125

Chapter 21—CHAIRMAN, JOINT CHIEFS OF STAFF (CJCS) EXERCISES 128

21.1. General Information 128
21.2. Air Force Emergency and Special Program (ESP) Codes 128
21.3. Funding TWCF CJCS Costs 128
21.4. Funding O&M CJCS Costs 129
21.5. Funding for CJCS Exercise Planning Conferences 130
21.6. Support of AMC Non-AME, TALCE, or MST Personnel 130
21.7. Designation of Field Conditions 130
21.8. Review of CJCS Exercise Costs 130
21.9. Commercial Ticket Program (CTP) 130

Chapter 22—CLOSE-OUT PROCEDURES 132

22.1. General Information 132
22.2. Close-Out Planning 132
22.3. O&M, TWCF and MFH Programs 133

Chapter 23— MORALE, WELFARE, AND RECREATION (MWR) 135

23.1. General Information 135
23.2. MWR Activities 135
23.3. Support for Special Morale and Welfare (SM&W) Purposes 135

Chapter 24— MILITARY FAMILY HOUSING (MFH) 137

24.1. General Information 137
24.2. MFH O&M Fund Code 83 - Appropriation 7045 137

24.3. MFH Program Management 138
24.4. MFH Construction Fund Code 89 - Appropriation 7040 139
24.5. Housing Damage Liability 140

Attachment 1— GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION 141

Attachment 2— DETAILED SUMMARY OF REVISIONS 155

Chapter 1

INTRODUCTION

1.1. Purpose and Scope. This publication contains funding guidance and consolidates most financial management and budget guidance for AMC financial managers. The provisions of these instructions apply to all AMC activities that are issued AMC funds. This publication is designed for use as a training guide to assist users in locating the proper authoritative or regulatory guidance for a particular issue and is not directive in nature.

1.2. Policy Guidance. Answers to most policy questions are found in the 65 series of Air Force Instructions (AFI). These publications provide general policy on financial issues; however, they do not address policy on every specific topic you may have. Interpretation of Air Force and DoD policy, as well as public law, is necessary in many cases. This frequently requires the use of common sense and a general knowledge of Air Force directives. If you have already researched all applicable guidance and need additional input to resolve a budget policy issue, contact AMCFSS/FMBC, Attn: Budget Policy and Procedures, 402 Scott Drive, Unit 1K1, Scott AFB IL 62225-5363 for a resolution to the issue in question.

1.3. Distribution. This AMCPAM is available on the HQ AMC/FM home page, *http://www.hqamcfm.scott.af.mil*. You may download it at any time and reproduce in sufficient copies to allow distribution to local financial managers, as determined by the local Comptroller. AMCPAM 65-603 is also available through your customer account representative (CAR).

1.4. Updates. HQ AMC/FMB will provide changes by page replacements and inserts or interim message changes, and will make them available via the AMC/FM home page above. Submit suggestions for updates at any time to the address in paragraph **1.2.** above via regular mail, E-mail, or message. Use Air Force Form 847, **Recommendation for Change of Publication**. Please be specific as to the purpose of your suggestion. Provide as much information as possible to include the benefits derived from your proposed change.

Chapter 2

GENERAL FINANCIAL MANAGEMENT CONCEPTS

2.1. Introduction. Financial management is a function of command. All commanders are challenged with maximizing military capability within a limited level of funding. Toward that end, responsibility for financial management is delegated to, and incumbent upon, each and every manager. Financial managers should test each proposed use of resources for contribution to the mission, evaluate against other alternatives, and consider against the total size of the budget. These decisions are difficult and require the expertise and involvement of all echelons of management.

2.2. Statement of Financial Management Policy.

2.2.1. Each Air Force commander and manager is responsible for the effective, efficient, and economical use of all resources made available to their organization. The use of all resources at operating locations is either directly controllable or influenced by commanders and managers.

2.2.2. There are positive means for a manager to directly influence the effective utilization of all resources to accomplish assigned missions. Each manager assists in the budget formulation and resource allocation by recommending the best mix of resources to secure the most efficient use of the available resources. Financial managers should take an active part in the formulation and execution of operating budgets through participatory financial management.

2.2.3. Financial management includes the use of resource advisors and a working committee structure to advise and assist the commander in the financial decision making process. The local comptroller assists the managers by assuring the fiduciary accounting and control of obligations and provides interpretation of obligation data through the accounting system.

2.2.4. Financial managers must have timely and reliable obligation and expense data to monitor the availability of funds. Accounting data is important because this is the basis for measuring performance of the organization. Relating expenses to production for a given period tells a manager how well the manager has done compared to a standard or to past activity.

2.2.5. There are a variety of factors that influence management, but the most important factor is the proper use of public funds. Everyone who manages funds appropriated from Congress must adhere to the Antideficiency Act, addressed in the following paragraph.

2.3. Antideficiency Act (ADA).

2.3.1. Purpose. The ADA is primarily codified as Public Law (PL) in Title 31, Sections 1341, 1342, and 1517 of the United States Code. The governing regulation for the Act is DoD 7000.14R, Volume 14, *Administrative Control of Funds and Antideficiency Act Violations*. This regulation requires that no DoD official shall authorize or create any obligation or make any expenditure beyond the amount of funds currently available or permitted under any statutory limitation. Some examples of prohibitions or potential violations regarding this law are as follows:

2.3.1.1. Making or authorizing expenditures from, or creating or authorizing an obligation under, an appropriation or fund in excess of the amount available in the appropriation or fund unless authorized by law.

2.3.1.2. Involving the government in any contract or other obligation for the payment of money for any purpose in advance of appropriations made for such purpose, unless law authorizes the contract or obligation.

2.3.1.3. Accepting voluntary services for the United States, or employing personal services in excess of that authorized by law, except in cases of emergency involving the safety of human life or the protection of property.

2.3.1.4. Making obligations or expenditures in excess of an apportionment or reapportionment, or in excess of the amount permitted by agency regulations.

2.3.1.5. Incurring an obligation in an expired account for a contract change that exceeds $4 million in a fiscal year without prior written approval from the Office of the Undersecretary of Defense (Comptroller) (OUSD(C)). See paragraph **2.3.2.1.**

2.3.1.6. Incurring an obligation in an expired account for a contract change that exceeds $25 million in a fiscal year without requesting approval from Congress 30 days before the obligation is incurred. See paragraph **2.3.2.2.**

2.3.2. P.L. 101-510 Application. This provides for the cancellation of appropriations after specified periods, extension of the expired status for appropriations from 2 years to 5 years, and elimination of the merged accounts. Under certain circumstances, a payment otherwise chargeable to a canceled account—both as to purpose and amount—except that the account has been canceled, can be paid from or charged to an appropriation that, at the time of payment, is available for incurring new obligations for the same purpose as the canceled account.

The total of all such payments charged to a currently available appropriation may not exceed the lesser of (1) 1 percent of the total amount originally appropriated to the current appropriation being charged, (2) the unobligated balance of the currently available appropriation, and (3) the unobligated balance of the canceled appropriation.

2.3.2.1. Contract Changes Exceeding $4 Million. Under certain circumstances, obligations for contract changes exceeding $4 million in a fiscal year within a program, project, or activity of an appropriation require approval by OUSD(C) prior to incidence.

2.3.2.2. Contract Changes Exceeding $25 Million. Under certain circumstances, obligations for contract changes in expired accounts that exceed $25 million in a fiscal year within a program, project, or activity of an appropriation require submission to Congress for at least 30 days prior to being incurred.

2.3.3. P.L. 102-484 Application. Section 1004 of this law permit, in certain circumstances, charging current appropriations when sufficient obligation authority does not exist in certain expired accounts. Amounts charged in these cases may not exceed 1 percent of the appropriation for the current available appropriation, or 1 percent of the appropriation of the expired account, whichever is less.

2.3.4. Administrative Controls. The ADA requires the establishment and operation of a system of administrative controls over appropriations and other funds to regulate funding amounts, purposes, and timing. The system must also provide data on fund availability and allow determination of the individuals responsible for violations.

2.3.5. Funding Control Responsibility. All personnel whose duties require them to distribute funds, certify fund availability, and commit or obligate funds are responsible for ensuring that sufficient

funds are available in the appropriate account and administrative subdivision while performing their duties. Additionally, these individuals must be aware of and comply with any statutory limitations applicable to fund availability for specified purposes. Basically speaking, do not make payments at some future time for goods or services unless there is enough money in the "bank" to cover the cost in full. The "bank" is the available appropriation, subdivided to various levels (apportionment and allocation) which can shrink the account at your level. If you do not have enough funds available at your level, even though there are enough funds at the MAJCOM level, for example, you may still have an ADA violation. Resolve any doubts or concerns about particular uses of funds before authorizing or incurring obligations. Whether funds are legally available for obligation or expenditure depends on three factors: (***NOTE:*** All three elements must be observed.)

2.3.5.1. The purpose of the obligation or expenditure must be authorized.

2.3.5.2. The obligation must occur within the time limits applicable to the appropriation.

2.3.5.3. The obligation and expenditure must be within the amounts that Congress has established.

2.3.6. Timely Recording of Obligations. Once incurred, account for all obligations and expenditures accurately and promptly, as supported by documentary evidence. Furthermore, record all obligations as of the date incurred, even if such action results in a negative amount in the accounting records that existed in a subsequent period identified and recorded during that period.

2.3.7. Obligation or Expenditure in Excess or Advance of Appropriations. The two sets of prohibitions are (1) making expenditures or incurring obligations in excess of available appropriations and (2) making expenditures or incurring obligations in advance of appropriations. The following paragraphs provide further explanation.

2.3.8. Exhaustion of an Appropriation. This refers to any of several different but related situations:

2.3.8.1. Depletion of appropriation account (i.e., fully obligated or expended).

2.3.8.2. Similar depletion of a maximum amount specifically earmarked in a more general lump-sum appropriation.

2.3.8.3. Depletion of an amount subject to a monetary ceiling imposed by some other statute (usually, but not always, the relevant program legislation).

2.3.9. Contract or Other Obligations in Excess or Advance of Appropriations. For example, the ADA prohibits you from obligating $700,000 when you have only $350,000 left in the account, and prohibits you from entering into a contract in September, purporting to obligate next fiscal year's unappropriated funds.

2.3.10. Indemnification.

2.3.10.1. Prohibition Against Unlimited Liability. Under an indemnification agreement, one party promises, in effect, to cover another party's losses. The basic rule is that, absent statutory authority, the government may not enter into an agreement to indemnify, where the amount of the government's liability is indefinite, indeterminate, or potentially unlimited. Such an agreement would not only violate the ADA, it would violate the Adequacy of Appropriations Act (41 U.S.C. 11) as well.

2.3.10.2. Authorized Indemnification. Indemnification agreements may be proper only if limited to available appropriations and otherwise authorized, either expressly (to include specific authorization by law) or under the "necessary expense" doctrine. Once the legality of the indemnification agreement is determined, it becomes necessary to address the unlimited liability issue. If the government's potential liability is limited and determinable, an agreement to indemnify is acceptable if it is otherwise authorized and if appropriate safeguards are taken to protect against violation of the ADA. These safeguards may be either the obligation or administrative reservation of funds to cover the potential liability, or the inclusion in the agreement of a clause that expressly limits the government's liability to available appropriations.

2.3.10.3. There can be no doubt that the indemnification issue is a troublesome one. Even though devices may be established to structure indemnification agreements in such a way as to make them legally acceptable, they are no substitute for clear legislative authority. If you are considering such an agreement and you believe it is sufficiently in the Air Force's best interests, it is preferable that you seek specific statutory authority to do so through your command. As with any other legal issue, solicit the support of your local judge advocate office in the indemnification approval process.

2.3.11. Specific Appropriation Limitations and Purpose Violations. Violations of the purpose availability can arise in a wide range of contexts—charging an obligation or expenditure to the wrong appropriation, making an obligation or expenditure for an unauthorized purpose, violating a statutory prohibition or restriction, etc. ***NOTE:*** If the appropriation that should have been charged in the first place has sufficient available funds to enable the adjustment of accounts, there is no ADA violation. A violation exists if the proper account does not have enough money to permit the adjustment, and this includes cases where sufficient funds existed at the time of the error but currently obligated or expended.

2.3.12. Amount of Available Appropriation or Fund. The available amount is the uncommitted balance of the relevant appropriation. Funds are committed (reserved and subtracted from the balance of the appropriation) whenever an Air Force Form 9, Air Force Form 616, etc. posting enters into the accounting system. When a contract is let or a purchase order issued against that commitment document, it moves into the obligation stage. Whenever an item ordered from base supply or a memo due-out firms up, an obligation automatically occurs in the accounting system through its interface with base supply, bypassing the commitment stage.

2.3.13. Intent and Factors Beyond Agency Control. A violation of the ADA does not depend on intent or lack of good faith on the part of contracting or other officials who obligate or pay in advance or in excess of appropriations. Although these factors may influence the applicable penalty, they do not affect the basic determination of whether a violation has occurred. An overobligation results from external factors beyond the agency's control (e.g., foreign currency fluctuation). Whether this produces an ADA violation depends on the all of the particular circumstances.

2.3.14. Exceptions. The statute prohibits contracts or other obligations in advance or excess of available appropriations, unless authorized by law. This is nothing more than the recognition that Congress can authorize exceptions to the statutes it enacts.

2.3.15. Voluntary Services Prohibition. 31 U.S.C., Section 1342, contains two distinct, although closely related, prohibitions. It bans (1) the acceptance of any type of voluntary services for the United States and (2) the employment of personal services "exceeding that authorized by law." The

only authorized exceptions to this statute are (1) if a written agreement exists that the services are to be rendered gratuitously with no expectation of future payment, (2) emergencies involving the safety of human life or the protection of property, and (3) in cases involving the acceptance of voluntary services specifically authorized by law.

2.3.16. Voluntary Creditors. A voluntary creditor is an individual, government or nongovernment, who pays what he or she perceives to be a government obligation from personal funds. The general rule is that the voluntary creditor cannot be reimbursed, although numerous exceptions do exist. Consult with your local judge advocate office in the event you need to determine if a particular individual's payment for a government obligation is reimbursable.

2.3.17. Apportionment of Appropriations. All appropriations are administratively apportioned to ensure their obligation and expenditure at a controlled rate that will prevent deficiencies from arising before the end of a fiscal year. An agency must observe the limits of its apportionment just as it must observe the limits of its appropriations.

2.3.18. Penalties and Reporting Requirements. By law (31 U.S.C., Sections 1341, 1349-50, and 1517-19), any Air Force member or employee who violates the ADA statutes shall be subjected to appropriate administrative discipline including, when circumstances warrant, suspension from duty without pay or removal from office. A knowing of willful violation is a criminal offense, subjecting the offender, upon conviction, to a fine of not more than $5,000 or imprisonment up to two years, or both. Whenever there is an ADA case, an in-depth investigation is required, along with reporting to Congress.

2.3.19. ADA Prevention. Violations of DoD 7000.14R, Volume 14, reflect poorly on the Air Force's ability to manage public funds entrusted to it. The following suggestions will help prevent violations:

2.3.19.1. Follow the procedures of the Air Force accounting systems.

2.3.19.2. Be familiar with the limits in directives and regulations that affect your activities.

2.3.19.3. Record obligations promptly and keep available balances up to date.

2.3.19.4. Assign costs to the correct project or account.

2.3.19.5. Perform required reconciliation and adjustments on a timely basis.

2.3.19.6. Request and receive an increase in budget authority before incurring additional costs.

2.3.19.7. If in doubt, research the projected results of a planned transaction.

2.3.20. References. For more information on the ADA see DoD 7000.14R, Volume 14, DoDD 7200.1, *Administrative Control of Appropriations*, DFAS-DER 7000.4, *Accounting for Obligations*, and *GAO: Principles of Federal Appropriations Law, Second Edition, Volume II*, Chapter 6.

2.4. Bona Fide Need Rule (BFNR).

2.4.1. Definition. The BFNR is based on statutory law (31 U.S.C. 1502(a)) although it has never been completely solidified by Congress into fiscal law. Basically, the BFNR establishes that an appropriation may be obligated only to meet a legitimate, or bona fide need arising in, or in some cases arising prior to but continuing to exist in, the fiscal year for which the appropriation is authorized. If a funding issue occurs at your base that in your opinion could possibly violate the BFNR, contact the

local JAG for assistance and public law clarification. The following paragraphs describe the BFNR application in more detail but are not meant to be all-inclusive on the subject.

2.4.2. Future Years' Needs. Do not use an appropriation for the needs of some time period subsequent to the expiration of its period of availability. As most appropriations are annual appropriations, a more common statement of the rule is that an appropriation for a given fiscal year is not available for the needs of a future year.

2.4.3. Prior Years' Needs. There are situations in which it is not only proper but also mandatory to use currently available appropriations to satisfy a need, which arose in a prior year. This is referred to as the "continuing need." If a need arises during a particular fiscal year and the agency chooses not to satisfy it during that year, due to insufficient funds or higher priority needs, and the need continues to exist in the following year, the obligation to satisfy that need is properly chargeable to the later (current) year's funds.

2.4.4. Delivery of Materials Beyond the Fiscal Year. You may not obligate funds when it is apparent from the outset there will be no legitimate requirement until the following fiscal year. Where materials cannot arrive in the same fiscal year required and contracted for, the provisions for delivery in the subsequent fiscal year do not violate the BFNR, as long as the time intervening between contracting and delivery is not excessive (within 90 days or three months) and the procurement is not for standard commercial items readily available from other sources. For instance, a base may contract in one fiscal year for delivery in a subsequent year if the material contracted for is not available on the open market at the time needed for use, provided the intervening period is necessary for production or fabrication of the material. Also, an order for replacement of bench stock is legitimate to meeting the bona fide need of the year the contract is let, as long as the intention is to replace stock used in that year, even though the replacement items will not consume until the following year.

2.4.5. Services Rendered Beyond the Fiscal Year. Services are generally (but not always) viewed as chargeable to the appropriation current at the time services are rendered. There are two types of service contracts under the BFNR; they are "severable" or "entire." The following paragraphs (**2.4.5.1.** and **2.4.5.2.**) describe the BFNR application to each one:

2.4.5.1. Severable Type Contract. The service is continuing and recurring in nature. The FY98 Authorizations Act (P.L. 105-85) has expanded the authority in 10 U.S.C. 2410(a) to permit any 12-month contract for severable services, beginning at any time during the fiscal year, to extend into the next fiscal year, using the funds available at the time of the contract award. The contract period cannot exceed one year and any option to extend or renew the contract beyond that time is funded with current year dollars available at the time of the exercised option. This new authority does not restrict the type of service procured as the previous authority did.

2.4.5.2. Entire Type Contract. The service represents a single unseverable requirement. Charge to the fiscal year of the contract award or obligation. Primary examples of this (but not necessarily limited to) are facility projects or one-time repair efforts.

2.4.5.2.1. The actual contract performance need not begin before the end of the fiscal year of the contract obligation, but it should start without any unnecessary delay and within a reasonable time (60 days) after award of the contract. In no case should the delay of contract performance start beyond the end of the fiscal year exceed three months; that is, performance **must** begin before 1 Jan.

2.4.5.2.2. Performance begins when the contractor incurs a cost or an obligation for work or effort specified in the contract and payment remitted under the terms of the contract.

2.4.5.2.3. Contractor planning and scheduling are not normally considered contractor performance except when a design or construction contract calls for a specific design, planning, or scheduling performance milestones.

2.4.5.2.4. A performance bond by itself is not evidence of contract performance.

2.4.5.2.5. The ordering of materials, mobilization, or actual work at the project site is evidence of performance for BNFR purposes. However:

2.4.5.2.5.1. The contractor must have in fact incurred an obligation or made an actual payment for the materials.

2.4.5.2.5.2. The act of moving supplies and storing material that the contractor already has in inventory is not satisfactory evidence of contract performance in and of itself. Evidence of such an obligation by the contractor is generally presented in the form of a request for a progress payment or some other acceptable evidence to support the incidence of an obligation through the ordering of these supplies and materials. Consider contract performance valid in cases where the contractor has actually made payment to the supplier for the supplies and materials stored on the project site.

2.4.6. Penalties and Reporting Requirements. A violation of the BFNR could result in criminal or administrative actions. A BFNR violation can also lead to an ADA violation. For instance, by deobligating funds from one fiscal year because the supply or service was not, or is no longer a bona fide need of that fiscal year, you may need to obligate a later year's funds. If there are insufficient funds remaining in the correct fiscal year, an ADA violation may result.

2.4.7. The BFNR is not applicable to no-year, or nonappropriated funds. This means the TWCF is not bound by the BFNR in terms of obligations and expenditures for goods and services in support of the airlift mission.

2.4.8. References. For more information on the BFNR, please refer to DoD 7000.14R, Volume 14, DoDD 7200.1, DFAS-DER 7000.4, or *GAO: Principles of Federal Appropriations Law, Second Edition, Volume I*, Chapter 5, Section A.

2.5. The "Necessary Expense" Doctrine. The following are excerpts from the *GAO: Principles of Federal Appropriations Law, Second Edition, Volume I*, Chapter 4, Section B, and establishes the primacy of 31 U.S.C. 1301(a) in any discussion of purpose availability. This statute does not require, nor would it be reasonably possible, that every item of expenditure be specified in the appropriation act. While the statute is strict, apply it within reason.

2.5.1. Concepts. The spending agency has reasonable discretion in determining how to carry out the objectives of the appropriation. This concept is known as the "necessary expense doctrine," and has existed around almost as long as the statute itself. This doctrine, or rule, is really a combination of two slightly different but closely related concepts:

2.5.1.1. An appropriation made for a specific object is available for expenses necessarily incident to accomplishing that object unless prohibited by law or otherwise provided for. An example would be to use a specific appropriation for the purpose of building a particular monument to construct an iron fence around it where administratively deemed necessary for protection.

2.5.1.2. Appropriations, even for broad categories such as salaries, frequently use the term "necessary expenses." As used in this context, the term refers to "current or running expenses of a miscellaneous character arising out of and directly related to the agency's work." Although the theory is identical in both of these situations, the difference is that expenditures in this category relate to somewhat broader objects.

2.5.2. Application. The Comptroller General has never established a precise formula for determining the application of the necessary expense rule. In view of the vast differences among the various government agencies, any such formula is almost certainly unworkable. The application is essentially on a case-by-case basis. To justify an expenditure under this rule requires the following three tests:

2.5.2.1. The expenditure must bear a logical relationship to the appropriation being charged. In other words, it must make a direct contribution to carrying out either a specific appropriation or an authorized agency function for which more general appropriations are available.

2.5.2.2. Public Law must not prohibit the expenditure.

2.5.2.3. The expenditure must not be otherwise provided for, that is, it must not be an item that falls within the scope of some other appropriation or statutory funding scheme.

2.5.3. The first test (paragraph **2.5.2.1.** above) is the one that generates the majority of questions. The rule does not require that a particular expense be "necessary" in the strict sense that someone could not accomplish the objective of the appropriation without it. The expense does not have to be the only way to accomplish a given object, nor does it have to reflect the GAO's perception of the best way to do it. However, the expense in question has to be more than merely desirable or even important. An expense is not justifiable because some agency official thinks it is a good idea.

2.5.3.1. The key is not the significance of the proposed expense itself or its value to the government or to some social purpose in abstract terms, but the extent to which it will contribute to accomplishing the purpose of the appropriation the agency wishes to charge.

2.5.3.2. A decision on a "necessary expense" question involves (1) analyzing the agency's appropriations and other statutory authority to determine the authorized purpose, and (2) evaluating the adequacy of the administrative justification, to decide whether the agency has properly exercised, or exceeded, its discretion.

2.5.3.3. Specific statutory authority is not essential when determining the authorization of a particular expense. If participation directly relates to and is in furtherance of the purposes for which a particular appropriation, and an appropriate administrative determination accomplished to that effect, the appropriation is available for the expenditure in question.

2.5.3.4. In the absence of either statutory authority or an adequate justification under the necessary expense doctrine, the expenditure is illegal.

2.5.4. For the second test (paragraph **2.5.2.2.** above), as a general proposition, neither a necessary expense rationale nor the "necessary expense" language in an appropriation act is applicable to overcome a statutory prohibition. There are exceptions where applying the rule would make it impossible to carry out a specific appropriation. A very small group of CG decisions regarding this issue stand for the proposition that, when Congress issues a specific appropriation for a specific purpose, an expenditure which is "absolutely essential" to accomplishing the specific object is allowable even though the expenditure is otherwise prohibited. In order for this exception to apply, the expenditure must literally be "absolutely essential" in the sense that someone could not accomplish the object of

the appropriation without it. Also, this rule would not apply to the use of a more general appropriation.

2.5.5. The third test prohibits any expenditure otherwise provided for under a more specific appropriation or statutory funding mechanism. The fact that the more specific appropriation may be exhausted is immaterial. The existence of a more specific source of funds, or a more specific statutory mechanism for obtaining them, is the governing factor and overrides the "necessary expense" considerations.

2.5.6. References. Consult the GAO publication referenced in paragraph **2.5.** above for additional information on the "necessary expense doctrine."

2.6. Participatory Financial Management. This provides the structure to prioritize resource demands in an order that best accomplishes the overall mission. Conventional economics dictate there are unlimited demands with only scarce financial resources to meet them. This theory holds true in all organizations but is offset by the concept of cost versus benefit. Isolation of programs competing for limited financial resources often leads to poor decisions when measured against the total mission. Through the corporate committee approach, the wing or group commander and supporting staff determines the most effective way to set priorities or to reduce, defer, or eliminate programs not critical to the overall mission operation. This collective effort provides the commander with the most balanced application of financial resources. To provide collective management action, each base establishes a Financial Management Board (FMB) and a Financial Working Group (FWG). **Chapter 3** of this instruction provides additional discussion on the FMB and FWG.

2.7. Managerial Responsibilities. While the commander of an organization has the overall responsibility for its effective management, it becomes necessary to delegate financial responsibilities from a functional perspective. The commander assigns primary responsibility for managing programs to line managers who head responsibility centers and are given control of resources to do the job. The comptroller is assigned concurrent responsibility to provide sound financial management and advice through the development and use of financial reports and analysis.

2.7.1. Commander. The commander sets the tone for the local financial management process. Through participatory financial management, the commander asks questions regarding program conditions, causative factors, weighing alternatives, and directing required action. Commanders play an active role in reviewing subordinate responsibility center programs. This duty includes formulation and approval of the wing's financial plan as well as balancing of resource expenditure to mission accomplishment.

2.7.2. Comptroller. The comptroller operates the infrastructure necessary to provide all phases of financial management, including resource allocation and budgeting, cost estimating, and accounting. The comptroller organization estimates, accounts, and reports the financial costs incurred in sustaining the mission. The financial management analysis and the accounting liaison offices accomplish these duties.

2.7.3. Financial Management Analysis (FMA).

2.7.3.1. The FMA office works with the other base organizations by providing budgetary services, including assisting in estimating program costs, developing budget estimates and financial policies, guiding and directing budget justifications. It also provides financial management train-

ing, costing out support agreements, and assisting commanders administer all available funding for available programs.

2.7.3.2. FMAs assist managers in estimating the financial needs for programs and translating those requirements into financial plans and operating budgets. This includes the cost validation of proposed alternatives to meet mission objectives. FMAs ensure proposed actions do not exceed the installation's resource capability and provide the advice necessary on the propriety of the use of funds.

2.7.3.3. FMAs distribute budget and expense authority to managers based on the approved financial plan. In coordination with the resource advisors (RAs) and through the use of available financial products, FMAs compare the actual execution of programs against the planned execution. When deviations occur, FMAs and the RAs work jointly in determining the cause.

2.7.3.4. FMAs develop and ensure training is provided to all financial managers. Local conditions may warrant coordination with other resource management elements (e.g., supply transportation, and contracting) for supplemental training.

2.7.3.5. FMAs provide the services above to tenant organizations in accordance with the terms of existing support agreements.

2.7.4. Accounting Liaison Office (ALO) Responsibilities.

2.7.4.1. The ALO acts as an intermediary between base-level activities and the DFAS regional Operating Locations (OPLOCs). The ALO ensures their base provides all products required by the OPLOCs, as well as providing any financial information required by their base-level customers.

2.7.4.2. The ALO is the base focal point for all transactions requiring fund certification. The ALO certifies fund availability and propriety for all travel orders as well as Air Force Form 9, **Purchase Request**, Air Force Form 616, **Fund Cite Authorization**, Air Force Form 406, **Miscellaneous Obligation Reimbursement Document**, Air Force Form 4009, **Government Purchase Card Fund Cite Authorization**, and DD Form 448, **Military Interdepartmental Purchase Request (MIPR)** funding documents.

2.7.4.3. The ALO is responsible for timely and accurate follow-up for all commitment documents. This includes follow-up on all outstanding travel orders and advances.

2.7.5. The duties of resource advisors, responsibility center managers, and cost center managers are explained later on in **Chapter 3** of this publication.

2.8. Centrally Managed Programs. It is not uncommon to hear someone refer to an item as "centrally managed," usually indicating that it is free to the issued organization. The base or wing does not budget or execute centrally managed programs. The MAJCOM, Air Force, or DoD programs and manages these types of programs. Examples are military pay and benefits, various depot-funded items, vehicles, and Meals, Ready to Eat (MRE). It is true the base-level manager does not control the allocation of funds for these programs; however, many times the consumption of Air Force resources on these programs prevents funds from being reprogrammed to other areas within the control of base-level managers. A casual attitude toward a centrally managed program can very easily carry over to a locally managed program.

2.9. Budget Planning. The basic financial planning tool used to aid decision-making is the budget; a written plan expressed in dollars. In the past, a budget was regarded primarily as an instrument to limit expenditures. A more useful approach is to view the budget and budgeting process as tools for obtaining the most efficient use of an organization's resources. Possibly the most important asset of budgeting is that it requires managers to look ahead. Budgeting is an integrating activity enabling each unit to see the impact of its actions and requirements as compared to the entire organization's objectives. The establishment of standards and realistic budget estimates requires a comprehensive and clear-cut knowledge of the organization and its activities. A conscientiously applied budget process can improve internal coordination and impress on all managers that financial decisions cannot be made in isolation, because all decisions involve many considerations and affect the total organization. This command places a great deal of emphasis on the budget process and relies heavily on comprehensive, complete field budget submissions. The budget should be your primary financial tool.

2.10. Validation of Commitments and Obligations (ODL Certification). USD(C) memorandum 14 May 97, *Tri-Annual Reviews of Commitments and Unliquidated Obligations* and DFAS-DE/ALA message 210945Z Oct 97, same subject, provides guidance for the validation of commitments and obligation on the ODL (Open Document Listing). You must review and confirm commitment and obligation transactions for their accuracy, completeness, and timeliness at least three times a year. Additionally, obligations should be recorded promptly in the official accounting systems at the time of the legal obligation incidence, or as close as possible.

2.10.1. Record obligations no later that 10 days following the date an obligation is incurred, in accordance with OSD(C) memorandum 14 May 96, *Quarterly Review of Commitments and Obligations*.

2.10.2. Record obligations of $100,000 or more in accordance with the 10-day rule (see paragraph **2.10.1.** above) or the end of the month of obligation incidence, whichever is earlier.

2.10.3. Record all obligations incurred on or before 30 September prior to the completion of year-end close-out process.

2.10.4. The DFAS-DE/ANA message referenced in paragraph **2.10.** above provides for the process of the validation of commitments and obligations, mandated by OSD(C). This replaces the quarterly review requirements in DFAS-DER 7000.5, *Accounting for Commitments*, and DFAS-DER 7000.4, *Accounting for Obligations*, and other supporting directives.

2.11. Negative Unliquidated Obligation (NULO)/Unmatched Disbursement (UMD) Transactions. DFAS-DE/ANAA handout entitled *Revised Guide for Researching and Correcting Unmatched Disbursement (UMD) and Negative Unliquidated Obligation (NULO) Transactions (Problem Disbursements)*, dated 10 Jul 97 contains policy guidance for processing NULO and UMD transactions. If you do not have a copy of this guide, please contact DFAS-DE/ANAA, 6760 E. Irvington Place, Denver CO 80279, and request one. This is a very important document to have on file, as it provides detailed instructions on all NULO/UMD procedures. The following Air Force ESP codes are established to identify disbursements resulting in a NULO or UMD if the obligation of these amounts is not resolved within 180 days after the disbursement date.

2.11.1. ESP Code YA. Use to identify a disbursement unmatched to an obligation incurred by the accounting station whose funds were charged.

2.11.2. ESP Code 2A. Use to identify amounts temporarily obligated under the 180-day rule, and for which research efforts to resolve or correct will continue.

2.11.3. ESP Code 3A. Use to identify amounts obligated when the fund holder authorizes suspension of research under the one-time exception which expired 31 Jan 96, or when SAF/FM gives written approval to discontinue unsuccessful research on particular items. These amounts become permanent obligations against the funds charged. See Section 7 of the DFAS handout for further guidance.

2.11.4. ESP Code ZC. Use only to code current year appropriation records when charging current year appropriations to fund obligations or expenditures that otherwise would apply to a closed appropriation account.

2.11.5. ESP Code PA. Use only to record in Fund Type "X" (closed account obligation records) the liquidation of a closed account obligation using current year funds coded with ESP code ZC. This allows reconciliation of the current year and closed accounts to verify the entry, posted in the current and closed accounts.

2.11.6. ESP Code XC. Use only to record in Fund Type "X" (closed account obligation records) or "Z" (closed account reimbursement records) collections received applicable to a closed account refund receivable or reimbursement receivable deposited in miscellaneous receipt account 573200.0001 (refunds) or 573200.0002 (reimbursements) because the proper credited account is closed. This allows reconciliation between 573200.0001 and ESP code XC in Fund Type "X" or between 573200.0002 and ESP code XC in fund type "Z" to verify the entry, posted in the current and closed accounts.

2.11.7. ESP Code 1A. Use only to identify and report NULOs posted temporarily to accounting records for unsupported cross-disbursing transactions referred back to the disbursing office for additional documentation. These disbursements or collections made by other services for the Air Force are unidentifiable by the accounting station charged because of missing documentation.

2.12. Prior Fiscal Year (PFY) Management.

2.12.1. The responsibility for managing funds after completion of close-out continues under PFY management. Liquidate PFY funds as you would for current year funds, through the processing of invoices and receiving reports. The quality of work done by RAs, financial analysts, and accountants during the year when the funds were current determines the level of required work when the funds move into the prior year category.

2.12.2. By accurately recording all obligations and expenses when incurred in the current year, the liquidation of these obligations by accountants minimally impacts resource advisors and financial analysts. When the FMA office or the individual RAs inaccurately record obligations either through erroneous postings or through non-identification, then PFY management becomes a difficult issue. This lack of quality work can cause over-obligations and result in significant increased workloads for all involved.

2.12.3. Prior year obligation adjustments are not always the result of the RA, FMA office, or accountant oversight. Sometimes they are due to real world changes to the monetary value of contractual obligations. These changes fall into one of three categories: (***NOTE:*** These categories do not apply to the TWCF - see subsequent paragraph **2.12.5.**)

2.12.3.1. Upward Obligation Adjustments. These types of adjustments are usually the result of award and incentive fees, price inflation adjustments, and claims. Obligation adjustments resulting from administrative or accounting error corrections also fall into this category. Charge these adjustments to the O&M fund cites on the original contract. If the O&M appropriation on the original contract is not available for additional obligations, use current year O&M funds. (See subsequent paragraph **2.12.4.**)

2.12.3.2. Within-Scope Contract Changes. This condition identifies contract modifications or changes by the requesting activity that require additional within-scope work, differing site conditions, and contract defaults resulting in reprocurement actions. Such adjustments are properly chargeable to the prior year O&M appropriation cited on the original contract. If the O&M appropriation on the original contract is not available for additional obligations, use current year O&M funds. (See subsequent paragraph **2.12.4.**)

2.12.3.3. Change (Increase) in Contract Scope. If the required change in obligation does not fall into the previous two categories, then the increase is due to a change in contract scope. When this occurs, fund the additional requirement from the current year O&M appropriation.

2.12.3.4. All upward adjustments for prior year **must** be approved in the Obligation Adjustment Reporting System (OARS). Any prior year upward adjustment entered into the accounting system without a corresponding OARS request is subject to an ADA investigation.

2.12.3.5. For prior year upward obligation adjustments and within scope contract changes that require SAF/FM and OUSD(C) approval before the actual release of funds, do not cash flow from current year funds in anticipation of receiving prior year funding approval, with the intention of adjusting the accounting records to move the obligations to the prior year appropriation upon receipt of funding.

2.12.4. These types of prior year adjustments for O&M appropriations can occur up to five years after the funds have expired. After that time, consider the funds “canceled”. Do not obligate or expense canceled year funds. Charge all billings for canceled year funds to the current fiscal year using ESP code ZC (Zulu Charlie) for tracking purposes. Additional information concerning O&M prior year management and upward obligation adjustments are found in AFI 65-601, Volume 1, *Budget Guidance and Procedures*, Chapter 6.

2.12.5. TWCF PFY Management. The TWCF does not utilize prior year funds as is done for O&M 3400 funds. It appears from an accounting perspective that prior year TWCF uncommitted funds are available in the accounting records to make upward adjustments or pay prior year bills not previously established as accruals (accrued expenditures unpaid (AEU) - Operating) or set up as obligations (UOO - Capital). However, you cannot use prior year available TWCF balances for this purpose. There is no PFY management in the TWCF. Before paying a prior year bill from prior year TWCF funds, you must determine that a corresponding payable (AEU - Operating) or obligation (UOO - Capital) still exists in the accounting records. Any payments for prior year bills not previously accrued (Operating) or obligated (Capital) must be paid against current year expense (Operating) or obligation (Capital) authority only. See AMCI 65-602, *Transportation Working Capital Fund (TWCF) Budget Operations*, Chapter 2.

2.13. Operational Risk Management. AFI 91-213, *Operational Risk Management (ORM) Program*, defines ORM as "a logic-based common sense approach to making calculated decisions on human, material, and environmental factors before, during, and after Air Force operations. It enables commanders, functional managers, and supervisors to maximize operational capabilities while minimizing risk by applying a simple, systematic process appropriate for all personnel and Air Force functions." ORM has four main principles: (1) accept no unnecessary risk; (2) make risk decisions at the appropriate level to establish clear accountability; (3) accept risks when the benefits outweigh the cost; and (4) integrate ORM into Air Force Doctrine and planning at all levels. AMC/FM has directed the implementation of the ORM fundamentals and philosophy into all aspects of our financial management culture in accordance with AFI 91-213.

Chapter 3

THE AMC PROGRAM

3.1. General Information. In an effort to maximize and facilitate the general management process, AMC has developed an aggressive approach to financial management. The cornerstone of this approach is flexibility. Therefore, we issue Operation and Maintenance (O&M), Transportation Working Capital Fund (TWCF), Military Family Housing (MFH), and capital investment funding by budget activity (BA), budget project account code (BPAC), and project/sub-projects codes, as applicable, and allow flexibility, with very few exceptions (centrally managed programs) to utilize the funds as necessary to accomplish the assigned mission. The bases/funding points determine how much to allocate to the various commodities, i.e., civilian pay, TDY, purchased service contract, etc. Centrally managed program funding, when issued to the base/unit, such as Real Property Maintenance by Contract (RPMC) is issued on a line item basis and required HQ AMC approval to reprogram. Motivated, well-trained financial managers, and strong financial management committees are other key tenets of AMC financial management.

3.2. O-1 Line Item Structure.

3.2.1. Public Law established the requirement for O-1 line items in the O&M appropriation. O-1 line items, which are a part of BAs and include Activity Groups or Sub Activity Groups (AG/SAG), are essentially groupings of program elements, which replaced the Major Force Programs (MFP). A list of those applicable AGs/SAGs and their relationship to Program Element (PE) codes is published on the HQ AMC/FM home page listed in paragraph **1.3.** of this publication.

3.2.2. The O-1 budget structure for O&M (Fund Code 30) is a three-tiered hierarchy that aggregates program elements (PE) from various mission-oriented categories.

3.2.2.1. Budget Activity (BA). This is the funds control point. BAs combine PEs from various MFPs into four broad mission categories. They are: 01 – Operating Forces; 02 – Mobilization; 03 – Training and Recruiting; and 04 – Administrative and Service-Wide Activities.

3.2.2.2. Activity Groups (AG) or O-1. These are shreds of BAs into 11 more specific mission or functional categories. The O-1 Line Item structure is for O&M only.

3.2.2.3. Sub-Activity Groups (SAG). These are additional shreds of the AGs into even more specific mission and functional alignments. SAGs are not funding control points nor do we explain funding realignments at this level. SAGs are aggregations of PEs that relate to specific missions or functions and will provide Congress more visibility on funding of specific missions.

3.2.3. Budget Project Account Codes (BPAC) for TWCF. The TWCF (Fund Code 68) utilizes BPACs to track funding and execution of its operating and capital programs. They include: 101 – Operating – (all other); 102 – Commercial Augmentation; 103 – Military Augmentation; 210 – Minor Construction; 220 – ADPE Equipment; 230 – Equipment, non-ADPE; 240 – ADPE Software Development; and 3XX – Real Property Maintenance (RPM) – Contract and In-House. Each BPAC may contain shreds to further identify costs by specific programs within the BPAC. All 1XX and 3XX BPACs are funded and executed within the TWCF Operating program and all 2XX BPACs are funded and executed within the TWCF Capital program. See AMCI 65-602, Chapter 8 for further discussion on the TWCF Capital program.

3.2.4. Project/sub-project codes for MFH. Specific project/sub-project codes, i.e., 728, 72810, 72262, etc., are used by MFH to track funding and execution of their funds (FC 83). See **Chapter 22** of this publication for further discussion.

3.3. Financial Managers.

3.3.1. Responsibility Center Manager (RCM). Before discussing the role of the RCM, we need to define a Responsibility Center (RC). Generally the first two digits of the Responsibility Center/Cost Center (RC/CC) code determine the RC, the third, fourth, and fifth positions determine the Cost Center (CC), and the sixth position determines the Cost Account (CA):

234200	RC
23**421**0	CC
23421**1**	CA

3.3.1.1. There are several exceptions to this rule, such as tenant units. Refer to DFAS-DER 7000.1, *Responsibility Center/Cost Center Codes*, for additional information. AMC bases should normally have the following RCs:

FUNCTION	RC
Wing Commander	20
Commander for Operations Group	21
Commander for Logistics Group	23
Support Group Commander	24
Commander for Communications Group	26
Medical Treatment Facility (MTF)	35

3.3.1.2. HQ AMC/FMB generally establishes the use of the first two digits of the RC/CC code, which is disseminated to the bases in the first budget policy message of the FY along with other funding and coding guidance. The base FMA may establish other RC codes with HQ AMC/FMB approval. DFAS-DER 7000.1 contains the basic cost center codes (last four digits) and all AMC units must adhere to this publication. The base FMA office does have the flexibility to change the last digit of the RC/CC to further define local needs or requirements. As a reminder, there can be only one PE per RC/CC. HQ AMC/CER must approve any additions, changes, and deletions to base level established CE RC/CCs.

3.3.1.3. The commander of each of these organizations is an RCM. Please note this is not an additional duty. The RCMs are responsible for effective financial management by virtue of their position.

3.3.1.4. The RCM should know what the financial requirements of the organization are and be continually aware of any deficiencies. This may involve reprogramming of resources from one commodity to another (remember, each RCM normally has complete flexibility to reprogram resources between Element of Expense and Investment Codes (EEICs). This can only be accom-

plished through coordination with the Resource Advisor (RA). The RCM should appoint a RA that has the capability to be the RC's money manager.

