



## **DCMA Manual 4301-02, Volume 2**

### **Budget Formulation and Execution: Budget Execution**

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<b>Office of Primary Responsibility:</b>	<b>Organizational Infrastructure Capability Board</b>
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**Purpose:** In accordance with the authority in DoD Directive 5105.64, this Manual implements policy and defines procedures as defined in DCMA Instruction 4301, “Stewardship.” Budget Formulation and Execution is composed of several volumes, each containing its own purpose. This issuance outlines DCMA business processes pertaining to Budget Execution and provides the requirements for the administrative control of funds and specific instruction for the execution of funds.

## TABLE OF CONTENTS

<b>SECTION 1: GENERAL ISSUANCE INFORMATION .....</b>	<b>5</b>
1.1. Applicability.....	5
1.2. Policy.....	5
<b>SECTION 2: RESPONSIBILITIES.....</b>	<b>6</b>
2.1. Director, DCMA .....	6
2.2. Executive Director, Financial and Business Operations Directorate (FB) .....	6
2.3. Capability Board Managers .....	6
2.4. Component Heads.....	7
2.5. Funds Control Officer (FCO) .....	7
<b>SECTION 3: PREPARING FOR BUDGET EXECUTION.....</b>	<b>8</b>
3.1. Getting Started .....	8
3.2. Tools.....	9
<b>SECTION 4: BUDGET EXECUTION PROCESS.....</b>	<b>11</b>
4.1. Operating Budget.....	11
4.2. Operating Under CR Authority .....	11
4.3. Use of SAF Authority.....	12
4.4. Commitments.....	12
4.5. Obligations.....	13
4.6. Expenditures.....	13
4.7. FY-End Close Out.....	13
<b>SECTION 5: LABOR EXECUTION.....</b>	<b>15</b>
5.1. DCMA Labor .....	15
5.2. Budget Controls .....	15
5.3. Labor Cost Projections.....	15
5.4. AAR .....	16
5.5. Awards .....	16
5.6. Overtime.....	17
5.7. FTE/Hiring Plans .....	18
5.8. International Foreign National Labor .....	18
<b>SECTION 6: NON-LABOR EXECUTION.....</b>	<b>20</b>
6.1. Budget Controls .....	20
6.2. Spend Plan.....	20
6.3. Travel .....	21
6.4. GPC.....	22
6.5. Intra-agency Transactions.....	23
6.6. Contracts .....	24
6.7. Miscellaneous Transactions.....	25
6.8. Official Representation Funds (ORF).....	26
<b>SECTION 7: UFRS.....</b>	<b>27</b>
7.1. Funding Management .....	27
7.2. Year of Execution .....	27
7.3. Emergency Requirements.....	28

**SECTION 8: INFORMATION TECHNOLOGY AND CYBERSECURITY** .....29

    8.1. Defense Business System (DBS)..... 29

    8.2. DBS Transactions..... 29

    8.3. Cybersecurity ..... 30

**SECTION 9: CONTINGENCY OPERATIONS** .....32

    9.1. Overview ..... 32

    9.2. Contingency Operations Budget Execution..... 32

**SECTION 10: PCS**.....34

    10.1. Overview ..... 34

    10.2. PCS Types..... 34

    10.3. PCS Execution ..... 34

**SECTION 11: COMPLIANCE AND OVERSIGHT** .....35

    11.1. Overview ..... 35

    11.2. FY Execution Reviews..... 35

    11.3. Dormant Accounts Review-Quarterly (DAR-Q)..... 36

**GLOSSARY**.....37

    G.1. Acronyms ..... 37

    G.2. Definitions ..... 39

**REFERENCES**.....41

## **SECTION 1: GENERAL ISSUANCE INFORMATION**

### **1.1. APPLICABILITY.**

This Manual implements DCMA policy on the management of resources and provides overarching oversight and responsibility specific to labor and non-labor dollar execution pursuant to Section 902 of Title 31, United States Code (U.S.C.) for the execution of financial management in DCMA. The Manual applies to the DCMA Director and all Agency Fund Holders and Accountable Officials that support activities for execution of the Agency's budget.

### **1.2. POLICY.**

It is DCMA policy to execute this Manual in a safe, efficient, effective, and ethical manner. This Manual implements DCMA policy for:

#### **a. Administrative Control Systems.**

The Agency's financial management system is used for the systematic control of funds. It is the responsibility of Agency Fund Holders to maintain effective control of funds in accordance with (IAW) DoD 7000.14-R, "Department of Defense Financial Management Regulations," (DoD FMR), Volume 14, Chapter 1. The DCMA will restrict the use of available funds to certifying officers and accountable officials.

#### **b. Delegation of Authority.**

IAW DoD FMR 7000.14-R, Volume 5, all delegations of authority will be made, in writing, pursuant to the requirements outlined for Appointing Authorities (DoD Component Heads or their designees).

## **SECTION 2: RESPONSIBILITIES**

### **2.1. DIRECTOR, DCMA.**

The Director will direct and manage financial management activities within the Agency consistent with the policies, requirements, principles, standards, procedures, and practices prescribed by the Office of the Under Secretary of Defense (OUSD) Comptroller (OUSD(C)) Chief Financial Officer, Defense Finance and Accounting Services (DFAS), and other policies as prescribed by the Heads of other DoD Components.