3.3.2. Resource Advisor (RA). Each RCM should appoint a RA in writing to the FMA Office. Resource "advising" is usually an additional duty, but should not be taken lightly. This individual is the focal point of the AMC financial management system and requires proper training to accomplish these assigned duties. It is for this reason that specialized one-on-one training for each newly appointed RA (primary and alternate) is essential, in accordance with AFI 65-601, Volume 2, *Budget Management for Operations*.

3.3.2.1. The RAs are the budget officers for their particular organization. Their responsibilities include preparation of operating budget estimates, representing the RCM on the Financial Working Group (FWG), if appointed, recommending initial distribution of funds to various CCs (if applicable) and reprogramming actions, and ensuring the proper training of all subordinate cost center managers (CCM) in financial management procedures.

3.3.2.2. Appoint alternate RAs in all RCs. This facilitates the transition between old and new RAs and fills a void during the absence of the primary RA.

3.3.3. Cost Center Manager (CCM). The CCM is the lowest part in the RCM resource management chain, yet potentially one of the most important. The CCM is not appointed, because it is not an additional duty. The work center supervisors assume CCM responsibility by virtue of their positions. The degree to which a CCM becomes involved in the organization's financial program depends largely on the desires of the RCM and RA. However, as a minimum, CCMs should budget for and manage their supply and equipment programs. Provide CCMs both annual and quarterly targets in the base-level supply system or by a memorandum from the RA.

3.3.3.1. We encourage CCMs to participate in other areas besides supplies and equipment to the maximum extent possible for two reasons: (1) the more people involved in the program, the stronger the program should be and (2) CCMs help the RA and can serve to subdivide their workload. Remember, the RA position is usually an additional duty on top of their normal assigned day-to-day job responsibilities.

3.3.3.2. Normally, an RC/CC that is subordinate to the RC and ends in "0" is designated as a CC. The following are CC examples:

234200	Transportation Squadron (RC)
234210	Vehicle Operations (CC)
234220	Traffic Management (CC)
234240	Vehicle Maint (Overhead) (CC)
234242	Vehicle Maint Repair (CA)

3.3.3.3. To relate these examples back to CC management, identify a CCM for CCs 234210, 234220, and 234240 if these particular CCs consume supplies or expendable equipment items. ***NOTE:*** In the case of the Transportation Working Capital Fund (TWCF) organizations, consider certain work centers CCs though technically defined as a cost account (CA). This is especially true for the aerial port function. Continue to treat these exceptions as CCs.

3.3.3.4. In the case of CC 234242, a CCM is unnecessary regardless of supply and equipment issues. This is a CA rather than a CC. Technically, the CCM is responsible for several CAs within the organization.

3.4. Financial Management Board (FMB).

3.4.1. Frequency. FMB meetings convene at the call of the chairperson. We highly recommend that the FMB meet at least quarterly. Refer to AMCI 65-601, *AMC Budget Management for Operations*, for detailed guidance.

3.4.2. Applicability. This pertains to all AMC host bases and tenant units.

3.4.3. FMB Membership.

3.4.3.1. Host Wings. Commanders and managers have various opinions on FMB membership. Some believe the senior line managers should guide the financial destiny of the wing while others feel both line and staff membership is absolutely essential. We recognize these views and realize both versions can work effectively. Therefore, we suggest a minimum composition (see AMCI 65-601) and encourage additional membership at the chairperson's discretion.

3.4.3.2. AMC Tenant Units Funded Directly From This Headquarters. The same membership logic applied to host or wing groups applies to these units. As a minimum, appoint the commander of the tenant unit and the equivalent deputy commander as FMB members.

3.4.3.3. We also advise you publish a local supplement to AMCI 65-601, identifying voting, non-voting, and advisory FMB membership.

3.5. Financial Working Group (FWG).

3.5.1. Frequency. Convene FWG meetings to support each FMB meeting and more often, as necessary.

3.5.2. Applicability. Recommend organizations issued funds directly by this headquarters establish a FWG. This excludes AMC tenant units, if FWG membership would be essentially the same as the FMB.

3.5.3. Membership.

3.5.3.1. Host Wings. RAs and technical advisors generally comprise the FWG. The key question when forming a FWG is, "What composition can provide the wing with the most comprehensive and competent management?" In some cases, small FWGs with only general knowledge of key organizations sometimes overlook important factors and cannot provide optimum management. Extremely large FWGs sometimes take substantial time in reaching decisions and are encumbered by minute details. Each unit should strike a balance between these two extremes. A FWG should be an aggressive, active body, challenging the requirements presented by the chairperson or other members. A FWG that merely "rubber stamps" the recommendations of the chairperson is a waste of time and not in the best interest of the wing. It should be a group effort. One or two individuals cannot effectively manage the entire wing's financial program. We realize each wing has its own personality and characteristics. Accordingly, we also realize a FWG composition for each and every unit is not in the command's best interest. Therefore, AMCI 65-601 identifies the minimum membership requirement for your FWG. Each FWG member should have the authority to make decisions affecting their organization. This is an essential ingredient for a viable FWG.

3.5.3.2. Other AMC Units. Units wishing to establish a FWG may determine their own membership.

3.6. The Budget Life Cycle. The wing's budget process is part of a much larger system. This system is called the Biennial Planning, Programming, and Budgeting System (BPPBS). The BPPBS is extremely complex and matches military missions to national security, force requirements to military missions, programs to force requirements, and budgets that are in balance with programs. From the installation point of view, the budget process begins with the Financial Plan (Fin Plan) Call, continues with initial distribution and execution, becomes an expired appropriation after close-out, and finally lapses into the canceled year account.

3.7. O&M Financial Plan (Fin Plan) and TWCF Budget Estimate Submission (BES).

3.7.1. HQ AMC/FMB usually sends out the O&M Fin Plan Call in the January-February time frame. This allows around four to six weeks to prepare the Fin Plan and submit it back to HQ AMC. Considering the amount of detail required, this would not normally allow enough time to accomplish the required work. To allow more time, the local FMA office should send an installation level Call to the RAs several weeks before the anticipated date of receipt of the HQ AMC Call. This gives the RAs more time to compile their requirements and submit them to the local FMA office. It also allows the FMA office enough time to compile the RA requirements and obtain any additional information requested in the command Call.

3.7.2. The Call contains specific guidance on how to prepare the Fin Plan submission and what programs to include in the plan. The Call includes a "bogey" figure that indicates the anticipated funding provided next year by budget activity. The wing level FMA office, in turn, issues a bogey to the units that comprise the local financial structure. In the vast majority of cases, this tentative funded dollar amount is less than actual requirements. The wing's participatory management process develops a Fin Plan that funds the most critical requirements and identifies the rest as unfunded requirements.

3.7.3. Although the techniques for preparing the Fin Plan have changed over the years, the budget process still relies on the building block approach for preparation and consolidation. The process starts at the lowest practical level and flows upward to each commander, who approves the unit's submission and sends it to the FMA office. Generate required narrative justification and other supporting data from the lowest financial reporting level, which is the basic foundation of any base level budget.

3.7.4. The narrative justification is the "meat" of the Fin Plan and should bring to life the mission programs that the requested funds will accomplish. The primary purpose of the Fin Plan is to tell the MAJCOM not only how much money you need to carry out the objectives, but also why you need it. Good justifications sell valid requirements. The unit closest to the requirement is in the best position to provide the proper justification. The submission should strive to be of such quality that there should be little need for further explanation or narrative justification by the FMA office or the comptroller, once submitted.

3.7.5. After the FMA office receives and consolidates all of the data, the FWG and FMB reviews the total requirements in detail to identify, price out, and include in the submission the accomplishment of the overall mission. The commander is the final approval authority for the installation's Fin Plan.

3.7.6. TWCF Budget Estimate Submission (BES). HQ AMC/FMB sends out the TWCF BES Call normally in the March-April time frame (depending upon USTRANSCOM's BES requirement date),

allowing four-six weeks to prepare and provide a consolidated BES submission to USTRANSCOM/TCJ8. Each base level TWCF BES should reflect the most accurate portrayal of estimated costs to provide airlift services at the particular location. The following is applicable to the base level submission of the TWCF BES to HQ AMC:

3.7.6.1. Each TWCF base/funding point sends an estimate of anticipated new requirements for the budget years along with one-time unique requirements spent on the prior and current years for all TWCF organizations under its control. Submit the general statements, schedules, and exhibits in accordance with the command budget call instructions issued by HQ AMC/FMB. Instead of a comprehensive submission with numerous exhibits, base level TWCF BES submissions are limited to the following, by EEIC, PE and fiscal year:

3.7.6.1.1. One-time purchases and program terminations or transfers.

3.7.6.1.2. New requirements.

3.7.6.1.3. Specifically requested commodity unique data.

3.7.6.2. Responsibility for Budgeting. Formulate the base level TWCF BES at the lowest level possible to ensure financial management participation and responsibility. TWCF units located on installations of other commands or DoD agencies that do not possess a financial management function should request assistance from the host. The appropriate AMC commander (wing commander at AMC bases; group commander at AMC en route locations) signs the general statement of the TWCF BES submission. ***NOTE:*** Ensure you request and receive input and justification from the base civil engineer (BCE) for utilities (EEIC 480XX), refuse collection/disposal (EEIC 53330), custodial services (EEIC 63110), and other CE services contracts (EEIC 533XX).

3.8. Initial Distribution.

3.8.1. Depending on the passage of the appropriations bill, initial distribution normally occurs in the November time frame, except for the TWCF, which is usually accomplished at the beginning of October. HQ AMC/FMB issues TWCF and O&M general initial distribution guidance to the bases at the beginning of the new fiscal year. The command TWCF and O&M initial distribution contains the funded dollar amounts and other applicable fiscal guidance.

3.8.2. For O&M, the funded amount is based on the installation's financial plan. The amount is increased or decreased, depending on known changes from the time of the base Fin Plan submission to when the command approves and issues initial distribution to the bases. The amount includes funding for centrally managed programs such as flying hours and civilian pay. Changes to the foreign currency budgeted rate also affect the funded distribution. HQ AMC/FMB accomplishes initial distribution by budget activity, program element, and element of expense/investment code.

3.8.3. The command's fiscal guidance contains detailed information for use in managing the wing's financial program. It is designed to allow flexibility to reprogram funds to meet the local commander's mission priorities within established guidelines. It discusses special funding procedures, required reports, and describes what constitutes centrally managed programs. The fiscal guidance also contains the "rules" of how bases may execute the funds allocated to them.

3.9. Budget Execution.

3.9.1. Budget execution occurs at the installation level and begins with the distribution of TWCF and O&M funds. The installation accomplishes its initial distribution to resource managers using the participatory management process. You should convene a FWG to make changes to the Fin Plan distribution based on changes in requirements from the time of the Fin Plan development. The FWG submits a proposed annual (all appropriations) and quarterly (O&M appropriations only) operating budget for review and approval. The FMA office distributes the approved operating budget, expense authority, to the RCMs with the annual and quarterly authority, as applicable. The RCMs develop their own operating budgets for subordinate units and identify their plans back to the FMA office as "targets".

3.9.2. Targets are a translation of planned mission requirements into dollar values required to perform the missions. Targets serve as guidelines for the consumption of resources, provide the measurement tool to determine planning effectiveness, and provide the control mechanism to manage their budgets. There are two types of targets that make up this tracking system - annual and quarterly.

3.9.2.1. Annual. Annual targets (also known as annual authority) reflect the approved amount of funds that an organization can commit or obligate during the year. Annual authority is a legal limitation; do not exceed this funding level; therefore, each organization must plan its requirements accordingly. Make adjustments to the targets during the year due to mission change reprogramming or receipt of additional funding for unfunded requirements.

3.9.2.2. Quarterly. Quarterly targets (also known as quarterly authority) reflect the amount of funds that an organization can commit or obligate within a specific quarter. The intent of quarterly targets is to avoid over-obligating an annual program by accelerated spending early in the fiscal year. Quarterly authority is a legal limitation dictated by public law for appropriated funds. Quarterly determination is very important because it reflects the phased way to plan and execute your annual programs. ***NOTE:*** For the TWCF, quarterly targets are unnecessary. Normally, the annual amount is input into the quarterly field in the accounting system.

3.9.2.3. Local conditions dictate the level of detail of your target establishment. However, at a minimum, you should establish targets at points where financial managers can make funding decisions. The usual practice is to align the amounts at the level required to maintain program element identification and to support other command directed actions. They should be sufficient to compare planned execution to actual execution.

3.9.3. Trend Analysis. One of the major duties of the FMA office and RA is to review expense trends. The purpose is to determine whether or not program execution is on track as planned and the reasons behind the over execution or under execution. This responsibility meets the financial manager's need to know the financial status of his or her program the financial status.

3.9.3.1. If financial programs track as planned, then the financial manager knows that no action is needed. If financial reports indicate the program expenditure or obligations are at an accelerated rate or not consumed at the anticipated level, the appropriate manager determines and investigates the cause of the deviations. The analysis performed by the FMA office and RAs is the basis for recommendations given to the manager for action, as well as supporting unfunded requirements to the command. Paragraph **3.10.** below provides additional information on how to prepare your unfunded requirements submission.

3.9.3.2. The ability to identify deviations is not as simple as it sounds. In order to do so, one must have a good understanding of how the accounting system works and how to use the available financial management tools. RAs and financial analysts who understand how the accounting system works are better prepared to perform trend analysis.

3.10. Unfunded Requirements (UR).

3.10.1. AMC Form 1008, **Statement of Integrated Unfunded Requirements**, is the mechanism available to the commander to identify unfunded requirements to HQ AMC/FMB. These requirements should consist of items unfunded because higher priority "must pay" requirements exist. ***NOTE:*** Include continuous updates of current year unfunded requirements in the FMB minutes. HQ AMC/FMB provides the rules governing UR policy in the annual UR guidance package, normally disseminated during the October-November timeframe of each fiscal year.

3.10.2. HQ AMC/FMB submits the UR list of Transportation Working Capital Fund (TWCF) Operating, and Operations and Maintenance (O&M) 3400 unfunded requirements to AMC/CC when funding is available to release to the bases. Excluded in this submission are TWCF Capital, 3080 Investment, and Military Family Housing (MFH) URs. The AMC Budget Advisory Board (BAB) prioritizes these requirements and AMC/CC approves funding based upon the availability of funds in these programs. The automated AMC Form 1008 program, developed for use with Access 7.0 software via the HQ AMC Internet services, *www.hqamcfm.scott.af.mil*, is the source of information for AMC/CC and the BAB.

3.10.3. The UR list is not static; items on the list shift as the priority of the unfunded requirement changes. This AMC process reflects a real-life approach toward financial management (i.e., local management can best manage resources allocated to them), and we expect a real-life approach from base Comptrollers as well.

3.10.4. Financing low priority items and placing higher priority items on the UR list is unacceptable. All items on the UR list should be of lesser priority than any funded item. This does not mean that an unfunded item cannot be explained by referencing a problem with a high priority program. For example: This unfunded requirement for supplies is a result of reprogramming action from supplies to miscellaneous contract services to cover storage of household goods due to the fire which resulted in ten (10) base family housing units being rendered uninhabitable for the next nine months. The potential impact of this shortage is.....(narrate the impact in clear, concise detail).

3.11. Training.

3.11.1. One of the most important jobs of the FMA office is to train financial managers. More details on the type and amount of training required are found in AFI 65-601, Volume 2, Chapter 11. A key element contained in this guidance is the specialized treatment of the primary and alternate RAs.

3.11.2. It is also important to identify those individuals who need training and to train them soon after identification and appointment. Frequently, the quality of Resource Management System (RMS) training programs is tainted by poor documentation.

3.11.3. To ensure that your RMS training is current and beneficial, you may want to establish a trainee feedback sheet to assess the quality and depth of your training. As the RMS structure evolves to accommodate changes within the DoD, your training must change to maintain currency.

3.12. Target Loading.

3.12.1. Because budget targets are estimates, they are admittedly inaccurate. This fact does not negate their usefulness or importance. All military economical decisions involve forecasting with few exceptions. However, the inherent risks involved in forecasting cannot and do not stop decisions. The budget does not remain fixed and is by necessity a continuing process of monitoring, reviewing, evaluating, and adjusting. Flexibility is an important key to effective resource management.

3.12.2. Principal Concerns of the RCMs Center on Actual Expenses. You should ensure these are consistent with your annual and quarterly programs. Identify funding shortages and overages as quickly as possible. Additionally, RCMs must continually assess the actual cost versus the services provided or outputs produced.

3.12.3. Comptroller personnel must not arbitrarily change targets without the approval of the RA and the RCM and must ensure they do not exceed base-wide restrictions or limitations. This includes, but not limited to, quarterly programs and legal or administrative targets. You should ensure target loads agree with the limitations stated on your funding document. Each RCM has the responsibility and flexibility to reprogram funds within their respective RC unless there is a specific command limitation on reprogramming within that area. You must continuously review and analyze actual expenses versus approved programs.

3.12.4. Targets are one of the principal concerns of the financial committees. Do they reflect the correct priority allocation of available resources? Are reprogramming actions necessary to accomplish mission requirements? The FWG should identify reprogramming actions between organizations that exceed the FMB approved dollar threshold. The FMB should approve (or deny) these requested reprogramming actions on a case by case basis.

3.12.5. General Accounting and Finance System (BQ). Distribute targets to the RC in which the expenses or obligations incur. Targeting to cost or work center level is optional and left to the discretion of the RCM. This applies to O&M as well as the TWCF.

3.12.6. Standard Base Supply System (SBSS). Normally, base supply assigns each RC a Project Funds Management Record (PFMR) to record all organizational supply and equipment transactions. Base supply also assigns subordinate CCs, at least one Organization Cost Center Record (OCCR or ORG code), linked to the PFMR. Load targets to this ORG code level. For CCs assigned several ORG codes, load targets to only one ORG code. The only exception applies to the Services and Civil Engineering PFMRs where target loading to more than one ORG code is optional. The form used for loading Supply Management Activity Group (SMAG) materiel targets is Air Force Form 1269, **Request for Load/Change in Fund Targets**.

3.13. Legal and Administrative Limitations. See funding documents for specifics. “A” limitations are legal, based on public law and “B” limitations are administrative, based on DoD or Air Staff guidance.

3.13.1. Floors. Floors are an administrative or legal limitation identified in your funding document. Floors represent a minimum level of funding executable in the respective program. You can spend more than the established floor, but not less.

3.13.2. Ceilings. Ceilings are an administrative or legal limitation identified in your funding document. Ceilings identify a maximum limit of spending; do not exceed these ceilings without prior approval from HQ AMC/FMB.

3.13.3. Fences. HQ AMC/FMB establishes fences to preclude units from reprogramming funds into or out of a particular area.

3.13.4. Listed below are the legal and administrative limitations currently used in AMC, to include the limitation type and applicable PE. All "A" limitations are legally binding as directed by Congress while "B" limitations represent targets but should be closely monitored. "M" and "T" limitations represent fences imposed by HQ AMC/FMB. (***NOTE:*** You may internally reprogram between EEICs for the flying hour fences.)

3.13.4.1. A-05 Environmental Restoration Account (ERA) (PE 78008) – Floor.

3.13.4.2. A-10 Appropriation 1 Percent Limitation – Ceiling.

3.13.4.3. A-15 Chairman, Joint Chiefs of Staff (CJCS) Exercises (PE 28011) – Floor.

3.13.4.4. A-20 Emergencies and Extraordinary Expenses (Official Representation Funds, PE 91515) – Ceiling.

3.13.4.5. A-40 Counternarcotics – Floor.

3.13.4.6. A-90 Cumulative SAG 02 – Floor. (***NOTE:*** This limitation encompasses Air Staff limitations A-91 through A-95, some of which are not applicable to AMC.)

3.13.4.7. A-94 Cumulative Sub Activity Group (PEs 41311, 41314, 41218, 41219, 41115, 41315, 41897, and 41898(SAG 021A)) – Floor.

3.13.4.8. A-95 Cumulative Sub Activity Group (PE 41216(SAG 021D)) – Floor.

3.13.4.9. A-96 RPM (PEs 41876, 41878, and 41893(SAG ***R)) – Floor. (***NOTE:*** This limitation is not applicable in FY99 but it may be reinstated in future years.)

3.13.4.10. B-30 Forestry Management Program – Floor.

3.13.4.11. B-50 Dedicated Leased Long Lines – Floor.

3.13.4.12. B-80 Contingency Funding (Southwest Asia/Enhanced Southwest Asia) – Floor.

3.13.4.13. B-85 Force Protection (Anti-Terrorism) (PEs 27589, 28047, and 35127) – Floor.

3.13.4.14. B-90 Agriculture/Outleasing Program (Grazing & Cropland) – Floor.

3.13.4.15. M-40 Flying Hour Funding (All O&M Flying Hour PEs – EEICs 60902, 644, and 699 only)) – Fence.

3.13.4.16. M-50 AMC Band – Floor.

3.13.4.17. T-40 Flying Hour Funding (All TWCF Flying Hour PEs - EEICs 60902, 644, and 699 only) - Fence.

3.14. Funding Distribution System.

3.14.1. HQ AMC/FMB accomplishes initial distribution of funds to all AMC funding points at some time on or after the beginning of each fiscal year. The comptroller is the primary focal point for the administration of funding programs, dissemination of major funding guidance, and funding decisions made through HQ AMC coordinated staff actions. HQ AMC staff agencies have the responsibility of monitoring the funding programs and making recommendations within their areas of interest.

3.14.2. Funding Documents. The funds control section of HQ AMC/FMB issues one Command Budget Automated System (CBAS) funding document a month with two exceptions: (1) an emergency funding situation exists which requires the issuance of an additional funding document or (2) end-of-year close-out that requires the issuance of multiple documents. However, Program Budget Accounting System (PBAS) funding documents (Treasury Index 97-appropriations, excluding Fund Code 68 – TWCF (97X4930.FD40)) are issued on a daily basis, if required.

3.14.2.1. HQ AMC/FMB accepts funding changes from the individual base/OBAN financial analyst in FMB for the current month's CBAS document through close of business on the last working day of the month less three workdays. For example, if the last workday of the month falls on the 29th, funds control should receive all funding changes for the month by COB on the 26th unless it happens to fall on a weekend or holiday, in which case funds control should receive all funding changes by COB on the preceding workday. Beginning the following workday, funds control will issue all funding changes on the following month's document. The bases/OBANS should not have any funding changes for the current month called down after the 3rd workday from the end of the month. This helps to facilitate the end of month balancing of your funding targets. Do not identify any funding change requests to HQ AMC/FMB, funds control section, unless they are emergency in nature.

3.14.2.1.1. Each HQ AMC/FMB base or OBAN analyst will balance the current month's CBAS funding document for all BAs, BPACs, and limitations prior to the last day to issue funding changes. You must research and correct any funding discrepancies between the base and HQ AMC at that time.

3.14.2.1.2. The HQ AMC/FMB, funds control section, will run the monthly CBAS funding document on the 2nd workday of the subsequent month, and will be mail to each base or OBAN on the following day, or 3rd workday.

3.14.2.2. Command CBAS funding documents generated as a result of funding actions, are dated for the first of the month issued rather than the actual date of issue, with the exception of PBAS funding documents, issued on the actual date. Funds control issues all Treasury Index accounts 97XX through PBAS, excluding TWCF. This provides for a means of sequencing the control of accumulated PBAS funding actions.

3.14.2.3. CONUS units will receive funding changes via telecom only. Messages will be sent for changes to overseas units unless the AMC analyst is able to make contact with the FMA Office.

3.14.2.4. The funds control section issues TWCF funding authorities for the Operating Budget, to include maintenance and repair (MR), as follows:

3.14.2.4.1. Expense authority for the Operating Budget that finances two stages of accounting; Accrued Expenditures Unpaid (AEU) and Accrued Expenditures Paid (AEP). Undelivered Orders Outstanding (UOO) and commitments do not count against expense authority. All UOO accounting data at the end of the fiscal year carries forward to the new fiscal year. All commitments, except contingent liabilities, must be obligated or canceled in the yearend close-out process. The new fiscal year expense authority applies against these UOOs when they become expenditures (AEU and AEP).

3.14.2.4.2. Because the Air Forces accounting systems are based on obligations and commitments, not expenses, HQ AMC/FMB, funds control section, will issue UOO authority to avoid

manual tracking systems. The total of expense and UOO authorities will equal "direct" funds, defined under O&M funded programs.

3.14.2.4.3. HQ AMC/FMB issues program authority for the TWCF Capital Budget and provides funding for commitments as well as all stages of obligation, similar to the O&M appropriation. However, unlike O&M, it does not expire. You must ensure the obligation of TWCF Capital funds in the year of execution. The inability to obligate the TWCF Capital program may impact future year funding.

3.14.2.4.4. Reprogramming Authority. HQ AMC/FMB grants reprogramming authority only within the TWCF Operating Budget, BPAC 101. Do not reprogram into, out of, or between TWCF Capital program categories without HQ AMC/FMB approval. Also, you may not reprogram from the Operating (BPAC 101) to MR (BPAC 3XX) expense authority (or vice versa) unless approved by HQ AMC/CER/FMB.

3.15. Military Health Service. The resource allocation and financing mechanisms for the Military Health Service (MHS) is available to encourage improved efficiency and effectiveness. The MHS resources are allocated based on a capitation-based methodology that allocates O&M dollars for direct care. The central Defense Health Program distributes these funds, established to improve overall management of military health services programs.

Chapter 4

WORKING CAPITAL FUNDS (WCF)

4.1. Background.

4.1.1. The DoD expanded the use of business financial management practices through the establishment of the Defense Business Operating Fund (DBOF) on 1 October 1991 (FY92). Defense Management Report Decision (DMRD) 971, DoD Financial Systems, provided the foundation for the DBOF operational policies and procedures. The DBOF operated with financial principles that provide improved cost visibility and accountability to enhance business management and improve the decision making process. The DBOF evolved on revolving fund concepts previously used for industrial and commercial-type activities.

4.1.1.1. The establishment of the DBOF did not change previous organizational reporting structures or command authority relationships. The combining of business activities under a single treasury code (97X4930) originally allowed consolidation of cash management, while functional and cost management responsibilities remained with the military departments and defense agencies. Effective FY95, cash management was again relegated to the military departments and defense agencies.

4.1.2. Working Capital Fund (WCF) Establishment. On 11 Dec 96, the Undersecretary of Defense (Comptroller) OUSD(C) signed a decision paper eliminating the DBOF and established the WCF in its place, granting the Services the authority to manage them. This action created five divisions of the WCF, with the Air Force Working Capital Fund (AFWCF) designated as the responsible agent for DBOF-T (now TWCF - see subsequent paragraph **4.2.2.**), for administrative and cash purposes only.

4.1.2.1. The primary purpose of each division of the WCF is to provide a business management structure that encourages managers and employees of DoD support organizations to provide quality products and services at the lowest cost. A major feature of this business management structure is the emphasis on business operations. This business operation structure identifies each business area, the products or services, and the total cost of operations within that business area.

4.1.2.2. Under this structure, customers establish requirements and are charged, through the rate structure, for the cost of industrial and commercial-type services and products provided. Providers, in turn, produce quality goods and services that satisfy customer requirements at the lowest cost. Support organizations incur costs based on customer orders. This linkage of support costs to customer funding assures better communication between the customer and the provider. By making the producing organization responsible for all costs associated with delivering the goods or service, those managers will identify cost drivers and can focus their management improvement efforts accordingly. Increased cost visibility enables managers at all levels to make informed decisions.

4.1.3. Additional guidance on WCF and the former Air Force stock and industrial funds may be found in DoD 7000.14R, Volume 12, *Special Accounts, Funds and Programs*, DoD 7000.14R, Volume 2B, *Budget Presentation and Formulation*, DoD 7000.14R, Volume 11B, *Reimbursable Operations, Policy and Procedures—Defense Business Operations Fund*, and DoDM 7110.1, *Budget Guidance Manual*.

4.2. Concept of Operations.

4.2.1. The primary goal of each division of the WCF is to provide a business management structure that encourages managers and members of DoD organizations to provide quality products and services at the lowest cost while still meeting mission objectives. The focus is to reduce costs in the DoD to allow a greater percentage of the DoD budget to go to operational requirements. To achieve this goal, the WCF expands the relationship between the customer and the provider.

4.2.2. Although the former Military Airlift Command (MAC) operated an industrial fund (Airlift Services Industrial Fund (ASIF)) for over 20 years, by design, it did not totally recover all costs through rate structure revenue. The difference between the revenue collected and costs incurred was covered by direct appropriations through the O&M account. This concept carried over into DBOF-T, now called the Transportation Working Capital Fund (TWCF).

4.2.3. IN FY97, the TWCF evolved out of the DBOF-T (which absorbed the ASIF in FY93) and continues operations through USTRANSCOM. All budget and accounting policies, practices, and procedures previously applicable to DBOF-T remain the same for TWCF. The military components for the TWCF are Air Mobility Command (AMC) for airlift, Military Sealift Command (MSC) for sealift, Military Traffic Management Command (MTMC) for surface transportation, and the Defense Courier Service (DCS). (***NOTE:*** Per PDB 710, 17 Dec 97, effective 1 Oct 98, DCS operations will transfer to AMC as a Direct Reporting Unit (DRU).) USTRANSCOM will continue to be responsible for managing the functional and financial aspects of DCS supported functions and activities. USTRANSCOM still remains the single manager for all DoD transportation. AMC wings with a transportation airlift mission receive a combination of TWCF and O&M funding support.

4.2.4. Please consult AMCI 65-602, Chapters 6 and 8 for detailed guidance on TWCF concepts regarding the Operating and Capital budget and execution processes as well as specific TWCF funding policy issues.

Chapter 5

REVENUE AND REIMBURSEMENTS

5.1. General Information. Revenue and reimbursements frequently cause problems, mainly because they are misunderstood. The financial analyst and the financial manager must fully understand the revenue program and carefully manage this program throughout the year. Read AFI 65-601, Volume 1, *Budget Guidance and Procedures*, Chapter 5, and include the subject of revenue in your training program.

5.1.1. The functional manager should, with the help of the financial analyst, recognize revenue requirements, properly budget for them, and continuously manage the program from the time of anticipated revenue to the time collected. The functional managers should determine what is reimbursable, then ensure the proper documentation and billing of required support. The failure of an organization to bill for reimbursable support consumes direct program authority to support someone else's requirements. In other words, your organization's funds are financing the operational costs of another organization that has the funding responsibility for it. This should provide sufficient incentive for proper administration of the revenue program.

5.1.2. A significant part of your revenue program consists of civilian pay. If your civilian pay program is centrally managed by the Civilian Employment Cost Management Committee (CECMC), it is inconsistent to decentralize the civilian pay revenue program to the RC level. However, this does not eliminate the necessity for the functional manager to properly document and bill civilian labor support. If you decentralize the base's total civilian pay program to the RC level, then decentralize the civilian pay revenue program to the same level as well.

5.1.3. The TWCF or Military Family Housing (MFH) is responsible for a large part of your reimbursement. For this reason, it is helpful for budget and appropriate FSO liaison personnel to obtain a working knowledge of the Integrated Work Information Management System (IWIMS). Both the HQ AMC/FM and CE staffs recommend two procedures to properly identify reimbursable support.

5.1.3.1. Functional area chiefs (users), CE, and financial analysis should jointly prepare a complete list of reimbursable facilities and update this list prior to preparation of the O&M, MFH, and the TWCF budgets. You should reconcile this list with the IWIMS records to ensure proper coding in the CE system, which should also reflect the items reimbursed by the customer, i.e., utilities, maintenance and repair, custodial services, etc.

5.1.3.2. Because of frequent changes to utility prices, compute utility billings monthly. Additionally, CE should provide the Financial Services Officer (FSO)/Defense Accounting Officer (DAO) with monthly utility estimates for all reimbursable customers.

5.2. Reimbursements from Tenant Units. Services provided to tenant units earn part of your reimbursement program. Your local host-tenant support agreements identify these services and annual anticipated reimbursements. AFI 65-601, Volume 1, Chapter 7 and DoDI 4000.19, *Interservice, Interdepartmental, and Interagency Support* contain the provisions of support agreements.

5.3. Support Agreements.

5.3.1. Support agreements are formal agreements that define recurring services provided by the supplier to the receiver and define the basis for calculating the reimbursable charges. Supplying units

identify costs incurred in providing services, the FMA office determines or reviews the cost factors, and the agreements are staffed, controlled, and monitored by HQ AMC/LGX. Support agreements are usually valid for two years and reviewed annually. RAs are routinely the unit's point of contact for agreements and are responsible to identify earned reimbursable costs to the FM.

5.3.2. At times the required support is not continuing and recurring. The issue and acceptance of a **Military Interdepartmental Purchase Request (MIPR)** (DD Form 448 and DD Form 448-2) is the vehicle to establish appropriate support reimbursement. The requesting activity sends the providing activity the DD Form 448 and the providing activity formalizes the two party agreement by completing the DD Form 448-2 acceptance, on a reimbursable basis. This forms is also applicable to provide the funding mechanism to some existing support agreements.

5.3.3. Once a reimbursable agreement is in effect, the supplying activity must track support costs and ensure they identify to the supporting DFAS OPLOC any reimbursements earned in accordance with the agreement. At the end of each month, the supplying activity identifies actual costs incurred in the previous month and the estimated costs for the coming month (quarterly estimates can be used in lieu of monthly estimates). The memorandum must identify the support agreement, any other pertinent information, and must also contain sufficient detailed costs to satisfy the billed agency. Once the supplying activity provides the proper supporting documentation, the OPLOC's accounts receivable section is responsible for ensuring the receiver pays the full amount in a timely manner, unless authorized to cross disburse the receiver's funds.

5.3.4. See **Chapter 20**, paragraph **20.4.** for further discussion on support agreements.

5.4. The Economy Act.

5.4.1. 31 U.S.C. 1535, otherwise known as the Economy Act, authorizes government agencies to enter into contracts with one another when it is in the government's best interest. For AMC, this solely involves the financing of orders between an AMC Air Force activity and other United States government departments or agencies outside the DoD. AFI 65-601, Volume 1, Chapter 7, Section D and DFAS-DER 7000.4, Section F, paragraph 20c(2) discuss the Air Force's role regarding the Economy Act. Downwardly adjust any obligations recorded against annual or multi-year appropriations at the end of the period authorized for the appropriation to obligate, to the extent the performing agency has not incurred valid obligations to complete the order. Amend the order to reflect a current year fund cite to complete the procurement in the new fiscal year. The following paragraphs highlight some of the other key points of the Economy Act.

5.4.2. Financing and Executing Economy Act Orders. To the maximum extent possible, AMC units will finance Economy Act orders received from or issued to non-DoD government agencies using the direct citation or reimbursement method. If you run into a case where these financial methods are not acceptable, advise HQ AMC/FMB in writing and we will submit it to SAF/FMBM. Provide details as to why you cannot finance the Economy Act order using these methods. SAF/FMBM will determine the appropriate financing method and advise HQ AMC/FMB accordingly.

5.4.3. Most non-DoD government agencies have agreed to use the reimbursement method of financing Economy Act orders to the Air Force. However, some agencies, by agreement, require payment in advance from the ordering agency. See AFI 65-601, Volume 1, Chapter 7, paragraphs 7.25.3.and 7.25.4, for agencies authorized to receive advance payments to finance all Economy Act orders

received. If another non-DoD government agency not listed therein requests advance payment for the delivery of goods services, advise HQ AMC/FMB who will obtain SAF/FMBM approval.

5.4.3.1. Don't authorize or make advance payments from Air Force O&M appropriations that exceed the estimated cost of goods or services provided by the performing agency during the fiscal year the advance payment is made.

5.4.3.2. Continue to monitor all aspects of advance payments to authorized non-DoD government agencies. You must require the performing agency to (1) return estimated 30 September unobligated balances by 15 August of the FY in which you make the advance payment and (2) return unexpended balances upon completing the Economy Act order.

5.4.4. Because other government agencies who provide goods or services to the Air Force via Economy Act orders may operate on limited financial resources, it is imperative that you submit their bills to your supporting OPLOC promptly to accomplish payment in a timely manner. The same holds true of goods or services you provide to other government agencies--submit billing data to the OPLOC promptly in order to expedite reimbursement.

5.4.5. Determining Charges for Economy Act Orders from Non-DoD Government Agencies. Follow guidance in DoD 7220.9-M, *The DoD Accounting Manual*, Chapter 26, as well as AFI 65-601, Volume 1, Chapter 7, paragraph 7.17. to determine the appropriate charges for materiel, work, services, and overhead. Administrative overhead is part of actual costs under the Economy Act, and properly chargeable to non-DoD government agencies. You may waive reimbursement (except for orders provided to or received from working capital funds) if the accumulated value of goods and services provided is less that $125 during any calendar quarter.

5.5. Orders Required by Law.

5.5.1. These constitute orders required under specific legal authority. Record these orders placed with non-DoD government agencies as obligations when issued. Examples of orders required by law with another government agency include (a) Federal Prison Industries (18 U.S.C. 4124) and (b) Corps of Engineers—Civil Functions Revolving Fund (33 U.S.C. 576).

5.5.2. Any order required by law with another government agency is not subject to the Economy Act. Fiscal year-end deobligation requirements in paragraph **5.4.1.** above do not apply.

5.6. Other Types of Air Force Orders. Per DFAS-DER 7000.4, Section F, paragraph 20, these include orders placed with another DoD component that has single service acquisition responsibility and binding agreements between government agencies, or orders placed by law.

5.6.1. Reimbursable Order. This is an order for services, supplies, material, or equipment placed by an Air Force component to a procuring component, who obligates its own funds to fill the order and obtains reimbursement from the requiring component. Record these orders as an obligation when the procuring component accepts the reimbursable order in writing. See paragraph **5.5.1.** for exceptions.

5.6.2. Direct Cite Order. Same as paragraph **5.6.1.** above except the procuring agency obligates the requiring Air Force component's funds. Record these orders as obligations when notified in writing the execution of the procuring component's contract, project order, or purchase order, or when you receive a copy of such orders from the requiring agency.

5.6.3. Project Orders. Consider these orders, specifically identified as project orders on the order itself, as a contract, and are on a reimbursable basis. Record these orders as obligations for the amount stated on the order when accepted in writing by the performing agency. 41 U.S.C. 23 (Project Order Law) applies.

5.7. Reimbursement Targets. Load reimbursement targets to the extent you anticipate earnings. You will receive no fund target from this headquarters for reimbursements, however, you may load any valid amount and adjust the target up or down based on your actual reimbursement earnings throughout the year. ***NOTE:*** At the end of the fiscal year, your reimbursement target should match exactly (rounded to the nearest $100 if you prefer) to your earned reimbursements.

5.8. Medical Reimbursable Program. DoD 6010.15-M, *Military Treatment Facility Uniform Business Office (UBO) Manual* contains billing procedures for medical and dental care received in military MTFs. HQ USAF/SGMC annually provides MTFs, by message, the reimbursement rates for the upcoming fiscal year. MTFs and Aeromedical Evacuation Units are involved in the movement of DoD and non-DoD category patients who may travel in the aeromedical evacuation unit. The cost of movement or medical care is reimbursable to HQ AMC. MTFs will ensure the proper identification of patients and non-medical attendants and will also provide addresses to the Global Patient Movement Requirements Center (GPMRC) for billing and collections.

5.9. The "Miscellaneous Receipts" Statute. Codified in 31 U.S.C. 3302(b), this statute basically states that any United States government agent or official who receives money for the United States government from any source shall deposit the money in full to the Treasury. This means deposited into the general fund of the Treasury and not into the agency's own appropriations, even though the agency's appropriations may be technically still "in the Treasury" until the agency actually spends them. The term "miscellaneous receipts" does not refer to any single account in the Treasury, but to a number of receipt accounts under the heading "General Fund" listed in the Treasury Department's "Federal Account Symbols and Titles" publication. Absent from statutory law to the contrary, you should process reimbursement transactions as a miscellaneous receipt. To receive the money back requires an appropriation from Congress.

5.9.1. The Comptroller General (46 CompGen 31 (1966)) has ruled that if an agency retains and credits its own appropriation any funds it should have deposited to the General Fund of the Treasury, this would amount to an improper augmentation of the agency's appropriation (31 U.S.C. 1301(a)), even though the agency uses a no-year appropriation (excluding revenues received by Working Capital Funds for the sale of goods or services). Exceptions to the miscellaneous receipts rule fall into two broad categories, statutory and nonstatutory:

5.9.1.1. Statutory. An agency may retain funds it receives if it has the statutory authority to do so.

5.9.1.2. Nonstatutory. Credit to an appropriation any receipts that qualify as "repayments" to an appropriation, and not to the General Fund of the Treasury as a miscellaneous receipt.

5.9.2. Repayments. The term "repayments" fall into two classes: (1) reimbursements to appropriations from outside sources for goods or services furnished, or furnished at a later date, and by law credited directly to appropriations, and (2) refunds to appropriations from outside sources for payments made in error, overpayments, or adjustments for previous amounts disbursed, including returns of authorized advances.

5.9.3. Excessive Reprocurement Costs. In contract issues, excessive reprocurement costs include two factually different but conceptually related situations:

5.9.3.1. When the original contractor defaults and the work is still required, and a second contractor completes the work at a cost higher than the original price. The original contractor is liable to the government for the cost increases, or "excessive reprocurement costs."

5.9.3.2. Additional costs are incurred to correct defective work performed by the original contractor, for which the contractor is liable.

5.9.4. Disposition of Amounts Recovered. This depends upon the timing of recovery in relation to the reprocurement or corrective action and the status of the applicable appropriation. The object is to avoid the depletion of currently available appropriations to obtain what the government is to receive under the original obligation. A summary of the rules follows and apply equally to default and defective work situations:

5.9.4.1. If, at the time of recovery from the original contractor, the additional expense has not transpired, the agency retains the amounts recovered to the extent necessary to fund the reprocurement or corrective measures. Credit the collection to the appropriation obligated for the original contract, without regard to the status of that appropriation.

5.9.4.2. If, at the time of recovery from the original contractor, the additional reprocurement or corrective obligation has already occurred, credit the recovery amounts to the applicable appropriation, to the extent necessary to reimburse itself, if that appropriation is still available for obligation. If the appropriation is no longer available for obligation, deposit the recovery into miscellaneous receipts.

5.9.4.3. For no-year appropriations (e.g., TWCF), retain amounts recovered as a refund regardless when the recovery was made. Do not deposit excess reprocurement cost recoveries related to no-year appropriation activities into miscellaneous receipts.

5.9.5. Damage to Government Property and Other Tort Liability. Do not credit amounts recovered for loss or damage to government non-real property to the appropriation available to repair or replace the property. Deposit these recoveries to the General Fund of the Treasury as miscellaneous receipts, unless statutory exceptions exist to the contrary. Public Law 104-106 amended 10 U.S.C. 2782 (Damage to Real Property; Disposition of Amounts Recovered) to allow for amounts recovered for claims resulting from damage to real property to be credited to the appropriation account of the organization responsible for the repair or replacement of the real property at the time of recovery. However, legislative restriction still prevents the availability of these collections for future obligation or expenditure until specifically authorized by Congress in an appropriation pending a change in public law. This means you cannot utilize these funds until they are reappropriated. DFAS-DE/ALA provides the proper collection process in their message, 041500Z Nov 97 (Amounts Recovered for Damage to Real Property: Exceptions).

5.9.5.1. For claims recoveries relating to loss, damage, or destruction to Military Family Housing (MFH) caused by abuse or neglect, deposit these amounts to the DoD MFH Management Account 57*7045 as a refund in accordance with AFI 51-502, *Personnel and Government Recovery Claims*, Chapter 4, paragraph 4.14.2, and AFI 65-601, Volume 1, Chapter 5, paragraph 5.12 (page 48).

5.9.5.2. If the damaged real property is a TWCF-assigned facility, and the repair will be accomplished by contract (not in-house), deposit the funds received for the claim into TWCF as an appropriation refund in

accordance with AFI 51-502, Chapter 4, paragraph 4.14.3, and AFI 65-601, Volume 1, Chapter 5, paragraph 5.12 (page 48).

5.9.6. For all other non-real property claims recoveries, deposit these amounts to the General Fund of the Treasury as a miscellaneous receipt, except for those that involve property under the control of TWCF. ***NONSTATUTORY EXCEPTION:*** When a private party responsible for the loss or damage to governmental non-real property agrees to replace it in kind or have it repaired to the satisfaction of the appropriate authorities and to make payment directly to the party making the replacement or repairs, the arrangement is permissible, and the agency (Air Force organization) is not required to transfer an amount equal to the cost of replacement or repair to miscellaneous receipts. If the private party makes payment directly to the installation in lieu of replacement in kind or repair, deposit the funds as a miscellaneous receipt.

5.9.7. The mere failure to deposit any applicable funds into the General Fund of the U.S. Treasury, Miscellaneous Receipts Account, does not create an antideficiency act (ADA) violation because such a credit entry to the base O&M account can be treated as an accounting error and corrected. However, if these receipts are erroneously deposited to the O&M account and subsequently spent to cover annual O&M expenditures, an ADA violation may have occurred if the base O&M expenditures/obligations exceeded the amount properly available to the O&M account.

5.9.8. Please refer to the *GAO: Principles of Federal Appropriations Law, Second Edition, Volume II*, Chapter 6, Section E (Augmentation of Appropriations), for further information regarding the "miscellaneous receipts" statute.

5.10. Joint Use Agreements with Civilian Airports. AMC bases who are responsible for maintaining aircraft runways under a joint use agreement with a civilian airport authority must not permit the reduction of the Air Force's share of revenues from anticipated civil aircraft landing fees (deposited to miscellaneous receipts) to offset costs for the airport authority to directly contract for any maintenance or repair of the joint use runway. Since AMC would be responsible for these maintenance and repair costs from its own O&M 3400 appropriation, it is considered an improper augmentation of these funds under 31 U.S.C. 3302(b) to decrement anticipated receipts earmarked for the General Fund of the U.S. Treasury for this purpose.

Chapter 6

MILITARY PERSONNEL

6.1. General Information. There are two ways to account for costs associated with the Military Personnel Appropriation (MPA); HQ USAF manages the actual payments charged to the MPA (i.e., pay, permanent change of station (PCS) travel) and charging each work center at base level for military labor based upon a standard rate. These are composite rates that provide for basic pay, incentive and special pay, PCS costs, retirement costs, and certain allowances and miscellaneous expenses for active duty personnel. DFAS-DER 7010.1, *General Accounting and Finance Systems at Base Level* contains the standard rates for each military rank.

6.1.1. Use these standard rates to compute military costs as a cost element for DoD programming, budgeting and accounting, and for reimbursements from non-DoD agencies. Once you determine that military labor is properly reimbursable (reference DoDI 4000.19), apply these standard rates accordingly. For nonfederal reimbursable customers, these standard rates are accelerated to recover retirement, leave and holiday, and other personnel costs (quarters, subsistence, medical, etc.). The acceleration factor for leave and holiday costs is applicable only when you determine the reimbursements on time actually worked (i.e., when the receiving activity does not otherwise pay for the personnel costs incurred by DoD during leave and holiday periods). Chapter 33 of DFAS-DER 7010.1 contains these accelerated factors. Record all reimbursements for military labor to the MPA. Use available cost accounting systems to compute billings, such as IWIMS, in lieu of the standard costs.

6.1.2. Include military personnel costs relating to base support you provide to tenants in your support agreement costs. Use AFI 65-503, *US Air Force Cost and Planning Factors*, military personnel composite rates in your cost allocation calculations.

6.1.3. Expense authority for standard military rates is automatically provided in amounts equal to actual expenses. Do not establish targets for base-level purposes.

6.1.4. Although base-level managers infrequently apply the MPA to finance operating costs, you may use it under the following circumstances:

6.1.4.1. PCS with TDY En Route. TDY costs directly related to PCS movements are chargeable to the MPA provided the TDY does not exceed 15 days and the TDY is for M-16 training, briefings, or special instructions.

6.1.4.2. Escorts. Transportation requests and meal tickets for Air Force members acting as escorts for absentees, deserters, or escaped military prisoners are chargeable to the MPA.

6.2. Clothing Allowance. Clothing Allowance for Air Force Officer and Enlisted Members:

6.2.1. Civilian Clothing Monetary Allowance. Air Force policy is that enlisted personnel work in uniform, but there are times when they must wear civilian clothes while on duty (AFI 36-2903, *Dress and Personal Appearance of Air Force Personnel*). When wearing civilian clothes is optional, a civilian clothing allowance is not paid. Civilian clothing allowances are payable when required in the performance of official duties, while TDY, and at designated permanent duty stations outside the CONUS. Do not use civilian clothing allowance as an incentive, a compensation, or an inducement to solicit volunteers for a duty requirement. AFI 36-3014, *Clothing Allowances for Air Force Personnel*,

covers the types, quantities, conditions, and requirements for payment of the civilian clothing allowance.

6.2.2. Uniform Clothing Allowances. DoD Directive 1338.5, *Armed Forces Monetary Allowance Policy*, establishes the clothing monetary allowance system. This system provides uniform clothing to active duty enlisted members of the Armed Forces and Reserve components on an Issue-In-Kind System. When clothing items are not issued to members, an initial clothing monetary allowance is payable which only covers the dollar value of required enlisted initial item clothing. Annual cash allowances are then payable to active duty enlisted members during the month (Total Active Federal Military Service Date (TAFMSD)) of entry on active duty. The Department of Defense Pay Manual (DoDPM) contains the annual amounts. Military personnel assigned to special duties may be authorized extra clothing allowances. You should perform a careful review of AFI 36-3014 and AFM 67-1, Volume 1, Part 1, *Basic Air Force Supply Procedures*, Chapter 17, and Part 3, Chapter 2, to determine entitlement to initial clothing allowances, clothing maintenance allowances, and extra clothing monetary allowances.

6.3. Resource Augmentation Duty (READY) Program. The normal clothing issue should suffice to support the READY program. Provide any specialized articles from the on-hand assets of the augmented agency. For items not on-hand or those deemed necessary by the training agency, the augmented agency has funding responsibility in lieu of the permanently assigned organization of the trainee.

Chapter 7

CIVILIAN PERSONNEL

7.1. Civilian Resource Management.

7.1.1. AFI 36-502, *Managing Civilian Personnel Resources*, describes responsibilities regarding civilian cost management. Installation commanders are responsible to manage their total civilian force structure. This instruction provides commanders flexibility to program funds to meet overall requirements in relation to civilian manpower requirements and competing priorities. With civilian pay representing a high percentage of the total AMC dollar allocation, utilize all available management techniques to ensure the proper use of civilian resources.

7.1.2. CIVCOST software is the DoD successor to the Civilian Human Resources Management System (CHRMS) Decision Support Software implemented Air Force-wide in FY92. CIVCOST delegates to activity-level managers the authority to manage and structure their civilian work force to best meet their mission within budget. CIVCOST captures costs, forecasts expenditures, and provides modeling capabilities, thereby providing managers a reliable tool for predicting the outcome of their decisions.

7.2. Civilian Pay Program. The two factors that determine a civilian pay program are authorizations and workyear costs. The methodologies used for determining authorizations are:

7.2.1. SAF/FMBO Methodology. They determine workyears based on the number of authorizations in the Future Year Defense Plan (FYDP). They average end-strengths for the current and succeeding fiscal year to come up with AMC's workyears. This average provides half-year funding for any deletions or additions taking place during the fiscal year and provides the basis for the AMC workyear target provided by SAF/DPC.

7.2.2. AMC Methodology. AMC calculates workyears using the SAF/FMBO formula except the AMC Unit Manpower Document (UMD) is used in lieu of the FYDP to determine the workyears for each AMC unit. HQ AMC/FMB uses the end of August UMD to average authorizations in the 4th quarter of the current fiscal year with authorizations in the 4th quarter of the succeeding fiscal year to arrive at the workyears for the new approaching fiscal year. This provides the latest data on unit authorizations before initial distribution or planning numbers go out to the field.

7.2.3. Workyear Cost. The workyear cost represents the employee's salary plus the following benefits:

7.2.3.1. Continuation pay.

7.2.3.2. Cash awards.

7.2.3.3. Night differential.

7.2.3.4. Holiday pay.

7.2.3.5. Sunday premium pay.

7.2.3.6. Overtime pay.

7.2.3.7. Suggestion and invention awards.

7.2.3.8. Severance pay.

7.2.3.9. Clothing allowance.

7.2.3.10. Moving allowance.

7.2.3.11. Hazard pay.

7.2.3.12. Environmental pay.

7.2.3.13. Annual premium pay.

7.2.3.14. Overseas differential.

7.2.3.15. Quarters allowance.

7.2.3.16. Lump sum leave.

7.2.3.17. Retirement benefits (FICA, TSP, Annuity).

7.2.3.18. Federal employee health benefits.

7.2.3.19. Federal life insurance.

7.2.4. Since the workyear cost used in calculating initial distribution is based on your previous year's actual expenditures, funding for these benefits is in your workyear cost only to the extent incurred. ***NOTE:*** HQ AMC/FMB does not include one-time costs such as Voluntary Separation Incentive Program (VSIP) in your workyear costs. You must record these costs to EEIC 384, or we will include them in your workyear cost, forcing us to estimate the reduction to your average workyear cost to arrive at a realistic number. It is extremely important you ensure proper expenditures and hours are input into the payroll system. Incorrect factors will skew your calculated workyear cost.

7.2.5. HQ AMC/FMB will work with each base to arrive at an acceptable workyear cost. This eliminates unfunded requirements in the civilian pay line except VSIP payments or other one-time requirements beyond the base's control. Each base is responsible for managing their civilian pay within the funded program.

7.3. Civilian Pay and Work-Year Utilization.

7.3.1. The Air Staff tracks civilian pay and work-year utilization by command. They have established that any under-utilization of work-years or diversion of civilian pay is taken into consideration in determining command allocations of civilian pay and work-years for subsequent years. Avoid underutilization of work-years or civilian pay, and diversion of civilian pay to accommodate other perceived shortfalls. You must carefully monitor the utilization of work-years and civilian pay.

7.3.2. It is essential for bases to manage this critical program from the beginning of the fiscal year. The management of a base's civilian hiring program is the responsibility of the Civilian Employment Cost Management Committee in conjunction with local funding policies established by the FMB.

7.3.3. The civilian pay program is not a "fenced" program and bases are given reprogramming authority to cover higher priority requirements. Managers are able to use this flexibility in civilian pay funding in the areas of lapse rates and position fill management. However, local management decisions to reprogram civilian pay funding could have a serious impact on future years. Use extreme caution if you must reprogram funds from your civilian pay program.

7.3.4. In calculating a base's civilian pay funding for any given year, the two source documents are the Unit Manpower Document (UMD) and the 1092 report. The information contained in the UMD is usually beyond the control of the FMA office, but not the data on the 1092 report.

7.4. Civilian Manpower and Funding Report. The Air Force Standard Civilian Automated Pay System (AFSCAPS) produces the RCS DD-COMP(AR)1092, Civilian Manpower and Funding Report, required to meet civilian employment cost reporting requirements. This report is a significant tool in order to manage the civilian pay program. The accuracy of the 1092 report is essential because it contains the base's data incorporated into the command's civilian workyear cost, funded by SAF/FMB. Similarly, SAF/FMB uses this data to document civilian pay requirements contained in the President's Budget. To the extent workyear costs are understated, SAF/FMB will under fund the command's O&M program, resulting in a decrease to the base's O&M funding. HQ AMC also uses this report to validate bases' unfunded civilian pay requirements, for TWCF and O&M. Therefore, it is essential that all data reflected in the 1092 report be as accurate as possible.

7.5. Civilian Employment Cost Management Committee (CECMC).

7.5.1. The objectives of the CECMC include (1) advising commanders on how to eliminate unnecessary civilian personnel costs and to determine the number of employees to hire based on mission requirements within funding availability, (2) identify potential personnel funding problems, and (3) present appropriate funding recommendations to the FMB. In accordance with AMCI 65-601, the FMB reviews the activities of the CECMC at least once each quarter. The servicing civilian personnel officer should brief the FMB on this subject.

7.5.2. The CECMC ensures the use of civilian resources efficiently and effectively. This corporate board is responsible for making decisions in regard to lapses (the length of time vacated positions are normally vacant), overhire requirements, etc., by taking into consideration manpower authorizations, funding priorities, employment capability, salaries, and intended cash award payments.

7.5.3. The base commander or designated representative chairs the committee and its membership includes functional managers as well as representatives from civilian personnel, financial management, and manpower communities. Responsibilities of the CECMC include:

7.5.3.1. Review of civilian resource operating budgets.

7.5.3.2. Periodic review of employment plans and comparison of civilian pay expenses against budgetary targets, to include any reallocation or redistribution of funds.

7.5.3.3. Establishment and continuous review of local civilian resource management.

7.6. TWCF Manpower Criteria. Refer to AMCI 65-602, Attachment 5 for a TWCF manpower criteria decision process to determine if TWCF PE coding applies to AMC manpower positions.

Chapter 8

TEMPORARY DUTY (TDY) TRAVEL, CIVILIAN PERMANENT CHANGE OF STATION (PCS), AND VEHICLE RENTAL

8.1. General Information. TDY costs consist of per diem (meals, lodging, and incidental expenses), transportation (mileage, air fare (commercial or TWCF), bus fare, etc.), and other authorized reimbursable expenses (rental vehicle, toll charges, parking fees, etc.). Each organizational commander has the responsibility to ensure the productive use of TDY funds. Commanders should encourage their travelers to turn in copies of their paid travel vouchers, noted with air transportation costs, to the organization's TDY funds manager. Funds managers are encouraged to track TDY expenses, specifically note the reasonableness of actual expenses and rental costs as compared to estimates, and reconcile obligations shown on RCM Cost Center Report with the FSO or DAO records. All managers should insist upon conservative travel practices that are consistent with AFI 37-128, *Administrative Orders*.

8.2. TDY Per Diem Policy Overview. HQ USAF/DPP message 160910Z Mar 98 contains the basic TDY per diem policy, provided as follows:

8.2.1. The State Department establishes per diem rates for foreign OCONUS locations; the General Services Administration (GSA) established per diem rates for CONUS locations; and the Per Diem, Travel and Transportation Allowance Committee (PDTATAC) establishes per diem rates for non-foreign OCONUS locations. GSA reviews CONUS rates annually and usually releases new rates effective the 1st of January of every year. The State Department reviews overseas rates monthly to compensate for currency or data changes. Data is compiled from surveys completed by country and embassy representatives. If any per diem rate is inadequate, the local commander requests a review of the current per diem rate by following the instructions in the *Joint Federal Travel Regulations, Volume 1* (JFTR), paragraph U4140.

8.2.2. The order approving official authorizes or approves TDY based on mission requirements (JFTR, paragraph U2115). The order approving official is responsible for determining the required transportation mode (JFTR, paragraph U3002), whether additional authorizations are necessary (e.g., rental car (JFTR, Chapters 3 and 4)), availability of government quarters and meals (JFTR, Chapter 4m, Part E), and other specific reporting instructions. Based on this information, the order approving official directs order preparation and authorizes the appropriate meal option and transportation requirements. Order approving officials can obtain service provided government quarters and dining facility availability information by contacting their resource advisor (RA), Financial Services Office (FSO), or by visiting the PDTATAC at *http://www.dtic/mil/perdiem/* web page address.

8.2.3. TDY Options. Per JFTR, Chapter 4, the three most common options are:

8.2.3.1. Regular TDY. The order approving official selects one of the following meal options based on availability of government meals, quarters, and unit mission.

8.2.3.1.1. Use of government mess directed (only if government quarters are available at the TDY location).

8.2.3.1.2. Use of government mess not directed.

8.2.3.1.3. Use of proportional per diem rate directed (only if government quarters are available at the TDY location).

8.2.3.2. Field Duty. Members under this option receive no per diem—everything normally associated with per diem provided at no charge to the member.

8.2.3.3. Essential Unit Messing (EUM). When the Service Secretary concerned or, for a Joint Task Force (JTF), the CINC or JTF commander determines that government messing is essential to accomplish training and readiness, EUM is declared (JFTR, paragraph U4125-A3E). This entitles members to receive the incidental expense rate—CONUS $2.00 per day, for OCONUS, the incidental expense rate listed in the JFTR, Appendix B, or $3.50 per day when the order issuing authority determines $3.50 is adequate for anticipated incidental expenses.

8.2.4. Changes to Meal Option. The order issuing official is responsible for selecting the appropriate meal option prior to preparation of the TDY orders. However, there may be circumstances where the meal option selected turns out to be inappropriate and, in these cases, the order approving official may change the meal option. It is important to remember a meal option resulting in a reduced entitlement cannot be made retroactive, except for a deductible meal. See JFTR, paragraph U4125-AG3 for additional guidance.

8.2.4.1. Meal Option Change that Results in an Increased Per Diem Rate. If, at any point the meal option selected was insufficient, change it to reflect the proper meal option. Base this change on the nonavailability of meals (missed meals), e.g., the traveler's orders direct government messing; however, due to the work schedule they miss a meal. Upon return, the order issuing official would annotate the order with the appropriate meal option, in this case the proportional meal rate. If a deployed member is in support of a JTF, missed meals are tracked using the Air Force Form 2282, **Statement of Adverse Effect**. The deployed commander approved nonavailability of directed meals. The member submits this information when filing their travel voucher.

8.2.4.2. Meal Option Change that Results in a Decreased Per Diem Rate. If, during the TDY, a different meal option becomes applicable, the order issuing official may direct a new meal option using a current or future effective date. Annotate the TDY orders with the new direction and effective date. Example: The order issuing official authorizes the locality rate, due to the nonavailability of a dining facility at the TDY location. The order issuing official receives notification that the dining facility is now available. Using this information and a review of the mission requirements, the order issuing official could decide to direct the member to use government mess. If the order issuing official determines the government mess would meet the mission requirements, the TDY traveler would be briefed that government meals are available and directed and will become effective on a current or future date. Upon return, the order issuing official annotates the orders with the appropriate directed meal option and date directed. It is important to remember not to change the meal option to reflect a retroactive decrease in entitlement. Example: Member's TDY orders are silent on meal direction. Upon return from TDY, the order approving official states the orders are incorrect and the government dining facility at the TDY location was the appropriate meal option. The member would still receive the locality rate since the TDY is complete and the change required would result in a retroactive reduction.

8.2.5. TDY Members Directed To Use Government Mess and Quarters. If the TDY member is unable to occupy government quarters at the TDY installation due to nonavailability, they are entitled to the full locality per diem rate for the TDY area. The order issuing official cannot direct members

quartered off-installation to use the government mess at the TDY installation, as it is considered not available.

8.2.6. Air Expeditionary Force (AEF) Deployments. Due to the similarity of AEF deployments to JTF deployments, Air Force policy allows the TDY commander to change the meal option if determined inappropriate for the deployment. The procedures in paragraph **8.2.4.** above apply, with the exception of inserting the TDY commander in place of the order approving official. This policy does not take the place of establishing reporting instructions for the deployed location; instead, it allows a method of fixing current deployment inequities.

8.2.7. Reporting Instructions. A common problem arises when ordering different TDY travelers to perform the same duty, at the same location, but authorized different meal options. To avoid differences between commands and services, we recommend to develop reporting instructions specific to each TDY location tasked by HQ AMC or any other command or tasking authority. The suggestive instruction should include the following: Availability of messing facilities and appropriate meal option, availability of government quarters, and any restrictions imposed on the availability of the above due to mission or work schedules. This information allows commands and order approving officials to properly prepare TDY orders as the order approving official, who determines the option believed to meet the mission requirements, may not be fully aware of the availability of meals in a particular TDY environment for a particular mission. Reporting instructions help clear up this confusion and ensure equity between TDY members.

8.2.8. Incidental Expense Rate. The authorized incidental expense rate when members are TDY OCONUS and lodged on a United States military installation is $3.50 per day. The same is also true for non-directed government mess. Effective 1 Apr 98, order approving officials can determine that the $3.50 incidental expense rate is not adequate and authorize the incidental expense rate listed in the JFTR, Appendix B.

8.2.9. Deductible Meals. Per the JFTR, paragraph U4125-A3G, a deductible meal is a meal (1) made available pursuant to an agreement between a Uniformed Service and any organization, if the order directs use of the facility providing the meals, (2) included in a registration fee ultimately paid for by the government, (3) furnished at no cost to the member by a school while attending a course of instruction, if the cost of the meal is ultimately paid for by the government, or (4) furnished by the government at no cost to the member. Personnel on TDY orders who have a deductible meal will receive the proportional per diem rate for each day when one or two meals are provided. If the government provides all three meals, the member receives the incidental expense rate only for each day he or she receives all daily meals. Box lunches, in-flight meals, rations furnished by the government on military aircraft, meals furnished on commercial aircraft, or by private individuals are not deductible meals. Government meals paid for by travelers and consumed in a government mess facility are also not a deductible meal for per diem purposes.

8.2.10. JTF TDY. For reimbursement options of members TDY in support of a JTF, please refer to the JFTR, paragraph U4800.

8.2.11. Invitational Travel Orders (ITO) for Non-U.S. Government Employees. The JTR, Section C6000, paragraph 10, determines when an ITO may be authorized for private individuals who are not U.S. government military or civilian employees. Government contractors are not considered government employees and may be issued ITO only on an exception basis when traveling under a contract that does not provide funding or reimbursement for travel and transportation costs. Government contracts should be

negotiated to provide for these reasonably foreseen costs of its contractors within the scope of the contract.

8.3. Types of Expenses on TDY Orders. Under the Simplified Accounting for Temporary Duty Travel initiative, directed by DoD, the only authorized EEIC to record TDY costs is EEIC 409. Do not use 2-digit shreds of EEIC 409, except EEIC 40934, for aircrew TDY (applicable to TWCF only), as authorized by HQ AMC/FMB.

8.3.1. DFAS translated the DoD Simplified Accounting for Temporary Duty Travel initiative to mean that you must account for any expense included in a TDY order or travel settlement voucher in EEIC 409 (or 40934). This includes registration fees (normally EEIC 59291), phone charges (normally EEIC 49510), or any other item paid on a travel voucher. If a base wishes to have these types of charges broken out separately and remain part of the unit's management information system, use a different commitment or obligating document (e.g., DD Form 1556, SF 1164, Air Force Form 9). The traveler will need to file two forms (travel voucher and other applicable form).

8.3.2. Either method described in paragraph **8.3.1.** above is acceptable, depending upon the discretion of the unit involved.

8.3.3. Excess Baggage. See **Chapter 9** for the proper application of excess baggage on TDY orders.

8.4. TDY Funds Management. An important ingredient for successful management of TDY funds is the involvement of each RCM and RA. These individuals should review each trip to ensure the following:

8.4.1. A minimum number of personnel travel per visit.

8.4.2. Planning for the most economic mode of travel. The JFTR does not specify which mode of air transportation (i.e., military air versus commercial GSA City Pairs) is preferable. From an economic view, use military air if it is cheaper or directed by competent authority to meet specific mission requirements.

8.4.3. Use economy or excursion air fares when military air is not available.

8.4.4. Major airlines will offer discount rates that are cheaper than coach fares. The JFTR, Section 1-34, and the Military Traffic Management Regulation, Chapter 304, require the use of special, reduced fares when practical. However, do not use these discounted fares if a GSA City Pair fare exists over the same route, as the government contracts for these fares with the commercial industry under this program. Use discounted fares if you cannot meet mission requirements within the available GSA City Pair fare for a particular route.

8.4.5. Round trip excursion fares are generally available with confirmed reservations and tickets purchased at least 14 days before departure, a maximum of two stopovers (including scheduled destination), and the travel period is at least 7 but not more than 30 days.

8.4.6. There may be a penalty imposed for canceling or changing a reservation made to take advantage of the excursion rate.

8.4.7. Use government quarters (either on-base lodging or contract quarters) at the TDY location, if available. The JFTR, paragraph U4400A.7 gives a government traveler the authority to bypass using available government quarters during periods of TDY or delay of less than 24 hours. Paragraph

U4415 of the JFTR, applies only to the member's statement of use as distinguished from availability of government quarters at all times, including periods of TDY or delay of less than 24 hours.

8.4.8. Control the use of Blanket Travel Orders (BTO). Issue BTOs only to individuals who travel frequently on short notice. Review and revise travel estimates to reflect actual obligations before the end of each reporting period, to the best extent possible. Close out BTOs no later than 31 August of the current fiscal year (except for HQ AMC/IG). See paragraph **8.20.6.** below.

8.4.9. TDYs in excess of 179 days, to include travel days, training days, and days at final destination, do not require a secretarial waiver. Per the JFTR, paragraph U2145, the six month limitation only applies to TDY assignments at any one location and not the total TDY period. Therefore, do not combine travel time and time at an en route location to the time a member is present at the final destination when applying the 179 day rule.

8.5. Unliquidated Travel Obligations. Follow-up of unliquidated travel obligations is primarily the responsibility of the Accounting and Finance Office; however, FMA personnel, RCMs, RAs, and CCMs should play an active role. Continual follow-up by financial managers helps to purify the accounting records and maximize the use of operating funds. A joint effort results in aggressive follow-up.

8.6. Command Directed TDY.

8.6.1. Annual programs for all funding points include requirements for both locally and command directed TDYs. As described in AFI 65-601, Volume 1, TDY, including command directed trips, is generally the funding responsibility of the unit of assignment. The following cases are exceptions:

8.6.1.1. When O&M personnel augment the TWCF (1) aircrews, (2) airlift operations functions, (3) aerial port squadrons/units, (4) aircraft maintenance units/squadron, or (5) air mobility operations group (AMOG) operations (except for Combat Camera, which is an O&M funded unit within the AMOGs), the augmented unit provides TWCF funds to support the TDY.

8.6.1.2. When TWCF personnel augment an O&M funded unit, the augmented unit should provide O&M funds to support the TDY.

8.6.1.3. Exceptions described in AFI 65-601, Volume 1.

8.6.1.4. OT&E Test Participants. Use AMC Operational, Test, and Evaluation (OT&E) funds to pay for test participants.

8.6.1.5. CJCS Exercises**.** See **Chapter 21** for discussion on TDY funding for CJCS exercises.

8.6.1.6. AFRC and ANG Augmentation. Travel and per diem of AFRC and ANG personnel on MPA man-days at the request of the active AMC unit is the responsibility of the AMC augmented unit.

8.6.1.7. Manning Assistance. Fund manning assistance TDY conducted between an AMC unit and a unit assigned to another MAJCOM in accordance with Air Force policy (unit of assignment). Within AMC, the requesting organization should fund the TDY costs of personnel providing manning assistance. A TDY tasking that benefits an overall AMC mission, not a specific organization, remain a unit of assignment funding responsibility.

8.6.1.8. Presidential and Vice Presidential Support. HQ AMC/FMB limits reimbursements of TDY funding for Presidential and Vice Presidential support by AMC wings to support personnel,

as well as any ground transportation incurred. FMA offices need to obtain prior approval from AMCFSS/FMBO to validate the reimbursable costs. Use ESP code RA (Romeo Alpha) to identify the obligations.

8.6.2. Priority of Command Directed TDY. For funding purposes, consider all command directed TDY high priority. If funding of command directed TDYs result in the funding deferment of lesser priorities and local reprogramming is not possible, identify the unfunded requirement of the lesser priorities in the AMC Unfunded Requirements (UR) submission if warranted. Follow existing UR guidance for identifying these requirements deferred due to higher mission needs.

8.6.3. Requests for Contingency Shortfall. For contingency TDY requirements, HQ AMC will not honor unit requests for shortfall due to lack of funds. In these cases, it will become necessary to reprogram funds from other areas to pay for the contingency TDYs. In the event that reprogramming is not a viable option, the unit RA should contact the base FMA Officer, who will then work with the appropriate HQ AMC/FMB base analyst to seek necessary funding relief. The lack of funds is not a valid reason to shortfall any command directed TDY requirement.

8.6.4. Maintenance Recovery Team (MRT) Support.

8.6.4.1. TDY costs of AMC MRTs tasked by the command to support a not mission capable (NMC) aircraft, regardless of the type of mission it was flying or whose command the aircraft is assigned (if the other command is flying an AMC mission), are the responsibility of the assigned MRT unit.

8.6.4.2. If AMC tasks another command's MRT to recover an AMC NMC aircraft, the home station of the AMC aircraft will provide a TDY fund cite, through HQ AMC/LGRC, to provide to the unit of the tasked MRT.

8.6.4.3. When other command's aircraft are flying their O&M missions (not an AMC mission) and require AMC MRT support, HQ AMC/LGRC will request a TDY fund cite from unit (or command) who owns the aircraft prior to tasking an AMC MRT to fix the broken aircraft.

8.6.4.4. For additional discussion on MRT TDY funding, see **Chapter 19**, paragraph **19.28.** of this instruction for maintenance support of AFRC and ANG aircraft.

8.7. Government Facilities. Use government facilities to the maximum extent possible, including periods of delay or TDY of less than 24 hours (reference DFAS-DER 7010.3, *Travel Transactions at Base Level*, paragraph 4-10).

8.8. Civilian Employees. Except for special and unusual circumstances, do not authorize reimbursement to a civilian employee for commercial quarters, when adequate government quarters are available. The base lodging office should provide the employee with a certificate of nonavailability whenever commercial quarters are used.

8.9. Air Force Personnel Center (AFPC) Travel Support. Subject Matter Specialists (SMS) are selected by the MAJCOMs to fulfill Air Force directed requirements in support of the Airman Promotion System. The Occupational Measurement Center should provide funding to support this TDY travel.

8.10. Education Services Travel Support. Use TDY funds in PE 89732 for all civilian and military personnel assigned to Base Education Services.

8.11. Senior NCO Academy (SNCOA), NCO Academy (NCOA) and Airman Leadership School (ALS):

8.11.1. Fund TDY costs for AMC students attending the SNCOA through an Air University fund citation listed in AFCAT 36-2223, *USAF Formal Schools*.

8.11.2. Fund TDY costs for AMC students attending a CONUS NCO Academy through an Air University fund citation listed in AFCAT 36-2223. For students attending an overseas NCO Academy, the theater MAJCOM will fund all TDY costs.

8.11.3. Use RC/CC XX3619, PE 84751F for the operation of the ALS and TDY costs, if required.

8.12. Overseas Travel to Air Education and Training Command (AETC) or Air Force Material Command (AFMC) Schools. All travel and per diem costs for AETC or AFMC schools under Air Force training or medical education programs (including from overseas stations to the CONUS port and return) should be funded by AETC or AFMC respectively.

8.13. Continuing Health Education (CHE). In accordance with AFI 41-104, *Professional Board and National Certification*, Air Force medical service personnel must use CHE to maintain expertise in their area of professional endeavor and to fulfill license and certification requirements. Account for TDY costs, as well as registration and tuition, in EEIC 409 if the member pays them and reimbursed via a travel voucher. If the registration and tuition are paid separately via Air Force Form 9, **Request for Purchase**, or DD Form 1556, **Request, Authorization, Agreement, Certification of Training and Reimbursement**, use EEIC 59292. Account for Emergency Medical Technician training in EEIC 55311.

8.14. PHOENIX RAVEN Teams and Other Mission Essential Ground Personnel (MEGP). PHOENIX RAVEN teams are security forces who accompany AMC aircraft and other command's aircraft flying AMC missions for the purpose of providing force protection to the aircraft at locations where security is inadequate or unknown. Other individuals accompanying AMC aircraft required to perform special aircraft duties are known as Mission Essential Ground Personnel (MEGP).

8.14.1. For AMC aircraft, funding for the TDY should be from TWCF or O&M, depending upon the aircraft they are supporting (TWCF for active AMC C-5, C-141, and C-17; O&M 3400 for active AMC KC-10, KC-135, C-130, and any other AMC aircraft; medical (2X) for C-9). Use EEIC 409 and the appropriate aircraft squadron RC/CC to record the costs. If AMC Phoenix Raven personnel are required to augment an AFRC/ANG Phoenix Raven tasking, the AFRC/ANG augmented unit will provide the appropriate TDY funding to the augmenting AMC Phoenix Raven unit.

8.14.2. For AFRC and ANG unit equipped aircraft flying AMC airlift missions that require PHOENIX RAVEN assets, fund TDY costs of the PHOENIX RAVEN team from the AMC security forces unit tasked to provide force protection to the aircraft in lieu of the AFRC or ANG squadron flying the AMC mission.

8.14.3. PHOENIX RAVEN and MEGP personnel do not process through the passenger terminal and should process with the aircrew; consequently, their unit(s) will not be charged for transportation while flying on the aircraft.

8.14.4. AMC security forces units who must utilize their O&M funds to support PHOENIX RAVEN requirements should ensure the command ESP code BT (Bravo Tango) is a part of the fund cite of the travel orders to track and monitor costs incurred for these efforts.

8.14.4. Stewards. The TDY funding of AMC stewards based at Andrews AFB MD to support AMC KC-10 or C-141 DV SAAM missions will follow the same procedures as outlined in paragraphs **8.14.1.** and **8.14.2.** above. For travel purposes, stewards are not MEGPs.

8.14.5. For occasions where PACAF/USAFE-owned Phoenix Raven teams are tasked to shortfall an AMC requirement within their respective theaters (e.g., E-SID/P-SID missions), the 615 AMSG/FMA or 621 AMSG/FMA, as appropriate, will provide a TWCF fund cite for the theater Phoenix Raven support.

8.15. Registration Fees.

8.15.1. Only those expenses necessary to accomplish the purpose of attendance at meetings are properly reimbursable to the individual. The portion of registration fees that relate to entertainment, social events, and other personal items are not reimbursable, except when they are inseparable from attendance to the meeting (reference JFTR, Volume 1, and Comptroller General Decision B-200650, Apr 86). Hospitality fees are borne by the individual and not paid out of appropriated funds.

8.15.2. Individual membership fees and dues required for societies and associations are not payable from appropriated funds (APF) unless such payment is authorized by specific legislation. This does not prohibit an activity from paying membership dues from APF, provided membership is in the interest of the government and in the name of the activity, as opposed to the name of an individual (reference JFTR C4708 and JFTR U4535).

8.15.3. Do not assess registration fees to attendees at Air Force or AMC staff sponsored courses or conferences that do not come under the purview of the AFR 50-XXXX or AFI 36-XXXX series instructions.

8.16. Civilian Permanent Change of Station (PCS). Funding for civilian PCS is in accordance with AFI 65-601, Volume 1, Chapter 22, paragraph 22.3, and the JFTR, Volume 2. Generally, all civilian personnel PCS movement costs are borne from the operating funds available to the activity gaining the employee (see above references for specific guidance). Within AMC, the Unit Manpower Document (UMD) position the gaining employee fills determines the type of funding used for the PCS movement. If the UMD position within the gaining unit reflects a TWCF PE, use TWCF funds for the PCS move. If the UMD position is O&M PE coded, then O&M funds apply.

8.17. Vehicle Rental.

8.17.1. The host base is generally responsible for providing in-house transportation. When vehicle requirements exceed in-house capability, the host is also responsible for renting vehicles to supplement host requirements. Tenant activities are responsible for vehicle rental to supplement tenant requirements.

8.17.2. Personnel (other than HQ AMC teams) TDY to AMC units who require vehicle support should advise the visiting unit in advance of those requirements. If the host's in-house capability cannot support those requirements, then the visiting personnel should either (1) provide an Air Force Form 616, **Fund Cite Authorization** or (2) include vehicle rental in the TDY orders. The organization visited is not responsible for vehicle rental funding for visiting TDY personnel.

8.17.3. HQ AMC teams (other than IG) visiting active duty AMC units should notify the visited unit of their vehicle requirements. The visiting team will fund rental requirements that exceed in-house

capability. Use vehicle substitutions (e.g., pickup trucks versus staff cars) to the maximum extent possible to reduce rental costs.

8.18. Centralized Witness Funding. Funding for centralized witness travel is in accordance with AFI 65-601, Volume 1, Table 10.2, and AFI 51-201, *Administration of Military Justice*.

8.19. PCS with TDY En Route or TDY Incident to PCS. Since AMC does not have a centrally managed allotment (CMA) for AMC imposed training incident to PCS, use the following procedures to obtain the proper fund citation (O&M of TWCF) for newly assigned or gained personnel. See AFCAT 36-2223 Chapter 7 for additional details.

8.19.1. Aircrew Training. AETC no longer funds for KC-135 training courses at Altus AFB or C-130 courses at Little Rock AFB—unit funding applies. For all aircrew training, when the losing and gaining unit belong to AMC, obtain the TDY fund cite from the member's gaining unit of assignment (effective 1 Jan 98 per AFCAT 36-2223, paragraph 7.5.2.1). This is also applicable to TDY training out and back prior to departing PCS. Use the RC/CCs listed in paragraph **8.19.2.** below to relate to the PE/O-1 Line Item of the member's newly assigned organization (gaining unit).

8.19.2. Offshore En Route Maintenance Training. When an individual assigned to a non-AMC unit receives a PCS assignment to an AMC offshore maintenance unit with a TDY en route, HQ AMC/LG/DPRAT should provide, within the tasking message, the TDY fund cite of the gaining organization (for TWCF gained units) or a HQ AMC/FMB fund cite (for O&M gained units) to the servicing CBPO of the losing unit. Provide a copy of the AMC tasking message to the gaining unit and servicing FSO or DAO (Scott AFB DAO for those containing the HQ AMC fund cite). Use this copy to post obligations in the accounting system.

8.19.3. For all other aircrew training except as outlined in this chapter, the losing unit or FMA office should charge the TDY fund cite of the gaining unit by contacting the gaining unit or FMA office at the AMC base or host base where AMC is a tenant organization. Depending on the assigned organization of the gained member, use a TWCF or O&M TDY fund cite. In order to permit obligation data accumulation, use the following RC/CCs to record costs incident to TDY en route PCS.

PURPOSE	DESCRIPTION	PEC	RC/CC
For O&M:	Base Operations	41896	XX8454
For TWCF:	Aircrews/Maintenance, C-141	41118	XX2111
	Aircrews/Maintenance, C-5	41119	XX2113
	Aircrews/Maintenance, C-17	41130	XX2114
	Operations	(See Note)	XX1308
	Aerial Ports	41125	XX4220
NOTE: Use 41118 for C-141 units; 41119 for C-5 units; and 41130 for C-17 units.			

8.20. HQ AMC Inspector General (IG) Oversight Visits (EORIs, ERIs, NSIs). ***NOTE:*** The term "inspected unit" refers to units receiving both inspections and assessments.

8.20.1. HQ AMC IG Team Support.

8.20.2. TDY. HQ AMC/IG funds for TDY of its personnel accomplishing AMC oversight visits. It also funds per diem and transportation costs of those personnel from AMC and AMC-gained units who augment the AMC/IG as inspectors. AMC/IG does not fund observer personnel to oversight visits.

8.20.3. Rental of Vehicles. AMC/IG will notify the inspected unit of its home station vehicle requirements, if necessary. AMC active duty units (host/tenant) are responsible for supporting and funding this requirement out of in-house government assets or commercial rentals. For inspected Air National Guard and Air Force Reserve Command unit-equipped locations and all Forward Operating Base (FOB) locations, AMC/IG will provide both vehicle requirement and fund cite, if necessary, for AMC/IG commercial rentals to the appropriate agency. AMC/IG is authorized to deal directly with commercial rental companies using a Centrally Billed Account (CBA).

8.20.4. Lodging. AMC/IG will notify inspected unit of home station lodging requirements, if necessary. AMC/IG will use government lodging to the maximum extent possible. For commercial contract lodging requirements, use an Air Force Form 9 or Air Force Form 616, as applicable. AMC/IG may also deal directly with commercial lodging establishments using a CBA in lieu of the Air Force Form 9 or 616. AMC/IG will deal bilaterally with appropriate agencies at FOB locations.

8.20.5. Inspected Unit (AMC or AMC-Gained) Responsibilities.

8.20.5.1. TDY. The inspected unit is responsible to fund per diem and transportation of inspected unit personnel and any manning assistance or augmentation from AMC units or other MAJCOM units. This includes all unit functional areas as well as generic assistance (e.g., TALCE, MST, aerial port, etc.) that a unit may require during their EORI scenario.

8.20.5.2. Rental of Vehicles. The inspected unit is responsible for funding (if required) both its home station and deployed location vehicle requirements. Ensure maximum use of host government vehicle assets prior to rental of commercial vehicles.

8.20.5.3. Lodging. The inspected unit is responsible for funding (if required) both its home station and deployed location lodging support. Ensure maximum use of government lodging.

8.20.5.4. Miscellaneous Costs. During EORI scenarios at home station or at deployed locations, the inspected unit is responsible for all contract commercial and government purchases they incur during the course of the inspection scenario. These costs include, but not limited to subsistence, ground fuel, water, ice, portable toilets, trash removal, and dining hall support.

8.20.6. Blanket Orders. AMC/IG is authorized to use blanket travel orders for team travel until the end of each fiscal year. AMC/IG will use individual travel orders for five or fewer members after 15 September of each fiscal year.

8.21. In-Place Consecutive Overseas Tour (IPCOT). Effective 1 Oct 96 (FY97), Air Force IPCOT is funded from the MILPERS (3500) appropriation. See AFI 65-604 to construct the appropriate MILPERS fund cites, including the necessary projects or subprojects, to charge the travel costs of the military member and their command sponsored family member's round trip travel to the CONUS.

8.22. Technical Order Development TDY. Charge TDY costs for technical order development to the procurement appropriation (57*3010) when the purchase of data occurs during the production of the aircraft (see AFI 65-601, Volume 1, Chapters 4 and 14).

8.23. Dependent Student Travel. Charge the travel costs of dependent students performing their annual trip from schools in the United States to and from overseas areas to the overseas theater command (HQ PACAF or HQ USAFE) for O&M personnel. Charge the travel costs for dependents of TWCF assigned personnel to the TWCF unit of assignment. EEIC 409 applies.

8.24. Patient and Non-Medical Attendant Travel.

8.24.1. Charge TDY costs, including local travel (when government transportation is not available), of Air Force active duty members to receive medical care and their non-medical attendants to funds available to operate the referring MTF (AFI 65-601, Volume 1, Chapter 10, paragraph 10.25.2). AFI 41-101, *Obtaining Civilian Medical and Dental Care*, contains additional guidance relating to patient and non-medical attendant travel.

8.24.2. TDY funding for movement of Army, Navy, and Marine active duty members is the responsibility of the member's unit unless the following conditions apply: (1) The movement is for Army, Navy, Marine active duty members, their dependents, and medical and non-medical attendants, when assigned to Air Force installations or locations that do not have a fixed MTF or (2) movement is for an active duty member to a civilian (non-defense) hospital when the service headquarters does not authorize the required medical treatment at the installation MTF or the required medical treatment is outside the capabilities of the referring MTF. HQ USAF/SGHC annually provides, by message, the TDY fund cites for these requirements. Dependent patient and non-medical attendant associated travel and per diem expenses incurred by dependents residing with their Air Force active duty sponsor in an overseas location <u>only</u> is the responsibility of the referring medical facility or to the Air Force CMA fund cite. Charge TDY costs to the referring medical facility for an active duty member to serve as a non-medical attendant to a dependent(s) when medically evacuating the dependent(s) in CONUS from one medical facility to another medical facility and for required medical attention not available locally (JFTR, Part Q, paragraph U7550, subparagraph 5). The proper medical authority approves all non-medical attendant travel.

8.25. Transportation of Family Members of Very Seriously Ill/Injured (VSI) or Seriously Ill/Injured (SI) Active Duty Service Members or Active Duty Reserve Allowance. Reference AFI 41-114, *Military Health Services System (MHSS) Matrix*, Table 30, which provides guidance for travel of next of kin. Do not charge medical funds for this program.