### **2.2. EXECUTIVE DIRECTOR, FINANCE AND BUSINESS OPERATIONS DIRECTORATE (FB).**

The Executive Director, FB, will:

- a. Direct, manage, and provide policy guidance and oversight of Agency financial management, personnel, Components, and operations and report to senior leadership regarding financial matters as prescribed in Section 902 of Title 31, U.S.C.
- b. Facilitate and provide oversight for the development of all budgetary and fiscal matters and exercise overall responsibility for Agency resources.
- c. Exhibit expertise and oversight in accounting, financial statement preparation and analysis, financial statement audits, and exercise overall responsibility of the Agency's budget process.
- d. Monitor the financial execution of the DCMA budget in relation to actual expenditures and prepare and submit reports according to defined time constraints.
- e. Verify the documented procedures in this Manual are accurate and reliable for business processes.
- f. Advise the Director and senior leadership on budget issues.
- g. Provide additional organizational support as detailed on the Resource Page.

### **2.3. CAPABILITY BOARD MANAGERS.**

Capability Board Managers will:

- a. Effectively prioritize, balance, and integrate requirements amongst Program/Resource Elements and Capabilities.
- b. Oversee fiscal guidance to Program/Resource Elements of the Capability Management Boards.

c. Establish doctrine, tools, and training associated with the processes and activities that fall under the purview of the Capability.

## **2.4. COMPONENT HEADS.**

Component Heads will:

a. Serve as fund holder and ensure administrative control of funds and compliance IAW DoD FMR 7000.14-R, Volume 14, and DCMA Manual (DCMA-MAN) 4301-01, Volume 2, “Budget Formulation and Execution: Administrative Control of Funds.”

b. Effectively execute the component level annual budget IAW annually published fiscal controls.

c. Approve all submitted plans IAW published timelines and fiscal controls.

d. Monitor and ensure the utilization of labor and non-labor funds is maximized within fund controls.

## **2.5. FUNDS CONTROL OFFICER (FCO).**

FCOs will:

a. Assist the fund holder in maintaining administrative control of funds and compliance IAW DoD FMR 7000.14-R, Volume 14, and DCMA-MAN 4301-01, Volume 2.

b. Hold a valid DD Form 577, “Appointment/Termination Record-Authorized Signature,” that denotes their appointment as a Departmental Accountable Official if they commit and obligate funds.

c. Ensure commitments and obligations are recorded accurately in the accounting system and in compliance with the fiscal law principles of purpose, time, and amount throughout the full life of the transaction.

d. Prepare, brief, and submit accurate monthly plans upon approval by the Component:

(1) Monthly Commitment Plans (MCPs) and Status of Funds (SOF) that match the funding authorization document and trial balance within budget controls.

(2) Full-Time Equivalent (FTE) Execution Plans/Hiring Plans and projections, if assigned.

(3) Non-Labor Spend Plans.

## SECTION 3: PREPARING FOR BUDGET EXECUTION

### 3.1. GETTING STARTED.

The start of the budget execution process normally begins after submission of the annual budget and prior to the beginning of the fiscal year (FY).

#### **a. Budget Submission.**

FB will review and monitor the DCMA budget submission for OSD and congressional actions that will impact funding levels.

#### **b. Agency Requirements.**

FB will direct a review of all Agency non-labor requirements prior to the beginning of the FY to identify any significant changes, deletions, or additions that must be addressed prior to the start of the FY.

#### **c. Funding Targets.**

Fund holders will apply anticipated funding (appropriation) against all DCMA requirements to ensure affordability and identify any new unfunded requirements (UFRs) that result from funding decrements. FB will prepare briefs for Agency senior leaders to recommend the execution year funding position target approvals.

#### **d. Budget Authority.**

The FB Programming and Budget Division will receive an annual appropriation for all funding types or a Continuing Resolution (CR) Authority to begin the FY. If under a CR, DCMA must receive the CR authority prior to executing any new funding during the FY. DCMA typically receives direct and reimbursable budget authority.

#### **e. Guidance.**

FB will publish annual fiscal guidance that includes annual labor and non-labor targets, reporting requirements, specific fiscal controls, and metrics to measure performance for all appropriations approximately four months prior to the start of the FY. If DCMA receives a CR authority, then FB will publish additional CR operating guidance to cover the period of the CR.

#### **f. Reimbursable Orders.**

If DCMA is the provider of goods or services, the Agency's role will be as a Servicing Component. This type of intra-agency transaction is commonly referred to as an incoming order. These orders are not to be confused with funding adjustments for service contracts that DCMA administers.



(1) DCMA typically provides two primary services. The Agency either provides labor for contract administration services requested by other governmental activities or they perform travel in support of contract management services.

(2) FB will receive and accept the order in the Defense Agencies Initiative (DAI) system and establish DAI projects and tasks for charging. DCMA will charge labor or non-labor throughout the FY IAW the order.

(3) FB will invoice the customer monthly for reimbursement of work performed at the agreed upon billing rate.

### **3.2. TOOLS.**

The FB annual guidance will direct reporting activities to develop and maintain tools to project and monitor annual execution throughout the FY per Volume 2 of DCMA-MAN 4301-01.

#### **a. FTE/Hiring Plan.**

The FTE/Hiring plan is a monthly plan that matches personnel on-board strength against hiring actions to project Component monthly and annual personnel execution. Management will use this labor projection tool to forecast basic labor dollar requirements throughout the year and ensure compliance with fiscal controls.

#### **b. MCP.**

The MCP is a monthly plan that spreads a Component's annual budget by object class over the FY. FCOs update MCPs monthly with actual end-of-month execution data, then adjust out-month plans accordingly to remain within budget limits. Management uses this plan to monitor execution against validated requirements and identify areas of variance from approved fiscal controls. FB uses the MCPs to estimate OUSD(C) apportionment requirements and to provide funding distributions (quarterly/monthly) to reporting activities.

#### **c. SOF.**

The SOF is a monthly report, organized by object class, that identifies the Component's execution against budgetary controls and plan. The report is linked to the MCP and computes the labor and non-labor execution variances between fiscal year to date (FYTD) MCP amounts and the FYTD MCP actual obligations. It also computes the variances between the Funded Annual Authorization amounts and the FYTD Annual Plan amounts. Management uses this report to identify FYTD Annual Plan variances from Funded Annual Authorized amounts, and FYTD actual obligation execution variances from authorized and plan amounts, to determine the corrective action needed to remain within or request adjustment to budget authority to maintain positive fund control.