8.26. Attendance of Non-Federal Government Employees at Awards Ceremonies or Dinners. Per 31 U.S.C. 1345, you may use APF to fund TDY costs of non-federal government employees to attend an awards ceremony or dinner for which they are the recipient of an award, if specific legislation exists that expressly allows for the expenditure. Additionally, under the "Purpose Law" if there is specific statutory authority to give awards to non-federal government employees and that authority allows for the "necessary" expense to honor award recipients, the TDY and related costs are payable from APF for the employee and spouse. See CompGen Decision B-235163.11 (13 Feb 96) for additional details. Funding is the responsibility of the organization hosting the awards ceremony or dinner.

8.27. Evacuation Expenses for Nonappropriated Fund (NAF) and Army and Air Force Exchange (AAFES) Employees in Contingency and Emergency Situations. When the wing commander orders an emergency evacuation, APF is authorized for evacuation travel/per diem costs of NAF/AAFES-funded employees at the same level of funding as for APF-funded employees. Justification is based upon DoDI

1400.32, *DoD Civilian Work Force Contingency and Emergency Planning Guidelines and Procedures*, in that both APF and NAF/AAFES employees are encompassed in its definition of “DoD civilian work force” for contingency and emergency procedures.

Chapter 9

TRANSPORTATION

9.1. General Information. Charge the movement of retrograde cargo offloaded at incorrect CONUS APOD to end destination to local TWCF funds. Additionally, local TWCF funds pay the costs to forward lost or misrouted passenger baggage and diverting or forwarding passengers and cargo to or from alternate on-load and off-load points, due of unforeseen mission changes directed by the TACC. Utilize available positioning TWCF aircraft, opportune airlift, etc., to the maximum extent possible to move these shipments, especially within the CONUS.

9.1.1. Excess Baggage. The unit commander or tasking official authorizes excess baggage for TDY or PCS travelers on the member's travel orders. Use EEIC 409 only, not EEIC 46330, to record these charges. If the tasking authority does not authorize excess baggage using their fund cite, the member's unit commander may authorize local unit funds on the travel orders.

9.1.2. Charge commercial packing and drayage into storage, when caused by base quarters occupancy, to EEIC 46330.

9.1.3. Counsel PCS members involved in the shipment or storage of household goods to discard all items that have outlived or should outlive their usefulness.

9.1.4. Exercise stringent control to ensure you do not obligate O&M funds in connection with reassignment to government family housing when such reassignment is permissive in nature. Consult the JFTR, Volume 1, regarding the use of O&M funds for these instances.

9.1.5. You should continue to review transportation operations for shipping trends. For repetitive shipments to a particular destination, ensure utilization of the most economical shipping methods.

9.1.6. Establish procedures to ensure that only those authorized household goods (HHG) items which are over and above the storage space capability provided in government quarters occupy commercial non-temporary storage facilities (see AFI 32-6001, *Family Housing Management*).

9.2. Channel Transportation. All second destination transportation of Air Force cargo via the TWCF carriers within the established AMC channel is the responsibility of HQ AFMC. This includes cargo shipment from and between CONUS aerial ports and overseas aerial ports, irrespective of the identity of the activity initiating the movement. Overwater transportation via the Military Sealift Command is also the responsibility of HQ AFMC. All second destination cargo transportation via the TWCF outside the channel traffic (Special Assignment Airlift) is the financial responsibility of the requesting command.

9.3. Local Drayage. AFI 32-6001 places budgetary responsibility for local drayage with the housing officer and, in some cases, the lodging officer. These funds are for the exclusive use of local drayage and non-temporary storage of household goods. Costs for local drayage are an O&M cost, chargeable to RC/CC XX8103, PE 41896.

9.4. First Destination Transportation (FDT) Funding. AFI 65-601, Volume 1, Chapter 10, paragraph 10.38, provides guidance for charging the O&M, RDT&E, or procurement appropriation that financed the acquisition item for free-on-board (FOB)-Origin or FOB-Destination charges. In cases involving the purchase of items delivered on a FOB-Destination basis, include the transportation cost as part of the pur-

chase price. For FOB-Origin basis, the MAJCOM financing the procurement of the asset with its O&M funds must also fund the first destination transportation with the same O&M type funds. TWCF units are responsible for funding any FDT requirements outside of the normal supply and transportation channels, but limited only to operational emergencies.

9.5. Dedicated Airlift. Funding for any dedicated airlift missions to preposition or deposition AMC TWCF personnel and equipment in support of service sponsored exercises or contingencies is the responsibility of the TWCF unit being moved. An example of this is the dedicated SAAM airlift of AMC TALCE personnel and their equipment to or from the Joint Readiness Training Center at Ft Polk LA, in support of exercises conducted by the Department of the Army. The AMC AMOGs are responsible for funding this requirement from their TWCF program. HQ AMC/FMB will issue monthly reimbursement to the AMOGs based upon expenses reflected in the accounting system.

9.6. Other TWCF Transportation Costs.

9.6.1. PCS Moves of TWCF Civilian Personnel. Charge the overwater transportation costs of household goods to the TWCF (gaining organization pays) if the person is gained by a TWCF organization and is filling a TWCF PE authorization, or if a TWCF PE coded employee returns to the United States (losing organization pays) for retirement or separation.

9.6.2. Overbooking of TWCF Passengers. The TWCF also pays for transportation from an AMC APOE to a commercial gateway in cases where an individual receives a port call to the APOE and an overbooking occurs on the AMC scheduled flight.

9.6.3. Lost or Misrouted Baggage. Costs to forward lost or misrouted passenger baggage on TWCF owned or controlled aircraft are a TWCF responsibility. Also included are costs to divert or forward passengers and cargo to or from alternate on-load and off-load points due to unforeseen mission changes.

9.6.4. TWCF Equipment. Charge the shipping costs of TWCF equipment and material delivered outside of normal supply and transportation channels to local TWCF funds. These cases should be limited to operational emergencies only.

9.6.5. CONUS Transportation of Intertheater Cargo Shipments. The TWCF is responsible for surface transportation costs to forward intertheater cargo shipments off-loaded at a TWCF aerial port, destined for further shipment to another theater. An example would be a shipment that originates in the airlift transportation system at a PACAF location, with a final destination at a USAFE location, off-loaded at Travis AFB awaiting further transportation to an East Coast APOE for onward shipment in the airlift transportation system to the USAFE location.

9.6.6. Please refer to AMCI 65-602, Chapter 6, paragraph 6.3.1.7.8 for policy regarding TWCF commercial transportation funding responsibilities.

9.7. Transportation of Aircraft Parts from ANG/AFRC Bases to MRTs Supporting NMC Aircraft Flying AMC Missions . The following funding policy applies:

9.7.1. The RA of the tasked AMC MRT unit will contact the ANG/AFRC base transportation office and obtain an estimated costs of transportation and will provide them with a fund cite or AF Form 616. Command ESP code CS (Charlie Sierra) will be used in the fund cite along with the appropriate transportation EEIC for cost tracking purposes.

9.7.2. If ANG/AFRC-tasked MRTs are supporting the NMC aircraft, AMC funding will be in accordance with AMC/ANG/AFRC command-established procedures (in the same manner as TDY funding is accomplished for AMC-issued MPA Man-days), utilizing command ESP Code CS (Charlie Sierra).

Chapter 10

REPROGRAPHICS AND EQUIPMENT RENTAL

10.1. General Information. In accordance with AFI 37-162, *Managing the Processes of Printing, Duplicating, and Copying*, and AMC Supplement 1, the Chief of Information Management monitors all copy producing reprographics equipment. The base IM monitors the usage of each copier, computer forms printer, microfilm equipment for micrographics production facilities, and leased duplicating or printing equipment. Charge all copiers used in organizations funded by O&M or TWCF to EEIC 59211 (Copy Service Plan) or 47312 (Non-Copy Service Plan copiers), RC/CC X01150, PE 41896 or 41898, for O&M and the CC of the applicable TWCF organization.

10.1.1. Charge costs to lease copiers in accordance with each base's Copy Service Plan to EEIC 59211. Charge MTF copiers under the Copy Service Plan to the appropriate MTF RC/CC using EEIC 59211.

10.1.2. Use EEIC 47312 to record costs for all other leased copier equipment (exclusive of data automation computer forms, printers, and equipment operated in duplicating centers or facilities).

10.1.3. Use EEIC 47313 to record costs for MSIR controlled copiers, printers, etc., (IPE related).

10.1.4. Use EEIC 47314 to record costs for all leased reprographics equipment located exclusively in duplicating centers or facilities or operated by duplicating and printing personnel.

Chapter 11

UTILITIES

11.1. General Information. The utility program comprises a large share of operating funds at all AMC bases. An intensified conservation program should remain within funding availability. The Base Civil Engineer (BCE) determines utility rate charges to tenants using guidelines established in AFI 32-1061, *Providing Utilities to US Air Force Installations*.

11.1.1. Review utility sales rates monthly to ensure they include the basic cost indicated on the current month's utility bill, plus applicable additives. Adjust rates if cost of furnishing service has changed. The BCE reviews utility sales agreements annually in accordance with AFI 32-1061. Review and consider utility consumption for the same period the previous year and consumption in the prior month when preparing current month utility estimates.

11.1.2. Utilization of the five digit EEIC shred is mandatory for both the program and actual expenses for purchased utilities. (Numerical shreds to EEIC 596 should be used to record base produced utility charges for medical facilities.)

11.1.3. For utilities payments made to contractors for energy savings realized through Energy Savings Performance Contracts (ESPC) or Demand Side Management (DSM) programs, use the 2-digit EEIC shred listed under each separate 5-digit utilities EEIC. Example: EEIC 48011 to record payment associated with the energy savings realized due to an ESPC for water.

11.2. Category Codes for TWCF Facilities. The TWCF reimburses O&M for utilities (see AFI 32-1061) consumed in TWCF designated facilities. These facilities include TWCF aerial ports, mobility aerial port functions, TWCF operations centers, maintenance facilities, squadron operation facilities, aircrew alert facility (Charleston AFB only), waste disposal and treatment facilities associated with aircraft wash racks, and apron parking and lighting, staging and storage yards, fuel hydrants, and blast deflectors for TWCF aircraft. Install utility meters according to the provisions of AFI 32-1061. Utilities include purchased or base produced gas, electricity, water, heat, and sewage disposal. IAW AFI 65-601, Volume 1, paragraph 7.17.1, the TWCF activity reimburses the providing activity for utility services as well as other "contractual" services. The word "contractual" describes the arrangement for services between the TWCF and providing authority. The definition does not apply to the method the providing activity uses to perform/provide the service (i.e., in-service or by commercial contract).

11.2.1. Medical activities budget, direct cite or reimburse for all utilities whether commercially supplied or base produced. Use EEIC 480XX to record commercially supplied utilities.

11.2.2. Pay particular attention to recording purchased utility reimbursements to the five-digit EEIC (480XX) cited on the payment of the actual utility bill. For base produced utilities, collect reimbursements to the EEIC that bore the original cost of production (i.e., 39X, 60X, 64X). Do not use EEICs 513 and 599 for O&M transactions. Use EEIC 513 for the MFH appropriation.

11.2.2.1. ***NOTE:*** The cost of cable TV is no longer a utilities expense. Record these costs to EEIC 49910. Do not use EEIC 480XX for cable TV.

11.2.3. We recommend that budget, functional area chiefs (users), and CE develop and maintain a complete list of reimbursable facilities which pay for their own utility costs. Ensure IWIMS records are consistent with this list. Review the list and reconcile with IWIMS records at least once per year,

preferably just prior to O&M and TWCF budget submissions. Pay particular attention to utility reimbursements from Nonappropriated Fund (NAF) activities.

11.2.4. AMCI 65-602, Chapter 6, Figure 6.1 provides a list of category codes for TWCF facilities, for the purpose of utility and facility maintenance reimbursements (available on the *Air Force Data Dictionary*, located on web site *http://c4server.scott.af.mil/afcdd*). Do not apply TWCF funds to facilities with category codes other than those provided. If a unit feels additional category codes should be authorized for TWCF funding responsibility, they can request a waiver/addition to the current list from HQ AMC/FMB. Ensure such a request includes a thorough explanation of the need and justification for the change.

Chapter 12

COMMAND, CONTROL, COMMUNICATIONS, AND COMPUTER SYSTEMS

12.1. General Information. A C4 system is a combination of facilities, computer equipment, software, communications equipment, transmission media, procedures, people, and other resources used for the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. This does not include embedded communications or computer systems. These systems and allied support expenses continue to be closely monitored, evaluated, and scrutinized. Particular management emphasis is necessary in this area since continuing efforts toward reductions and conservation in other areas inevitably affect communications requirements. In many instances, the savings achieved in other areas are partially offset by increased communications costs. **Figure 12.1.** below provides a review of specific communications programs.

Figure 12.1. Communications Review/Inspection Criteria.

ITEM	REVIEW/INSPECTION CRITERIA
Land Mobile Radio Replacements	Ensure land mobile radios replacements are not solely to obtain "new" equipment. Base replacements on age, reliability, any logistic supportability, or a change in mission requirements (AFI 33-106, *Managing High Frequency Radios, Land Mobile Radios, and the Military-Affiliate Radio System*).
Excessive Telephone	Determine how well commanders are controlling relocation of telephone instruments (AFI 33-111, *Telephone Systems Management*).
Control of Unofficial Telephone Calls	Evaluate commanders/information systems staff officers' programs to prevent payment of unofficial calls from Air Force funds (AFI 33-111).
Management of Communications Funds	Evaluate the management of information systems. Approve and validate all telephone special features in accordance with AFI 33-111.
Official Telephone Service in Quarters of Key Personnel	Check to see if Numbered Air Force (NAF) or higher level has approved the requested service (AFI 33-111).
Fraudulent Use of Telephone Credit Cards	Determine how well commanders/information systems staff officers are controlling credit cards to assure only mission-essential use. Ensure the base CSRB approved all issued credit cards (AFI 33-101, *Command, Control, Communications, and Computer Systems Management Guidance and Responsibilities*).

ITEM	REVIEW/INSPECTION CRITERIA
Service to SVS (NAF) Activities	When supporting the command management functions of the SVS activities, i.e., statistical data gathering and reporting and for communications with other DoD and government agencies, each SVS Category A and B facility manager will receive full communications support (i.e., class of phone, number of lines, DSN access, etc.) on a non-reimbursable basis with the approval by the local CSRB or communications commander. SVS Category C activities authorized on a non-reimbursable basis, one Class C line per facility. Provide additional lines on a reimbursable basis.
Leased Communications	Give increased visibility to costs associated with leased communications, focusing on mission impact and cost effectiveness.

12.2. Telephone Reconnection Charges. Telephone reconnection charges incurred during an official directed move from or between quarters are reimbursable, provided the move does not involve a PCS. AFI 33-111 provides specific guidance on reimbursement procedures for the costs incurred in reconnecting the same telephone because of a directed PCS move. Charge MFH operations funds (P-721) should be charged for telephone reconnection charges in family housing. Charge the O&M appropriation (EEIC 59290) for relocation in bachelor quarters.

12.2.1. The communications-computer systems staff officer should participate in the initial planning for any unit moves, rehabilitation projects, new construction, etc., that require the installation of communications services.

12.2.2. Review existing facilities on a continuing basis to ensure they meet current or revised criteria and are still in use for the originally approved purpose. Remove any communications services to facilities that are no longer required or cannot be justified.

12.2.3. Communications-computer systems approval authorities and local requirements documents should carefully scrutinize all requested changes, additions, moving, and use of C4 systems facilities.

12.3. Communications Services for Senior Officer Base Housing. SAF/FMBM memorandum dated 28 Nov 97, provides the following funding guidance:

12.3.1. AFI 33-111 authorizes official telephone service in the form of direct lines to the base switchboard or Class C phone lines in personal quarters, only for individuals in “positions requiring immediate communications response for command and control.” Do not authorize Class A telephone service that provides local off-base telephone service. However, you may fund for telephone service limited to on-base and long distance communication, given a mission essential need. The activity providing the service should keep written authorization for these communication services on file. Except for alternate worksites covered in P.L. 104-52, Title IV, Section 620, 19 Nov 95, 109, Stat 501, do not authorize appropriated funds to provide telephone service in personal quarters where there is no clearly established requirement for immediate command and control access.

12.3.2. Do not provide communications access solely on the basis of grade. Individuals authorized official telephone service in their private (on-base) residence must have a functional need for immediate command and control access. Services provided are for official use only.

12.3.3. You may use appropriated funds provide LAN services to private (on-base) residences when there is a mission need for these services. Use these LAN services in private (on-base) residences only for official business. Do not charge fiber cable installation costs to the family housing construction appropriation. See AFI 33-129, *Communications and Information, Transmission of Information Via Internet*, for additional guidance on LAN services.

12.4. Information Processing Equipment (IPE). General purpose IPE includes computer and word processing resources acquired and managed per the 33 series of Air Force instructions. AFI 65-601, Volume 1, Chapter 4, describes budgeting and funding policies for IPE, related software, and maintenance.

12.5. The Small Computer Support Office. The small computer technical center, located in the base communications squadron, may have excess software and hardware on-hand or may be able to act as a clearing house to redistribute excess software and hardware.

12.6. Definition of a Small Computer. The term small computer is generic and refers to a specific class of equipment to include associated peripherals and software. It has the capacity to execute various software programs and usually consists of at least a keyboard, disk drive, visual display device, printer, and central processing unit with random access and read-only memory. Commercial personal computers, dedicated text processors (memory typewriters and related equipment previously known as word processing equipment), intelligent workstations used for translation processing on multi-user computers, intelligent typewriters, and portable computers are all examples of small computers.

12.7. Funding Criteria. Functional users must budget and fund for standard and nonstandard small computer assets including hardware, software, maintenance, and supplies. Exceptions:

12.7.1. A small computer that is a nonstandard piece of equipment that is connected and critical to the operation of a HQ AMC/SC centrally funded and acquired system. HQ AMC/SC centrally budgets and funds the acquisition and recurring maintenance costs for these systems.

12.7.2. User Funded Requirements Documents. When a functional user has a HQ AMC/SC approved but unfunded requirements document pertaining to HQ AMC, the user may elect to provide unit funds to HQ AMC/SC.

12.7.3. Bases must prioritize their unfunded requirements each month to ensure there is a current list of unfunded requirements, ranked in order of need. Base requesters are responsible for indicating that funds are available. Requirements that need unit O&M or TWCF (97X4930.FD40) funds are a base level organization’s responsibility to fund. HQ AMC/SCXR should send a letter to the user indicating that the user's requirement has been staffed through the command's requirements documents process. As a result, the requirement was approved, but remains unfunded, since HQ AMC/SC does not have sufficient funds to apply toward the requirement. The letter would further advise that should the user desire to fund the requirement, they should first agree to fund both the acquisition and the out-year O&M tail. The user's concurrence to fund the O&M tail should result in a reduction to the base's funding from HQ AMC/FMB prior to funds distribution at the start of each fiscal year. If the user agrees to fund the requirement, they should send a message to HQ AMC/SCXR with an information copy to AMCFSS/FMBO agreeing to fund the acquisition and O&M tail for their requirement. The user should then send an Air Force Form 616 to 1500 CSGP/SMSAB, 861 South Drive 132, Scott Air Force Base IL 62225-5101, referencing their requirements document number.

12.8. Local Area Network (LAN) Funding Definition. In accordance with AFI 65-601, Volume 1, Chapter 4, paragraph 4.3.1, the LAN system or subsystem, the backbone and ancillary equipment that gives users access to the LAN, is defined as follows:

12.8.1. You must subdivide the basic LAN requirement to its lowest system form, e.g., base-wide organizational (wing, squadron, division, branch, etc.) or functional community (logistics, maintenance, civil engineering, etc.). This includes any equipment and software integral to the operation of the LAN system, to include file servers, network software, routers, and other LAN components, (e.g., line drivers, multiplexers, tape backup units, interconnecting cable, etc.), and is subject to the application of the capital budget dollar threshold of $100,000. Ensure you include the contract costs associated with the initial acquisition of a new LAN system (e.g., quality assurance, production engineering, equipment assembly, and installation) in the aggregate cost of all equipment items acquired to make the LAN system operate.

12.8.2. For ancillary equipment such as personal computers, printers, etc., where each user's primary purpose is to operate independently from the LAN, apply the expense and investment criteria to each individual user. For example, if you are adding 10 personal computers and a printer to the LAN to satisfy 10 new users, and the cost of each PC and the printer is less than $100,000, use O&M or TWCF Operating funds for the purchase of the additional PCs. However, if the aggregate cost of the multiple purchases toward a particular requirement exceeds $100,000 over a short period of time (12 months), you may have an improper project splitting violation, as discussed in the following paragraph.

12.8.3. You should cost each upgrade or modification of the LAN itself, to include file servers, network software, and other LAN components separately from the original purchase; however, the users are reminded not to fragment upgrades or modifications to an existing system to get around the dollar threshold. As a general rule, consider any upgrades or modifications to a LAN obligated within any 12-month period a part of the same original requirement and the total of those costs are subject to the expense and investment criteria. The Communications-Computer System Requirements Board needs to forecast all upgrades or modifications to each LAN for each fiscal year to ensure proper obligations. Justify and fully document exceptions to this rule, with the documentation accompanying the CSRD (Air Force Form 3215, **Communications-Computer Systems Requirements Document**) through its review cycle.

12.8.4. Purchase of repair parts or components are subject to the expense and investment criteria on a "cost per component" basis. Repair parts or components and spares should be functionally equivalent to the replaced unit of the failed component. Consider all parts purchased to replace components that are functioning but no longer logistically supportable as a modification.

12.8.5. For computer and LAN systems purchased with TWCF Capital funds, documentation requirements also include an EA. Additionally, any computer or LAN systems purchased with 3080 funds $1,000,000 or greater also require an EA.

12.9. Application Software.

12.9.1. The application of the expense and investment threshold to application software, with limited data rights or licensed to the Air Force does not apply to purchases of software that exceeds $100,000 (number of copies times the unit price). The only exception would be if a single copy of a particular commercial software package costs $100,000 or more.

12.9.2. Per AFI 65-601, Volume 1, Chapter 4, paragraph 4.3.3, establish management controls to ensure the procurement of sufficient application software to allow installation of stand-alone operation of each PC, should the network fail for an extended period of time. Install and use only the authorized number of copies of the application software throughout the network, whether in a networked mode (launched from a file server) or from the individual PC hard drives. Where the application software is loaded or stored, does not determine the funding source for the PC, only whether the PC can operate independently or is integral to the LAN operation.

12.9.2.1. If the software being purchased is exclusively for the stand-alone PCs, then O&M 3400 or TWCF Operating funds apply.

12.9.2.2. If the software being purchased cannot run independently on each PC to effectively use the software, you need to consider the aggregate cost of the systems upgrade (including the application software) and apply the expense and investment threshold accordingly.

12.9.3. The overriding rule is that stand-alone PC operation integrity determines the decision process to purchase, upgrade, or modify PCs using O&M 3400 or TWCF Operating funds. As a general practice we suggest that you prepare separate requirements documents for items integral to LAN operations and those items which are not integral to LAN operations. As long as you maintain the independent operational capability of the PC, the decision to shift application software resident on the PC to a network mode after initial procurement is a totally separate issue and is not germane in determining the appropriate funding source.

12.9.4. Loading the application software concurrently on the file server (to be downloaded) and on the PC's hard drive (as backup) typically causes operational problems with initialization files, so switching back and forth on a routine basis is not recommended.

12.9.5. Retain applications software disks at a centralized location in each work area for control and accountability, or each LAN manager could produce a site or concurrent license (right to copy), allowing multiple implementations from a single set of master disks. This ensures the capability for stand-alone PC operation in the event of a LAN failure.

12.10. Software Development Contracts.

12.10.1. When an acquiring activity pays a contractor for software development services, the amount is not subject to the investment threshold. O&M 3400 funds are applicable. See AFI 65-601, Volume 1, Chapter 4, paragraph 4.4.3.1.

12.10.2. TWCF requirements are the exception to this Air Force policy. Apply the expense and investment threshold to any software development $100,000 or greater. Budget and fund with TWCF Capital, as directed by USTRANSCOM. See AMCI 65-602, Chapter 8, paragraph 8.4.3.

12.11. Software Purchased With Unlimited Data Rights. Per AFI 65-601, Volume 1, Chapter 4, paragraph 4.4.3.1, any acquired software not purchased through a development or services contract for which the Air Force has unlimited data rights (i.e., the Air Force actually owns the software and is free to use, distribute, duplicate, and dispose of without restriction from its publisher or developer) is not subject to the expense and investment threshold. O&M 3400 or TWCF Operating funds apply, assuming that each software copy is less that $100,000.

12.12. Tracking ADPE Related Expenses. Use EEIC 568 to track base level O&M and TWCF costs for maintenance of ADPE equipment unless directed to use a 2-digit shred. All HQ AMC centrally managed and funded ADPE maintenance costs are identifiable to specific 2-digit EEIC shreds. **Figure 12.2.** indicates where to record base level TWCF ADPE costs.

Figure 12.2. RC/CC Coding of Base-Level TWCF ADPE Expenses.

FUNCTION		RC/CC	PEC
Operations		X1112X (see note)	(see note)
Maintenance		X3112X (see note)	(see note)
Aerial Ports/Mobility Aerial Ports		X14235	41125
Group		X0112X (see note)	(see note)
NOTE:	C-141 - last digit of RC/CC should be “1”		PE 41118
	C-5 - last digit of RC/CC should be “3”		PE 41119
	Group - last digit of RC/CC should be “0”		PE 41122
	C-17 - last digit of RC/CC should be “4”		PE 41130
	Use applicable code in the 1st position of RC/CC		

12.12.1. The base CSO has ultimate responsibility to determine the applicable maintenance concept based on cost effectiveness, frequency of repair, availability of local repair vendors, number of small computers installed, etc. Contract maintenance of small computers belonging to a tenant is the funding responsibility of the tenant when the host does not have the in-house maintenance capability. The exception is for host base support tenants.

12.12.2. Use EEIC 637 to identify base procurement of non-SMAG IPE expense hardware component and unmodified off-the-shelf software.

Chapter 13

PRINTING AND REPRODUCTION

13.1. General Information. AMC PPLAN 97-10, *Transfer of Air Force Printing, Duplicating, and Copying*, transferred funding and oversight for printing and reproduction services. HQ AMC/FMB distributes all O&M 3400 printing funds to the bases in PE 41895, BA 02. We suggest that each wing further decentralize printing and copying funds within BA 02 to the group level, as a minimum.

13.1.1. Each base will establish a printing control official (PCO) to perform funds management, to include budgeting for printing and copier requirements to ensure funding documents are provided to the Defense Automated Printing Service (DAPS) to support monthly execution of printing and copying production.

13.1.2. Procure all reproduction requests that exceed AMC operated Consolidated Duplicating Center (CDC) in-house capabilities through DAPS. OPRs at bases where printing facilities are consolidated under DMRD 998, obtain all printing and duplicating services from DAPS.

13.1.3. DAPS will only accept the International Merchants Purchase and Authorization Card (IMPAC) for base-wide printing services. The single line purchase limitation for the DAPS Purchase Card is $100,000. For copying contract support, we recommend using the DD Form 448, Military Interdepartmental Purchase Request (MIPR) if the use of the IMPAC for this service is not feasible or available. Chapter 20 of this instruction contains further discussion on the use of the IMPAC.

13.1.4. Request multicolor printing only when it is essential. Do not use multicolor printing for decorative effect, to compensate for poor layout and design, or when one color of ink on another color of paper, with or without screen tints, is enough. Multicolor printing requires host base IM/MSI approval, with few exceptions.

13.1.5. Fund the printing of base telephone directories in EEIC 50114, PE 41896, and RC/CC XX11XX.

13.1.6. For TWCF, your budget should include requirements for wing decals for TWCF aircraft, drop zone photos, forms used in direct support of airlift, etc., and in the O&M Fin Plan for O&M funded aircraft. Fund all other printing requirements, such as publications, overprinting of certificates, safety posters, letterhead stationery, staff directories, EEO posters, etc., from your O&M 3400 funds.

13.2. Personalized Stationery, Calling and Greeting Cards. AFI 65-601, Volume 1, Chapter 4, Section O, prohibits using APF for printing names of officers or other officials on stationery, memorandums, or notes. Likewise, the printing of calling or greeting cards is a personal expense. There are a few authorized exceptions, as listed below.

13.2.1. The Air Force Recruiting Service approves all orders for professional military recruiter cards. HQ AETC/IMR obtains the cards from the Government Printing Office (GPO).

13.2.2. HQ USAF/IMR is responsible for funding cards for the Air Force Academy Liaison Officers.

13.2.3. You may print business cards from your office personal computer (PC), using existing software and agency-purchased stock, for use in connection with official activities when the exchange of cards would facilitate mission-related business communications or you may purchase them from the Lighthouse for the Blind, Inc., if the costs are equal to or less than producing them on your office PC. This does not include the extension of social or business courtesies. Air Force policy still applies in

paragraphs **13.2.1..** and **13.2.2.** above, with regard to commercially printed business cards, including DAPS. OSD (DA&M) guidance requires a general officer or SES civilian approval, in writing, prior to the purchase (or printing) of these business cards. For AMC bases, the wing commander (whether currently a general officer or general officer selectee) would be the approving authority; for tenant units, geographically separated units, field detachments, or HQ AMC directorates without a general officer/SES civilian, the commanding officer or director would be the approving authority. Do not use APF or TWCF funds to procure commercially printed business cards for any personal reason (no exceptions), and do not use APF or TWCF funds to purchase them for mission-related business communications, other than from the Lighthouse for the Blind, Inc.

13.3. Printing of Invitations and Programs.

13.3.1. Per AFI 65-601, Volume 1, Chapter 4, paragraphs 4.27.1. and 4.27.2., the use of APF to procure commercially-printed (including DAPS) invitations and programs relating to certain traditional ceremonies is authorized but limited to groundbreaking and dedication ceremonies for new facilities and Armed Forces change-of-command ceremonies. 56 CompGen 81 (1976) and CompGen Decision B-211700, 16 Mar 84, have determined these types of invitations/programs are not personal in nature. Additionally, APF is now authorized to commercially print invitations for official graduation ceremonies at Air Force schools and academies, as long as they are not "by name" specific invitations for an individual who may be graduating. (SAF/FMBM is incorporating this addition into the new AFI 65-601, Volume 1, currently in draft.) Do not charge the cost of commercially printed (to include DAPS) invitations or programs for individual retirement or award ceremonies to unit APF or TWCF funds.

13.3.2. Paragraph **13.2.3.** above is also applicable to the printing of invitations and programs for retirement or award ceremonies, using existing software and agency-purchased paper stock.

13.3.3. There may be other similar instances that authorize unit funds to print invitations. However, the purpose or "mission" of the event for the required invitation or program is the basis of the ceremony and not the individual. The precise scope of the "traditional ceremony" concept has never been fully defined in appropriation law. If you have any doubts concerning the use of unit funds for a particular invitation requirement, please obtain a legal opinion from your local JAG before authorizing the funds.

13.4. Nametags Worn by Civilian Employees. A Comptroller General decision (69 Comp Gen 82 (1989)) declared that "name tags" to be worn on the person are not the same as business cards and may be provided from APF, or unit funds. Name tags are more closely analogous to government identification cards, and are not a personal expense.

Chapter 14

REAL PROPERTY MAINTENANCE BY CONTRACT (RPMC)

14.1. General Information. Initial distribution of O&M, TWCF, and MFH funds excludes RPMC (EEIC 52X) and A-E (EEIC 532) funding. HQ AMC/FMB, at the discretion of HQ AMC/CER, will issue all RPMC and A-E funding (obligation or expense authority) on a project specific basis, as follows:

14.1.1. Based upon notification of an acceptable low bid through CE channels, the appropriate HQ AMC/FMB division should notify field units by telephone to CONUS bases and by message to overseas bases when issuing RPMC funds. This notification should specify the project number, EEIC, PE, and dollar amount for each project. It should also identify the date and Operating Budget Authority Document (OBAD) number. We will round upward issued funds to the nearest hundred dollars (i.e., $25,200 issued for an approved low bid of $25,129).

14.1.2. Do not reprogram funds out of RPMC, or between projects, without HQ AMC/CER/FMB approval. The base CER, FMA, and LGC should submit coordinated requests for RPMC funding/reprogramming to HQ AMC/CER.

14.1.3. For demolition and disposal of Air Force real property, use PE 41893 and RC/CC XX4448 to establish targets and record obligations for real property demolition and disposal.

14.2. RPMC Change Orders. Funding procedures for RPMC change orders vary based on the funds source. HQ AMC/CER/FMB memorandum, 28 Oct 98, *Procedures for Request Funding of Facility Project Change Orders – FY99*, outlines the applicable procedures.

14.3. Emergency Facility and Storm Damage Funding. HQ AMC/CE memorandum, 12 Nov 98, *Emergency Facility and Storm Damage Policy*, outlines the command's policy and procedures for funding requirements incurred due to emergency condition or storm damage. Following the outlined procedures will expedite reimbursement of such costs.

14.4. TWCF Facilities.

14.4.1. Maintenance and repair (MR) and minor construction (MC) alterations of TWCF funded facilities, within budgetary limitations, are chargeable to the TWCF whether performed by contract or by the BCE. You should determine all reimbursement for work performed by the BCE on actual direct costs of civilian labor and materials used. TWCF qualifying facilities include TWCF aerial ports, TWCF operation centers, maintenance facilities, squadron operation facilities, aircrew alert facilities (Charleston AFB only), waste disposal and treatment facilities associated with wash racks and apron parking and lighting, staging and storage yards, fuel hydrants, and blast deflectors for TWCF aircraft. See AMCI 65-602, Figure 6.1. for a listing of TWCF eligible facility category codes.

14.4.2. Process all reimbursements for BCE in-house work output, schedule of reimbursements and refunds, produced from the IWIMS. Obtain supplies and materials for self-help projects from the CE squadron. Reflect these costs on the schedule of reimbursements and refunds and reimburse accordingly. In those instances where a TWCF activity shares a facility with an O&M 3400 or other fund source, use the following guidance for funding determination of in-house **or** direct cite work:

14.4.2.1. If the work solely benefits the designated TWCF area, use TWCF funds.

14.4.2.2. If the TWCF activity occupies a significant majority (90 percent or more) of a facility and the work is not specifically for the O&M 3400 or other fund source user activity/area, use TWCF funds.

14.4.2.3. If a TWCF activity occupies less than 10 percent of a joint use (TWCF and O&M units) facility, O&M 3400 funds (or other applicable fund source) will pay for the work unless it is specifically in support of the TWCF area.

14.4.2.4. If a TWCF activity occupies 10 percent to 90 percent of a joint use (TWCF and O&M units) facility, the cost of a mutually beneficial project is prorated based on a factor such as the ratio of floor space or number of personnel assigned, whichever is most appropriate in relation to the service provided. This does not change the definition of TWCF category code qualifying facilities listed in AMCI 65-602, Chapter 6, Figure 6.1.

14.4.3. Funding for Carpet Installation, Replacement, or Repair in TWCF Facilities. Reference AMCI 65-602, Chapter 6, paragraph 6.3.1.7.13. The following conveys the various methods in which the BCE funds for the installation, replacement, and repair of wall-to-wall carpet or carpet tile in TWCF designated facilities.

14.4.3.1. When furnishing government material, but a service contractor provides the installation, fund the materials with TWCF MR in-house funds, BPAC 3XX, EEIC 527, and fund the installation from TWCF Operating funds, BPAC 101, EEIC 533, to include the appropriate 2-digit shred.

14.4.3.2. When using in-house or self-help labor to accomplish the repair or replacement, to include materials, source all funded costs from TWCF MR in-house funds, BPAC 3XX, EEIC 527.

14.4.3.3. When repairing or replacing carpet as part of an MR project accomplished by contract, fund all costs with TWCF MR funds, BPAC 3XX, EEIC 522.

14.4.3.4. When installing carpet as part of a MC project, accomplished with in-house or self help labor, with funded costs of $100,000 or more, use TWCF MC in-house funds, BPAC 21X, EEIC 528. When funded costs are less than $100,000, fund for the project with TWCF MR in-house funds, BPAC 3XX, EEIC 527.

14.4.3.5. When installing carpet as part of a MC project by contract, with funded costs of $100,000 or more, use TWCF MC funds, BPAC 21X, EEIC 529. When funded costs are less than $100,000, use TWCF MR funds, BPAC 3XX, EEIC 529.

14.4.4. Fund installed carpet for a TWCF organization housed in a facility that does not qualify for TWCF-funded MR from local O&M 3400 funds. The BCE approves all installed carpet, regardless of funding source.

14.5. AMC Tenant Funding Procedure. For MC projects designed and approved for contract with a funded cost over $2,000 in support of an AMC unit on a non-AMC base, the host BCE should submit a request for funds to HQ AMC/CER. Request should identify the Operating Budget Account Number (OBAN) of the tenant unit. Procedures in paragraph **14.1.1.** above are applicable. Architect-Engineering (A-E) design services (except for TWCF projects) are support functions and the host is responsible for budgeting and funding support functions common to all tenant organizations to the extent the tenant is not self-supporting. The only exception to this general rule is contract services for off-base tenant units when the host does not have the organic capability to provide the support.

14.6. Funding for Tenant Anti-Terrorism/Force Protection Measures at Host AMC Bases.

14.6.1. In a HQ USAF/ILE memorandum dated 5 Feb 99 (*Force Protection Measures-Class of Work*), all force protection facility requirements are classified as repair projects, even if they are outside the footprint of the facility. Generally, the host is responsible for maintenance and repair of all base facilities, including those occupied by tenants. This is due to maintenance and repair being associated with actual care of the facility. ***EXCEPTION:*** Force protection is classified as a repair project if the project is for a particular facility. A force protection project protecting multiple facilities must be classified as minor construction (i.e., base perimeter fence).

14.6.2. The host is responsible to fund all force protection facility projects related to protection of the general population of the base and the base facilities. Per AFI 32-1032, *Planning and Programming Real Property Maintenance Projects*, Chapter 6, paragraph 6.2.3.3, the tenant is responsible for funding of any force protection measures unique to the operation of the tenant over and above what is provided to the general base population.

Chapter 15

OTHER CIVIL ENGINEERING (CE) SERVICES

15.1. Custodial Services.

15.1.1. AFI 38-203, *Commercial Activities Program*, Chapter 1, provides for the use of contract custodial services. HQ AMC funds custodial services at a level necessary to support AMC established standards. Units must fund those services above the AMC standard with local funds.

15.1.2. Contract custodial services and refuse collection for TWCF facilities are allowable charges to the TWCF.

15.1.3. Use the applicable five digit 531 or 533 EEIC shred to program, obligate, or expense custodial services and refuse collection.

15.1.4. NAF employees may perform custodial and bed making services in VAQs.

15.2. Architect-Engineering (A-E) Design Services. These services are O&M, TWCF, or MFH funded. Contract and in-house A-E Design Services are common support functions and the host is responsible for budgeting and funding support functions common to all tenant organizations to the extent the tenant is not self-supporting. The only exception to this general rule is contract services for off-base tenant units when the host does not have the organic capability to provide the support. Submit requirements where AMC is the host to HQ AMC/CER. Do not reprogram funds out of A-E services without HQ AMC/CER/FMB approval.

15.2.1. A-E Design Costs Supporting TWCF MC Projects. Fund these costs from the TWCF Capital Budget, BPAC 210XX, for MC projects (excluding the A-E design) of $100 thousand or greater. Exclude A-E design costs for MC capital projects from the project cost determination to comply with the $500 thousand statutory ceiling. However, capitalize the A-E design cost as part of the MC Capital project in accordance with OUSD(C) policy. Fund A-E design costs associated with MC projects under $100 thousand and MR projects, regardless of the dollar amount, from the TWCF Operating Budget, BPAC 101.

15.3. Trash, Waste, and Recycling Program. Congress established recent changes to provide increased incentives for bases to establish and operate recycling programs. DFAS-DER 7010.2, *Commercial Transactions at Base Level*, paragraph 29-29, contains the specifics that cover the operation of this program.

15.4. Other CE Services.

15.4.1. Fund all contracted CE services for TWCF assigned facilities from TWCF Operating funds, BPAC 101, EEIC 531XX or 533XX.

15.4.2. Record TWCF and O&M contracts for solid waste and disposal services to EEIC 53330. Collect applicable reimbursements for these services to the EEIC that bore the original cost (i.e., EEICs 39X, 60X, etc., for in-house services).

15.4.3. Cleaning of family housing units is a proper charge to MFH, Fund Code 83, P722.

15.4.4. The BCE is responsible for the cleaning of all permanently installed carpet, when authorized with O&M 3400 funds. If contractual carpet cleaning is not part of the custodial contract, use O&M

funds, EEIC 53190. For contractual carpet cleaning of TWCF facilities, use TWCF funds, EEIC 53110 (not 53190).

15.5. Federal Facility Compliance Guidance (FFCG).

15.5.1. Provisions of the FFCG signed into law 6 October 1992 are as follows:

15.5.1.1. Does not hold federal employees personally liable for penalties if acting within the scope of their employment.

15.5.1.2. Waives sovereign immunity for civil fines and penalties.

15.5.1.3. Allows environmental regulatory agencies to impose civil penalties for violations of federal, state, or local solid and hazardous waste laws.

15.5.2. For accounting purposes, record payments for any fines or penalties to PE XXX56F, EEICs 68410, 68420, 68440, and 68450 of the appropriation that bears responsibility (tenant support agreement) at the affected installation.

15.6. Hazardous Materials (HAZMAT) Spill.

15.6.1. A tenant unit on an AMC base that is found to be responsible for a hazardous material spill will fund all clean-up costs within their local resources. Establish a locally assigned ESP code to collect costs incurred and submitted to HQ AMC/CER/CEV for validation and reimbursement based on funding availability.

15.6.2. The tenant organization generating the spill pays the direct costs of response to spill incidents, such as expenses for supplies and equipment, equipment rental, site restoration, and contracts for spill response services. These costs must comply with support categories identified in DoDI 4000.19 (for interservice and interagency tenant support) and AFI 65-601, Volume 1, Chapter 7, Figure 7.1 and paragraph 7.5 (intraservice (Air Force to Air Force) tenant support). As a general rule, HAZMAT spills constitute a service over and above standard host-tenant support.

Chapter 16

EDUCATION AND TRAINING

16.1. Military Personnel.

16.1.1. Military Tuition Assistance (TA). HQ AMC/FMB issues funds to each base for the TA program in PE 89732.

16.1.2. AMC Job-Related Short Course Education. Use unit O&M or TWCF funds, EEIC 55311, for cost of tuition, registration fees, and other contractual costs of job related courses covered by AFCAT 36-2223, paragraph 1.30. Use the RC/CC of the individual's unit of assignment. Charge the associated TDY costs to the RC/CC of the individual's unit of assignment. Local management of the programs rests with the Education Services Officer.

16.1.3. ROTC Summer Encampments. Support provided to ROTC summer encampment (i.e., secretarial assistance, additional cooks, janitorial services, laundry and dry cleaning services, communications, supplies, etc.) is properly chargeable to PE 84723.

16.2. Civilian Personnel.

16.2.1. Locally Funded Training. HQ USAF/DPC manages this program Air Force-wide using Operating Agency Code (OAC) 57, PE 88751 funds. The OPR at HQ AMC for monitoring civilian training funds and the liaison between AMC units and HQ USAir Force/DPC is Civilian Personnel (DPC). The 11 SW/FMB issues funding documents to each Air Force base using OAC 57 funds. The funding documents provide OAC 57 funds for the requirements of all Air Force tenants. The servicing Civilian Personnel Office (CPO) has the responsibility of managing these funds. AMC units located on a non-AMC installation need to complete and return any training requirement survey letters to the host CPO for inclusion in the installations training plan.

16.2.2. TWCF Civilian Personnel. Personnel coded to TWCF PEs should use the RC/CC of the individual's unit of assignment and local TWCF funds to cover the cost of civilian training requirements. Use EEIC 55312 to document costs.

Chapter 17

CONTRACT MAINTENANCE OF EQUIPMENT

17.1. General Information. Your approved funding program provides sufficient funds to support an acceptable level of maintenance for assigned equipment. You should, however, use in-house resources and self-help programs for equipment maintenance to the maximum extent possible. Utilize preventive maintenance, daily care, and upkeep of equipment as methods of minimizing your contract requirements.

17.1.1. Effective management of services performed by contract requires the involvement of each equipment custodian, CCM, RA, as well as the DAO, comptroller, and contracting officer. A coordinated effort produces responsive commercial maintenance in an economic fashion.

17.1.2. The equipment custodian, through the RA, is responsible for submitting budget requirements for preventive maintenance of all office machines as generally defined in Table of Allowance 46A-1-1. Consolidate, cost, and present all requirements for preventive maintenance to the FWG for inclusion in applicable operating budgets.

17.1.3. Each RCM or designated central manager should budget for non-preventive maintenance and preventive maintenance of all other assigned equipment.

17.1.4. O&M Requirements. Once the FMB approves a preventive maintenance contract funding level, submit a consolidated request for repair of electric typewriters on one Air Force Form 9 to the base contracting office on a yearly basis. Use RC/CC XX8461 to accumulate all O&M costs. An effectively managed program can only be the result of a total team effort. Identify your requirements properly and, more importantly, determine the most efficient, economic funding process. All Air Force Form 9s for equipment maintenance other than typewriters is the responsibility of the equipment custodian or work center.

17.1.5. TWCF Requirements. Use **Figure 17.1.** below to record preventive maintenance costs associated with office machines.

Figure 17.1. RC/CC Coding of Base-Level Office Machine Expenses.

FUNCTION	RC/CC/FUNCTIONAL CAT		PEC
Operations	X1112X	01 (see note)	(see note)
Maintenance	X3112X	03 (see note)	(see note)
Aerial Ports	X14235	08	41125
Group	X0112X	01 (see note)	(see note)
NOTE: C-141	last digit of RC/CC will be 1		PE 41118
C-5	last digit of RC/CC will be 3		PE 41119
C-17	last digit of RC/CC will be 4		PE 41130
Group	last digit of RC/CC will be 0		PE 41122

17.2. Funding Approval. Upon approval of non-preventive maintenance and preventive maintenance of all other equipment programs by the FMA, each RCM should be responsible for initiating applicable Air Force Form 9. Use the CC identifying the functional areas (or central manager) owning the equipment.

17.3. Preventive Maintenance Agreement (PMA) Determinations. The FMA office will annually review each PMA to determine the cost effectiveness of the agreement. The RA will provide all necessary information, such as number of repair calls in the previous contract period, cost of previous contract, etc. The PMA determination will allow each commander to make better decisions concerning whether the cost of the PMA is worth the service received.

Chapter 18

OTHER CONTRACTUAL SERVICES

18.1. ALFA Standby Force Aircrews. Lodging fees of ALFA (status title for alert aircrews who must respond to mission departure within one hour) standby force aircrews residing in VOQ or VAQ type quarters are reimbursable to the base lodging fund for services provided. You should charge these costs to the unit(s) of the ALFA aircrews (i.e., TWCF or O&M, as applicable).

18.2. Laundry and Dry Cleaning.

18.2.1. Laundry and dry cleaning service items used in TWCF aircraft are properly chargeable to the TWCF. Organization laundry and dry cleaning are also chargeable to the TWCF. Use EEIC 59250 for budgeting and funding laundry and dry cleaning costs from non-WCF (or non-Industrial Fund) laundries.

18.2.2. Use appropriated funds (APF) to clean linens and expendable items purchased with APF, or linens and expendable items authorized APF but purchased with NAF funds. Use NAF funds to clean other linens and items authorized and purchased with NAF (AFI 34-901, *Laundry, Dry Cleaning, and Linen Exchange*).

18.3. Alternative Health Medical Care Program. In accordance with AFI 41-101, *Obtaining Civilian Medical and Dental Care*, CONUS Military Medical Treatment Facilities (MTF) commanders should ensure health care services are available to eligible beneficiaries from the most appropriate source of care with respect to quality, accessibility, readiness sustainability, and economy. To ensure the cost reasonableness of alternative care purchased by a CONUS MTF retaining patient medical management, medical facility commanders should, when it is feasible and more advantageous to the government, do the following:

18.3.1. First, consider resource sharing (including interservice and Veterans Administration (VA) sharing agreements or aeromedical evacuation to another MTF) in CONUS areas where other federal facilities exist and reasonably accessible, and within TRICARE Access Standards unless explicitly waived by the patient. In all patient referrals to VA Medical Facilities, the MTF reimburses the VA via a SF Form 1080, **Voucher for Transfers between Appropriation and/or Funds**. The local MTF reimburses the VA as described below:

18.3.1.1. DoD VA Memorandum of Understanding (MOU). Patients treated by a VA facility under the current VA and DoD MOU when the Air Force refers active duty, dependents, or retiree patients.

18.3.1.2. Sharing Agreement. Patients referred to a VA facility, when a local sharing agreement is in effect that stipulates reimbursement arrangements for specific types of care.

18.3.1.3. DD Form 2161, **Referral for Civilian Medical Care**. Air Force MTF patients are frequently referred to a VA MTF for supplemental services or specific care. Use Air Force Form 676, **Authorization for Alternative Health Services**, in addition to the DD Form 2161, but the DD Form 2161 should accompany the patient.)

18.3.1.4. Record all VA charges for regular referrals and those under VA sharing agreements using EEIC 57XMV and charge back to the referring clinic.

18.3.2. Where possible, pursue Resource Sharing Agreements (RSA) arrangements, or when cost-effective and feasible, professional service contracts for services purchased frequently from the civilian sector.

18.3.3. Finally, where accessibility and economy preclude the first two alternatives, obtain necessary supplemental and cooperative care services from other civilian providers when the VA alternative is not available. Before any supplemental or cooperative care services are payable, evaluate all billings for CONUS provided civilian medical care to eligible beneficiaries retained for medical management by the MTF. This ensures DoD activities do not pay excessive charges for medical services purchased from civilian sources and verifies the rendering of services. Use the prevailing fee schedule (total charge, to include government and patient cost shares) provided by the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) along with the Current Procedure Terminology (CPT) codes as guides to reasonably price the services in all CONUS catchment areas. CHAMPUS should periodically provide updated fee schedules to all MTFs. Procurement of the CPT codebooks is the responsibility of each MTF using Office of the Assistant Secretary of Defense (OASD) (HA) funds provided by HQ AMC. Use the following EEICs and PEs to account for care obtained from civilian sources:

18.3.3.1. EEIC 571, Contract Health Care Services. For information on obtaining contract services, consult the base contracting office, the Defense Acquisition Regulation (DAR) 22-100, and the Air Force DAR supplement. Obtaining contract services for health care requires HQ AMC/SG approval.

18.3.3.2. EEIC 572, Supplemental Health Care Services. This EEIC identifies a non-CHAMPUS eligible patient during a specific episode of disease or injury. Records maintained by the medical facility should include the cost per procedure, source of care, and type of care (i.e., laboratory services, consultation for specific specialty, diagnostic radiology, etc.), and number of referrals to each source of care. AFI 41-101 requires this data to periodically conduct cost comparisons.

18.3.3.3. EEIC 573, Cooperative Health Care Services. This EEIC identifies a CHAMPUS eligible patient during a specific episode of care. MTFs should use SF Form 1034, **Public Voucher for Purchases and Services Other Than Personal**, to process payments and also maintain the same cost information required in above paragraph **18.3.3.2.**

18.3.3.4. EEIC 574, Other Miscellaneous Health Care Services. This EEIC identifies costs for the purchase of health services not directly involving the patient.

18.3.3.5. PE 87713, Health Care in Non-Defense Facilities, EEIC 572, (civilian health care for active duty members when required care is beyond the capability of the MTF who makes the referral). This is applicable even if the patient is given only first aid or medical advice before referral. Even though the MTF disengages the active duty member from treatment in the MTF, the MTF pays for the civilian care, recording the expenses in this PE. When an MTF releases medical management of an Army, Navy, or Marine Corps active duty patient, the referring MTF pays the resulting civilian health care costs. ***EXCEPTION:*** The member's service is responsible for the related bills when the referring MTF cannot provide the required medical health care services.

18.4. Contract Conversions. Any functional area may perform, at various times, a comparative cost analysis in accordance with OMB Circular A-76, *Performance of Commercial Activities*. In cases where these analyses indicate contract services will result in a lower overall cost to the government, HQ AMC/

FMB will adjust the civilian pay, supplies, and equipment programs to accommodate funding these services by contract. We will base on the number of positions made surplus by accomplishing the work by contract.

18.5. Classrooms for Religious Activities. Charge all contractual costs associated with the use of classrooms for religious activities to PE 41896, EEIC 5929D.

18.6. Meal Surcharges.

18.6.1. Deposit all base dining facility (contractor operated) meal surcharge collections to the base O&M appropriation (sales code C93B). Deposit all medical dining facilities (contractor operated) meal surcharge collections to the base medical service O&M appropriation (sales code C93A). EEIC 59290 (not 5929M) applies.

18.6.2. For non-contractor operated military dining facilities, collect the meal surcharges into financing appropriation's (O&M for base dining halls and Defense Health Program O&M for medical dining halls) and MPA accounts, based on the percentage of the local dining hall's military and civilian manpower authorizations. For base O&M use sales code C93B and EEIC 59290 and DHP O&M use sales code C93A, EEIC 59290. For MPA use project code 562 and sales code C93B.

18.7. Department of Defense (DoD) Observances. The Office of the Deputy Assistant Secretary of Defense for Equal Opportunity, in conjunction with the DoD General Counsel, authorized the use of APF for the procurement of scholarly lectures, ethnic historical exhibits, art exhibits, displays, and musical groups associated with racial, ethnic, or women observances. These activities should contribute to the welfare of our military and civilian personnel by adding insight, meaning, and understanding to the observances themselves. You should provide funding during any fiscal year within the constraints of your budget. ***NOTE:*** HQ USAF determined this guidance is within the intent of Comptroller General Decision No. B-191737.

18.8. Honorariums. Per AFI 65-601, Volume 1, Chapter 4, paragraph 4.9, when contracting for these non-personal services, you must adhere to Section 22 of the DAR (Section 37 of the FAR). The installation commander (normally the base commander) approves honorariums for $500 or less. The AMC Command Section should approve honorariums greater than $500 up to $1,000. If an honorarium is over $1,000, HQ USAF/CVA is the approval authority. Commanders must not pay excessive honorariums; therefore, we expect to process few, if any, honorariums for the AMC Command Section or higher. You may use the Purchase Card to procure approved honorariums, where accepted.

18.9. Awards and Trophies.

18.9.1. Use TWCF or APF, as appropriate, for non-cash awards (trophies, plaques, certificates, coins, and similar items) associated with formal mission accomplishment awards for military and civilian personnel (AFI 36-2805, *Special Trophies and Awards*, and AFI 65-601, Volume 1, Chapter 10, section L) as well as informal on-the-spot mission accomplishment award recognition, as authorized by local supplements of AFI 36-XXXX series instructions. Examples include Airman or NCO of the Quarter, Safety, Fire Prevention, Utility Conservation, etc. Merchandise items such as engraved coffee cups, belt buckles, coins, jackets, with a nominal cost (as setermined by the local commander's discretion) presented in lieu of a trophy, which display the organizational decal and recipient's name and accomplishment printed thereon are consistent with AFI 65-601, Volume 1, Chapter 4, Section L.

18.9.1.1. For coins and medallions, do not have the name of the presenter stamped thereon, as it creates "frozen stock" (waste) when personnel change and requires an additional expenditure to change the die from which the coins or medallions are cast. The prohibition against personalizing stationery in AFI 37-162, Chapter 1, paragraph 1.40, is also applicable to coins and medallions given out for awards.

18.9.1.2. Do not use unit funds to engrave the name of the presenter on the coin or medallion, as it is considered a personal expense for this type of an informal award.

18.9.2. AFI 36-1001, *Managing the Civilian Performance Program*, provides guidance concerning civilian employee cash awards for performance, sustained superior performance, quality step increases, etc. Award nominees, by virtue of their nominations, cannot receive APF funded awards or trophies.

18.9.3. Retirements, PCS departures, or similar events are not considered as acts of mission accomplishment and therefore not eligible for APF support. ***NOTE:*** In accordance with the FY99 Authorizations Act (P.L. 105-261), military service departments shall now present a U.S. flag to active duty military members upon retirement unless the individual was previously presented a flag under 10 U.S.C. 8681, Section 3681 or 6141 or 14 U.S.C. Section 516. Display boxes for retirement flags are not authorized APF funding. Unit funding applies (TWCF or O&M). This change does not apply to federal service civilian retirees.

18.9.4. Sports competitions can use APF to purchase trophies and similar devices for presentation to winners of intramural sports and athletic competitions. The purchase of T-shirts for this purpose in lieu of trophies or plaques is allowable as long as it meets the criteria in paragraph **18.9.1.** above. You may not authorize any other shirt and issue only one T-shirt per winner. Present awarded T-shirts in lieu of and not in combination with trophies, plaques, or any other type of award.

18.9.5. Incentive and Award Programs at Physical Fitness Centers. In accordance with an ASD/FMP 25 Jan 99 policy memorandum which outlines "core standards" for the DoD physical fitness program, the use of APF (FC 30 only) to purchase low-cost incentive items (T-shirts, ball caps, water bottles, etc., not to exceed $10 dollars per item) is authorized to encourage participants to complete specified and published exercise regimens at Air Force physical fitness centers. Do not provide cash as an incentive item. Also, do not purchase coins or medallions for these types of incentives with APF due to the high cost of a die.

18.9.6. Awards other than the above may use NAF in accordance with AFI 65-106, *Appropriated Fund Support of Morale, Welfare and Recreation and Nonappropriated Fund*.

18.10. Payments Received From the Sale and Lease of DoD Real Property.

18.10.1. In accordance with DFAS-DE/ANA guidance, credit all proceeds from the disposal of excess Air Force real property (other than BRAC) and from leasing of non-excess real property, to the special fund accounts established pursuant to Sections 2805 and 2806 of the National Defense Authorization Act for FY91 (Public Law 101-510). These accounts are 975188.57, Disposal of DoD Real Property, and 975189.57, Lease of DoD Real Property. Do not credit any of these collections to miscellaneous receipts.

18.10.2. Under the law, do not distribute amounts credited to these two accounts to the bases that generated the proceeds of the sale or lease until an Appropriation Act specifically makes them available for expenditure and DoD allocates the amounts collected back to the Air Force, as follows:

18.10.2.1. Apply fifty (50) percent for the facility maintenance and repair or environmental restoration at the installation where the property is located.

18.10.2.2. Apply fifty (50) percent for facility maintenance and repair and for environmental restoration by the Military Department concerned.

18.10.2.3. Credit payments for utilities and services furnished for lessees pursuant to leases entered into under 10 U.S.C. 2667 to the appropriation account that originally funded the utilities and services.

18.10.3. Since the Air Force may not use the funds collected until DoD allocates to the Air Force the amounts credited to these accounts, it is important to properly credit the collections to these two accounts. You must transfer any proceeds for the sale of Air Force excess property (excluding BRAC) or leases of non-excess real property credited to accounts other than those listed in paragraph **18.10.1.** through the use of a "no check drawn" Standard Form 1081, **Voucher and Schedule of Withdrawls and Credits**.

18.10.4. Adjust the accountable records for Air Force real property, maintained in accordance with AFI 32-9005, *Real Property Accountability and Reporting*, to reflect the transfer or disposal of property. AFI 32-9003, *Granting Temporary Use of Air Force Real Property*, establishes the authority, policy, and procedures and designates responsibilities for leasing Air Force real property.

18.11. Open Houses, Aerial Demonstrations, Static Displays, and Other Community Relations.

18.11.1. AFI 35-201, *Community Relations*, Chapter 6 contains policy regarding base open houses. These are primarily public affairs activities. By definition, an open house informs the public about the capabilities, equipment, training and professionalism of the Air Force and its people. The public pays no charges or fees for admission, parking or viewing any activities.

18.11.2. Civil aircraft performances will be permitted if they supplement or enhance the effectiveness of the military activities. However, these performances, if scheduled, may not constitute more than 33 percent of the total, actual performance time.

18.11.3. "Warbird" aircraft (vintage aircraft, United States or foreign, used in a previous military conflict or having historical military aviation significance) operated by not-for-profit organizations that primarily relate to military history are not subject to the 33 percent rule.

18.11.4. Civil aerial performance teams that do not supplement or enhance the effectiveness of military activities may not participate in Air Force sponsored open houses because they do not enhance public understanding of the Air Force mission, capabilities, and heritage.

18.11.5. If the base engages warbirds to enhance attractiveness of an event, the base may use APFs to cover all costs of warbird appearances (i.e., those that would normally be associated with service contracts). Do not authorize NAF for this purpose.

18.11.6. You may not use APF or NAF to finance appearances by civilian aircraft other than warbirds. If the civil aircraft owners request aircraft fuel, the base may sell only enough DoD fuel to get the aircraft to the closest airfield. For civil aircraft delays due to safety-of-flight maintenance requirements, charge storage fees commencing 24 hours after the close of the event. Forward all requests for deviation to this policy to HQ USAF/ILTT and SAF/PAC for approval.

18.12. Purchase of Books, Periodicals, Newspapers, and Pamphlets.

18.12.1. The base library purchases all mission essential commercial books, periodicals, newspapers and pamphlets for Air Force organizations with APF, centrally managed by HQ AFMPC/DPMSOLL. AFI 34-113, *Air Force Library and Information System*, designates those specific organizations and types of publications which are exempt from centrally funded procurement.

18.12.2. Medical facilities are exempt and should procure publications in accordance with AFI 34-113.

18.12.3. For non-mission essential recreational type periodicals and newspapers for dayrooms, lodging, recreation centers, youth activity facilities, etc., primarily concerned with MWR programs, use NAF funds, per AFI 34-201, *Use of Nonappropriated Funds (NAF).*

18.12.4. The commander or staff agency chief determines if a publication is mission essential. When a disagreement occurs over the publication category (mission essential/nonessential), the commander or staff agency chief's decision is final.

18.12.5. Use MFH funds (P72X) to purchase mission essential publications related directly to the primary mission of Housing Referral Offices (HRO). The local librarian coordinates on all Air Force Form 9s, records the expenditure and retains one copy. However, the library's centrally managed O&M funding procures mission essential publications in support of the general and administrative management of the HRO. In accordance with AFI 34-113, do not bypass the centrally managed library program.

18.13. Refreshments at Awards Ceremonies. You may use APF for refreshments at award ceremonies for military members and civilian employees in accordance with AFI 65-601, Volume 1, Chapter 4, paragraph 4.31.

18.13.1. For civilian employees, the *Federal Personnel Manual* (Chapter 451, Subchapter 2-2c) states that it is appropriate on such occasions to provide light refreshments at nominal cost under authority of 5 U.S.C. 4503.

18.13.2. 10 U.S.C. 1124 provides somewhat similar authority for military personnel by stating: "...and incur necessary expenses for the honorary recognition of a member of the armed forces under his jurisdiction, who by his suggestion, invention, or scientific achievement contributes to the efficiency, economy, or other improvement of operations or programs relating to the armed forces."

18.13.3. An example of light refreshments is coffee and tea and a serving of dessert or snacks. Alcoholic beverages of any kind, complete meals, buffets, banquets, smorgasbords, etc., do not qualify as light refreshments.

18.13.4. Use necessary prudence and discretion in authorizing the use of APF for refreshments at awards ceremonies. A commander should first determine that a reception with light refreshments, in accordance with Office of Personnel and Management (OPM) regulations and 10 U.S.C. 1124 would materially enhance the effectiveness of an award ceremony before approving the use of APF for refreshments at the ceremony. Charge the cost of these light refreshments to each command's primary O-1 Line Item (BA 02 for AMC), not to Official Representation Funds (ORF).

18.13.5. In accordance with Comptroller General Decision B-223319, Jul 86, the use of APF for refreshments at award ceremonies is applicable to only those awards that result from competitive type activities cited in the AFI 36 series directives and the Federal Personnel Manual. It does not cover PCS departures, retirement ceremonies, or other non-competitive type ceremonies where an award

(e.g., an Air Force Commendation Medal or other service type medal or ribbon) may be presented to the departee, retiree, or newcomer.

18.14. Conferences, Meetings and Seminars. The following Air Force funding guidance applies:

18.14.1. Use unit funds for federal military and civilian employees to attend meetings and conferences when it is part of an authorized training program or directly relates to the individual's official duties. Attendees may pay a registration fee.

18.14.1.1. If meals and lodging are an integral part of the registration fee, the attendee's travel orders and travel settlement voucher must identify the number of meals and lodging nights applicable to the registration fee.

18.14.1.2. As a general rule, you cannot reimburse for meals consumed at an individual's duty station. The following are exceptions to this rule, based on the Comptroller General Decision B-200650, April 86:

18.14.1.2.1. The meals are a part of the registration fee and are an incidental part of the conference, meeting, or seminar.

18.14.1.2.2. The meals are not a part of the registration fee and charged separately because (1) the meals are incidental to the conference, meeting, or seminar, (2) the attendance of the individual at the meals is necessary for full participation in the business of the conference, meeting, or seminar, and (3) the individual was not free to consume meals elsewhere without being absent from the essential formal discussions, lectures or speeches. ***NOTE***: This exception is applicable only to civilian employees attending meetings and conferences sponsored by non-government organizations (5 U.S.C. 4110). If the meeting or conference is an internal agency affair or applied as a training fee, the meals are not considered reimbursable (Comptroller General Decision B-230576)."

18.14.1.3. Merely calling the cost of the meals a "registration fee" will not avoid the prohibition that unit funds cannot be used for entertainment, including food, except where specifically authorized by statute, especially when the registration fee covers only the cost of the meals

18.14.2. Air Force organizations sponsoring a conference, meeting, or seminar not under the authority of formal training guidance should use their unit funds to pay for speaker fees, honorariums, off-base facility costs (excluding lodging), and other related costs in lieu of recovering these costs through a registration fee. Use of an Air Force Form 9, **Request for Purchase**, or a Purchase Card for contracting off-base conference facilities. See paragraph **18.8.** of this chapter on the approval level amounts of honoraria and speaking fees.

18.14.3. Hospitality Fees. Sponsoring organizations may levy a "hospitality fee" on conference, meeting, or seminar attendees to pay for souvenirs (e.g., T-shirts, coffee cups, etc.) or mementos associated with attendance at the meeting or conference. The payment of hospitality fees from attendees is strictly voluntary and is not reimbursed from the attendees' unit TDY funds and is not chargeable to the sponsoring organization's unit funds. The payment/reimbursement of hospitality fees is not authorized on attendee travel orders.

18.14.4. Light Refreshments. Sponsoring organizations may also use APF to pay for light refreshments (to include paper plates/cups, napkins, plastic silverware for those base facilities whose primary purpose is to support large conference gatherings) during conference breaks. A conference is defined

as a meeting, retreat, seminar, symposium, or event that involves attendee travel. The Per Diem, Travel and Transportation Allowance Committee (PDTATAC) defines light refreshments as coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, pretzels, cookies, chips, muffins, and similar items. The PDTATAC has approved the purchase of these items in the JFTR (Part G, paragraph U2550) and the JTR (Part S, paragraph C4950). ***NOTE:*** The serving of snacks and beverages between sessions of a conference is optional, not mandatory. The following guidance applies:

18.14.4.1. Alcoholic beverages do not qualify as light refreshments.

18.14.4.2. The purchase of light refreshments at a conference does not extend to ice breakers and/or other social events. These are a personal expense of the individual attendees.

18.14.4.3. Do not purchase light refreshments for local meetings primarily involving permanently assigned military or civilian members. These events cannot be classified as a conference in order to justify serving them. There must be a significant number of personnel in a TDY status in attendance, not merely one or two.

18.14.4.4. Sponsoring organizations will not pass the costs of light refreshments for conferences to attendees in the form of a registration fee. These costs are strictly the responsibility of the unit sponsoring the event.

18.14.4.5. The purchase of fine china, silverware or silver plated utensils, crystal, linen, and linen laundry services by conference facilities to serve light refreshments to conference attendees is strictly forbidden.

18.14.4.6. The use of TWCF funds to purchase light refreshments at conferences or any other conference costs is not authorized unless it is convened for the purpose of discussing strictly TWCF-related business. Generally speaking, most conferences held at wing or command level would not fall into this category. Prudent judgment should prevail before committing TWCF funds for this purpose.

18.14.5. The official who approves the conference, etc., and charges a registration fee is responsible to ensuring that no unauthorized charges are in the fee. Prepare a budget or worksheet that itemizes all costs included in the registration fee.

18.14.6. Sponsoring activities may charge non-Air Force government attendees a fee which covers food or beverage costs as a minimum. For non-government attendees, include a pro rata share of other costs, if warranted, per DFAS-DER 7000.6, *User Charges*. Deposit any fees collected for non-government attendees into the Treasury as miscellaneous receipts.

18.14.7. Non-Air Force Government Sponsored Conferences, Meetings, and Seminars. Charge registration fees and other official expenses to the attendee's unit funds. For Air Force attendees, registration fees must not include the cost of food or beverages provided by the sponsoring organization. If the attendee is in an official travel status, paragraph **18.14.1.** above applies.

18.14.8. Non-Government Sponsored Conferences, Meetings, and Seminars. Reference the preceding paragraph **18.14.7.** above. If the sponsoring organization is unable to separate the costs of food or beverages from the total registration fee, the attendee's organizational funds may pay the registration fee in full.

18.14.9. The base comptroller, or budget officer, as appropriate, should establish a local procedure to review all formal conference, meeting, and seminar requirements prior to final approval, to ensure

compliance. See AFI 65-601, Volume 1, Chapter 4, paragraphs 4.9.1 and 4.42 through 4.42.4, along with **Chapter 8** of this publication, paragraph **8.15.** entitled "Registration Fees".

18.15. Canceled Hotel Reservations. The following paragraphs provide applicable guidance concerning canceled hotel reservations, extracted from the *GAO: Principles of Federal Appropriations Law, Second Edition*, Volume III, Chapter 12, Part 2f:

18.15.1. As a general rule, the cancellation of hotel reservations within a reasonable time prior to the dates of the reservations involves no liability on the part of the government (41 CompGen 780 (1962)). However, you may allow for a claim for the actual cost of unused hotel rooms if all of the following circumstances are met: (1) It is clear that the reservations were made by and on behalf of the government; (2) there is sufficient basis to conclude that the making of reservations gave rise to a contractual relationship between the hotel and the government; (3) the government failed to cancel within a reasonable time; and (4) the hotel attempted to mitigate its damages. Since the basis of the government's liability is contractual, either express or implied-in-fact, resolve any claims under the Contracts Disputes Act.

18.15.2. Allowable claims must be distinguished from cases in which a government employee receives reimbursement on a per diem basis and makes his or her own contract lodging reservation on his or her own behalf. Under such circumstances, there is no basis for the government to pay a claim because the government was not a party to the agreement. The distinction is between cases involving the negotiation of block reservation of rooms on a contractual basis between the government and the hotel through official administrative action, and in cases where the agreement is essentially between the individual and the hotel, even though the reservation may have been made by some other government employee on the traveler's behalf.

18.15.3. Since claims for the cancellation of hotel reservations could be allowable on the basis of legal liability, it is necessary to find some contractual or similar binding arrangement between the government and the hotel whereby the government agrees to either pay for the rooms reserved or cancel within a reasonable time. However, evidence of the contractual arrangement need not necessarily be in writing. If the facts or evidence of a contractual relationship are borne out without actually having a written agreement, it is concluded that a contractual relationship did indeed exist and the government may be held liable for payment.

18.15.4. Once the existence of a contractual agreement to either pay for the rooms reserved or canceled within a reasonable time is established, the government can avoid liability only by showing that the time of cancellation was reasonable. What is "reasonable" will depend on the specific circumstances involved.

18.15.5. The hotel must generally attempt to mitigate its loss, and its attempts to do so will be relevant in evaluating the claim. If the hotel is able to fill the majority of the rooms canceled with new bookings, these efforts will be held sufficient to discharge the hotel's duty to mitigate its losses and absolve the government's liability.

18.15.6. Any liability by the government for canceled hotel reservations is ordinarily limited to the actual cost of the rooms (excluding profit margin). Certain other elements of damage may be allowed if it can be established that they represent a liability of the hotel regardless of occupancy (e.g., a Value Added Tax, service charges for staff wages). However, the loss of anticipated profits and miscella-

neous revenue is too remote and speculative and is not allowable. Interest would be payable on a claim processed under the Contracts Disputes Act.

18.15.7. Claims for canceled hotel reservations may also arise in contexts not governed by the Contracts Disputes Act. For example, if a government employee uses a credit card in an official capacity to guarantee a hotel reservation, and the credit card charged upon cancellation of the reservation, due to insufficient notice, the claim is reimbursable since the government would have been liable to the hotel under the same circumstances.

18.15.8. If you receive a claim or bill from a hotel or other lodging facility that asks for payment due to canceled room reservations, contact your local JAG for assistance with regard to the legalities involved in determining if the claim is a valid charge.

18.16. TWCF Contract and On Base Lodging Charge System. Refer to AMCI 65-602, Chapter 2, paragraph 2.4.5 (to include all subparagraphs) for authorized locations and procedures for charging the lodging costs of those personnel on TWCF funded travel orders or flight authorizations to local TWCF funds in lieu of payment from the individual.

Chapter 19

SUPPLIES AND EQUIPMENT

19.1. Turn-Ins without Credit. Non-creditable serviceable returns to the Supply Management Activity Group (SMAG) are significant within AMC and warrant management attention at all echelons. Many non-creditable turn-ins are beyond the control of the customer; however, controllable turn-ins represents a wasteful use of AMC funds. An excellent management tool to keep track of non-credit turn-ins is the D20, Part 4. The daily document register also provides sufficient detail to monitor turn-in transactions.

19.2. Base Supply Responsibilities.

19.2.1. The Chief of Supply is responsible for effective, efficient, and economical base supply operation. One of the duties of the Chief of Supply is to assist in formulating and administering funds. Specifically, they also advise and assist in:

19.2.1.1. Interpreting and using data produced by the standard base supply system for management and budget purposes.

19.2.1.2. Determining optimum distribution of available SMAG obligation authority.

19.2.1.3. Using supply management products to determine requirements and control expenditures.

19.2.1.4. The formulation of the supply and equipment portion of the base budgets.

19.2.1.5. Making recommendations to the Comptroller, FMB, and FWG on allocations of supply and equipment budget targets.

19.2.1.6. Periodic reviews of the base budget and subsequent revisions.

19.2.2. Due to substantial turbulence within the SMAG, the possibility exists that customers may have available funds and supply may not have corresponding SMAG obligation authority. The Chief of Supply advises budget officer of the status of SMAG obligation authority. If SMAG obligation authority is insufficient to requisition available customer demands, three options exist; (1) direct customer funds to other areas, (2) turn back customer funds to the command, and (3) allow for the processing of unsupported customer demands memo-obligated due-outs and requisitions deferred until a later date.

19.2.3. Supply officers should be familiar with the above criteria, as set forth in AFM 67-1, Volume 2, Part 2, *USAF Standard Base Supply System*, Chapter 2, Section B. Administration of the SMAG requires detailed planning--generated by activities in terms of requirements, assets on order, due-ins, and due-outs. Do not use customer funds to bypass the SMAG for items managed by the Chief of Supply (see AFI 65-601, Volume 1, Chapter 18, for exceptions).

19.2.4. Zero Overpricing Program. Each customer has a continuing responsibility to question prices and quality of products received to ensure the Air Force receives what it pays for. AFM 67-1, Volume 7, Part 4, *Zero Overpricing Program*, outlines the procedures for challenging price or quality items.

19.3. Fuel Oil. Process fuel oil sales from the WCF directly to the MFH appropriation when these costs are separately identifiable. The BCE should initially fund fuel oil for MTFs and receive reimbursement, using EEIC 596 with appropriate numerical shreds.

19.4. Budgeting and Funding for Dormitory Items.

19.4.1. Dormitory Supplies and Linens. Per AFI 32-6005, *Unaccompanied Housing Management and Operations*, the BCE is responsible for budgeting, funding, and controlling dormitory supplies, including replacement linens. For AMC bases, these costs are budgeted and executed in PE 41879, Real Property Services (RPS); unit O&M or TWCF mission funds will not be used for this purpose. Per AMCI 65-602, Chapter 6, paragraph 6.3.1.4.7, TWCF reimburses O&M for these costs at AMC bases through the G&A process established at command level. For AMC TWCF tenants located on other commands' bases/installations, reimbursement is in accordance with local support agreement procedures.

19.4.2. Furniture and Furnishings at Geographically Separated Units. Geographically separated tenant units are responsible for maintaining their own dormitories, including custodial services. Budgeting and funding responsibilities for dormitory furnishings belongs to the parent command of the host base (AFR 65-601, Volume 1, Chapter 7).

19.5. AMC Unaccompanied Personnel Facility Improvement Program (UPFIP).

19.5.1. The UPFIP is a continuing program that provides furnishings for newly constructed/renovated dormitories and dining facilities. This program enhances the living conditions of AMC unaccompanied personnel. The Base Furnishings Management Office (AFI 32-6004, *Furnishing Management*) is responsible for managing dormitory furnishings.

19.5.2. UPFIP dormitory furnishing funds are issued in support of specific dormitory projects. They are not issued until the base CER requests the funding which is normally not earlier than six months prior to the beneficial occupancy date (BOD). HQ AMC/CEH validates all requests for UPFIP dormitory furnishings funding. Use RC/CC XX4408 to record costs associated with dormitory furnishings.

19.5.3. Use a separate PFMR and ORG code account structure to accurately segregate and identify these costs.

19.5.4. Charge initial issue and replacement appliances for bachelor quarters authorized in Table of Allowance 414 to RC/CC XX4408, PE 41879. Charge the contract maintenance and rental of appliances under the provisions of AFI 32-1031, *Operations Management*, and not to UPFIP.

19.6. Flying Clothing. The individual's unit of assignment is responsible for paying for required flying clothing, to include desert (tan) flight suits for AMC aircrews deployed to Southwest Asia. Units may use their Purchase Card to purchase desert flight suits direct from the sole source vendor until the Depot is sufficiently stocked to allow the purchase of desert flight suits through normal supply channels. Unit funds may also pay for the sewing on of Velcro strips, patches, etc. of the flight suits. For TDY incident to retraining, the gaining organization of assignment should provide the required funding for any applicable flying clothing.

19.7. Refueling of Transient Air Force Vehicles. The base providing refueling support funds for fuel issued to Air Force owned and operated transient vehicles (AFI 65-601, Volume 1, Chapter 7). This Air Force policy does not apply to ANG, AFRC, or non-Air Force vehicles. These activities should continue to fund their refueling requirements. Use RC/CC XX4210, PE 41896, and EEIC 641, to record issues that are the responsibility of the host base.

19.8. Mobility Bags and Mobility Equipment.

19.8.1. O&M Funding Responsibility. Use RC/CC XX1207 to record all expenses (except Priority Improved Management Effort – Base Engineer Emergence Force (PRIME BEEF) and Priority Improved Management Effort – Readiness in Base Services (PRIME RIBS)) for (1) initial issues of mobility bags and mobility equipment for O&M funded units, (2) replacement issues of mobility bags (see paragraph **19.9.** for Chemical Warfare and Defense Equipment (CWDE) "C" bags) and equipment for O&M funded units, and (3) obsolete items replaced by changes to the applicable Table of Allowance (considered initial issues).

19.8.2. Charge mobility bag expenses in support of PRIME BEEF directly to the BCE using PE 41879. Charge PRIME RIBS mobility bags to PE 41896.

19.8.3. TWCF Funding Responsibility. TWCF funded units are responsible only for replacement issues for mobility bags and mobility equipment listed in an organization's Unit Tasking Code (UTC). Record costs to RC/CC XX1208 and the applicable PE, based on unit of assignment.

19.8.4. Assign and include in the LG PFMR all ORG codes using RC/CCs XX1207 and XX1208, one for O&M and one for TWCF.

19.8.5. Charge security police Air Base Ground Defense (ABGD) team requirements to RC/CC XX4390, PE 27588, and functional category 08.

19.9. Chemical Warfare Defense Equipment (CWDE) Funding Policy.

19.9.1. Use normal host-tenant funding procedures for CWDE per AFI 65-601, Volume 1, Chapter 7.

19.9.2. HQ AMC/CEOX administers the funds for Air Force budgeted initial and replacement requirements of CWDE.

19.9.3. Charge "C" bag mobility requirements to O&M funds, RC/CC XX1312.

19.9.4. The host will continue to fund for tenant CWDE requirements.

19.10. Time Compliance Technical Order (TCTO) Kits. The TWCF does not pay for TCTO kits because they are a modification of existing capital equipment. DoDI 5000-2, Air Force Sup I, *Acquisition Management Policies and Procedures*, Table 2, differentiates among the modification classes. Normally, the command that approves the modification also provides the funding (i.e., approval and funding for Classes I-V rests with HQ AFMC). Funding takes the form of a kit that contains the necessary material to complete the TCTO. In certain instances, the affected Command (AMC) may agree to accept a non-kitted TCTO; thereby, relieving HQ AFMC of their funding responsibility. This should be an exception to the rule. The initiating MAJCOM would approve and fund the Class I modification. Consult implementation instructions of each modification for the appropriate modification class.

19.11. Snacks and Beverages. AMCI 24-101, *Military Aircraft Transportation*, paragraph 42, authorizes snacks and beverages for passenger use on TWCF military aircraft. The applicable TWCF organizations should fund these costs using RC/CC XX4290, EEIC 619. See also AMCI 65-602, Chapter 6, paragraph 6.3.1.4.6.

19.12. Contractor Operated Stores. Contractor-Operated Civil Engineering Supply Store (COCESS) and Contractor-Operated Parts Store (COPARS) operations exist at most AMC bases. It is imperative that

all personnel involved in administering these programs be intimately familiar with the "do's and don'ts." The Air Force delegated authority to the MAJCOMs to waiver AFI 65-601, Volume 1, Chapter 18, when terminating existing COPARS and COCESS contracts and negotiating new contracts. Address requests for waiver authority to HQ AMC/FMP, 402 Scott Drive, Unit 1K1, Scott AFB IL 62225-5363. Follow procedures in DFAS-DER 7010.2, Chapters 18 and 19, during fiscal year close-out of contract operated stores.

19.13. Funding for Clothing and Tool Requirements Associated with Able Chief Participants. Funding responsibility for authorized clothing and tools required by able chief trainees rests with the maintenance squadron conducting the training.

19.14. Procurement of Permanently Installed Carpets and Wall-to-Wall Carpet Tile.

19.14.1. For AMC facilities and projects where the BCE is the approving authority, the responsibility for budgeting and funding rests with the BCE.

19.14.2. Use PE 41879 to record the cost of cleaning carpeted areas by service contract, using EEIC 533XX. This applies to all facilities on AMC bases except for medical, AAFES, and TWCF facilities. See **Chapter 14**, paragraph **14.4.3.** of this instruction for further discussion on funding for carpet installation in TWCF facilities.

19.14.3. If the purchase of the carpet and installation is accomplished as part of a contract in a newly constructed facility or in conjunction with a minor construction project, record the charge in RPMC, EEIC 529, and PE 41876. Classify all other carpet replacement and installation by contract as maintenance and record costs in EEIC 522, PE 41878.

19.15. Memo Due-Outs for Equipment Authorization Inventory Data (EAID) Authorizations. You should establish Memo due-outs in the supply system for all EAID authorizations projecting a need. This method of establishing requirements provides each custodian with the necessary management products to forecast budget requirements. It further serves to identify those shortages where excess in use assets are transferable through functional equipment transfer (FET) procedures and negate the need for customer funds. Additionally, it provides a means to identify requirements to the Command Excess Equipment Redistribution System (CEERS). Assets obtained from this system are free issues. The possibility exists (historically, at the close of the fiscal year) that customers may have available funds and supply may not have corresponding Supply Management Activity Group (SMAG) obligation authority. When this occurs, base supply may process the customer requests as memo-obligated due-outs to prevent the loss of customer funds. Base supply will delay requisitioning until SMAG obligation authority becomes available. If sufficient SMAG obligation authority is not available to cover all memo-obligated due-outs, use the base FWG and FMB as the forum to develop a priority list of requirements to assist in the allocation of available SMAG obligation authority to meet the highest priority needs. As a minimum, invite all major customers of the General Support Division (GSD) not represented on the base FWG (organizations, tenants, etc., where the base FMB does not administer or supervise the funding) to assist in the establishment of the priority list of requirements.

19.16. Office Furniture. Organization commanders are responsible to determine office furniture replacement in lieu of repair. Submit requests for replacement of furniture (FSG71), except housekeeping, dormitory, medical facility, systems, non-household, and office furniture, listed in AFM 23-110, Volume 2, Part 2, Chapter 22, Attachment K-2, on an Air Force Form 2005, **Issue/Turn-in Request**.

19.17. Capital Investment Equipment (Items Costing $100,000 or More).

19.17.1. Included in this category are Base Procured Investment Equipment (BPIE), Communications, ADPE, and software development in excess of $100,000.

19.17.1.1. For the WCF, the total cost of the system (i.e., software installation, TDY, supplies, equipment, etc.) determines the appropriate threshold for Communications, ADPE, and software development costs. If the total cost is $100,000 or greater, fund the requirement with TWCF Capital or 3080 Investment funds. Charge the cost for each piece of the system against the project to which they pertain. For example, wing X is purchasing a piece of equipment that requires testing prior to acceptance. To accomplish the test, an individual must go TDY. Charge the TDY costs to the applicable capital budget and EEIC 409.

19.17.2. Due to the limited funding that is received each year, you should constantly monitor the capital program to ensure consideration of only the highest priorities.

19.17.3. Use the following procedures for budgeting and funding of capital equipment:

19.17.3.1. The base FMA office, with the assistance of the base supply Funds Management section, develops installation requirements, including those of assigned tenants, and those identified for support to maintain capital equipment.

19.17.3.2. Under a WCF, an EA, cost comparison, or certificate in lieu of an EA must accompany requests for funding. The FMA office presents the validated requirements to the FWG and FMB. These committees should prioritize the requirements and forward them to HQ AMC/FMP/FMB in the prescribed format for review and funding determination, based on command fund availability.

19.17.3.3. HQ AMC/FMB issues TWCF Capital and 3080 Investment funding documents to the respective bases. You should report any unpurchased items in the FMB minutes.

19.18. Centrally Managed and Procured Equipment Items. The following is HQ USAF/ILS policy regarding centrally managed (3010 and 3080 procurement appropriations) equipment items:

19.18.1. The *GAO: Principles of Federal Appropriations Law, Second Edition, Volume I*, Chapter 2, directs that once an agency has determined which appropriation to use to fund particular goods and services, “the continued use of the appropriation selected to the exclusion of any other for the same purpose is required, in the absence of changes in the Appropriation Acts.” The Air Force budgets for centrally managed items and Congress issues funding in the procurement appropriations. Whenever local units receive authorization to locally procure most of these items with item manager approval, use 3080 Investment funds, not unit O&M 3400 or TWCF funds.