**d. Spend Plan.**

The Spend Plan provides the Component's leadership, FCOs, procurement, and budget personnel with a single source document to plan and execute non-labor requirements for each execution year. The Spend Plan is derived from the Program Control Document (PCD) and consists of all validated and funded requirements for each Component. Every requirement is designated a unique PCD identification number that Components will use to request funding, monitor execution, and determine execution feasibility for all non-labor requirements.

**e. DAI Oracle Business Intelligence Enterprise Edition (OBIEE).**

Fund holders and FCOs have access to numerous dashboards and reports located in the DAI system OBIEE module that are critical to monitoring labor and non-labor execution and reporting of prior year and current year (CY) funds. CY SOF, Obligation Status, Labor Cost and Open Commitment reports are just a few of the key reports available to assist in the accurate management of DCMA resources.

## **SECTION 4: BUDGET EXECUTION PROCESS**

### **4.1. OPERATING BUDGET.**

Once the Agency receives its full allotment of appropriated funding or reimbursable orders, FB sub-allocates the funds to Components at the component level across the Agency. Funds will be distributed at the beginning of each quarter based on OUSD(C) apportionment and the approved Component MCP.

### **4.2 OPERATING UNDER CR AUTHORITY.**

Congress may pass a CR to allow the government to continue operating using temporary funding measures. The CR legal authority will specify the length of the CR and any specific restrictions. Funding under a CR is generally restricted to the amount that was executed during the same period in the previous year, with no new starts and no increases in production rates allowed. As an Operations & Maintenance funded organization, “new starts” is not an applicable concept for DCMA. OUSD(C) will issue CR apportionment controls, and FB will load the apportionment received in the DAI system consistent with those amounts. The following guidelines apply when the Agency must operate under a CR for one or more of its appropriations. These guidelines only apply to operations funded by an appropriation under a CR authority.

a. Obligating funds under CR authority presents both risks and challenges and requires special care to avoid Anti-Deficiency Act violations IAW Title 31, U.S.C. Components must understand and comply with budget execution rules particular to CR authority. Non-labor obligations are generally restricted during the CR to ensure appropriate funding is available for labor. Section 3133 of Title 10, U.S.C., provides guidance that allows DCMA to issue 12-month contracts for severable services that cross FYs to minimize disruptions that are caused by CRs. Because of this, most contract periods of performance are moved to the second or third quarter to reduce non-labor requirements during CR periods. A bona fide need during the CR period must be present to obligate the government.

b. Due to limitations in funding, labor funding takes priority. Execution of labor will occur as usual; however, payroll accruals may or may not post depending on the CR expiration.

c. Specific guidance for traveling during a CR period will be published by FB. Generally, the travel must begin before the end of the CR expiration for it to be approved in the Defense Travel System (DTS).

d. Other non-labor obligations may be incurred as long as a bona fide need exists during the CR period, and the period of performance starts before the CR expiration. Non-labor obligations do not need to be incrementally funded or unnecessarily limited to the CR period. The only exception is reimbursable intergovernmental transactions, which can be fully obligated but are generally funded on a quarterly basis under a CR.

e. Obligations for requirements with a start beyond the CR expiration are prohibited. Commitments for these items are allowed if they clearly state on the Purchase Request (PR) that they have a period of performance after the CR and are subject to availability of funds (SAF). Monthly subscription services (e.g., cable, gym memberships) can be paid for the entire month of the CR expiration. Specific guidance will be provided at the outset of the CR period and routinely throughout.

#### **4.3. USE OF SAF AUTHORITY.**

At FY crossover, Components may be required to pre-position non-labor execution documents with servicing organizations to continue support at the beginning of the new FY. This is especially critical since execution modules for the financial management system go offline for year-end close for approximately two weeks. The majority of these requirements will be for intragovernmental support and are executed via a SAF intragovernmental order. The financial management system allows for SAF documentation, in which the anticipated execution does not obligate funds in the system. SAF documents can only be processed for requirements that must be prepositioned before the accounting system resumes normal execution activity. If possible, servicing organizations should be encouraged to wait for a funded document in the new FY. However, FCOs are expected to fully utilize SAF documents to prevent any lapse in support.

a. SAF PRs are allowed on a very limited basis for requirements that have to be awarded before 31 October of the following FY. If a PR is required, the FCO will generate a PR, but the PR will not be officially approved in the financial management system until funding is available.

b. Since new year projects and tasks must be preloaded in the financial management system for SAF documents to be generated, SAF documents are not allowed prior to September 1 of the current FY. Notification and instructions on processing SAF documents will be provided by FB every year.

c. After the start of the new FY, the SAF documents must be modified to reflect full funding and document the commitment on the general ledger accounts.

#### **4.4. COMMITMENTS.**

a. A commitment is an administrative reservation of funds based on firm procurement requests, orders, directives, and equivalent instruments. Commitments occur each time a funding document is signed by an authorized FCO and transmitted to be acted upon. The amount recorded as a commitment is the estimated procurement cost set forth in the commitment document. Commitments must be recorded in the accounting system within the accounting period they occur.

b. FCOs will commit funds to acquire goods, supplies, and services that meet the bona fide needs of the period for which Congress appropriated funds or to replace stock used during that period. Funds are committed through the DAI system Procure to Pay module.

c. All open commitments must be cleared from the accounting system prior to the close of the FY regardless of the fund type.