19.18.2. Current appropriations law is the basis for procurement (3080) funding of centrally managed supply and equipment items. AFMC item managers need to be made aware of any equipment shortage and their mission impact to enable them to more efficiently prioritize Air Force requirements and make the proper adjustments to the requirements computation system. Unit workarounds circumvent this critical process and Congressional Appropriation. If a unit deems a particular equipment item to be inappropriately coded, they may request corrective action through the Air Force Form 86, **Request for Cataloging Data/Action** process, as detailed in AFM 23-110, Volume 1, Part 1, Chapter 7.

19.19. Entertainment, Recreational, and Food Serving Supplies.

19.19.1. Per AFI 65-601, Volume 1, Chapter 4, paragraph 4.28, do not use APF entertain government employees or any other persons, except in cases specifically authorized by law. Entertainment is defined as food, drink, live and recorded music, theatrical performances, and any other item or activity designed to entertain. Included in the prohibition are items used to prepare, serve, or present entertainment (such as food or drink, serving materials and equipment, loudspeakers, video recorders, etc.).

19.19.2. Do not consider the following items as entertainment:

19.19.2.1. Food and drink provided to military personnel as Subsistence-in-Kind (SIK).

19.19.2.2. Reimbursable subsistence expenses (per diem) for persons in official travel status.

19.19.2.3. Official representation requirements, as authorized by AFI 65-603, *Official Representation Funds - Guidance and Procedures*.

19.19.2.4. Samples of "ethnic foods" used in authorized ethnic awareness programs (see AFI 65-601, Volume 1, Chapter 4, paragraph 4.28).

19.19.2.5. Light refreshments at awards ceremonies (reference AFI 65-601, Volume 1, Chapter 4, paragraph 4.31.

19.19.2.6. Military service bands, chorale groups and other groups that normally perform at base theaters or service clubs for the entertainment of base personnel.

19.19.2.7. Programmed “incentive music” designed to enhance morale by creating a pleasantly stimulating and efficient atmosphere during the workday.

19.19.2.8. Snacks and beverages for passengers on TWCF organic aircraft, as per AMCI 65-602, Chapter 6, paragraph 6.3.1.4.6. Also, see paragraph **19.11.** above.

19.19.2.9. Light refreshments at conferences. See Chapter 18, paragraph **18.14.4.** of this publication.

19.19.2.10. Food preparation and serving items (e.g., coffee pots, glassware, cups and saucers, paper plates/containers/napkins, flatware or plastic eating utensils, and other serving items) for organizations that operate a conference center within their facility.

19.19.3. In addition to the prohibitions listed in paragraph **19.18.1.** above, do not use APF for the following:

19.19.3.1. Dance or combo created by members of military bands whose services are “hired” by base open messes or service clubs for the purpose of entertaining members of these organizations.

19.19.3.2. Fireworks displays.

19.19.3.3. Food preparation and serving items (see paragraph **19.19.2.10.** above for exception) for normal headquarters, wing, group, or organizational conference rooms or any other typical office environment (regardless of the person(s) occupying it) that are primarily used for local meetings and other day-to-day gatherings. This includes those commander and protocol offices that frequently host DVs.

19.20. Break Area Furnishings. Do not use APF to purchase appliances for the purpose of entertainment or serving refreshments at meetings or to private individuals visiting the facilities. This is strictly

against federal mandate. However, you may use APF to purchase small appliances for those work centers that directly support the operational mission and meet the following criteria:

19.20.1. There are no snack bars or other eating facilities readily available to shop personnel.

19.20.2. The responsible officials, considering the volume of the shop function, have determined that employees should remain at their workstations during the work shift. Acquisition of small appliances should enhance employee morale, increase shop productivity and responsiveness to the mission requirement rather than being a convenience. See Table of Allowance (TA) 006.

19.21. Exchange and Trade-In of Items. Many commercial vendors allow a trade-in credit on an item when buying a replacement item. Air Force activities should take advantage of these exchanges when they benefit the United States government. Generally, this is reimbursable, whenever the trade-in allowance is greater than the anticipated sales proceeds of the Defense Reutilization and Marketing Office (DRMO). See AFM 67-1, Volume 2, Part 13, Chapter 8, Section H, for applicable conditions and restrictions.

19.22. Use of Medical Funds to Purchase Food Items for Health Promotion Functions. You may purchase food items through the base Defense Commissary Agency (DECA) with Defense Health Program funds. Charge these purchases to EEIC 607 (commissary support) under RC/CC XX5723.

19.23. Depot Level Reparables (DLRS).

19.23.1. The DLR structure is much more complex than the pricing structures of the other flying hour commodities. As expected, the most complex component to the flying hour program has the biggest impact. The time cycle of DLR items can play havoc with a wing's operating budget. To effectively analyze DLR costs, it is necessary to understand how the pricing system works.

19.23.1.1. Latest Acquisition Cost (LAC). The price charged the last time the DLR was brought into inventory.

19.23.1.2. Standard Price. The price charged for any initial issue DLR item. Represents the LAC, the LAC direct allocable and LAC business overhead costs.

19.23.1.3. Mark-Up Price. The price charged to the customer if the customer does not return a serviceable item to supply within 60 days. Represents the standard price minus the exchange price.

19.23.1.4. Exchange Price. The price charged when a unit receives a serviceable DLR item from supply. This is the price you will encounter most often with DLR items. Determine the price by subtracting the mark-up price from the standard price. In essence, it is the average DLR repair cost plus standard recovery cost.

19.23.1.5. Recovery Costs. This represents additive costs associated with acquisition and SMAG operations. This includes transportation, inventory loss, inventory maintenance, inventory control point operations, condemnation, price stabilization, and depreciation.

19.23.2. DLR Time Cycle.

19.23.2.1. The key to which of the above charges are applicable depends upon a unit's ability to repair an item and expedient return (repaired or not) to the supply system. The DLR time cycle benchmark is 60 "non-awaiting parts (AWP)" days. If work stops on a DLR because the working

unit is waiting on parts, the DLR time cycle clock stops and does not count toward the 60 day time period. The best way to explain the impact of the time cycle is by going through a series of examples.

19.23.2.2. In the following example, the DLR's LAC is $900K, the surcharge cost is $100K, the standard price is $1M, the average repair cost is $50K, the exchange price is $150K, and the mark-up price is $850K. A maintenance unit determines that a particular aircraft DLR item "A1" is slightly damaged and in need of repair. The unit requests DLR item "A2" to replace "A1" on the aircraft. Base supply issues the replacement DLR item "A2" at the exchange price ($150K).

DLR Example	End Result
Scenario #1	
The unit is able to fix and returns "A1" to supply as a serviceable DLR item within 60 days.	Supply credits the unit with the exchange price ($150K – "A2"), resulting in no cost to the unit except for the interim cash flow cost.
Scenario #2	
The unit is unable to fix "A1" and returns it to supply as an unserviceable DLR item within 60 days.	Supply makes no monetary adjustment. The result is the unit is left with the exchange cost ($150K – "A2").
Scenario #3	
60 non-AWP days go by and the unit has taken no action with supply with regard to "A1" disposition	Supply charges the unit the mark-up price ($850K0. The result is the unit has been charged the standard price ($1M less mark-up plus the $150K exchange price).
Scenario #4	
The unit take over 60 days, but finally fixes "A1" and returns it to supply.	Supply credits with the standard price. The result is not cost to the unit except for carrying the cash flow burden of the standard price ($1M).
Scenario #5	
The unit takes over 60 days, and finally admits that "A1" cannot be fixed.	Supply credits the unit with the mark-up price ($850K). The result is the unit is left with the exchange cost ($150K standard price less mark-up price) as well as carrying the cash flow burden of the standard price ($1M) over the duration.

19.23.2.3. The above examples make reference to the cash flowing of costs. In flying hour terms this is called the "DLR float." Resource advisors and analysts who work with DLRs need to become very familiar with the DLR float and devise ways to minimize its impact on a wing's operating budget.

19.23.3. It is important to fully understand the unique factors that impact DLR costs. Unlike AVPOL, DLRs are less directly related to hours flown. Informal studies have shown that planes parked for long periods of time tend to consume DLR items, while aviation fuel (EEIC 699) is consumed only when the aircraft are actually flying. For this reason, it is important for FMA, DO, LG, and flight line or backshop functional experts to work in concert when analyzing DLR costs.

19.23.4. There are two EEICs assigned to the DLR program based on the one-digit type organization code on the OCCR. EEIC 644 (flying) is assigned to those transactions for OCCRs with a numeric type organization code and EEIC 645 (non-flying) for OCCRs with alpha or blank type organization codes. The RA has numerous products to assist them in tracking DLRs (i.e., D04, M03, and the Reparable Support Division (RSD) summary report (D26)). A clear understanding of the DLR process is crucial to successful financial management of XD1 and XD2 items. Effective 1 Oct 97, EEIC 605 supply requirements merged into EEIC 644. Prior year EEIC 605 records are not affected by this action.

19.23.5. En Route Maintenance and DLRs. AMC en route units receive both TWCF and O&M funding to replace DLRs on AMC aircraft transiting the en route system. The en route maintenance units may be responsible for repairing aircraft belonging to other MAJCOMs (including the Reserves and ANG). However, AMC en route units should not pay for the DLRs with AMC funds, even if the aircraft is flying a TWCF coded mission. When other commands fly TWCF missions, HQ AMC reimburses the augmenting command at a predetermined hourly rate, which includes the cost of DLRs. The augmenting (non-AMC) units must therefore take full funding responsibility for any required DLR assets pertaining to their aircraft. Transiting aircrews may need to contact their home station for an Air Force Form 616 to finance these requirements unless they bring one along in the event it is needed.

19.24. Aviation Fuel (AVPOL) Decentralization.

19.24.1. The Air Force Chief of Staff's initiative to give wing commanders fiduciary control over their aviation fuel O&M, TWCF, or Defense Health Appropriation (DHA) dollars began 1 October 1993 (FY94). AVPOL funding for O&M and TWCF carries a fence and an M40 and T40 limitation respectively, as does all other flying hour funded EEICs (60902, 644). The Air Force approved flying hour program determines applicable funding along with the individual wing consumption rates, and the average cost per gallon of fuel. Underflying your programmed hours does not equate to a savings. HQ AMC/FMB will withdraw AVPOL funding for underflown hours. The FMA office must closely monitor actual consumption and expenditures to ensure overobligations do not occur. Additionally, the FMA should be an active member in their wing AVPOL Advisory Group. A monthly AVPOL report is due to HQ AMC/FMB NLT the 15th calendar day of each month, based on data provided by the wing Operations RA or the wing refueling document control officer (WRDCO), as appropriate. See AMCI 65-601, *AMC Budget Management for Operations*, Attachment 5, for the applicable report format.

19.24.2. The wing commander signs the monthly AVPOL report. The current customer identification code (CIC) is "AMC" for <u>all</u> aircraft regardless of appropriation. The AVPOL accountant establishes

a new MORD each month in the accounting system to record estimated costs. Set up estimates for Fund Codes 30 and 2X in the UOO stage of accounting. When loading your actual monthly AVPOL, remember to zero out your estimate in UOO and increase the AEU stage of accounting with the actual amount. Load MORD estimates or actuals for TWCF (Fund Code 68) into AEU, not UOO. After processing the AVPOL interfund bill through the PC Fuels program, move the amounts from UOO or AEU to AEP for all fund codes. For further guidance in this program, consult the HQ AMC Decentralization of Aviation Fuel (AVPOL) Funding Plan of Execution, dated 1 September 1993.

19.25. Individual Clothing. Per AFI 65-601, Volume 1, Chapter 10, Section I, use unit funds for the following individual clothing requirements:

19.25.1. Uniforms for the burial of deceased military personnel (except caps, shoes, or boots) if the uniform of the deceased is not presentable enough to warrant its use for this purpose.

19.25.2. Clothing sales issues authorized by a medical officer for the following conditions: (1) The replacement of uniforms destroyed to prevent the spread of disease and (2) during or immediately following medical care when the previously altered uniforms are unusable by the individual after treatment.

19.25.3. Personal clothing items for confined military personnel either discharged, or who have discharges suspended or revoked and are in a non-pay and allowance status. The individual's unit commander is the approval authority.

19.25.4. Enlisted grade insignia for free issue to newly promoted enlisted military personnel. Do not authorize the purchase of officer insignia.

19.25.5. Enlisted grade insignia and accouterments for the Battle Dress Uniform (BDU) upon promotion and when enlisted personnel replace an unserviceable BDU, including the costs of sewing them on the uniform. ***NOTE:*** Whenever purchasing authorized uniforms with unit funds, (from a Table of Allowance), you may use the same unit funds to sew on any necessary accouterments and grade insignia.

19.25.6. Distinctive Uniforms and Functional Clothing. Installation commanders may approve unit funding for these items as organizational clothing if the function of the unit require the mandatory wear of these items (basically outergarments only) to perform their official Air Force duties. See AFI 36-2903, *Dress and Personal Appearance of Military Personnel*, for authorized distinctive uniform and functional clothing items. (***NOTE:*** The purchase of organizational clothing is optional, at the discretion of the commander.)

19.25.7. Unauthorized Use of Unit Funds for Clothing Items. While installation commanders may occasionally permit the wear of certain non-outergarment uniform items unique to individual squadrons (i.e., undershirts) and not specifically authorized in AFI 36-2903, this by no means makes it a mandatory requirement to allow spending unit funds for their purchase. The replacement of standard uniform items is a personal expense and the use of unit funds for this purpose constitutes an improper augmentation of a service member's statutorily fixed pay and allowances unless expressly authorized by law. Therefore, individuals desiring to wear clothing authorized under these circumstances must pay for them with personal funds.

19.25.8. Introduction of New Clothing Items. Organizations that originate new clothing and textile requirements (i.e., initial introductions, change in use, or use by a new Military Service) must provide the initial funding. Military Departments with new clothing requirements must provide a funded

order to the Defense Logistics Agency (DLA) to cover acquisition costs to achieve a balanced procurement cycle quantity of the item. New clothing bag items are chargeable to the Military Personnel appropriation.

19.25.9. Miscellaneous Clothing Sales. These are issues of clothing from the Clothing Sales Store not otherwise categorized. (See AFM 67-1, Volume 1, Part 3, *Air Force Stock Fund and DPSC Assigned Item Procedures (PA),* Chapter 2.) Use unit funds for these purchases.

19.25.10. Athletic Clothing for Mandated Physical Training Programs. Do not use unit funds to purchase athletic clothing for any mandated physical training program unless it is specifically authorized in the Table of Allowance (TA) 016. Athletic clothing is included as part of the initial clothing bag provided to new recruits at basic training. Any replacement of this athletic clothing must be purchased with personal funds. HQ USAF/ILSP has deleted the requirement in TA 016 for athletic clothing for a mandated 3 days per week minimum physical training program.

19.26. Sporting Equipment and Uniforms.

19.26.1. AMC units may use APF to buy sporting equipment and uniforms for squadron intramural teams and base varsity teams. AFI 65-106 classifies intramural sports as a Class A activity and varsity sports (above the intramural level) as a Class B activity, and qualify for APF support. See **Chapter 23** of this publication for a further explanation of Category A and B activities.

19.26.2. In accordance with HQ USAF/ILSP message 221855Z Oct 99 (Updated Procedures for Using IMPAC), gym equipment requirements and intramural uniforms may be purchased with unit funds (O&M, not TWCF) in lieu of funding them through the services squadron. However, written approval must be granted from the local SVS/CC prior to the purchase. All other MWR expendable and non-stocklisted items (e.g., toys, games, baseballs, bats, basketballs, etc.) are still ordered and processed through the services squadron in accordance with AFI 65-106, Chapter 10, paragraph 10.11 and AFI 65-601, Volume 1, Chapter 18, paragraph 18.13.2. ***NOTE:*** SAF/FMCEB will revise AFI 65-106, Chapter 10, paragraph 10.11. to reflect the change concerning unit funding for gym equipment and intramural uniforms. Additionally, SAF/FMBM will also revise AFI 65-601, Volume 1, Chapter 18, paragraph 18.13.2.

19.26.3. Do not personalize sports equipment and uniforms purchased with APF. Individuals will not retain the uniforms or equipment after completion of the sporting events. Turn in these items after the last event for reuse in future appropriate sporting events.

19.26.4. TWCF-funded units will not use TWCF funds to purchase sporting equipment and uniforms, in accordance with AMCI 65-602, Chapter 6, paragraph 6.6.5.10.

19.27. Unit Level Fitness Centers and Exercise Rooms. You may only use APF for these requirements, authorized under certain conditions. Prior to establishing a unit mini-fitness center, consult AFMAN 34-137, *Air Force Fitness and Sports Operations*, as well as the preface to Table of Allowance (TA) 410. The requesting organizational commander is responsible for funding all purchases, maintaining accountability controls, ensuring equal access for all active duty personnel assigned to the organization, providing required maintenance of the equipment, and monitoring equipment safety, security, and sanitation.

19.28. Contact Lenses. You may use unit funds to purchase contact lenses only for aircrew members who require night vision goggles to accomplish their combat mission, if appropriate. Consider these contact lenses personal flight gear, funded with the unit flying squadron's operating funds (TWCF, Fund Code 30, Fund Code 2X, as appropriate). The Medical/Dental Division of the AFWCF will purchase the contact lenses and cleaning solution, reimbursable by the individual's flying squadron. Each unit flying squadron with eligible personnel will establish a PFMR and cost center at the medical treatment facility (MTF) for the issue of contact lenses and solution. Do not establish a new PFMR and cost center if one already exists for the issue of other medical supplies. Your MTF should have available the Air Force Contact Lens Implementation Plan instructions which provides additional guidance for contact lens use by aircrew members.

19.29. Maintenance Support of AFRC or ANG Aircraft. The following deals with maintenance support of AFRC and ANG unit equipped C-5, C-141, C-130, C-17, and KC-135 aircraft:

19.29.1. AMC Locations. When an AFRC or ANG aircraft breaks down at an AMC en route location (regardless of mission) and is not mission capable (NMC), AMC will support maintenance efforts within their capabilities. If AFRC or ANG is flying an AMC mission, AMC will fully support and fund the recovery efforts, excluding aircraft parts and DLRs. For AFRC or ANG aircraft flying their O&M (non-AMC) mission and the required maintenance support is outside the AMC en route unit's capabilities, AFRC or ANG is responsible for financially supporting all maintenance efforts.

19.29.2. Austere Locations (On-Site Maintenance and Parts are Limited or Nonexistent). When AFRC or ANG aircraft fly TWCF, JA/ATT, or tanker *ops tempo* missions and become NMC at an austere location (CONUS or overseas), AMC will pay all maintenance recovery costs (excluding aircraft parts, to include DLRs) if the recovery is within AMC's capabilities. The AMC unit tasked to support the maintenance recovery will fund for the TDY costs and any required transportation costs, should the aircraft parts be sourced from an AFRC or ANG base. Use command ESP code CS (Charlie Sierra) to track and record these expenses. Funding for the maintenance recovery efforts of AFRC and ANG aircraft on their O&M training hours/missions is the responsibility of the respective AFRC/ANG unit in the event they request AMC support. The applicable AFRC/ANG unit will provide the required fund cites (TDY, parts, dedicated airlift transportation) and home station point of contact to HQ AMC/LGRC prior to the AMC unit being tasked to support the aircraft recovery effort. For these missions, the AFRC/ANG home station of the NMC aircraft will also fund any transportation costs should the required aircraft parts be sourced and subsequently shipped from the transportation office at an AMC base to the NMC location.

19.29.3. DLR Application. If an AFRC or ANG aircraft makes an unscheduled landing at an AMC location for maintenance purposes, normal DLR transient maintenance rules apply (regardless of mission). Air Force DLR transient policy dictates the host base will pay for DLR support unless the following two conditions are met: (1) The DLR has an exchange cost greater that $20,000 and (2) the part is not in stock at the host base. If these two conditions are met, the home station of the AFRC or ANG unit will pay for the DLR support.

19.30. Chaplain Programs.

19.30.1. AFI 65-601, Volume 1, Chapter 4, paragraph 4.32 addresses APF support for chaplain programs. This support is limited to major/minor construction, alterations, and maintenance and repair of chaplain facilities, to include the property and equipment provided to support chapel and chaplain programs. It also extends to food or beverage items (to include food serving items) where authorized by

law or determined by the senior chaplain to be a direct mission requirement, i.e., a necessary or integral part of an authorized religious ceremony. A good rule of thumb is if APF cannot fund the food or beverage items, neither is it available to fund the food serving items.

19.30.2. Don't use NAF and/or religious service collections/offerings to fund chaplain direct mission requirements.

Chapter 20

OTHER MISCELLANEOUS ITEMS AND ISSUES

20.1. Subsistence-in Kind (SIK).

20.1.1. SIK (P-562, 3500 appropriation), is a centrally managed specific allotment. The command or installation level does not budget for this program, although some accounting and reporting transpires at these levels.

20.1.2. Follow the open allotment procedures defined in AFR 177-10, *Air Force Quality Assurance Program for Base-Level Accounting and Finance Activities*, in citing SIK funds.

20.1.3. Centralization does not relieve commands and bases from positive management of the SIK program to ensure you maintain the basic daily food allowance. Commands and bases also retain the responsibility to advise the central manager of any significant change in the absentee rate or number of personnel subsisted. The FSO or DAO should continue to emphasize accuracy and timeliness of SIK related reports.

20.1.4. Collection of Subsistence from Air Force Members Treated in Civilian Hospitals and VA Facilities. In accordance with AFI 41-101, *Obtaining Civilian Medical and Dental Care*, active duty Air Force members hospitalized in civilian medical facilities or VA facilities for inpatient care covered by a VA and DoD sharing agreement, should incur a daily medical care charge for subsistence for the period of hospitalization. Charge the member the daily rate prescribed for military MTFs in accordance with AFI 41-115, *Authorized Health Care and Health Care Benefits in the Military Health Services System (MHSS).*

20.1.5. Subsistence Payment During CONUS Field Training Exercises. AFI 34-401, *Food Service Management Program*, Attachment 2, provides guidance for subsisting during field training exercises. Additionally, DoD 7000.14, Volume 7A, *Military Pay, Policy & Procedures, Active Duty and Reserve Pay*, Table 25.8, outlines the rules for basic allowance for subsistence (BAS) entitlements during non-contingency operations. Do not provide military members on BAS free meals while deployed for non-contingency training purposes.

20.2. Emergency and Special Program (ESP), Responsibility Center/Cost Center (RC/CC), and Element of Expense/Investment Codes (EEIC). AMCFSS/FMBC (Budget Policy & Procedures) is the OPR for maintaining and publishing the command-level ESP and EEIC coding packages. SAF/FMBMM is the OPR for the Air Force Joint Chiefs of Staff (JCS) and non-JCS ESP coding packages. AMC OBANs should only use the applicable codes contained in these authorized files, which are available on the AMC/FM web page http: www.amcfm.scott.af.mil/ for your convenience. Use 5-digit EEICs, if applicable, for program as well as obligation/expense accounting data. Address any requests for changes to the AMC coding packages to AMCFSS/FMBC, 402 Scott Drive, Unit 1K1, Scott AFB IL 62225-5311. For RC/CC codes, follow the guidelines established in DFAS-DE 7000.1-R.

20.2.1. Air Force Policy for Establishing/Releasing Air Force ESP Codes for Contingency Operations and Natural Disasters. The following SAF/FMB processes apply:

20.2.1.1. In the event AMC is tasked to support a contingency or emergency that requires identifying and tracking funds, SAF/FMBOI should be notified immediately by telephone or fax (use classified mode as necessary) by HQ AMC/FMB personnel. The command should identify the

origin of the task, the DoD or JCS approved title (if available), and the purpose/definition of the Air Force mission involved. SAF/FMBOI will assess the situation and provide an ESP code as quickly as possible.

20.2.1.2. When SAF/FMB, in coordination with the Joint Staff and the Air Force Crisis Action Team (CAT), receives deployment/execution orders for coordination, they immediately assess the need for establishing an Air Force ESP code. If SAF/FMB foresees the need to track the costs, they will first establish a "draft" ESP code through SAF/FMBMM and notify the MAJCOM(s) that are likely to be tasked. The MAJCOM(s) will be asked to provide an appropriate cost estimate based on the force structure outlined in the deployment/execution order. If the order is officially released, the MAJCOM(s) have the authority to use the ESP code prior to receiving an "official" message update from SAF/FMBMM.

20.2.1.3. Under both procedures outlined above, SAF/FMBOI/FMBMM will determine if the Air Staff desires to track pending costs. This determination is based on compliance with Joint Staff/OSD reporting requirements, and/or the number of MAJCOMs impacted by the contingency/emergency. In the event SAF/FMBMM elects not to issue an Air Force ESP code, HQ AMC/FMB has the option to establish a command ESP code for tracking purposes.

20.3. AMC Operational Test and Evaluation (OT&E) Program.

20.3.1. AMCI 99-101, *Operational Test and Evaluation*, and AFI 65-601, Volume 1, Chapter 14 describes the OT&E Program. The Directorate of Test and Evaluation (TE) is responsible for planning, programming, budgeting, and accounting for all OT&E resource requirements for AMC. AMC OBANs account for OT&E funds, managed by HQ AMC/TE. At HQ AMC/TE's request, HQ AMC/FMB issues OT&E funds to a designated AMC OBAN. These funds pay only the TDY costs for personnel authorized by HQ AMC/TE to participate in AMC-approved tests and for other HQ AMC/TE-approved test expenses. Such OT&E funds are normally sent on a quarterly basis to McGuire AFB NJ, for the AMWC/33 FLTS and Keesler AFB for Det 2, AMWC/33 FLTS. AMC OT&E expenses are recorded and tracked through HQ AMC/TE issued ESP codes. HQ AMC/TE assigns an ESP code for each approved test to include as part of the issued fund citation.

20.3.2. The host base should budget and fund for the support costs and 3080 procurement costs for the AMWC/33 FLTS, Det 2/AMWC/33 FLTS. HQ AMC/TE, with assistance from the respective unit, budgets, funds, and accounts for the daily operating costs of the AMC field test agencies on non-AMC bases.

20.4. Management of Support Agreements.

20.4.1. Air Force entities negotiate support agreements with other Air Force entities (when crossing commands), as well as DoD, or non-DoD government agencies. DoDI 4000.19 (soon to be revised), AFI 65-601, Volume 1, Chapter 7, AFPD 25-2, *Support Agreements*, and AFI 25-201, *Support Agreement Procedures*, contain support agreement guidance. Coordinate all support agreements within the financial management and manpower activities, regardless if your unit is the host or tenant. While the installation supplier Support Agreement Manager (SAM) is the OPR for support agreements, the FM and the manpower office are integral parts of a successful agreements program. There are three primary types of support agreements common to all bases. They are:

20.4.1.1. Intraservice Agreements. These are agreements made between two Air Force units belonging to different MAJCOMs, also commonly referred to as Host-Tenant Support Agreements.

20.4.1.2. Interservice Agreements. These are agreements between the Air Force and another DoD component, e.g., the Army, Navy, or Marine Corps.

20.4.1.3. Intragovernmental Agreements. These are agreements between the Air Force and other federal agencies, e.g., Defense Intelligence Agency, Federal Aviation Administration, Federal Bureau of Investigation, etc.

20.4.2. Although the agreements listed above are similar in nature, the rules governing what types of support are reimbursable varies. As an example, under intraservice support agreements, there are very few services an Air Force host wing provides to another Air Force tenant unit that are reimbursable. Most services are considered common support, defined as routine services normally furnished by the host wing to its own assigned units. Air Force tenants do not reimburse for common support on Air Force installations because the host annually budgets and receives funding for these services.

20.4.3. AFI 65-601, Volume 1, Chapter 7, Figure 7.1 indicates which types of services that Air Force tenant units normally reimburse the Air Force host. See Chapter 7, paragraph 7.8 of AFI 65-601, Volume 1 regarding the listed exceptions for Air Force host base support tenants. Some of those listed Air Force tenants offer diverse services to the host base, and you must determine the tenant services that are reimbursable by the host base. If the host base supports a tenant from another command and the tenant command has a unique requirement, then the tenant command must negotiate with the command that provides the special support.

20.4.4. There are some costs that are reimbursable between Air Force units. As a general rule, an Air Force tenant reimburses the host for support services received that are above and beyond what host routinely provides to its own units. This includes expenses incurred to meet a tenant’s unique requirements, e.g., if the tenant uses specialized equipment to meet its mission requirements and the host incurs additional costs to maintain the tenant’s equipment. The application to determine if the tenant’s services are unique and reimbursable depends on if the services exceed what the host provides to its own units.

20.4.5. For interservice and intragovernmental agreements, the host wing is not funded to pay for much of the common support provided to non-Air Force tenants. These types of tenants are funded directly by their respective parent command for support provided by the host that is shown in DoDI 4000.19, Enclosure 6. Consequently, other DoD components and federal agencies are required to reimburse the host for their fair share of the costs incurred by the host to provide certain services.

20.4.6. The FMAs at the AMC wings are responsible for the overall coordination of support agreements within the comptroller office. They accomplish the appropriate costing and budgeting activities and assemble the FM's input to the agreement. Additionally, they ensure the accomplishment of all required support agreement financial actions, review support agreements to validate financial information, develop appropriate unit cost factors, advise activities on support agreement financial matters, and act on behalf of the comptroller to determine funding responsibilities identified in support agreements.

20.4.7. The FMA office, along with the FSO, works with the supporting DFAS OPLOC to ensure provision for the appropriate accounting services, to include actual billings for the support services.

20.4.8. The following is additional Air Force guidance regarding host tenant funding responsibilities, when the tenant is not a host support tenant (see AFI 65-601, Volume 1, Chapter 7).

20.4.8.1. A-E Design Services. These services are common support functions and the host is responsible for budgeting and funding support functions common to all tenant organizations to the extent the tenant is not self-supporting. The only exception to this general rule is contract services for off-base tenants, when the host does not have the organic capability to provide the support.

20.4.8.2. Contractor Installation of BPIE. The host's 3080 appropriation funds the installation costs of investment items when installation is a part of the list price of the equipment or covered under warranty provisions. Otherwise, the organization responsible for funding the associated repair or construction project or contract service funds for the equipment installation.

20.4.8.3. Budget Lead Time Away. The tenant is responsible for advising the host of requirements in sufficient time to allow consideration during budget formulation. When the host is not afforded budget lead time, the tenant should not demand funding from the host. If funds are not available, the host is responsible for submitting any unfunded requirements to its higher headquarters for funding consideration. The tenant command may elect to fund the requirement, in order to expedite the process. The tenant reimburses the host for investment equipment unless the support agreement states that the host will provide at no cost.

20.4.9. Role of FMA. One of the FMA's most important roles in the support agreement process is validating the costs and the methodology used to estimate reimbursable support. As costing experts, the FMA office must ensure the capture of all reimbursable costs and accounted for in each support agreement. Although the Unit Support Agreement Monitors should identify and estimate reimbursable costs associated with their work centers, the FMA office must ensure these individuals possess the necessary skills to carry out their costing responsibilities. The Logistics Plans office, with the help of FMA, must ensure that Unit Support Agreement Monitors are completely familiar with support agreement processing and are able to efficiently fulfill their duties. To accomplish this, we recommend you conduct co-sponsored training sessions at least once a quarter. Training should cover at a minimum incremental costing, acceptable cost techniques, and the billing and reimbursement process. Also, work closely with all functional areas when formulating and revising support agreements. Identify the support being provided and determine if it is reimbursable or non-reimbursable. Keep in mind, the agreement itself is not an obligating document. To ensure fund availability, use a Military Interdepartmental Purchase Request (MIPR), Project Order, or another valid appropriate document to convey the required funding.

20.4.9.1. For interservice and intragovernmental agreements, all areas of support are subject to reimbursement; however, there must be some basis to identify support provided before actual reimbursement can take place. This should be done during the negotiation stage. In accordance with DoDI 4000.19, change only the "direct incremental cost" for support provided to an interservice tenant. This means that you need to show that your actual direct cost has or will increase due to the support provided to the tenant organization. There are no longer any "mandatory" categories of support prorated to all tenants. Any and all support is open to reimbursement, provided you can show (measurable and identifiable) that it actually increases your direct cost. The host and tenant must agree, through negotiation, to the total reimbursable amount.

20.4.9.2. On new agreements for interservice or intragovernmental tenant relationships, where you have never provided/received support, make every effort to identify total cost, based on DoDI

4000.19. If the agreement is not new, revalidate the reimbursable costs using revised cost estimate calculations. You should annually review and revise these cost estimates to reflect the total cost of your reimbursement program for the coming year. Develop firm cost rates for the year with changes incorporated in next year's cost review cycle.

20.4.10. Support of Federal Border Clearance Agencies. It is the Air Force policy (SAF/FMB memorandum, 30 Aug 90) to provide support to Federal Border Clearance Agencies (United States Customs Service, Department of Agriculture) at our aerial ports of entry without charge. This policy is consistent with DoDI 5030.49, *DoD Customs Inspection Program*, and the Army's implementing regulation as the executive agent for DoD.

20.5. Military Interdepartmental Purchase Requests (MIPR). Issue MIPRs pursuant to the Economy Act. Therefore, reduce obligations recorded against MIPRs on the books of the ordering agency at the end of the period for the authorized appropriation, to the extent the receiving agency has not incurred obligations under the MIPR (see AFI 65-601, Volume 1, Chapter 7 and DFAS-DER 7000.4, *Accounting for Obligations*).

20.6. Base Veterinary Clinics. The Department of the Army Veterinary Service is considered an integral part of the local Air Force medical staff and, as such, is not an interservice tenant on Air Force bases. Therefore, the Army does not reimburse the base for required host support provided to the veterinary clinic; regard it in the same manner as any host support for the base Medical Treatment Facility (MTF). ***NOTE:*** See AFI 65-601, Volume 1, Chapter 10, paragraph 10.23.2 regarding the application of civil engineer and communications support for veterinary services.

20.7. Medical Insurance Billings and Reimbursements in Air Force Medical Treatment Facilities (MTFs)--Third Party Collection (TPC) Program. Public Law 99-272 directs military MTFs to collect from third party insurance carriers the medical services hospital costs for retirees and all categories of dependents with private health insurance. All retiree and dependent inpatients should be questioned about availability of health insurance, have insurance certifications accomplished, and certifications filed in each inpatient's clinical record. In FY93, the TPC program was expanded to include outpatient services, automobile liability, and no-fault insurance policies. The TPC program includes inpatient hospital care, ambulatory procedure visits, outpatient visits, Cooperative and Supplemental Care programs, ancillary services ordered by outside providers, hyperbaric medicine, immunizations, dental care, ground and air ambulance services, automobile liability, and no-fault insurance policies.

20.8. Medical Third Party Liability Notification. In accordance with AFI 41-115, the military MTF is required to notify the base staff judge advocate when treating patients for injury or disease caused by a third person under circumstances creating a potential liability, or financial responsibility, for Air Force provided medical and dental care.

20.9. Liquid Substitutes and "Sports" Beverages. The Air Force Surgeon General has determined that salt tablets should no longer be used by Air Force members (military and civilian) to replace body salts and minerals lost through heavy perspiration. Liquid substitutes and "sports" beverages in lieu of salt tablets may be purchased from organizational (O&M or TWCF, as applicable) funds provided that competent medical authority has determined the need exists. Do not charge any authorized purchases of liquid substitutes or sports beverages to military personnel troop feeding funds.

20.9.1. Purchases are authorized for personnel who are subjected to high levels of heat stress during the summer months (i.e., aircraft ground crews, flight line maintenance personnel, and other personnel who perform mission-oriented duties). The liquid substitute or "sports" beverage selected should be formulated to replace electrolytes and minerals as well as fluid lost by the body due to heavy perspiration. ***NOTE:*** Off-duty activities, sports, and similar activities do not qualify for liquid substitute APF. Additionally, the purchase of these beverages solely for morale purposes is not authorized.

20.9.2. The medical treatment facility or clinic commander in conjunction with the unit commander should approve the selection of the liquid substitute or "sports" beverage and local implementation, in writing. Local controls must be established to ensure that each purchase is not vulnerable to fraud, waste, or abuse.

20.10. Air Navigation and Overflight Fees.

20.10.1. In accordance with State Department policy, all United States Government aircraft are exempt and deemed "state aircraft." These aircraft are exempt for air navigation and overflight fees charges by foreign governments, unless allowed under specific treaty provisions between the United States and the foreign government(s). A primary example is certain arms control treaties that apply to the movement of On-Site Inspection Agency (OSIA) teams by organic airlift aircraft into the former Soviet Union states. An existing treaty between the United States government and the Agency for the Safety of Air Navigation in Africa and Madagascar (ASECNA) which allowed for payment of these fees expired effective 1 Nov 97 and was not renewed, at the request of the State Department.

20.10.2. Therefore, with the exception of any provision contained in weapons compliance treaties, air navigation and overflight fees should not be paid under normal circumstances. However, if AMC aircraft are faced with a particular incident in a foreign country whereby payment of these fees is contingent upon the aircraft's ability to depart, payment is allowed and a protest can be filed with the residing United States Embassy. Aircrews should follow the procedures contained in the *DoD Foreign Clearance Guide*, located in the forward part of each regional booklet, Section I, paragraph A5 or A6, as appropriate.

20.10.3. ASECNA bills for overflight fees prior to 1 Nov 97 but received afterwards will continue to be honored. ASECNA overflight charges for TWCF aircraft pertaining to occurrences in FY97 or prior but received in FY98 or later will be paid with current year expense authority unless accruals were previously established in the accounting system for the fiscal year of occurrence.

20.11. Landing and Parking Fees. These charges may be assessed against AMC aircraft by commercial airports at certain foreign countries. The home station of the aircraft is responsible for payment. Use Air Force Form 15 procedures should be used to charge these fees, where applicable. In accordance with SECSTATE guidance, do not pay these fees for any AMC aircraft that land at foreign military airfields.

20.12. Border Clearances. Whenever personnel from the Bureau of Customs, the Department of Agriculture, the Department of Public Health Services, and the Department of Immigration and Naturalization Service need to inspect AMC aircraft outside of their normal duty hours, AMC reimburses for the cost of their overtime, Sunday, and holiday pay. Reimbursement of these overtime charges performed at TWCF funded bases will be charged to local TWCF funds, using EEIC 59230, RC/CC XX4231. The cost of AMC aircraft inspections at non-TWCF bases and commercial airports are the responsibility of the aircraft's home station.

20.13. International Merchants Purchase and Authorization Card (IMPAC). Follow the instructions outlined in the SAF/AQCO guidance package entitled *United States Air Force Internal Procedures for Using the IMPAC*, 28 Apr 97, SAF/FM memorandum dated 4 Apr 97, *Changes in IMPAC Procedures*, effective 1 Oct 97, DFAS-DE/ALA messages 080913Z Oct 97 and 250740Z Aug 98 (IMPAC Implementation Procedures – Message 2 and 4 respectively), and HQ USAF/ILSP message 141133Z Jun 99 (Clarification of Local Purchase Policy and IMPAC Procedures). The maximum amount per single micro purchase limit is set at $2,500 in accordance with the referenced 28 Apr 97 guidance package, paragraph 3.12. However, you may now exceed the $2,500 single limit up to and including $25,000 if purchasing from a GSA Schedule, Federal Supply Schedule, Desktop V or VA contract, or any other prepriced contract already in existence. For DAPS, the single line purchase limitation is $100,000 (see Chapter 13, paragraph **13.1.3.** of this publication). The following paragraphs provide additional guidance regarding the latest IMPAC procedural changes.

20.13.1. DFAS will no longer certify Purchase Card invoices for payment. Each FSO is designated as the billing office and will have certification officials appointed by the fund holder (usually the installation commander) to certify the invoice upon receipt for payment on a "pay and confirm" basis. Upon receipt of the invoice, the FSO will verify the availability of funds for the payment, annotating the funding document on the invoice (pending establishment of the master account codes), and certify the invoice for payment. This allows the installation to maximize Purchase Card rebates and to eliminate Prompt Payment Act interest penalties. HQ AMC/FMPF returns the rebates to the bases on a funding document issued by the funds control section of HQ AMC/FMB.

20.13.2. Within 5 days after the FSO receives the Purchase Card Billing Account Statement Summary, the approving official will provide a signed statement to the FSO, confirming receipt of the material and services and properly charged to the funds. The cardholder and approving official will be responsible for processing disputes with the vendor and First Bank. The cardholder and approving official are still accountable for improper purchases made by the cardholder under the established payment procedures.

20.13.3. To minimize accounting detail associated with all Purchase Card transactions input into the accounting system, each approving official should generally be assigned only one line of accounting code per card. In accordance with SAF/FMB guidance, the routine use of journal voucher (JV) to record cost redistribution in an effort to provide more accounting detail is not authorized. The following instances are the only exceptions for routine Purchase Card cost distributions using a JV (Standard Form 1017) or Standard Form 1081: (1) Reimbursable orders; (2) FMS cases; (3) Official Representation Funds; (4) costs relating to contingency exercises by ESP code; (5) appropriated fund support for MWR activities; (6) adjustments for flying hour programs; and (7) fiscal year adjustments. The approving official prepares all cost distribution vouchers and submits them to the FSO. Upon approval, the FSO forwards them to the OPLOC for recording in the accounting system. Cost distribution transactions do not process through IAPS.

20.13.4. All Purchase Card accounts require funding documents, effective 1 Oct 97. Use an Air Force Form 4009, **Government Purchase Card Fund Cite Authorization**, to set aside quarterly reservation of funds. All appropriations require an Air Force Form 4009 funding document that establishes the spending limit and assigns a master account code. The master account code will not be embossed on the card unless it is input into field 2 of the setup screen by the Purchase Card installation coordinator. DFAS-DE is working accounting system changes to further automate the fund control process.

20.13.5. Purchase Card Year-End Procedures. Because of growing pressure to make the most of our limited funds, you must adhere to the following minimum year-end Purchase Card requirement procedures:

20.13.5.1. On/about 1 September, resource advisors (RA) are required to maintain a record of Purchase Card transactions as well as purchases not billed from the previous month (August). Cardholders must provide unbilled purchase amounts and other purchase information to the RA at the time of purchase. Cardholders should ask vendors for exact purchase price to include shipping or other authorized fees.

20.13.5.2. On/about 25 September, the September Purchase Card invoice should be received and obligated. All AF Form(s) 4009 balances are decommitted. The RA should provide an estimate for a MORD if they plan to use the Purchase Card during the remaining part of September. Approving officials will need to provide AF Form(s) 4009 for the new fiscal year.

20.13.5.3. On 30 September, all Purchase Card spending is halted without specific approval from the Comptroller. The RA will identify any unbilled charges by 30 September and obligate them on a MORD. MORD amounts will be based upon actual charge amounts only. Unit commanders, approving officials, and cardholders will be held accountable for overspending or any unapproved use of the Purchase Card in accordance with DoD 7000.14-R, Volume 5, Chapter 33.

20.13.5.4. Keep in mind, the above is the minimum required for year-end Purchase Card processing. Bases/units may impose stricter year-end procedures if they so choose.

20.13.6. Liquidation of Prior Year Obligations. On/about 25 October, the October Purchase Card invoice should be received, which will contain both prior year and current year charges. The entire October bill will be paid using current year funds against the AF Form(s) 4009 previously submitted for the new fiscal year. The FSO will prepare a SF Form 1081 to make the proper fiscal year adjustment for those charges on the October Purchase Card invoice that are applicable to the prior year. The FSO should use the detail information certified by the approving officials to support the SF Form 1081, but compare the amounts to the information obtained from the RA at year-end to verify the totals. Once all prior year charges are billed and paid, close out the MORDs. There may be instances where money falls out, but the goal is zero. Any large balances should be reviewed and verified as available for withdrawal before deobligation.

20.13.7. Effective 1 Oct 97, the Air Force medical logistics personnel may use the Purchase Card to buy medical supply items at or below $2,500 for resale and reissue. Nonappropriated Fund Instrumentalities may do the same, whether purchasing or selling items or services. Additionally, USD(C) has directed in a 20 Jul 98 policy memorandum, *Purchase Card Program Reengineering Implementation Memorandum #6: Streamlined Payment Practices*, to use the Purchase Card as the method of payment for all training requests that utilize the DD Form 1556, **Request, Authorization, Agreement, Certification of Training Reimbursement**, valued at or below $25,000. DD Form 1556 requests for training will only be processed in cases where the Purchase Card is not accepted by the agency providing the training.

20.13.8. Each AMC unit commander determines his or her policy with regard to the maximum monthly dollar purchases allowed per issued Purchase Card.

20.13.9. Do not use your unit-funded IMPAC card to obtain centrally-procured items. See Chapter 19, paragraph **19.18.** of this publication for additional guidance.

20.14. Support of Service Members on Delayed AMC Organic Aircraft. AMCI 65-602, Chapter 6, paragraph 6.8 provides funding policy guidance for the support of service members, in a group travel status, who are transported on AMC organic aircraft flying a TWCF mission which incurs an unscheduled delay, due to weather or maintenance problems. Use AMC command ESP code CH (Charlie Hotel) to record these costs.

20.15. Contingency Operations.

20.15.1. Since the fall of the Iron Curtain and the independence of the former Soviet states, AMC has been heavily involved in world wide contingency operations regarding humanitarian or disaster relief, noncombatant evacuation, and deploying peacekeeping forces. Depending upon the size, nature, and number of contingencies involved in a given fiscal year, contingency operations could easily be the largest command program, if not one of the largest, to include the civilian pay and the flying hour program. Congress ultimately provides funding for these operations after the fact, with the passage of the O&M supplemental funding bills and subsequent allocation to SAF/FM.

20.15.2. The O&M contingency expense reports are the basis for supplemental funding provided by SAF/FM. This data comes from reports received from the different commands' FMs, predicated on the reports they receive from their bases or extracted from the accounting database.

20.15.2.1. HQ AMC/FMB provides periodic O&M contingency obligation reports to SAF/FM, based on the data extrapolated from the current accounting database. These reports identify actual obligations as well as projected net additive costs. Net additive costs are those additional costs to an appropriation that would not incur if the contingency operations had not occurred. SAF/FMB issues ESP codes to track and identify these costs.

20.15.2.2. HQ AMC issues and maintains the lists of Air Force and command applicable ESP codes for reimbursable O&M contingency operations.

20.15.3. Net additive contingency costs can quickly place a cash flow burden on an installation's budget execution if program management is not effective. AMC reimburses all properly identified contingency obligations (commitments are not reimbursed) up to the level of funding received from the Air Staff. Since command reimbursement tie directly to obligations, timely and accurate coding and reporting by bases is extremely important for full reimbursement. It is in the base's best interest to quickly move requirements from the commitment stage to the obligation stage. However, you must maintain the proper coding these costs.

20.15.4. Contingency operations costs have visibility at the congressional level and inquiries can come from various sources on a wide variety of subjects. Bases can expect high levels of scrutiny by the command, the Air Staff, the Air Force Audit Agency (AFAA), and the General Accounting Office (GAO), to include detailed justifications on projected expenditures.

20.15.5. Contingency Operations Applicable to TWCF. Charge all direct TWCF related costs of contingency operations to the appropriate base or headquarters level TWCF OBAN account. Travel/per diem costs of TWCF-coded personnel will be charged to the TWCF funding citation of their applicable unit of assignment, in accordance with AFI 65-601, Volume 1, Chapter 10, paragraph 10.2.1. Use the applicable contingency-assigned ESP code to accurately capture costs. HQ AMC/FMB will seek additional TWCF expense authority from USTRANSCOM/TCJ8 to cover contingency costs if the review of each base's (and the headquarters) accounting records supports and justifies an increase in

funding. See AMCI 65-602, Chapter 6, paragraph 6.10 for additional guidance on TWCF contingency operations support.

20.16. Official Representation Funds (ORF).

20.16.1. The ORF program (PE 91515), sometimes referred to as the commander's contingency fund, allows wing level commanders to extend official courtesies to certain officials and dignitaries of the United States and foreign countries. Conduct entertainment on a modest basis that complies with socially acceptable standards of American society and jointly serves the objectives of our government and the interest of the taxpayer. Official entertainment costs can include meals, receptions, coffee and cake, and mementos. Command-wide, these funds are limited and all expenditures receive high visibility.

20.16.2. Advance requests to wing commanders for these funds must justify their use and itemize proposed expenditures, identify the category of entertainment, include a proposed guest list with the position or title of invitees, indicate DoD to non-DoD guest ratios, and the date of the event. AFI 65-603, *Official Representation Funds—Guidance and Procedures*, imposes very stringent controls on this program. Bases should apply extreme caution when expending ORF funds. When a unit cannot use ORF or their O&M funds for a function, then Special, Morale, and Welfare Funds (SM&W) is the next alternative. See **Chapter 23**, paragraph **23.3.** for additional information on SM&W funds.

20.16.3. All AMC bases that are issued ORF funds must submit the quarterly RCS: SAF-FM(Q)7113, Report of Contingency Expenditures, to AMCFSS/FMPJ, 402 Scott Drive, Unit 1K1, Scott AFB IL 62225-5363, no later that the 12th workday after the end of the quarter (December, March, June, and September).

20.17. Treaty Inspection Teams. Per SAF/FMBMM and AF/XONP direction, the Air Force must comply with international treaties and arms control related agreements made by the United States government. However, there are no treaty provisions that require the Air Force to purchase small token gifts for visiting treaty inspection teams at the conclusion of the treaty inspections. These "gifts" are not a necessary expense for the purpose of arms control and you must not use any appropriated funds for that purpose. The host or inspected party will provide, or arrange for the provision of meals, lodging, work space, transportation, and as necessary, medical and other urgent services for the inspectors, and aircrew members of the inspecting party (PE 35145 funds). However, it is the Air Staff's view this policy is **not** sufficiently broad to cover the funding of "light food and refreshments at inspection briefings" or at any other time during the inspection visit. You may want to consider the use of ORF to fund for mementos, light food, and refreshments if the inspection visit is within the purpose and scope of the ORF guidance (AFI 65-603), as long as you comply with all requirements and stipulations contained therein.

20.18. Licenses and Certificates.

20.18.1. Comptroller General (CG) Decision B-252467 allows the Air Force, effective on or after 3 Jun 94, to pay for licenses or certificates for military personnel in instances where federal law compels Air Force members to comply with state and local regulations requiring licenses or certificates. This decision is not retroactive.

20.18.2. This ruling does not apply to civilian employees of the Air Force, supported by several CG decisions referenced in the *GAO: Principles of Federal Appropriations Law, Second Edition, Volume*

I, Chapter 4, pages 4-210 and 4-211 (Personnel Qualification Expense) and page 4-256 (Occupational License Fees). Noted exceptions to this rule are:

20.18.2.1. Civilian employees TDY for an extended time to a foreign country that require a license to operate a motor vehicle, even though it was not one of the employees' duties but was a less expensive alternative to hiring additional personnel.

20.18.2.2. Civilian employees required to serve as a notary public.

20.18.3. The CG decision goes further with regard to funding of professional licenses and certificates of Air Force members, stating "We note, however, that appropriated funds are not available to meet the licensing requirement's of professional personnel such as teachers, accountants, engineers, lawyers, doctors, and nurses. These individuals are fully aware of the licensing requirements of their professions from the time they begin their professional education, and of the fact that society expects them to fully qualify themselves for the performance of their chosen professions."

20.18.4. It appears, at first glance, there is conflicting guidance within the framework of the CG decision regarding its application to Air Force members (paragraphs **20.18.1.** and **20.18.3.** above). However, the focus of the decision is to those Air Force members who are performing a particular job that requires a license or certificate, unaware they need to obtain a license or certificate to perform this job, upon joining the Air Force.

20.19. The Federal Medical Care Recovery Act (FMCRA).

20.19.1. The FY97 DoD Authorizations Act (Public Law 104-201), effective 23 Sep 97, contains substantial amendments to this statute, the first being the expansion of its application and increasing the types of costs recoverable, in cases where the United States is a third party beneficiary to insurance contracts in no-fault states (42 U.S.C. 2651(c)(1)). The assertion of an FMCRA claim in no-fault states is a two-step process, as follows:

20.19.1.1. Claims personnel must determine that tortious conduct exists under the particular state's general tort law.

20.19.1.2. If tortious conduct does exist, an FMCRA claim against the insurance company as a third party beneficiary is a possibility.

20.19.2. The second revision to the above statute is the lost wages of active duty military members as a recoverable cost. Claims personnel need to determine from the service member how many days he or she was unable to work. A copy of a current leave and earning statement will establish the basic pay, special pay, and incentive pay in determining the amount of lost wages recoverable by the United States (42 U.S.C. 2651(g)(3)).

20.19.3. Since MTFs usually provide for the medical care for active duty members, most hospital recovery claims fall under the Coordination of Benefits (COB) statute. However, COB does not allow for the recoupment of lost wages. Therefore, if the incident involves tortious conduct and an active duty member, claims personnel will also include an FMCRA claim for lost wages in addition to the COB claim.

20.19.4. The third revision involves the deposit of successful recoveries for lost wages into the appropriation account supporting the operations of the command, activity, or unit of assignment of the injured service member (42 U.S.C. 2651(f)(2)). Record collections to the unit RC/CC as a reimbursement using sales code 99 and EEIC 231, MILPERS Injury Collections. O&M funded units unit may

spend these collections at its discretion, within the legal limitations of the appropriation. For TWCF units, however, consider these collections the same as revenues earned from miscellaneous sales of services (AMCI 65-602, Chapter 3, paragraph 3.2) except that recording procedures described above will apply. Since the TWCF is a Working Capital Fund operation, all revenue reimbursements earned and deposited, regardless of the source, offset the overall operating expenses at the command level, thereby directly influencing the Net Operating Results.

20.19.5. The fourth revision (42 U.S.C. 2651(f)(1)) parallels existing provisions in the COB statute regarding the deposit of successful recoveries based on treatment in a military hospital or clinic. Under the new FMCRA changes, deposit any amounts recovered for medical care furnished by a (MTF) in the operations account of that MTF. Collection procedures in paragraph **20.19.4.** above apply.

20.19.6. The authority to collect under these revisions applies to expenses incurred on or after the effective date of the FY97 DoD Authorization Act (23 Sep 96). The date of the incident causing the injury is irrelevant. Claims examiners need to ascertain the date of medical treatment or payment and the dates an active duty member was unavailable for duty to determine the total amount recoverable from the insurance company.

20.20. Availability of Samples, Drawings, Information Equipment, Materials, and Certain Services. The FY94 Authorization Act (P.L. 103-160), codified in 10 U.S.C. 2539, grants the following authority for the military departments, providing it is in the best interest of National Defense:

20.20.1. Sell rent, lend, or give samples, drawings, and manufacturing or other information (subject to the rights of third parties) to any person or entity.

20.20.2. Sell, rent, or lend government equipment or materials to any person or entity for:

20.20.2.1. Use in independent research and development programs, subject to the conditions that the equipment or material is used exclusively for such research or development.

20.20.2.2. Use in the demonstration to a friendly foreign government.

20.20.2.3. To make available to any person or entity, at an appropriate fee, the service of any government laboratory, center, range, or other testing facility for the testing of materials, equipment, models, computer software, and other items. Fees for these services may not exceed the amount necessary to recoup the direct and indirect costs involved, such as direct costs of utilities, contractor support, and salaries of personnel incurred by the United States to provide for the testing. Credit such fees to the appropriations or other funds of the activity making such services available.

20.20.2.4. OSD(C) 28 Mar 97 memorandum provided interim guidance. The DoD 7000.14R, Volume 11A, Chapter 14, will contain this guidance when it is updated.

20.20.3. OSD (AT&T) delegated the authority to the acquisition executives of the military departments, directors of defense agencies, and directors or commanders of government laboratories, centers or other facilities for the testing of these items, to implement this guidance subject to the direction or control by a higher office.

20.21. Funding Policy for Quality of Life Enhancement, Defense Account (QOL,DA).

20.21.1. In accordance with SAF/FMBM guidance, OSD(C) determined that you cannot supplement OSD appropriations for QOL,DA with Air Force O&M 3400 funds, for the purpose of commingling

them on the same contract to cover price changes, within scope changes, or any other cost increases. The applicable OSD appropriations include, but are not necessarily limited to the following: Air Force Relocation Assistance Program (RAP), Transition Assistance Program (TAP), Lease of DoD Assets, Transfer or Disposal of Real Property, DoD Overseas Military Facility Investment Recovery Account - Defense, Legacy Program, and Federal Energy Management Program. Any O&M funds issued to supplement any OSD appropriation prior to the SAF/FMBM notification remain valid and no deobligation is required.

20.21.2. The intent of OSD's guidance is not to preclude the use of Air Force O&M 3400 funds to support these OSD funded programs for civilian pay, supplies, and other miscellaneous purchases that do not involve the mixing of the two funding sources on one contract. In AMC, supplementing OSD appropriations with O&M funds is applicable primarily to the RAP (FC 2S) and TAP (FC 2T) programs.

20.22. Funding for Claims.

20.22.1. Damage Claims Between Federal Agencies. The general rule regarding a federal agency or establishment which damages public property, real or personal, under the control of another federal agency or establishment may not pay a claim for that damage. In other words, federal agencies may generally not assess damage claims against each another. Examples would be if an Air Force aircraft accidentally destroys a vehicle while taxiing to the aircraft parking apron at an Army airfield or a pallet of Navy perishable foodstuffs spoils while transported on an AMC cargo aircraft delivering it to its ultimate destination. This rule, sometimes referred to as the "interdepartmental waiver doctrine," stands on the premise that ownership of public property is in the United States as a single entity and not in individual departments or agencies. It also relies, in part, on 31 U.S.C. 1301(a), which restricts the use of appropriations to the purposes for which they were made. Agencies authorized to acquire property are also authorized to maintain or repair that property to keep it suitable for its intended use; its appropriations, if not expressly available for repairs are nevertheless available by necessary implication without regard to what caused the damage. Payment by the agency causing the damage would amount to a payment for an unauthorized purpose that would also improperly augment the appropriations of the agency making the claim. Refer to the *GAO: Principles of Federal Appropriations Law, Second Edition, Volume III*, Chapter 12, Section D, for additional information on this subject.

20.22.2. Claims Payable From O&M Funds. The following claims are payable from O&M 3400 funds under BOS PE 41896, DODEE 18, and EEIC 672 (with appropriate shred):

20.22.2.1. Damage to personal property incurred during shipment or storage under contract with civilian carriers or warehouses.

20.22.2.2. Funds erroneously collected and repaid to military members, civilian personnel, or to states, territories, and the District of Columbia, or members of National Guard units, as determined by appropriate authority.

20.22.2.3. Payments for damages to persons or property caused by DoD personnel or activities.

20.22.3. HQ AMC/FMB funds claims on a quarterly basis to AMC units based upon recorded obligations in the year-to date claims processing summary in the Armed Forces Claims Information Management System (AFCIMS).

20.22.4. Collect and record carrier recoveries for damages to personal property of Air Force members (military or civilian) as refunds, and not reimbursements, in the accounting system under AFI 65-601, Volume 1, Chapter 5, Section B.

20.22.5. Claims not Payable from O&M Funds. The following are examples of claims that are not payable from your O&M 3400 funds, PE 41896:

20.22.5.1. Claims arising from the Federal Employees Compensation Act (FECA), as these are payable from a central fund of the United States Treasury known as the Employees Compensation Fund.

20.22.5.2. Claims filed as a result of local contract dispute settlements. Charge to the appropriation cited on the original contract unless the application of the Bona Fide Need Rule indicates otherwise. However, in all cases of settlements involving TWCF contracts, use current year (not prior year) TWCF funds.

20.22.5.3. Administrative claims as a result of local decisions based on grievances filed by individuals, e.g., claims arising out of Equal Employment Opportunity (EEO) or other discrimination suits. These claims are payable from unit O&M funds of the individual who filed the complaint.

20.22.5.4. Claims adjudicated in a federal court that renders a judgment against the United States. Payments for these judgments originate from the judgment appropriation (31 U.S.C. 1304), administered by the General Accounting Office. The judgment appropriation is not available for claims settled at the administrative level or awards by administrative tribunals. Examples of applicable claims include:

20.22.5.4.1. Claims payable in excess of $2,500 filed under the Federal Tort Claims Act (28 U.S.C. 1346(b) and 28 U.S.C. 2671-2680).

20.22.5.4.2. Initial payment of all claims filed and payable under the Contract Disputes Act. However, 41 U.S.C. 612, governs the payment of these claims, which provides for the available agency appropriation used to award the contract. Therefore, the agency appropriation on the contract current at the time of the award or judgment reimburses the judgment appropriation. If the agency has insufficient funds available for reimbursement at that time, under the statute it may seek additional appropriations. This does not have to be a specific line item appropriation. Subsequent lump-sum appropriations available for the agency's use may satisfy the requirement. The possibility exists that the agency may not be able to make reimbursement at the time of issuing the award or judgment without disrupting other activities. Therefore, it has until the beginning of the second year following the fiscal year in which the award payment to make restitution to the judgment fund, since the agency's budget for that fiscal year the award was made is set well in advance.

20.22.5.4.3. Inverse condemnation claims in excess of $10,000.

20.22.5.4.4. Claims payable in excess of $100,000 filed under the Military Claims Act (10 U.S.C. 2733) and the Foreign Claims Act (10 U.S.C. 2733(b)(4)).

20.22.5.4.5. All claims filed and payable under the Small Claims Act (31 U.S.C. 3723).

20.22.5.4.6. Tort claims arising in foreign countries in excess of $2,500. ***NOTE:*** Those claims $2,500 or less are paid only from those agency appropriations having specific authority by law to settle tort claims in foreign countries.

20.22.6. Interest Penalty Payment on Contractor Claims. Payment of interest owed on contractor claims is based on 41 U.S.C. 611, Chapter 9. Interest on amounts due to contractors on claims are paid to the contractor from the date the contracting office receives the claim pursuant to Section 605(a) of 41 U.S.C. 611 from the contractor until payment is made. Interest is chargeable to the available appropriation at the time it begins to accrue and not necessarily to the appropriation that funded the original contract. To the extent the available appropriation is not available to fund all or a portion of the interest owed, current year funds must be used to pay the accrued interest.

20.22.7. Refer any questions concerning the appropriate application of funds to pay a particular claim not addressed above to your local JAG office for proper disposition.

20.23. Interest Penalty Charges. Most of the following guidance regarding this issue is also located in AFI 65-601, Volume 1, Chapter 4, paragraph 4.21.

20.23.1. All federal departments and agencies must comply with the Prompt Payment Act (P.L. 97-177 (codified in 31 U.S.C. 3902) and OMB Circular A-125, *Prompt Payment*) and pay interest penalty charges from their existing appropriations. Air Force paying offices are responsible for funding interest penalty charges regardless of the appropriation or activity (host or tenant) that caused the late payment.

20.23.2. For AMC, the only appropriation available to finance interest penalty charges is Air Force O&M 3400. However, on a case-by-case exception, host installations may charge these costs to tenant O&M funds if there is clear evidence that the tenant was directly responsible for the interest penalty. Both the host and tenant must agree prior to charging the tenant's funds. This agreement must be in writing and approved by the installation comptroller and the commander of the tenant organization.

20.23.3. In accordance with the *GAO: Principles of Federal Appropriations Law, Second Edition, Volume III*, Chapter 12, page 12-236, 1st paragraph, interest payments under the Prompt Payment Act are chargeable to the fiscal year or years in which the interest liability accrued. If a contractor submits a bill for a claim on a prior year funded contract and the bill was received in the current year, pay any interest accrued from current year funds, even though prior year funds on the contract paid the disputed amount for which the contractor billed. For example, the contractor submits a bill against the outstanding prior year contract in June 97, and not paid until Dec 97 (FY98). The interest accrues in both fiscal years and the total interest penalty authorized for payment is split between FY97 and FY98 accordingly, assuming there was no dispute over the amount billed. Interest does not begin to accrue on a contractor's invoice if a dispute between the government and the contractor exists over the amount of payment or other issues concerning contract compliance until resolution of the dispute is finally settled.

20.23.4. For NAF paying offices and activities, charge the interest penalty to NAF funds.

20.23.5. The agency of the non-Air Force paying offices that administer AMC Air Force contracts are responsible to pay interest penalty charges incurred as a result of late payments to the to the contractor without subsequent recoupment or reimbursement from the AMC unit who originally funded the contract.

20.23.6. For Foreign Military Sales (FMS) contracts (fund codes 4E and 4F), the Air Force activity provides their supporting OPLOC the following FMS fund cite (FY99 only, per DFAS-DE/IR message 280747Z Oct 98) for the interest penalty: 97-11X8242.0002 4F 8467 NP9939 00* S843067. (***NOTE:*** The "*" in the fund cite indicates the one-digit reason code (fourth position of the 5-digit

EEIC) for the interest payment found in the Air Force EEIC list, under EEIC 682, entitled Interest Penalty Paid Under the Prompt Payment Act.) The OPLOC will then prepare a payment voucher for the amount of the interest penalty due the contractor. Please refer to DFAS-DE/IX message 241505Z Mar 98 regarding new procedures for recording FMS interest penalties.

20.23.7. Refer to DFAS-DER 7010.2, *Commercial Transactions at Base Level*, for specific accounting instructions.

20.23.8. See paragraph **20.22.6.** of this publication for discussion on interest payments regarding contractor claims.

20.24. Imprest Funds. Per DFAS-HQ policy guidance provided in Interim Change Advisory 3-98 to DoD 7000.14R, Volume 5, *Disbursing Policy and Procedures*, do not use imprest funds for unclassified programs. Authorized exceptions to this policy are for contingency and classified operations. Submit any requests for deviation from, or exceptions to, this policy through command channels and SAF/FM to the Director, Financial Commerce, and OUSD(C). Requests must contain adequate justification and demonstrate that the use of the Purchase Card, Government-wide Travel Card, or other reasonable alternatives are not feasible for the specific situation.

20.25. Private Organizations (POs). These are self-sustaining interest groups, established by personnel acting outside the scope of any official position they may have in the federal government. POs are not integral parts of the military service or federal entities, nor are they NAFIs, as defined in AFI 34-201, *Use of Nonappropriated Funds (NAFs)*. POs do not receive sovereign immunities and privileges given to NAFIs or the Air Force. They operate on Air Force installations with the written consent of the installation commander. POs must be self-sustaining and will not receive any direct financial assistance from APF or NAFI in the form of contributions, dividends, or donation of funds or other assets. For additional guidance on POs, refer to AFI 34-223, *Private Organization (PO) Program*.

20.26. Memorialization. A memorialization is a specific installation ceremony that involves naming a street, building, wing, or room of a facility to honor a particular individual, living or deceased. AFI 34-201, Table 1, Rules 55 through 62 allow the use of APF to purchase a plaque or permanent marker identifying the individual being memorialized as well as ceremonial costs relating to invitations, military bands, programs, etc.

20.26.1. In accordance with AFI 36-3108, *Memorialization Program and Ceremonies*, requests for non-local travel authorization by commercial or government transportation may be authorized for the honoree or next of kin (spouse, child, or parent) to attend the memorial dedication ceremony. Consult the JFTR for guidance on preparing invitational travel orders.

20.26.2. APF funding for a memorial ceremony <u>does not</u> include the cost of light food, refreshments, or food serving items, or any other item or activity designated to entertain, as stated per AFI 65-601, Volume 1, paragraph 4.28.

20.26.3. Fund memorialization costs authorized for APF from your local O&M 3400 program, preferably PE 41896. Do not use TWCF funds to fund for any memorialization costs, per AMCI 65-602, Chapter 6, paragraph 6.6.15.

20.26.4. The unit or organization planning to memorialize an individual as stated in paragraph **20.26.** above must consult AFI 36-3108, Table 1, for the proper approval authority required prior to obtaining the concurrence of either the next of kin or the individual being considered.

20.27. Contest Entry Fees and Prizes/Awards. In accordance with *GAO: Principles of Federal Appropriations Law, Volume 1, Second Edition,* Chapter 4, the following guidance in paragraphs **20.27.1.** and **20.27.2.** is provided:

20.27.1. Private-Sponsored Contests. The use of APF to pay an entry fee to enter agency publications in a contest sponsored by a private organization is improper and cannot be justified as a necessary expense, in cases where the prize is a monetary award to be given to the editors of the winning publication (CompGen Decision B-164467, 14 Jun 68). However, APF may be allowed for an entry fee where the prize is awarded directly to the agency and not to individuals, and where sufficient justification exists that the expense furthers the objects of the appropriation (CompGen Decision B-172556, 29 Dec 71). The decision to use APF to enter a contest will depend on (1) the nature of the contest and prized, (2) to whom they are awarded, and (3) the sufficiency of the administrative justification. Any authorized cash prizes from private-sponsored contests awarded to government agencies must be collected into miscellaneous receipts and not into the agency's appropriation that paid the entry fee (31 U.S.C. 3302).

20.27.2. Government-Sponsored Contests.

20.27.2.1. The use of APF to award cash prizes for government-sponsored competitions involving artistic designs is generally unauthorized if the prize awarded does not relate to the reasonable value of the services of the successful contestant (5 CompGen 640 (1926). However, if the value of the prize is comparable to the services performed (e.g., it would cost a like amount to contract for the design), the use of APF to award the prize is allowable (CompGen Decision A-13559, 5 Apr 26).

20.27.2.2. APF may be used to sponsor a contest under the necessary expense theory, if the expenditure bears a reasonable relationship to carrying out some authorized activity. Additionally, any travel and per diem costs involved to fly the individual winner to receive the award is also allowable (normally unit funded).

20.27.3. NAF Activities. The private commercial sponsorship of prizes may be used to enhance existing recreational MWR programs. However, a MWR program must already be in existence before private commercial entities can offer any prizes for a particular accomplishment (AFI 34-201, Chapter 9, paragraph 9.1.7.).

20.27.4. Contest entry fees and prizes/awards authorized for APF will be funded from O&M 3400 funds, preferably PE 41896. The use of TWCF funds for this purpose is improper unless it can be clearly justified that the expenditure of TWCF funds in this manner will further enhance the objective and purpose of the TWCF.

20.28. Administrative Expenses Related to Certain Real Property Transactions. In accordance with P.L. 105-85, Section 2813 (FY98 Authorization Act), as codified in 10 U.S.C. 2695 permits military departments to accept amounts provided by an individual or entity to cover administrative expenses (TDY, military and civilian pay, materials, supplies) incurred by the department in conjunction with entering into certain real property transactions with a non-federal person or entity. This includes (1) the

exchange of real property, (2) the grant of an easement over, in, or upon real property of the United States, or (3) the lease or license of real property of the United States. Amounts collected shall be credited to the appropriation, fund, or account from which the expenses were paid, and shall be available for the same limitations as the funds from which originally paid.

20.29. Insurance.

20.29.1. The Federal Government is essentially a self-insurer in certain important areas, primarily loss or damage to government property and the liability of government employees insofar as the government is legally responsible or would ultimately bear the loss. In the absence of specific statutory authority to the contrary, appropriated funds are not available for the purchase of insurance to cover loss or damage to government property or the liability of government employees (CompGen Decision B-158766, 3 Feb 77). Noted non-statutory exceptions to the self-insurance rule are as follows (CompGen Decision B-151876, 24 Apr 64):

20.29.1.1. Where the economy sought by self-insurance would be defeated.

20.29.1.2. Where sound business practice indicates that a savings can be effected.

20.29.1.3. Where services or benefits not otherwise available can be obtained by purchasing insurance.

20.29.2. The Comptroller General has determined that the self-insurance rule does not apply to privately-owned property temporarily entrusted to the government. However, insurance may be purchased on loaned private property only when the owner requires insurance coverage as part of the transaction. If the owner does not require insurance, private insurance is not a necessary expense and the government should self-insure.

20.29.3. Property Owned by Government Contractors. A contractor will normally purchase a variety of insurance as a matter of sound business practice. The insurance premiums are a part of the contractor's overhead and will be reflected in its bid price, therefore, the government is paying at lease a part of the insurance cost indirectly. Since the risks covered are not the risks of the government, there is no objection to this "indirect payment" nor, if administratively determined to be necessary, to the inclusion of an insurance stipulation in the contract. In the case of lease-purchase agreements where the government holds an equitable title, the self-insurance rule applies (35 CompGen Decision 391 & 393).

20.29.4. The Federal Employees' Health Benefits Program and the Federal Employees' Group Life Insurance are primary examples of authorized instances where the government may purchase insurance.

20.29.5. For additional information on the self-insurance rule, consult the *GAO: Principles of Federal Appropriations Law, Volume I, Second Edition*, Chapter 4, Section 10. If you are uncertain about using APF to pay for insurance premiums, consult with your local JAG office for advisement.

20.30. Other Items of Interest . You may use unit funds for the following circumstances unless stated otherwise.

20.30.1. Purchase of <u>seasonal decorations</u> on a case by case basis. All base personnel must be able to benefit from their use, e.g., a decorated building, base Christmas tree, or a decorated foyer of a government building. Excluded are decorations for the interior of government offices or personal use and

the purchase or mailing of greeting cards. The approved decorations must not be religious in character. (Ref: AFI 65-601, Volume 1, Chapter 4, paragraph 4.26.2.).

20.30.2. Expenses incident to groundbreaking or dedication ceremonies. Examples include the engraving and chrome-plating a ceremonial shovel, flowers used as centerpieces or ribbons to cut at a dedication ceremony, as well as group photographs and the printing of programs and invitations for cornerstone ceremonies. Do not provide free food, snacks, beverages, etc., or food and drink serving items. (Ref: AFI 65-601, Volume 1, Chapter 4, paragraph 4.27.)

20.30.3. Drinking water, only when it is a necessary expense from the government's standpoint when (1) the public water supply is unsafe for human consumption, (2) there is an emergency failure of the water source on the installation, (3) a temporary facility has no drinking water available within a reasonable distance, and (4) there is no water fit for drinking purposes available without cost or at a lower cost to the government (Ref: AFI 65-601, Volume 1, Chapter 4, paragraph 4.45). Additionally, you may use unit funds in situations where the installation commander determined the health, welfare, and work efficiencies of employees sufficiently diminished by existing conditions, and authorized the purchase of special drinking water.

20.30.4. Installation commanders may use APF to finance base museums, Air Force exhibits, and air parks. The Air Force encourages but does not require a foundation to establish and operate a museum. When foundation funds are inadequate, you may use APF providing the costs are reasonable and in line with the base mission and funding priorities. Establish a MOA between the installation and the foundation, outlining the responsibilities and limitations for each party, including a general description of those areas where the foundation will assist the museum. (Ref: AFI 65-601. Volume 1, Chapter 4, paragraph 4.25.2.)

20.30.5. Ethnic Observances. This involves activities that recognize the contributions that minorities and women have made to society, including scholarly lectures, historical exhibits, art exhibits, displays, and musical groups, including those procured from the private sector. You may use APF to finance the following related items:

20.30.5.1. Live artistic performances as an authorized part of an equal employment opportunity (EEO) effort if it is part of a formal program determined to advance EEO objectives and promotes EEO training objectives.

20.30.5.2. Lunch meals for guest speakers only if the speakers were away from their homes or regular places of business.

20.30.5.3. Small "samples" of ethnic foods prepared and served during a formal ethnic awareness program. They should be minimal and not intended to serve as meals or refreshments. (Ref: AFI 65-601, Volume 1, Chapter 4, paragraph 4.26.1.)

20.30.6. Retirement Flags. 10 U.S.C. 8681 directs the Secretary of the Air Force to present a United Sates flag to Air Force members upon the release from active duty for retirement, with 20 or more years of active duty service or those members retiring under temporary early retirement authority. As a result of this change, you may use unit funds (TWCF, O&M, medical, etc.) to purchase these flags, as appropriate.

20.30.7. Table Linen, Dishes, Glassware, Silverware (Tableware), or Kitchen Utensils. Do not use APF or TWCF funds to purchase these items for a typical office environment. These must be purchased with personal or private institutional funds (e.g., coffee club, office rotary funds) for office use.

Per AFI 65-601, Volume 1, Chapter 21, paragraph 21.9, these items are authorized in TA 106 only for special command positions in accordance with 10 U.S.C. 2387 and DoDD 1100.12, *Authority for Establishing Special Command Positions*, and are centrally funded at Bolling AFB DC.

20.30.8. Command/Wing/Squadron-Sponsored Picnics, Balls, and Dances.

20.30.8.1. There is no statutory authority supporting the use of APF (or TWCF) for these types of events at any level. Picnics, balls, dances, and other similar non-mission essential functions are considered unofficial social events/entertainment and are not eligible for APF. As stated in the GAO: *Principles of Federal Appropriations Law, 2nd Edition, Volume I*, Chapter 4, page 4-82, "the rule [is] that appropriated funds may not be used for entertainment except when specifically authorized by statute and also authorized or approved by proper administrative officers." It further states, "The basis for the rule is that entertainment is essentially a personal expense even when it occurs in some business-related context. Except when specifically appropriated for, entertainment cannot normally be said to be necessary to carry out the purposes of an appropriation."

20.30.8.2. Do not use NAF or SM&W funds to support these events unless specifically authorized in AFI 34-201, *Use of Nonappropriated Funds (NAF)*. In most cases, these events must be self-sustaining, paid for with fundraisers and/or individual attendees through the price of admission.

20.30.8.3. An exception to using APF for these events is to rent portable toilets in keeping with necessary health and sanitary requirements.

20.30.8.4. AMCI 65-602, Chapter 6, paragraph 6.6.15, specifically forbids the use of TWCF funds for entertainment purposes.

20.30.9. Health Promotion Items. Use only Defense Health Program (FC 2X) funds to purchase authorized promotional items (including health snacks) for the Health and Wellness Centers to recognize individuals who complete a specific health regimen or program such as a daily exercise routine, smoking cessation, or weight loss. Per SAF/FMBM direction, do not use O&M FC 30 funds to purchase these items.

Chapter 21

CHAIRMAN, JOINT CHIEFS OF STAFF (CJCS) EXERCISES

21.1. General Information. The costs to support CJCS exercises, including planning conferences, are properly chargeable to the O&M and the TWCF appropriations depending on the type of costs and the individual traveler's unit of assignment.

21.2. Air Force Emergency and Special Program (ESP) Codes. SAF/FMBMM, in coordination with HQ USAF/XOOT, annually establish ESP codes for each CJCS exercise. SAF/FMBMM issues revisions to these ESP codes by message traffic throughout the fiscal year to the commands. AMCFSS/FMBC in turn, distributes these message changes to the base FMA offices and periodically issues updated ESP lists on the AMC FM home page.

21.3. Funding TWCF CJCS Costs. Record TWCF Air Mobility Element, Tanker Airlift Control Element or Mission Support Team (AME, TALCE, or MST) costs to RC/CC XX8200 and the designated CJCS ESP code. We recommend that you establish in the supply system a separate PFMR to cover all CJCS exercise support. Maintain separate ORG codes within the CJCS PFMR for each individual exercise (the same ones can be used each year), and designate specific shop codes under each ORG code to identify the delivery destinations (the same shop codes can be used for each exercise). Establish targets in both the supply and accounting system. The following are examples of items chargeable to the TWCF, and whether to identify the cost to the CJCS exercise RC/CC or the functional unit RC/CC:

21.3.1. Travel, per diem, and lodging costs (including contract lodging) for TWCF AME, TALCE, or MST personnel. Charge these costs to the CJCS exercise RC/CC using the appropriate ESP code. AME, TALCE, or MST personnel whose travel supports the applicable CJCS exercise must have a deployment manning document (DMD) line number for the exercise.

21.3.2. Leased transportation or vehicle rental required for aircrews and AME, TALCE, or MST personnel. Charge these costs to the CJCS exercise RC/CC using the appropriate CJCS ESP code.

21.3.3. Supplies, ground fuels, and support equipment required for AME, TALCE, or MST personnel while away from home station. Charge these costs to the CJCS exercise RC/CC using the appropriate CJCS ESP code.

21.3.4. Operation, maintenance, and servicing of TWCF aircraft. Charge these costs to the functional RC/CC and not to the CJCS exercise RC/CC.

21.3.5. Operation, maintenance, and renting materials handling equipment (MHE) or aerospace ground equipment (AGE) supporting aircraft operations away from home station. Charge these costs to the CJCS exercise RC/CC using the appropriate CJCS ESP code.

21.3.6. CJCS exercise specific airfield site surveys. Charge these costs to the CJCS exercise RC/CC using the appropriate CJCS ESP code.

21.3.7. Landing fees of TWCF aircraft. Identify and separately document abnormally high landing fees and submit to HQ AMC/FMB for possible billing to the using activity as an abnormal cost. These requirements are generally identifiable during the planning phase of the exercise and include this reporting requirement in the JCE exercise OPORD. Charge these costs to the CJCS exercise RC/CC using the appropriate ESP code. See paragraph **20.11.** for discussion on landing fee payments.

21.3.8. Base operating support (BOS) for TWCF AME, TALCE, or MST personnel at non-Air Force installations. Charge these costs to the CJCS exercise RC/CC using the appropriate CJCS ESP code unless the exercise host agrees to provide the required BOS at the exercise location at no charge.

21.3.9. TDY and lodging costs of aircrew personnel flying CJCS Exercise airlift missions. Charge these costs to the functional RC/CC assigned unit and not to the CJCS exercise. ***NOTE:*** If the AME, TALCE, or MST contracts for the lodging of all TWCF personnel participating in the exercise, to include aircrews, charge the cost to the CJCS exercise RC/CC using the appropriate ESP code.

21.3.10. HQ AMC/FMB reimburses expenses incurred for CJCS exercises by the TWCF activities at the end of each quarter (January, April, and July), as required. Message input from the base activities as of 15 September should be the basis for final annual CJCS funding distribution. The TWCF reimbursement is based on validated expenses in RC/CCs XX8200 or XX820P with a valid CJCS ESP code. You will not receive any reimbursement for CJCS expenses in these RC/CCs without valid CJCS ESP codes. Additionally, do not include aircrew TDY (EEIC 40934) in these RC/CCs, as it is not reimbursable from the TWCF CJCS account. The total flying hour program for your base coupled with your historic cost factors determines your annual TWCF aircrew TDY funding.

21.4. Funding O&M CJCS Costs. In addition to the TWCF costs discussed above, O&M funded units and organizations may also incur incremental costs to support CJCS exercises. Incremental O&M costs are those costs incurred as a direct result of supporting the exercise activity which are clearly additive to normal operating costs. These incremental costs are properly chargeable to the applicable CJCS exercise ESP code, PE 28011, and RC/CC XX8200. Required funding is reimbursable by HQ AMC/FMB in accordance with paragraph **21.8.** Examples of incremental costs include:

21.4.1. Civilian Overtime. Unit commanders may approve emergency requirements, and HQ AMC/FMB will provide CJCS exercise funds upon submission and approval of supporting justification.

21.4.2. Contractual Services. This includes increases to contracts, such as mess attendants and custodial services.

21.4.3. Leased Communications. Specialized one-time additional requirements that have been justified by the user and approved by HQ AMC/SC.

21.4.4. In some cases, non-TWCF funded personnel support (excluding augmentation) an AME, TALCE, or MST or perform other functions in support of the CJCS exercise. Charge all travel, per diem, and lodging costs (including contract quarters) to the unit's RC/CC XX8200, PE 28011, using the appropriate CJCS exercise ESP code. Request funding from HQ AMC/FMB with complete justification. All personnel must have a DMD line number. For the purpose of this paragraph, consider any O&M personnel who directly augment a TWCF function (e.g., aircraft maintenance, airlift operations center, Air Mobility Operations Groups (AMOGs), or TWCF airlift aerial port functions) as TWCF funded. The augmented TWCF unit provides the required TDY fund cite to the O&M personnel augmenting their unit, using RC/CC XX8200 and the appropriate ESP code.

21.4.5. HQ AMC/FMB reimburses O&M obligations incurred for CJCS exercises to O&M activities in January, April, July, and September, based on the December, March, June, and August data in the accounting system. Only those obligations recorded against PE 28011 that contain a valid CJCS ESP are reimbursable.

21.5. Funding for CJCS Exercise Planning Conferences. Each unit provides through DO channels the name, rank, SSAN, clearance, home unit, location of TDY, duration, beginning date, and rental car (if required) directly to HQ AMC/DOO. TACC/XOOX approves, by name, the AMC representative for each conference. Funding for attendance at CJCS exercise planning conferences will occur at the unit level. ***NOTE:*** Use RC/CC XX820P only for all personnel who attend CJCS planning conferences. See paragraphs **21.3.** and **21.4.** for funding procedures.

21.6. Support of AMC Non-AME, TALCE, or MST Personnel. Travel, per diem, and lodging (including contract lodging) is the responsibility of the unit of assignment. All personnel except TWCF aircrew personnel should use the applicable CJCS exercise ESP code. All tasked personnel must fill a DMD line number.

21.7. Designation of Field Conditions. If field conditions exist for a CJCS exercise, all AMC personnel deployed to the exercise site must subsist under these conditions. Field conditions should apply throughout the exercise area (i.e., adjacent military installations) unless otherwise specifically stated in appropriate AMC directives.

21.8. Review of CJCS Exercise Costs. HQ AMC reviews exercise participation and costs at random to ensure proper procedures to support the exercise, to include funding propriety. You may need to justify questionable procedures used or costs incurred (e.g., buying commercial tickets when dedicated airlift was available).

21.9. Commercial Ticket Program (CTP).

21.9.1. The CJCS CTP is part of the Joint Staff Transportation program. It allows some CJCS exercise participants to travel to or from the exercise via commercial air in lieu of dedicated airlift. The CTP is only for CJCS exercises, and specific unit line numbers (ULN) authorized by message from USTRANSCOM/TCJ3-OD.

21.9.2. The procedure for determining who uses the CTP is as follows:

21.9.2.1. The supported CINC validates the desired airlift requirement. AMC TACC/XOP analyzes the movement, and if the requirement is small (approximately 30 or less) and no cargo is involved, they recommend to TCJ3-OD to move the CJCS Exercise participants via the CTP.

21.9.2.2. TACC/XOP calls TMO for the government rate between the civil airports to the nearest on-load or offload points, and passes that cost in their recommendation to TCJ3-OD. TCJ3-OD then approves and releases the CTP authorization message. The CINC's components, in turn, will notify their appropriate units authorized to move via the CTP.

21.9.2.3. The authorization message contains the appropriate ULN, Service, tasked unit, number of passengers, movement authority, origin point, total estimated cost, and the name of the supported CJCS exercise. The local Personnel Readiness Unit (PRU) contacts the tasked AMC unit upon receipt of the authorization and should coordinate with their local FMA office to determine the proper fund cite to use to purchase the tickets and to ensure that CTP funding is available. The units should have documentation of authorization available if requested.

21.9.3. SAF/FMB provides annual CTP funding to HQ AMC/FMB for its estimated involvement in the CTP. HQ AMC/FMB also receives copies of the CTP authorization messages from TCJ3-OD.

Bases receive CTP funding prior to the CJCS exercise based on the estimates provided in the CTP authorization message. HQ AMC/FMB issues CTP funds in appropriation 97*/*0100.1202, project (AMS) code 01213, EEIC 409, on a PBAS funding document.

21.9.4. CTP funding is applicable to AMC O&M units as well as TWCF units. FMA offices should ensure the proper ESP coding of all CTP obligations to the applicable CJCS exercise.

21.9.5. All commercial tickets are not chargeable to the CTP. Only those units who have specific authorization in their tasking orders may utilize CTP funds. Furthermore, charge CTP funds for only CTP related tickets. Per diem and other incidental travel costs of CJCS exercises participants is still chargeable to other unit CJCS identified funds (PE 28011F for O&M - FC30; PE 41122 for TWCF - FC 68, both using RC/CC XX8200).