#### **4.5. OBLIGATIONS.**

a. An obligation is a legally binding agreement or action that will result in immediate or future outlays. Obligations occur when a legal responsibility arises for which DCMA must expend funds (whether it is recorded in the accounting system). Obligations must be recorded in the accounting system within five calendar days IAW DoD FMR 7000.14-R.

b. Only authorized individuals can obligate on behalf of the government. These individuals must have signature authority granted by position, title, or delegation which is normally documented in writing. Examples of approving officials are Warranted Contracting Officers; DTS approving officials; supervisors, to include Time and Attendance approvers; order issuing officials; and Government Purchase Card (GPC) cardholders and billing officials.

c. Obligations may only be incurred during the period of obligational availability as stated in the appropriation. No approving official will request, approve, or authorize an obligation; make an expenditure beyond the total amount available within that individual's funding authority; or exceed any statutory limitation that modifies or restricts the availability of funds.

d. Special or recurring statutory limitations on DCMA funds are frequently imposed by authorization or appropriations acts, or they may be imposed by other legislation.

#### **4.6. EXPENDITURES.**

a. An expenditure is the actual outlay of cash or payable for a valid obligation of funding. During the year of execution and into the expired year, obligations must be either fully expended or de-obligated.

b. Labor payroll is processed bi-weekly and results in the simultaneous posting of obligations and expenditures.

c. Non-labor transactions typically do not expense until the delivery or receipt of goods/services is realized. It is important to monitor these transactions to ensure expenditures are posted timely and to determine if any unexpended funding can be de-obligated. Failure to process expenditures will result in unliquidated obligations that must be addressed during reconciliation.

#### **4.7. FY-END CLOSE OUT.**

a. DCMA will close out all appropriations at the end of the FY in a systematic and orderly process. FB will publish detailed guidance annually to ensure timelines are synchronized and comply with OUSD(C) and DFAS guidance.

b. DCMA will close out all funded reimbursable orders at the end of the FY and return any projected excess funding to the Requesting Department Component.

c. DCMA's accounting system will close on 1 October and be offline for approximately two weeks to reset for the coming FY. FB will also publish FY transition guidance to support continued operations during this timeframe.

## **SECTION 5: LABOR EXECUTION**

### **5.1. DCMA LABOR.**

Labor is the largest DCMA expense, consuming nearly 85 percent of the Agency's annual appropriation. Most of the labor funding is executed in the Defense Civilian Payroll System transmitted via the DAI system's Oracle Time and Labor module. Labor is comprised of various costs including the base salary, benefits, and premium pay (e.g., overtime, recruiting incentives and awards). Additionally, labor funds the Agency's disability compensation, transit subsidy bills, and some of the permanent change of station (PCS) expenses.

### **5.2. BUDGET CONTROLS.**

DCMA Components will receive their fiscal control for labor. Components will not exceed their fiscal authority without prior approval.

### **5.3. LABOR COST PROJECTIONS.**

Since labor is the largest expense in DCMA, it is imperative that labor projections are accurately established, and labor execution is regularly analyzed and updated. Labor is funded based on a formula of Average Annual Rate (AAR) multiplied by civilian pay hours projected to execute.

#### **a. FTEs.**

An FTE is a computation of the total number of straight-time hours worked (not including overtime or holiday hours worked) by employees divided by the number of compensable hours applicable in a FY. FTEs are validated and established prior to the start of a FY. Compensable hours vary between 2,080 to 2,096 hours in any given FY.

#### **b. Unburdened Labor.**

Unburdened labor is the basic pay the Agency funds for an employee, including locality pay.

#### **c. Burdened Labor.**

Burdened labor is often referred to as basic labor. Burdened labor rates provide an insight to the actual total cost of a DCMA employee in addition to the basic salary the employee earns. Burden labor costs include benefits that the Agency pays for employees to include, but not limited to, payroll taxes, pension costs, health and dental insurance, and any other benefits that are provided to the employee by the Agency.

**d. Fully Burdened Labor.**

Fully burdened labor rates include burdened labor and all other premium pays such as overtime, awards, terminal leave, recruiting incentives and holiday premium. Labor categories that are not included in the fully burdened labor rates are separation entitlements, PCS benefits, disability compensation, and terminal leave.

**5.4. AAR.**

The AAR is the average cost of an employee for the Agency or Component for a given FY. A point in time calculation, the AAR is computed monthly throughout the year of execution to monitor labor execution fluctuations using burdened and fully burdened labor.

a. Basic labor AAR is computed using burdened labor, and gross labor AAR is computed using the fully burdened labor cost. Components are funded using the gross labor AAR.

b. Funding approved for each Component is reserved throughout the year.

c. FB will review DAI system actual payroll data to validate the burdened labor AAR projections monthly. If FB determines a significant variance, FB will recommend changes to labor control or labor plans, depending on funding availability.

**5.5. AWARDS.**

The DCMA's annual performance award budget is managed and executed IAW the Office of Personnel Management, Office of Management and Budget (OMB), and OSD performance award guidance received annually through the Total Force Directorate (TF). FB will publish estimated labor award targets in the first quarter of the FY but will adjust targets throughout the year following the DoD Civilian Acquisition Workforce Personnel Demonstration Project (ACQDemo) award and Agency award distribution. These award targets establish the execution ceiling for incentive awards for each Component.

a. Award rates are established IAW Agency guidance based upon receipt of Office of Personnel Management, OMB, and OSD guidance. FB must consider guidance for both ACQDemo and non-ACQDemo employees since award guidance may vary between the pay systems.

b. Once award rates are established, FB will compute award targets using the on-board personnel salary report provided by TF as of October 1 of the new FY. FB will coordinate with the International Region for Foreign National on-board salaries as of October 1 for inclusion in the award target computation. Award targets establish the funding limit a Component is authorized to spend on awards. They are a subset of Total Labor, not additive. Award targets are approved by the FB Executive Director and communicated to Components in the first quarter of the FY.



c. Components will spread the award target in the MCP and measure execution IAW the plan. Component FCOs will ensure plans do not exceed the established financial awards target and maintain final oversight of awards execution for their respective Component.

d. Each DCMA Component must remain within its award target to include all financial performance awards and individual contribution awards.

e. Special considerations apply for awards given to employees who depart Component organizations or when a Component chooses to recognize an employee outside of their organization.