Chapter 22

CLOSE-OUT PROCEDURES

22.1. General Information. Fiscal year end close-out is probably the most "turbulent" time of the year for anyone involved in financial management because it is during this period that everyone responds to a sense of urgency with the looming expiration of current year funds. HQ AMC/FMB places considerable command attention effectively using available funds for prioritized operational needs. Likewise, functional attention focuses on the need to ensure the proper recording of all valid obligations and expenses before the fiscal year-end close-out. The base comptroller office has the lead in orchestrating this monumental task.

22.2. Close-Out Planning.

22.2.1. The installation commander formally appoints the base comptroller or FMA officer as the project officer to monitor and control the year end close-out operation. The project officer has the authority to require responsible individuals to adhere to schedules and duties, as outlined below, including tenant organizations covered under a support agreement. The project officer is responsible for:

22.2.1.1. Reporting status of funds, unfunded requirements, and establishing a schedule for implementing close-out actions.

22.2.1.2. Reviewing the previous years' after action reports.

22.2.1.3. Disseminating and complying with any command close-out update messages or memos. These updates will include close-out points of contact, close-out guidance, systems interface schedules, and reporting requirements.

22.2.1.4. Attending all meetings where funding operations are discussed.

22.2.1.5. Ensuring key base personnel (i.e., group resource advisors, supply, contracting, etc.) are available on 30 September to take appropriate year-end actions. (***NOTE:*** These personnel may need to stay beyond normal duty hours if the project officer deems that additional funds may be forthcoming.)

22.2.1.6. Convening FWG or FMB meetings, if required.

22.2.2. All AMC funding points should follow the command close-out procedures outlined in the annual AMC close-out guidance package mailed to the base FMAs several months prior to close-out each year. There is no excuse for a late close-out report. HQ AMC/FMB provides the appropriate formats and submission dates for close-out reports. RCS: AMC/FMA(AR)7301 applies.

22.2.3. Whether the comptroller is the project officer or not, he or she must certify that obligations reported in the 30 September accounting reports represent all known obligations and expenses, supported by documentary evidence. All base activities controlling and using funds, regardless of the appropriation, must work together to assure the validity of obligations and expenses.

22.2.4. To achieve end of year validation, responsible individuals must test each item or service to determine its positive need and availability within a reasonable time. The valid obligation is the amount that is eventually paid. In screening documents for cancellation, positive evidence must exist that the obligations are firm. Even though listed as an essential or urgent requirement, retaining

"non-firm" obligations in the accounting system results in the loss of fund utilization. Resource advisors (RAs) are in the best position to make these determinations.

22.2.4.1. RAs are the key to an installation's successful close-out. RAs must always be extremely familiar with their organizational and program requirements and how much money they have available to accomplish them. This is especially critical during close-out. If surpluses or deficits develop, consult with the FMA office for the proper course of action. You should request funds for high priority needs only and direct excess funding in one area to areas where priorities and needs exist.

22.2.4.2. The effective RA begins this process of program validation in the late June or early July time frame, recognizing the hectic pace encountered in September on the financial management community. Early starting provides enough lead time for document processing. At mid-September, all actions should be completed and the accounting records closed out in the base's support areas. The only remaining actions during the last two weeks of the fiscal year should be ongoing mission requirements, personnel travel, and comptroller administrative adjustments.

22.2.5. The project officer establishes supply and funding control procedures to ensure ongoing mission operations do not degrade during fiscal year close-out. Minimize all other requirements and funnel through the project officer for processing.

22.2.6. You should limit TDY travel during the last two weeks of September to only those requirements that cannot defer until after 1 October. The effective date of blanket travel orders should end two weeks before the end of September. Cover all travel after that date by special orders and report it to the DAO travel accounting section immediately.

22.2.6.1. Do not perform any travel without published orders in advance. In the event anyone must proceed on verbal orders, request confirmation special orders as soon as possible, but not later than the first workday after the travel begins.

22.2.6.2. Commanders and staff officers will direct their personnel returning from TDY in September to submit reimbursement vouchers within three working days. If no claims exist for these TDYs, advise the travel accounting section in writing so they may properly deobligate the funds.

22.2.6.3. RAs must ensure their organization's orderly room or administrative support staff are familiar with end of year travel order processing.

22.2.7. Administratively, comptroller personnel will continuously audit existing commitments and obligations for validity and accuracy. This process will have minimal impact on organizations whose RAs have kept control and maintained good oversight on their programs throughout the fiscal year. The RA who keeps constant vigilance on existing commitments, obligations, and expenses will enjoy a smooth close-out.

22.3. O&M, TWCF and MFH Programs.

22.3.1. Call in your final position for each of the O&M, TWCF, and MFH programs to your HQ AMC base analyst in accordance with the dates and times prescribed in the AMC close-out guidance. Amounts should identify direct targets, obligations, and expenses, undelivered orders outstanding (UOOs) for TWCF and limitations. Once you report your final position, we do not expect a change unless extraordinary circumstances prevail. Report any variations from this position immediately by telephone to your HQ AMC analyst.

22.3.2. We expect all FMAs to obligate nearly 100 percent of their allocated funds. Identify any other unobligated balances for withdrawal before 28 September. HQ AMC/FMB will apply withdrawn funds to the command's highest priority unfunded requirements.

22.3.3. For the TWCF, emphasize the validation of all obligations and properly segregate expenses and undelivered orders for SMAG due-outs. In these instances, use SM&W funds only when regulatory restrictions preclude the use of APF. Record outstanding obligations in UOO or AEU depending on whether or not goods or services have been received. Report amounts available for withdrawal as early as possible to assist the command in reducing overall shortfalls.

Chapter 23

MORALE, WELFARE, AND RECREATION (MWR)

23.1. General Information. Within the last few years many changes have occurred as to what and how much APF support that MWR activities can receive. Consult AFI 65-106, *Appropriated Fund Support of Morale, Welfare, and Recreation and Nonappropriated Fund Instrumentalities*, to determine what APF can and cannot fund.

23.2. MWR Activities. There are three activities of MWR activities. AFI 65-106 provides a complete list of MWR activities by category.

23.2.1. Category A, Mission Sustaining Activities. These programs are absolutely essential to the military mission and provided in all but the most extenuating conditions. Consequently, they may receive maximum APF support. Category A activities have the least capacity to generate revenue. The Air Force goal is 100 percent APF support where authorized. Category A activities group common support activities such as Resource Management Flight (RMF) and Human Resources Office (HRO) for reporting purposes only. The functions performed by these activities are the basis for APF support. Examples of unauthorized APF support are the personnel administration of NAF employees, or accounting for NAF resources.

23.2.2. Category B, Basic Community Support Activities. These activities closely relate to Category A and are essentially community support programs with the capacity to generate some NAF revenue and may receive substantial support from APF. This category includes the essential MWR activities that offers a fundamental core of the MWR programs at Air Force bases. The Air Force goal for APF support of category B activities is 50 percent of its direct costs.

23.2.3. Category C, Revenue Generating Activities. Category C activities have the highest capacity to generate revenue and are self-sustaining, capable of funding most expenses. Category C activities are desirable to the military community and make major contributions to mission accomplishment and personnel recruitment and retention. Category C activities may receive indirect APF support but not direct APF support. ***EXCEPTIONS:*** You may use direct APF support to correct health and safety deficiencies as well as any authorized exemptions for overseas and designated remote and isolated locations.

23.3. Support for Special Morale and Welfare (SM&W) Purposes. SM&W funding is NAF expenditures necessary to contribute to the overall morale and welfare of the military community. The source of these funds comes from a portion of the profits made by NAF activities and Base exchanges, and managed by the Services squadron. Expenditures must be conservative, in the best interest of the Air Force, benefit the military community, and not limited to specific grades or levels of personnel. AFI 34-201, *Use of Nonappropriated Funds (NAFS*) governs the use of SM&W funds.

23.3.1. AFI 34-201, Chapter 12, provides specific guidance for events and expenditures authorized SM&W funding support. AMC Supplement 1 to AFI 34-201 specifically defines light refreshments for authorized events. SM&W prohibitions include support for conferences, workshops, and seminars. The guidelines for SM&W also establishes dollar limitations for change of command ceremonies, flowers for spouses at retirement ceremonies, flowers or wreaths at funerals, donations to charitable organizations in lieu of flowers, and fruit baskets.

23.3.2. Do not use SM&W funds in lieu of APF for purposes authorized in AFI 65-603 unless specifically authorized in AFI 34-201, Chapter 12.

23.3.3. In certain situations, you may use both SM&W and APF. In these instances, use SM&W funds only when regulatory restrictions preclude the use of APF. For example, APF only allows light refreshments for award programs while SM&W allows the purchase of meals for the award winners.

Chapter 24

MILITARY FAMILY HOUSING (MFH)

24.1. General Information. The Military Construction Appropriation is the primary source of the MFH program. There are two basic types of MFH funds - Fund Code (FC) 83 Operations and Maintenance (O&M) and FC 89 MFH construction (five-year funds). AMC executes its MFH program out of both funds. Like O&M budget activities (BAs), MFH has fenced subdivisions of funding. These fences are called budget projects or sub-projects in FC 83 and project or BAANs in FC 89.

24.2. MFH O&M Fund Code 83 - Appropriation 7045.

24.2.1. The MFH program provides funds for the operation and maintenance of government-owned family dwelling units, other family housing properties, and leased family housing.

24.2.2. Operations and Utilities (P721 and P728). Funds in the operations program cover all obligations associated with the essential services needed to support MFH. Essential operations include categories for management, services, furnishings, and miscellaneous. Utilities are funded in project code P728 and discussed in paragraph **24.2.2.5.** below.

24.2.2.1. Management (P721.10). This sub-project provides funds for all costs associated with the family housing office, to include office personnel, TDY, supplies, equipment, custodial services, occupancy inspections, and housing market analysis. It also provides for all direct administration costs to support government-owned, leased, and other family housing properties and programs as well as housing referrals at installation level.

24.2.2.2. Services (P721.20). This sub-project provides for all costs of municipal type services, such as refuse collection and disposal, fire and police protection, entomological services, snow removal, and street cleaning that support government-owned family housing units and other family housing properties and programs.

24.2.2.3. Furnishings (P721.40). This sub-project provides for all costs for replacement of refrigerators and stoves, inventory increases, maintenance, repair, and moving of these appliances. Provides for specific items General Officer Quarters.

24.2.2.4. Miscellaneous (P721.50). This sub-project provides for costs of country to country agreements and reimbursements to other United States government agencies and foreign governments for other family housing properties and programs. AMC does not receive funding in this sub-project.

24.2.2.5. Utilities (P728). This project provides for costs of all authorized utilities consumed in MFH units and facilities. Includes sewage disposal and operations of heating plants or utility systems solely supporting MFH.

24.2.3. Maintenance (P722). Funds in this project cover the day-to-day maintenance (change of occupancy, service calls, etc.) such as, (1) maintenance and repair of buildings, roads, driveways, sidewalks, utility systems, and grounds, (2) maintenance, repair, and replacement of integral components of installed equipment of a housing unit such as hot water heaters, dishwashers, and garbage disposals, furnaces and air conditioners, (3) authorized minor alterations and additions, (4) authorized major maintenance and repair projects, (5) supplies and materials, (6) self-help stores; (7) mainte-

nance of community antennae and cable TV outlets and wiring after installation, and (8) the authorized restoration of damaged or destroyed housing facilities.

24.2.3.1. HQ AMC/FMB issues MFH maintenance funding in P722, broken into the following sub-projects:

24.2.3.1.1. P722.62 - Maintenance and Repair - Government Dwellings.

24.2.3.1.2. P722.66 - Self-Help Store - Government Dwellings.

24.2.3.1.3. P722.67 - Self-Help Store - Other.

24.2.3.1.4. P722.71 - Maintenance and Repair of Utilities (Exterior) - Other.

24.2.3.1.5. P722.81 - Maintenance and Repair of Other Real Property - Other.

24.2.3.1.6. P722.91 - Minor Alterations - Government Dwellings.

24.2.3.1.7. P722.92 - Minor Alterations and Additions - Other.

24.2.3.1.8. P722.96 - Major Maintenance and Repair - Government Dwellings.

24.2.3.1.9. P722.97 - Major Maintenance and Repair - Other.

24.2.4. Domestic Lease and Maintenance (P725 and P726).

24.2.4.1. Operating Cost of Leased MFH (P725). This project provides for leasing of family housing facilities in the United States from private owners, utilities (if not provided by the lessor), and services not provided by the lessor when separately contracted by the government.

24.2.4.2. Maintenance of Leased MFH (P726). This project provides for maintenance, whether provided by the lessor or separately contracted by the government.

24.3. MFH Program Management.

24.3.1. Proper MFH management is critical to the overall financial well being of an installation. Like the O&M 3400 program, there are rules and guidelines concerning the use of MFH appropriated funds. Refer to AFI 65-601, Volume 1, Chapter 21 or AFM 65-604 (FC 83 & 89 pages) for more details.

24.3.2. Inattentiveness to this program can dramatically reduce the effectiveness of the MFH program as well as the larger O&M program. The MFH executes a significant portion of its program as a reimbursement to O&M (e.g., labor costs, bench stock, etc.). Therefore, timely and accurate reporting of MFH reimbursements is critical. A close coordination of efforts between the CE RA, FMA office, and the supporting DFAS OPLOC is essential to ensure sound financial management for the wing commander.

24.3.3. HQ AMC/FMB issues annual reimbursement authority in sub-project P720. You may reprogram reimbursement authority between projects and sub-projects. Earn reimbursements for rental collections in the budget project determined to be most beneficial, using EEIC 599. Collect utility reimbursements in the EEIC earned; do not use EEIC 599 for this purpose. Treat your annual reimbursable programs as a ceiling that you do not exceed. Reimbursements realized in excess of the authorized program do not create additional obligation authority unless there is an increase in the program. If you incur obligations to fill these orders before receiving authority to increase the program, the effect is a reduction in direct authority, but the total obligation authority remains unchanged.

24.3.4. HQ AMC/FMB issues direct quarterly authority by project and sub-project on the document, but you may reprogram between them as long as you do not exceed the annual project and sub-project authority.

24.3.5. You may not authorize any expenditure for maintenance and repair in excess of $15,000 per unit without congressional notification. Exclude costs for asbestos and lead-based paint removal from calculations to determine the requirements for advance congressional notification. When these costs exceed the threshold you must provide an after-the-fact notification to HQ AMC. Do not authorize any annual expenditure for maintenance and repair of GOQs in excess of $25,000 per unit without congressional approval.

24.3.6. Do not use MFH P72X funds to (1) acquire land, (2) provide for site preparation, or (3) install utilities for any family housing, except housing for which funds have been specifically made available in the annual military construction appropriations.

24.3.7. Do not use MFH funds provided in P721 Operations, P722 Maintenance, and P728 Utilities for the acquisition of any housing unit unless specifically authorized by law.

24.3.8. You must place strong emphasis on the execution of your MFH program. SAF/FMB requires a MFH quarterly execution report from the commands. Our obligation rate determines any additional funding, as well as the next year's program. The obligation rate also affects what we receive for a quarterly program. SAF/FMB issues quarterly authority using execution rates from the previous year. If MFH obligations are not properly or expeditiously input to the accounting system, it reduces the amount of quarterly authority that we receive and issue the following year. ***NOTE:*** SAF/FMB and OSD(C) do not consider commitments when they determine execution rates. Please ensure the proper recording of valid MFH obligations in the accounting system when incurred.

24.3.9. Commands may not obligate more than 20 percent of an appropriation during the last 2 months of the fiscal year, in accordance with Public Law. However, effective FY98, SAF/FMB issued a mid year goal for MFH. The new mid-year (March) obligation goal is 60 percent and the end of June remains 80 percent. SAF/FMB uses a new mid-year and end-of-year distribution system to reward those MAJCOMs who meet these goals. You need to closely monitor MFH execution and work with your local CE, LGC, and DFAS to ensure the prompt entry of obligations (especially Facility Projects) into the accounting system.

24.4. MFH Construction Fund Code 89 - Appropriation 7040.

24.4.1. This program provides funds for new construction, post acquisition construction, and advance planning and design.

24.4.2. New Construction (Budget Project 711). This project provides for (1) erecting, installing, assembling, relocating, or replacing family dwelling units, (2) related land acquisition, site preparation, excavating, filling, landscaping, or improving sites relating to the work in (1) above, (3) initial outfitting of dwelling units with major equipment and fixtures, e.g., kitchen ranges and refrigerators, washing machines, clothes dryers, and dishwashers, when authorized in the project approval document (DD Form 1391), (4) supervision and inspection of MFH construction (see AFI 65-601, Volume 1, Chapter 21), (5) construction of mobile home facilities and non-dwelling buildings associated with a family housing area, (6) construction of roads, driveways, sidewalks, and utility systems that primarily serve family housing units, (7) construction of community facilities integral to a family housing area, and (8) the replacement of damaged or destroyed family housing facilities.

24.4.3. Post Acquisition Construction (Budget Project 713). This project provides for construction to (1) upgrade inadequate family housing quarters and rental housing, (2) improve adequate public quarters, (3) convert existing facilities to family housing quarters, (4) alter, expand, extend, or repair family dwelling facilities, except as provided in P722 O&M MFH funding, (5) family housing real property (other that dwelling units), required subsequent to and because of previously acquired dwelling units, (6) retrofitting existing units to make them more energy efficient, and to provide substantial savings in utility costs such as upgrade ceilings, roofs, wall insulation, and heating and air conditioning systems to current standards, and (7) alter family housing to accommodate physically handicapped family members.

24.4.4. Advance Planning and Design (Budget Project 714). This project provides for planning and design of family housing facilities. It includes preliminary and site adaptation studies, working drawings, specifications, estimates, project planning reports, and final design drawings.

24.5. Housing Damage Liability.

24.5.1. Military Family Housing (MFH). Personnel residing in MFH units are liable for damage to the dwelling and loss or damage of any equipment or furnishings contained therein provided the loss or damage was caused by abuse or negligence of the member, dependent, or guest of the member. Amounts received for such damages and losses are considered as a refund, and not a reimbursement, to the MFH appropriation. As a result, the amounts received as a result of the loss and damage are refunds; therefore, they are available for immediate obligation for the same purposes and circumstances as other funds in these accounts.

DONNA M. TAYLOR, Colonel, USAF
Comptroller

Attachment 1

GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

References

5 U.S.C., Section 4503, *Agency Awards*

5 U.S.C., Section 4110, *Expenses of Attendance at Meetings*

10 U.S.C., Section 1124, *Cash Awards for Disclosures, Suggestions, Inventions, and Scientific Achievements*

10 U.S.C., Section 2387, *Procurement of Table and Kitchen Equipment for Officers' Quarters: Limitation On*

10 U.S.C., Section 2410, *Request for Equitable Adjustment or Other Relief*

10 U.S.C., Section 2539, *Industrial Mobilization: Plants; Lists*

10 U.S.C., Section 2667, *Leases: Non-Excess Property*

10 U.S.C., Section 2695, *Acceptance of Funds to Cover Administrative Expenses Relating to Certain Real Property Transactions*

10 U.S.C., Section 2733, *Military and Foreign Claims Act*

10 U.S.C., Section 2782, *Damage to Real Property; Disposition of Amounts Recovered*

10 U.S.C., 8681, *Presentation of United States Flag upon Retirement*

18 U.S.C., Section 4124, *Purchase of Prison-Made Products by Federal Departments*

28 U.S.C., Section 1346, *United States as Defendant*

28 U.S.C., Sections 2671-2680, *Tort Claims Procedures*

31 U.S.C., Section 1301, *Application*

31 U.S.C., Section 1304, *Judgments, Awards, and Compromise Settlements*

31 U.S.C., Section 1341, *Limitation on Expending and Obligation Amounts* (ADA)

31 U.S.C., Section 1342, *Limitation on Voluntary Services*

31 U.S.C., Section 1345, *Expenses of Meetings*

31 U.S.C., Sections 1349-1350, *Adverse Personnel Actions*

31 U.S.C., Section 1535 *Agency Agreements* (Economy Act)

31 U.S.C., Section 3302, *Custodians of Money*

31 U.S.C., Section 3723, *Small Claims Act*

31 U.S.C., Section 3902, *Interest Penalty*

33 U.S.C., Section 576, *Establishment of Revolving Fund for Army Corps of Engineers*

41 U.S.C., Section 11, *Adequacy of Appropriation Act*

41 U.S.C., Section 23, *Orders for Contracts for Material Placed With Government-Owned Establishments Deemed Obligations* (Project Order Law)

41 U.S.C., Section 611, *Interest*

41 U.S.C., Section 612, *Payment of Claims*

42 U.S.C., Section 2651, *Recovery by the United States*

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DoDI 5030.49, *DoD Customs Inspection Program*

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DoD 7000.14R, Volume 7A, *Military Pay, Policy & Procedures, Active Duty and Reserve Pay*

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DoD 7000.14R, Volume 14, *Administrative Control of Funds and Antideficiency Act Violations*

DoDI 7041.3, *Economic Analysis for Decision Making*

DoDM 7110.1, *Budget Guidance Manual*

DoDD 1338.5, *Armed Forces Clothing Monetary Allowance Policy*

DoDD 7200.1, *Administrative Control of Appropriation*

DoD 6010.15-M, *Military Treatment Facility Uniform Business Office (UBO) Manual*

DoD 7220.9-M, *The DoD Accounting Manual*

DoDD 1100.12, *Authority for Establishing Special Command Positions*

DoDI 1400.32, *DoD Civilian Work Force Contingency and Emergency Planning*

Guidelines and Procedures

AFPD 25-2, *Support Agreements*

AFI 25-201, *Support Agreements Procedures*

AFI 32-1031, *Operations Management*

AFI 32-1032, *Planning and Programming Real Property Maintenance Projects*

AFI 32-1061, *Providing Utilities to US Air Force Installations*

AFI 32-6001, *Family Housing Management*

AFI 32-6004, *Furnishings Management*

AFI 32-6005, *Unaccompanied Housing Management and Operations*

AFI 32-9003, *Granting Temporary Use of Air Force Real Property*

AFI 32-9005, *Real Property Accountability and Reporting*

AFI 33-101, *Command, Control, Communications, and Computer Systems Management Guidance and Responsibilities*

AFI 33-106, *Managing High Frequency Radios, Land Mobile Radios, and the Military-Affiliate Radio System*

AFI 33-111, *Telephone Systems Management*

AFI 33-129, *Communications and Information, Transmission of Information Via Internet*

AFI 34-113, *Air Force Library and Information System (AFLIS)*

AFI 34-201, *Use of Nonappropriated Funds (NAF)*

AFI 34-223, *Private Organization (PO) Program*

AFI 34-401, *Food Service Management Program*

AFI 34-601, *Air Force Lodging Program Management*

AFI 34-901, *Laundry, Dry Cleaning, and Linen Exchange*

AFI 35-201, *Community Relations*

AFI 36-502, *Managing Civilian Personnel Resources*

AFI 36-1001, *Managing the Civilian Performance Program*

AFI 36-2805, *Special Trophies and Awards*

AFI 36-2903, *Dress and Personal Appearance of Air Force Personnel*

AFI 36-3014, *Clothing Allowance for Air Force Personnel*

AFI 36-3108, *Memorialization Program and Ceremonies*

AFI 37-128, *Administrative Orders*

AFI 37-162, *Managing the Processes of Printing, Duplicating, and Copying*

AFI 38-203, *Commercial Activities Program*

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AFI 41-104, *Professional Board and National Certification Examination*

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AFI 65-503, *US Air Force Cost and Planning Factors*

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HQ AMC/CER/FMB Memorandum, *Procedures for Request Funding of Facility Project Change Orders – FY99*, 28 Oct 98

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5 CompGen 640 (1926), use of APF to award cash prizes for government-sponsored competitions involving artistic design.

35 CompGen 391 & 393, use of APF for insurance in lease-purchase agreements.

A-13559, 5 Apr 1926, use of APF to award cash prizes for government-sponsored competitions, if the value of the prize is comparable to the services performed.

B-151876, 24 Apr 1964, non-statutory exemptions to the self-insurance rule.

46 CompGen 31 (1966), retention and crediting of appropriations any funds that should be deposited into the General Fund of the Treasury.

B-164467, 14 Jun 1968, use of APF to pay entry fees for a contest sponsored by a private organization in which a monetary prize is awarded to government employees.

B-172556, 29 Dec 1971, use of APF to pay entry fees when the monetary prize is awarded to a government organization and not to individuals.

56 CompGen 81 (1976), use of APF for the printing of certain invitations.

B-158766, 3 Feb 77, use of APF to purchase insurance to cover the loss or damage to government property or liability of government employees.

B-191737, application to the use of APF for scholarly lectures, ethnic historical exhibits, displays, and musical groups in order to enhance military and civilian personnel awareness of these issues.

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B-200650, Apr 1986, inseparable meal costs from registration fees.

B-2233319, Jul 1986, use of APF for refreshments at award ceremonies.

69 CompGen 82 (1989), use of APF to print personnel nametags.

B-235163.11, 13 Feb 1996, use of APF for travel of non-federal government employees at government sponsored award ceremonies or dinners.

Abbreviations and Acronyms

A-E—Architect-Engineering

ABGD—Air Base Ground Defense

ADA—Antideficiency Act

ADPE—Automated Data Processing Equipment

AEF—Air Expeditionary Force

AEP—Accrued Expenditures Paid

AETC—HQ Air Education and Training command

AEU—Accrued Expenditures Unpaid

AF—Air Force

AFAA—Air Force Audit Agency

AFCIMS—Air Force Claims Information Management System

AFI—Air Force Instruction

AFLIS—Air Force Library and Information System

AFMC—HQ Air Force Materiel Command

AFPC—Air Force Personnel Center

AFPD—Air Force Planning Document

AFRC—Air Force Reserve Command

AFSCAPS—Air Force Standard Civilian Automated Pay System

AFSF—Air Force Stock Fund

AFWCF—Air Force Working Capital Fund

AG—Activity Groups

AG/SAG—Activity Groups/Sub Activity Groups

AGE—Aerospace Ground Equipment

ALFA—Status title for alert aircrews who must respond to mission departure within one hour

ALO—Accounting Liaison Office

ALS—Airman Leadership School

AMC—Air Mobility Command

AME—Air Mobility Element

AMOG—Air Mobility Operations Group

ANG—Air National Guard

APF—Appropriated Funds(s)

APOD—Aerial Port of Debarkation

APOE—Aerial Port of Embarkation

ASIF—Airlift Services Industrial Fund (obsolete - replaced by TWCF)

AWP—Awaiting Parts

AVPOL—Aviation Petroleum, Oil, and Lubricants

BA—Budget Activity

BAB—Budget Advisory Board

BAAN—Budget Activity Account Number

BAS—Basic Allowance for Subsistence

BCE—Base Civil Engineer

BDU—Battle Dress Uniform

BES—Budget Estimate Submission

BFNR—Bona Fide Need Rule

BIR—Benefit to Investment Ratio

BOD—Beneficial Occupancy Date

BOG—Budget Operating Guidance

BOS—Base Operating Support

BP—Budget Project

BPAC—Budget Project Account Code

BPIE—Base Procured Investment Equipment

BPPBS—Biennial Planning, Programming, and Budgeting System

BQ—Acronym reference to the Air Force Accounting and Finance System

BTO—Blanket Travel Orders

CA—Cost Account

CAR—Customer Account Representative

CAS—Contract Administrative Surcharge (FMS)

CBA—Centrally Billed Account

CBAS—Command Budget Automated System

CC—Cost Center

CG—Comptroller General

CCM—Cost Center Managers

CDA—Central Design Activity

CDC—Consolidated Duplicating Center

CE—Civil Engineering

CECMC—Civilian Employment Cost Management Committee

CEERS—Command Excess Equipment Redistribution System

CHAMPUS—Civilian Health and Medical Program of the Uniformed Services

CHE—Continuing Health Education

CHRMS—Civilian Human Resources Management System

CIC—Customer Identification Code

CJCS—Chairman, Joint Chiefs of Staff

CMA—Centrally Managed Allotment or Centrally Managed Account

COB—Coordination of Benefits (statute)

COCESS—Contractor-Operated Civil Engineering Supply Store

CONUS—Continental United States

COPARS—Contractor-Operated Parts Store

CPO—Civilian Personnel Office

CPT—Current Procedure Terminology—**CTP—**Commercial Ticket Program

CWDE—Chemical Warfare and Defense Equipment

DAO—Defense Accounting Officer

DAPS—Defense Automated Printing Service

DAR—Defense Acquisition Regulation

DBOF-T—Defense Business Operations Fund-Transportation (obsolete - replaced by TWCF)

DCS—Defense Courier Service

DECA—Defense Commissary Agency

DFAS-DE—Defense Finance and Accounting Service-Denver

DHA—Defense Health Appropriation

DLR—Depot Level Reparables

DMD—Deployment Manning Document

DMRD—Defense Management Report Decision

DoD—Department of Defense

DODEE—Department of Defense Element of Expense

DoDPM—Department of Defense Pay Manual

DPC—Director of Civilian Personnel

DRMO—Defense Reutilization and Marketing Office

DRU—Direct Reporting Unit

DSM—Demand Side Management

DV—Distinguished Visitor

EA—Economic Analysis

EAID—Equipment Authorization Inventory Data

ECCS—Executive Control and Command Supervision

EEIC—Element of Expense and Investment Code

EEO—Equal Employment Opportunity

ERA—Environmental Restoration Account

ERI—En Route Inspection

ESP—Emergency & Special Program

ESPC—Energy Savings Performance Contract

EUM—Essential Unit Messing

FC—Fund Code

FDT—First Destination Transportation

FECA—Federal Employees Compensation Act

FET—Functional Equipment Transfer

FFCG—Federal Facility Compliance Guidance

FMB—Financial Management Board

FICA—Federal Insurance Contribution Act

FMA—Financial Management Analysis

FMCRA—Federal Medical Care Recovery Act

FMS—Foreign Military Sales

FOB—Forward Operating Base or Free-on-Board

FSO—Financial Services Officer

FWG—Financial Working Group

FYDP—Future Year Defense Plan

GAO—Government Accounting Office

GOQ—Government Owned Quarters

GPMRC—Global Patient Movement Requirements Center

GPO—Government Printing Office

GSA—General Services Administration

GSD—General Support Division

HAZMAT—Hazardous Materials

HHG—Household Goods

HRO—Housing Referral Offices or Human Resources Office

IAPS—Integrated Accounts Payable System

IG—Inspector General

IMC—Interim Message Change

IMPAC—International Merchants Purchase and Authorization Card (now referred to as the Purchase Card)

IPCOT—In-Place Consecutive Overseas Tour

IPE—Information Processing Equipment

JA/ATT—Joint Airborne/Air Transportation Training

JAG—Judge Advocate General

JFTR—Joint Federal Travel Regulation

JTF—Joint Task Force

LAC—Latest Acquisition Cost (DLR pricing)

LAN—Local Area Network

MAC—Military Airlift Command

MC—Minor Construction

MEGP—Mission Essential Ground Personnel

MFH—Military Family Housing

MFP—Major Force Programs

MHE—Material Handling Equipment

MHS—Military Health Service

MIPR—Military Interdepartmental Purchase Request

MOA—Memorandum of Agreement

MORD—Miscellaneous Obligation Reimbursement Document

MOU—Memorandum of Understanding

MPA—Military Personnel Appropriation

MR—Maintenance and Repair

MRE—Meals, Ready to Eat

MRT—Maintenance Recovery Team

MSC—Military Sealift Command

MSD—Material Support Division (AFWCF)

MST—Mission Support Team

MSU—Medical Service Units

MTF—Medical Treatment Facility

MTMC—Military Traffic Management Command

MWR—Morale, Welfare, and Recreation

NAF—Nonappropriated Fund

NAFI—Nonappropriated Fund Instrumentality

NCO—Noncommissioned Officer

NCOA—Noncommissioned Officer Academy

NMC—Not Mission Capable

NPV—Net Present Value

NSI—Nuclear Safety Inspection or Nuclear Surety Inspection

NULO—Negative Unliquidated Obligation

O&M—Operation and Maintenance

OAC—Operating Agency Code

OARS—Obligation Adjustment Reporting System

OASD—Office of the Assistant Secretary of Defense

OBAD—Operating Budget Authority Document

OBAN—Operating Budget Account Number

OCCR—Organization Cost Center Record

OCONUS—Outside the Continental United States

ODL—Open Document Listing

OPLOC—Operating Location (DFAS Regional Finance Center)

OPM—Office of Personnel and Management

OPR—Office of Primary Responsibility

ORF—Official Representation Funds

ORG—Organization (as in Organization Code)

ORI—Operational Readiness Inspection

ORM—Operational Risk Management

OSIA—On-Site Inspection Agency

OT&E—Operational, Test, and Evaluation

OUSD—Office of the Undersecretary of Defense

OUSD(C)—Office of the Undersecretary of Defense (Comptroller)

PBAS—Program Budget Accounting System

PCO—Printing Control Officer

PCS—Permanent Change of Station

PDTATAC—Per Diem, Travel and Transportation Allowance Committee

PE—Program Element

PEC—Program Element Code

PFMR—Project Funds Management Record

PFY—Prior Fiscal Year

PMA—Preventive Maintenance Agreement

PO—Private Organization

PPBES—Planning Programming and Budget Estimating System

PRIME BEEF—Priority Improved Management Effort – Base Engineer Emergency Force

PRIME RIBS—Priority Improved Management Effort – Readiness in Base Services

PRU—Personnel Readiness Unit

QAFA—Quality Air Force Assessment

QOL,DA—Quality of Life, Defense Account

RA—Resource Advisor

RAP—Relocation Assistance Program

RC—Responsibility Center

RC/CC—Responsibility Center/Cost Center

RCM—Responsibility Center Manager

RCS—Reports Control Symbol

READY—Resource Augmentation Duty

RMF—Resource Management Flight

RMS—Resource Management System

RPM—Real Property Maintenance

RPMC—Real Property Maintenance by Contract

RPS—Real Property Services

RRRP—Resource, Recovery, and Recycling Program

RSA—Resource Sharing Agreement

RSD—Reparable Support Division

SAAM—Special Assignment Airlift Mission

SAG—Sub-activity Groups

SAM—Support Agreement Manager

SBSS—Standard Base Supply System

SECSTATE—Secretary of State

SF—Standard Form

SI—Seriously Ill/Injured

SIK—Subsistence-in-Kind

SM&W—Special Morale and Welfare

SMAG—Supply Management Activity Group

SMS—Subject Matter Specialists

SNCOA—Senior NCO Academy

TA—Tuition Assistance or Table of Allowance

TAP—Transition Assistance Program

TACC—Tanker Airlift Control Center

TALCE—Tanker Airlift Control Element

TAFMSD—Total Active Federal Military Service Date

TCTO—Time Compliance Technical Order

TDY—Temporary Duty

TE—Test and Evaluation

TPC—Third Party Collection

TRICARE—Three choices (prime, extra, and standard) of military health care

TSP—Thrift Savings Plan

TWCF—Transportation Working Capital Fund

UBO—Uniform Business Office

ULN—Unit Line Number

ULO—Unliquidated Obligation

UMD—Unit Manpower Document or Unmatched Disbursement

USTRANSCOM—United States Transportation Command

UOO—Undelivered Orders Outstanding

UPFIP—Unaccompanied Personnel Facility Improvement Program

UPH—Unaccompanied Personnel Housing

UR—Unfunded Requirements (replacement for IUR - Integrated Unfunded Requirements)

UTC—Unit Tasking Code

VA—Veterans Administration

VAQ—Visiting Airmen Quarters

VOQ—Visiting Officers Quarters

VSI—Very Seriously Ill/Injured

VSIP—Voluntary Separation Incentive Program

WCF—Working Capital Fund

WRDCO—Wing Refueling Document Control Officer

WIMS—Work Information Management System

Attachment 2

DETAILED SUMMARY OF REVISIONS

A2.1. Changed all references of the Defense Business Operations Fund (DBOF) and Defense Business Operations Fund-Transportation (DBOF-T) throughout the previous publication to Working Capital Fund (WCF) and Transportation Working Capital Fund (TWCF) respectively. Includes references to AMCI 65-602, *TWCF Budget Operations, Concepts and Accounts*. Additionally, changed all references to International Merchant Purchase Authorization Card (IMPAC) in the previous publication to the Purchase Card, where appropriate. Changed all references to Joint Chiefs of Staff (JCS) in the previous publication to Chairman, Joint Chiefs of Staff (CJCS).

A2.2. **Chapter 2** is expanded to include discussion on the following topics: Financial management, the Antideficiency Act, Bona Fide Need Rule, the "necessary expense" doctrine, participatory financial management, managerial responsibilities of the commander, comptroller, financial analysis, and accounting liaison, validation of commitments/obligations, application of appropriate Air Force ESP codes for NULO/UMD transactions, & prior fiscal year management.

A2.3. **Chapter 3**now includes discussion of the budget life cycle (O&M and TWCF), financial plan, initial distribution, budget execution, and funds distribution. Also included is a complete list of all legal and administrative limitations applicable to AMC.

A2.4. **Chapter 4** describes the evolution of the TWCF from DBOF-T. Deleted all detailed guidance on the WCF Capital budgeting and execution process, which is now provided in AMCI 65-602, TWCF Budget Operations-Concepts and Accounts.

A2.5. **Chapter 5** includes Air Force and fiscal law guidance regarding support agreements, the Economy Act, orders required by law, other types of Air Force orders, the "miscellaneous receipts" statute, and joint use agreements with civilian airports. Revised paragraph **5.8.**, Medical Reimbursement Program, as well as paragraph **5.9.5.**, regarding guidance on claims resulting from damage to government property and other tort liability.

A2.6. **Chapter 7** expands in more detail the functions of the Civilian Employment Cost Management Committee (CECMC), the Civilian Manpower and Funding Report, and the factors used to determine a civilian pay program.

A2.7. **Chapter 8** includes an overview of Air Force TDY per diem policy. Other changes include the use of GSA City Pair fares versus discounted airline fares, AMC TDY funding for Phoenix Raven personnel and stewards supporting AMC missions in the paragraph that addresses mission essential ground personnel (MEGP), Presidential and Vice Presidential support, funding policy for maintenance recovery teams (MRT), an update to the In-Place Consecutive Overseas Tour (IPCOT) paragraph to indicate the funding change, the application of the Simplified Accounting for Temporary Duty Travel, the 179 day TDY rule, ITOs for non-U.S. government employees, evacuation expenses for NAF and AAFES employees in contingency and emergency situations, and the attendance of non-federal government employees at awards ceremonies or dinners. Modified the paragraphs regarding patient and non-medical attendant travel (paragraph **8.24.**). Deleted contract lodging procedures.

A2.8. **Chapter 9** now discusses procedures for Tanker Airlift Control Element (TALCE) dedicated airlift, excess baggage transportation charges, and CONUS transportation of TWCF cargo, TWCF civilian PCS, forwarding lost or misrouted passenger baggage, and transportation of aircraft parts from ANG/AFRC bases to MRTs supporting NMC aircraft flying AMC missions.

A2.9. **Chapter 11**, moved paragraph **11.2.1.** in the previous publication regarding TWCF and O&M contracts for solid waste and disposal services to **Chapter 15**, paragraph **15.4.2.** as it pertains to CE services and not utilities. Provided guidance for recording costs of ESPC and DSM utilities programs.

A2.10. **Chapter 12** updates Air Force Local Area Network (LAN) funding policy and includes Air Force policy regarding communications services to senior officer base housing and various types of software funding.

A2.11. **Chapter 13** updates the decentralization of printing and copying services, the use of the Purchase Card (formerly called International Merchant Purchase Authorization Card (IMPAC)) for Defense Automated Printing Service (DAPS), and appropriated funds (APF) restriction for the commercial printing of invitations, programs and business cards. Included is the allowance for the office-generated printing of invitations, programs, and business cards using existing software and printing stock provided they pertain to mission essential requirements or purchasing the business cards from the Lighthouse for the Blind, Inc. Adds purchasing of non-personal invitations for official graduation ceremonies at Air Force schools/academies as an authorized expense.

A2.12. **Chapter 14**, deleted the table on facilities that qualify for TWCF Real Property Maintenance by Contract (RPMC) funding only. Included new paragraphs referencing RPMC change orders and emergency Facility and storm damage policy. Carpet installation, replacement, or repair in TWCF facilities as well as in-house and contract RPMC funding of TWCF and O&M shared facilities is clarified and defined. Deleted the requirement for Civil Engineers (CE) to provide real property maintenance (RPM) monthly accruals to the local accounting office. Added funding guidance on tenant force protection measures at host AMC bases.

A2.13. **Chapter 15** includes Architect-Engineering (A-E) design costs as a part of a TWCF minor construction (MC) capital project.

A2.14. **Chapter 18** now includes Defense Finance and Accounting Service (DFAS) guidance concerning payments received from the sale and lease of DoD real property, Air Force funding policy for conferences, meetings and seminars, and appropriations law interpretation for the payment of canceled hotel reservations, and incentive/award programs at physical fitness centers. Expanded discussion regarding Air Force policy on meal surcharge collections to O&M, the use of coins or medallions for mission accomplishment awards, and U.S. flags for active duty military personnel upon retirement, and funding for light refreshments at conferences. In accordance with HQ AMC/SG direction, deleted the reference in paragraph **18.3.3.** of the previous publication the note concerning the application of civilian emergency care received by active duty members paid from the CMA or PE 87713.

A2.15. **Chapter 19** now includes discussions on Air Force policy for centrally managed and procured equipment items, distinctive uniform and functional clothing, athletic clothing, sporting equipment and uniforms, unit level fitness centers and exercise rooms, contact lenses, food preparation and serving items,

chaplain programs, as well as aircraft maintenance support to AFRC and ANG aircraft. Also expanded DLR guidance to include pricing, time cycle, and en route application and redefined the Unaccompanied Personnel Facility Improvement Program (UPFIP) funding process. Modified funding guidance on dormitory supplies and linens.

A2.16. **Chapter 20** adds clarification of new or existing Air Force/DoD policy regarding the following topics: ESP, RC/CC, and EEIC coding packages, establishment of Air Force ESP codes for contingency operations and natural disasters, subsistence payments during CONUS field training exercises, liquid substitutes, air navigation and overflight fees, landing fees, border clearances, new IMPAC procedures to include year-end minimal processing requirements and deobligation of prior year balances, contingency operations (to include TWCF), Official Representation Funds (ORF), treaty inspection teams, expansion of policies concerning support agreements, licenses and certificates, changes to the Federal Medical Care Recovery Act, the availability of certain government materials to persons or entities, quality of life enhancement, defense account funding, funding for claims, interest penalty payments, imprest funds, private organizations, memorialization, contest entry fees and prizes/awards, certain real property transaction administrative expenses, insurance, and other miscellaneous items of interest. Reaccomplished and expanded the paragraph regarding support agreements procedures. The paragraph regarding the support of service members on delayed TWCF aircraft is significantly shortened as the detailed funding policy is covered in AMCI 65-602. Deleted the paragraph in the previous publication on the Medical Centrally Managed Allotment.

A2.17. **Chapter 21** included a section on the Commercial Ticket Program (CTP) process.

A2.18. **Chapter 22** expands close-out procedure process.

A2.19. **Chapter 23**, deleted is NAF/SM&W guidance already provided in AFI 65-106 and AFI 34-201.

A2.20. **Chapter 24**, Military Family Housing, completely revised.

A2.21. Deleted the Air Force Data Administration Program attachment in the previous publication. Information regarding all Air Force accounting data elements and codes for this program is now available on the following web site: *http://c4server.scott.af.mil/afcdd*.

A2.22. **Attachment 1** is updated with additional acronyms and publication references. It is also expanded to include new listed references in the publication to public laws, Comptroller General decisions, and other policy memoranda/plans/guidance packages.