(1) Internal Transfers.

If an employee moves between DCMA Components and does not receive their annual performance award before transferring, the gaining Component will process and fund the award internally. If a close-out rating was done by the losing Component, a copy of the performance rating and suggested performance award should be sent from the losing supervisor to the gaining supervisor for supporting documentation.

(2) External Departures.

Awards must be processed before any employee departs the Agency in order to ensure the employee is compensated correctly.

(3) Special Act and On-The-Spot Awards.

Funding can be moved between Components to cover Special Act and On-The-Spot awards for employees in order to recognize their contributions. A data call will be done each year, as part of the FY end close out process, to gather all Special Act or On-The-Spot awards and a one-time funding adjustment will be done.

f. Each year, DCMA can award individuals for exceptional service. The awards will be processed in TF and funding for those awards will be moved to the employee's current organization. FB sets aside funding for these awards in the initial award budget.

## **5.6. OVERTIME.**

Overtime is another key element of labor execution. Under normal conditions, Components will plan overtime using historical usage rates. Additionally, if a Component is projecting personnel shortfalls, they can estimate additional overtime requirements based on projected Component fill rates using the hire-lag to fund the requirement. Overtime is estimated at the beginning of the FY and planned execution is spread in the MCP. Since overtime is included in the Agency's total labor budget, a Component's total labor budget, including overtime, will not exceed the FY labor dollar control value.

## **5.7. FTE/HIRING PLANS.**

Hiring plans identify personnel requirements and provide overall guidance to resource managers throughout the FY. DCMA must accurately plan the gains and losses of personnel in order to effectively, efficiently, and economically meet the strategic mission. DCMA uses Component hiring plans as the basis for the FTE plans. DCMA establishes procedures for FTE Plans that are consistent with the regulations derived from OMB Circular No. A-11, “Preparation, Submission, and Execution of the Budget,” DoD FMR 7000.14-R, and DCMA annual year of execution guidance. In many instances, established procedures may be dictated by local policy and/or union negotiations.

### **a. FTE Actual Execution.**

Component-approved gain and loss plans are used to estimate labor. FB populates these plans using labor hours from the DAI system end of month reports and on-boarding data from the Defense Civilian Personnel Database System as of the end of the month. FCOs will input this data into the FTE Actual tab on the FTE plan.

### **b. FTE Projections.**

Components will review the status of current on-board personnel, open and pending requests for personnel actions, and future FTE targets to update the FTE plans. Plans must be executable within the current FY control values. FB will validate labor pricing to ensure the FTE plan remains affordable.

### **c. Exceeds Projections.**

If a Component’s plan exceeds the total dollar control, FB will reject the plan and the Component will need to adjust hiring actions to remain within controls. If this is not possible, the Component will coordinate with FB on what options are available.

### **d. Projections Fall Short.**

If a Component’s plan is below the total dollar control, the Component can return labor dollars so they may be used to fund other Agency requirements. If the Component does not return the projected under executed funds, a recommendation will be submitted for the Comptroller to pull back funding controls.

## **5.8. INTERNATIONAL FOREIGN NATIONAL LABOR.**

The annual projection for DCMA International Command’s Foreign National Labor is the sum of International’s Direct and Indirect Foreign National employees. FB will determine monthly and annual projections for International Foreign National Labor.

**a. Planning.**

International Command's Foreign National Labor forecasts are based on projected annual requirements from International Mission Support Office analysts.

(1) Foreign National obligation amounts are based upon when the invoices are received.

(2) Monthly plan projections are based on the projected monthly liability incurred for foreign nationals employed, not on when actual invoices are received and obligated.

**b. Monthly Reporting.**

FB will update the monthly International FTE plan to reflect changes in Foreign National end strength and paid hours. It will base the Foreign National labor projection using the following formula as applicable to determine monthly and annual Foreign National Labor projections:  $(\text{projected monthly liability}) / (\text{monthly FTE}) \times (\text{pay raise})$ . Updated International SOF/MCP for Foreign National Labor will be submitted to FB after review and approval by the International Deputy Director or Mission Support Office Chief.

## SECTION 6: NON-LABOR EXECUTION

### 6.1. BUDGET CONTROLS.

FB develops FY budgetary controls for the year of execution for all Agency non-labor requirements by extracting the President's Budget year data from the PCD. This PCD data contains line-item detail of each DCMA Component level requirements and the funding associated with the requirement. FB will recommend funding level adjustments to the Agency senior leadership team in order to balance to the signed FY appropriation or to address any year of execution emerging requirements. FB will publish a top-level funding control document with non-labor Direct and Reimbursable budget authority. Additionally, FB will post the FY Spend Plan template on the DCMA FB SharePoint site which provides funding details for all non-labor requirements.

### 6.2. SPEND PLAN.

Spend Plans provide a holistic view of annual execution for the Agency. A Spend Plan is required for every Component with non-labor requirements. FB and the Components use procurement, financial, and process information to communicate execution status of non-labor requirements at the requirement-level to DCMA leadership and to monitor compliance with execution processes. Initial Spend Plans should match validated and approved execution plans and be submitted to FB prior to the start of the FY. Component Heads will ensure their Spend Plan is updated regularly, reflecting the most accurate status of non-labor requirements for their organization. Components should update the status of requirements, commitments, obligations, and procurement actions at least weekly, or more frequently as soon as changes to the amounts are known. New and emerging requirements will be added and updated as they progress through the UFR process. FB will support and facilitate Components with maintaining their Spend Plan, perform reconciliations, and verify compliance. FB will provide oversight and review Spend Plans monthly.

a. Components will manage Spend Plans to ensure the "CY Requirement" column reflects the funding required in the respective FY. Additionally, funding will be spread over the FY months to show when funding is required. Lastly, Components will update execution information which includes commitment and obligation data.

b. FB will update the "CY Self Approved Funding Adjustments" column to reflect Executive Director or Component Commander approved unfunded requirement adjustment. FB will ensure each Component documents this self-approved adjustment IAW UFR procedures outlined in Section 7.

c. FB will update the Spend Plan "UFR Adj" column with the approved UFR funding decision or the "Surplus Adj" column with pulled surplus funding. Surplus funding can be either funding that a Component returns or funding that DCMA Senior Leadership determines is un-executable.

### **6.3. TRAVEL.**

#### **a. Temporary Duty (TDY) and Local Travel.**

DCMA uses DTS as the primary tool to execute TDY and local travel.

(1) Components will project travel execution in the Spend Plan and MCP to notify FB of travel related funding requirements.

(2) FB will load travel funding into the DAI system IAW the Spend Plan and MCP.

(3) The individual responsible for maintaining DTS budgets will load budget authority in the DTS IAW funding in DAI to allow for TDY travel order approvals and settlements. DTS will not exceed budgetary controls unless approved by the Agency Director, Deputy Director, or Comptroller.

(4) Component Commanders and Directors will verify that DTS budgets do not exceed DAI funding authority monthly by comparing the non-labor SOF with the DAI system funding reports.

#### **b. Emergency Travel Authorizations and Vouchers.**

The documenting and approval of emergency travel orders is performed outside of DTS. FB is responsible for processing all emergency evacuation authorizations and vouchers. The following steps are used to initiate and process evacuation authorizations and vouchers:

(1) DoD issuing officials will identify a local point of contact (POC) on evacuation orders to assist evacuees in completing required travel documents.

(a) DD Form 1610, "Request and Authorization for TDY Travel of DoD Personnel."

(b) DD Form 1351-2, "Travel Voucher or Subvoucher."

(2) The evacuees' supervisor will sign the DD Form 1610 as the Travel-Approving/Directing Official and the Contract Management Office Commander will sign as the Authorizing/Order-Issuing Official.

(3) Evacuees must complete all required travel documents upon returning to duty and submit to the local POC, as identified on the evacuation orders. The timeframe that evacuees are required to complete and submit travel documents to the local POC will be determined by the termination date of the evacuation orders and the date the evacuee returns to duty.

(4) Local POCs will submit completed documents to include evacuation orders, required travel documents, and receipts for costs incurred to FB on behalf of evacuees.

(5) FB will assign a Line of Accounting (LOA) and document number to the DD Form 1610.

(6) FB will review all travel documents and work with respective POCs to correct any deficiencies before submitting completed travel documents to DFAS for processing. FB will follow up on the status of any claim inquiries from evacuees, as required.

#### **6.4. GPC.**

GPCs can be used for small buys and contract payments. Components will plan GPC execution on the Spend Plan and MCP.

##### **a. Small Buys.**

Small buys are considered supplies equal to or less than \$10,000; services equal to or less than \$2,500; and construction costs equal to or less than \$2,000. Once a requirement has been identified and pricing has been obtained, the GPC cardholder will determine whether the requirement can be fulfilled using the GPC small buy process:

(1) The cardholder completes the DCMA GPC Pre-Approval Form located on the Resource Page IAW DCMA-MAN 4301-03, Volume 2, “Contracting and Acquisition: Government Purchase Cards,” and sends to the Billing Official for approval.

(2) The cardholder sends the DCMA GPC Pre-Approval Form to the FCO. The FCO reviews the GPC Pre-Approval Form to ensure funds are available, completes the LOA and U.S. Bank Access Online name, then signs the form to certify funds.

(3) Upon approval, the cardholder places an order with a supplier using the GPC.

(4) The order gives authority for the supplier to charge the cardholder’s GPC for the order.

(5) The supplier’s bank sends an invoice to the Credit Card Issuing Bank (CCIB).

(6) The CCIB pays the supplier and posts the transaction in the CCIB Electronic Access System (EAS).

(7) As transactions post to the EAS, the cardholder reconciles transactions to the order recorded in the system against the pre-approval request form and selects the appropriate LOA. When the monthly billing cycle closes, the cardholder approves the cardholder statement.

(8) The statement is routed to the Billing Official for final approval of transactions and certification of the managing account for payment.

(9) DFAS entitles and disburses the funds pursuant to Section 3903 of Title 31, U.S.C., (the Prompt Payment Act) and Prompt Payment regulations IAW Part 1315 of Title 5, Code of Federal Regulations.

(10) Component Commanders and Directors will verify that GPC certification is executed and verify that funding is available to support the GPC obligation monthly. Funding is verified using the CY non-labor SOF OBIEE report found on DAI or provided by FB.

#### **b. Contract Payments.**

The GPC may be used to pay for services and supplies on DCMA Firm Fixed Price issued contract. As with all contracts, the total contract obligation is established in the financial management system.

(1) When using a GPC for contract payment, cardholders will need to use an LOA that contains more fields than normally used for standard GPC transactions. Coordinate with the FB GPC analyst to verify the LOA is available and linked to the cardholder's specific GPC.

(2) GPC contract payments are processed for items or services under the contract as they are received or occur.

(a) The supplier/contractor receives the authority to charge the GPC for the order and the CCIB pays the contractor IAW the cardholder's GPC authorization.

(b) The GPC transaction posts in the CCIB EAS, and the cardholder reconciles the transactions to the "Order Record" and assigns the specific LOA for the appropriate Contract Line Item Number.

(c) The cardholder reviews and approves the GPC statement when the monthly billing cycle closes and routes the statement to the Billing Official for final approval of transactions and certification of the managing account for payment.

### **6.5. INTRA-AGENCY TRANSACTIONS.**

Intra-agency transactions are referred to as transactions between two entities within a single federal agency and Inter-agency refers to transactions between two federal entities from separate Departments. For the purposes of this Manual, we will use the term intra-agency transaction to define formal exchanges between two federal government activities where DCMA is the requesting activity. Prior to any DCMA Component executing an Intra-agency Agreement (IAA) for goods or services, the Component will ensure the capability does not currently exist within DCMA and that it is in the best interest of the Agency to execute the IAA. This is usually accomplished through a support agreement IAW DoD Instruction 4000.19 and DCMA-MAN 4501-05, "Enterprise Agreements." Execution of DCMA funding is accomplished through the reimbursable order process in the DAI system using one of two transaction types, Category I Reimbursable or Category II Direct Cite.

**a. Fiscal Service Form (FS Form).**

The Treasury Financial Manual, Volume 1, Part 2, Chapter 4700, Appendix 8, provides the standard IAA form requirements. All DoD Components must use the latest published versions of FS Forms when completing an order pursuant to Section 1535 of Title 31, U.S.C., also known and referred to in this issuance as the Economy Act. There are two required FS Forms to document support agreements.

- (1) FS Form 7600A, "U.S. Government General Terms & Condition."
- (2) FS Form 7600B, "U.S. Government Order Form."

**b. Requesting Agency.**

When DCMA is the recipient of goods or services, the Agency's role will be the requesting agency. This type of intra-agency transaction is commonly referred to as an outgoing order. Upon issuance of the order, DCMA will commit funds in the DAI system. The servicing agency has 10 business days to accept and return the signed order. Upon receipt of the acceptance, DCMA will obligate funds on the order.

(1) Category I Reimbursable intra-agency transactions are transactions that allow DCMA and other DoD or military organizations to perform work on behalf of agencies or organizations, provided that:

- (a) Funding is available.
- (b) The order is in the best interest of the federal government.
- (c) The agency or unit filling the order is able to provide or acquire the ordered goods or services.
- (d) Ordered goods or services cannot be provided by contract as conveniently or cheaply as by commercial enterprise.

(2) Category II Direct Cite intra-agency transactions exist when the requester provides LOA information to the servicing Component to execute a contract on the requestor's behalf, also known as direct acquisitions. Execution of the direct cite transactions result in the DCMA LOA being used on the contract.

**6.6. CONTRACTS.**

Contracts are either awarded by the DCMA Procurement Office IAW DCMA-MAN 4301-13, "DCMA Acquisitions," or by another Agency via an assisted acquisition.



**a. DCMA Procurement Actions.**

(1) The PR package is created by the Program Manager (PM) after validation of funds from the FCO.

(2) The complete package is uploaded into the DAI system and flows through the approval process, ultimately to be reviewed and signed by the FCO.

(3) Upon approval of the PR, the certified form is sent to the Procurement Office to process the contract award.

(4) The Procurement Office will send a copy of the contract to the FCO for obligation in the DAI system. The applicable LOA and contract structure must be entered into the DAI system as a contract award to enable proper obligations within 10 calendar days of award.

**b. Assisted Acquisition.**

(1) The order is created by the PM and submitted to FCO for execution of order after validation of funds.

(2) The complete package is uploaded into the DAI system and flows through the approval process, ultimately to be reviewed and signed by the FCO.

(3) Upon approval of the order, the certified document is sent to the servicing Agency for acceptance indicating the Category II Direct Cite order LOA and a copy of the contract are required as source documents for obligation.

(4) Once the acceptance and contract has been received by the DCMA FCO, it will be processed in the DAI system. The applicable LOA and contract structure must be entered into the accounting system within days 10 calendar days of receipt as a contract award to enable proper obligations.

**6.7. MISCELLANEOUS TRANSACTIONS.**

Miscellaneous transactions include, but are not limited to, reimbursements to employees, payments to vendors where no contract is required such as a settlement payout, or other non-labor transactions not executed via a contract or intra-agency agreement. Miscellaneous transactions generally bypass the commitment stage and are committed and obligated at the same time. Appropriate documentation to support the transaction should be included with the obligation in DAI.

## 6.8. OFFICIAL REPRESENTATION FUNDS (ORF).

ORF will be used to host official receptions, dinners, and similar events, and to otherwise extend official courtesies to guests for the purpose of maintaining the standing and prestige of the United States. The purpose and use of funds is outlined in DoD Instruction 7250.13. DCMA receives limited budget authority to use ORF for official functions requested during the budget process.

a. Components will request use of the ORF at least 60 days prior to the event. Requests will be submitted through FB, General Counsel, and the Chief of Staff for final approval by the Director, DCMA.

b. The request will include:

- (1) Nature of function (e.g., luncheon, official gift).
- (2) Purpose and justification.
- (3) Date(s) and place of function/event.
- (4) Estimated cost by category (e.g., meals, refreshments, gifts, and mementos).
- (5) Guest list by rank and country (including titles and the organization of the persons attending).
- (6) POC, name, office symbol, email address, and telephone number.

c. The OSD Director of Administration and Management approval is required for any request to extend courtesies that exceeds \$10,000.

(1) Components will provide documentation such as a copy of approved request, original receipts and/or paid vouchers, final guest list and/or gift recipient list to FB no later than 10 working days after the event.

(2) FB will provide the OSD Director of Administration and Management a quarterly report of all ORF-related expenditures. The FB analyst prepares a report by the end of the following month, identifying ORF quarterly and cumulative year-to-date expenditures. The GPC is the preferred method of execution for ORF funding.

## **SECTION 7: UFRS**

### **7.1. FUNDING MANAGEMENT.**

A UFR is a validated requirement on an approved Spend Plan requiring additional funding (price change). A newly validated requirement that requires funding in total is also a UFR. The Component Spend Plan is the method of tracking and reporting current status of approved requirements and funding alignment across those requirements. Additionally, the Spend Plan provides visibility of all non-labor UFRs and funding surpluses. The MCP provides visibility of all labor surpluses. The MCP submission to FB is the process by which excess funds are identified and returned. The Spend Plan identifies which non-labor requirement has surplus funding.

### **7.2. YEAR OF EXECUTION.**

#### **a. Self-funded UFRs.**

(1) UFRs that can be self-funded within a Component's approved funding are not required to be reviewed by Capability Boards and are not subject to the steps outlined in Paragraph 7.2.b.

(2) Unless otherwise restricted, Components can self-approve and self-fund UFRs within available non-labor funding. Components will complete a self-fund, self-approval memorandum and update the MCP and the Spend Plan to include attaching a copy of the memo to the spend plan requirement. These changes will have no impact on the Component's gross non-labor funding control totals and do not require any approval.

#### **b. Agency UFRs.**

(1) A requirement that has been validated through the Corporate Governance process but is unfunded in part or in whole will follow this process:

(a) UFRs will be prioritized using a scoring methodology to identify impact to the Agency and the DoD.

(b) Components will submit a UFR memorandum to the Organizational Infrastructure Capability-FB (Stewardship) inbox for prioritization.

(c) UFRs will be presented in priority order at Agency resource forums for final prioritization and funding, if available. If funding is not available, UFRs will be held for future review.

(2) The DCMA Deputy Director has final approval authority for UFRs exceeding \$1 million. For UFRs equal to or less than \$1 million, the DCMA Director delegates UFR approval authority as follows:

- \$1 million – Executive Director, FB
- \$500,000 – DCMA Budget Director
- \$50,000 – DCMA Budget Execution Senior Analyst

(3) The FB Planning, Programming, and Budget Division will review all UFRs with enduring future year requirements and conduct an affordability analysis for inclusion in the next Program Budget Review cycle.

### **7.3. EMERGENCY REQUIREMENTS.**

a. Requirements that are urgent in nature, timeliness, or with significant impact to the Agency will be considered an **urgent operational need**. Requirements that constitute an emergency can:

- (1) Result in loss of life.
- (2) Lead to serious injury or seriously endangers the health of an employee,
- (3) Result in mission failure within the next 60 days.
- (4) Result in significant loss of Agency investment in labor or dollars.

b. UFRs for urgent operational needs will be submitted IAW DCMA-MAN 4502-01, “Corporate Governance Structure and Procedures.”

## **SECTION 8: INFORMATION TECHNOLOGY AND CYBERSECURITY**

### **8.1. DEFENSE BUSINESS SYSTEM (DBS).**

The DoD designates the Fourth Estate minimum threshold at \$1 million over the period of the current Future Years Defense Program (FYDP) pursuant to Section 2222 of Title 10, U.S.C., and DoD Instruction 5000.75. A “priority DBS” is any DBS investment in excess of \$250 million over the period of the current FYDP or as designated by the Deputy Secretary of Defense. DoD Instruction 5000.75 outlines the approval authority for all priority DBSs. The term “covered DBS” includes DBS investments that are greater than the minimum thresholds stated above as well as the statutory thresholds defined in Section 2222 of Title 10, U.S.C.

a. The Agency Director, Agency Chief Information Officer (CIO), Under Secretary of Defense (Comptroller), and the CIO of the DoD establish labor and non-labor requirement ceilings every FY for approved DBSs. DCMA plans and programs for new and pre-existing DBS requirements as part of the Budget Execution submission prior to the year of execution to ensure funds are available for requirement.

b. The Information Technology Directorate (IT) will not initiate requirement transactions until receipt of the Fourth Estate Decision Memorandum for FYXX Defense Business Systems from OSD.

c. Upon receipt of the approved and certified DBS memorandum, DCMA must update the systems below with all approved appropriation(s) data:

- (1) Defense IT Investment Portal.
- (2) Defense IT Portfolio Repository.
- (3) Business Enterprise Architecture Certification Tab.
- (4) Selective and Native Programming Data Input Systems for IT.

d. If additional funding is required, IT must update the year of execution obligation plan in the following FY budget update, and a current FY out-of-cycle request will be submitted. Additional requested funds, regardless of appropriation, cannot be transacted until the approved out-of-cycle request is received and systems in Paragraph 8.2.c. are updated with the prescribed amount increases.

### **8.2. DBS TRANSACTIONS.**

DBS requirements can contain a labor and/or non-labor component, and both require unique processing and tracking to ensure fiscal controls are in compliance. Unique task codes in the DAI system and the Defense Civilian Payroll System capture all DBS labor dollars. Non-labor transactions also use unique project and task codes in the DAI system for all product or service transactions. IT will use an intra-agency order or contract PR for these non-labor transactions.

a. Once a DBS is approved and certified, FB will provide guidance and the Defense-wide Investment Decision Memorandum (IDM) estimate to IT. These amounts are associated with the approved funding FY control and appropriation type. OSD approved DBS requirements with associated funds will be included in the Agency approved fund controls and IT Spend Plan and broken out by appropriation type.

b. A complete and approved requirements package is mandatory before funds can be committed for all DBS transactions. The PR type is determined by the receiving activity that will issue the Task or Call Order. A Military Interdepartmental Purchase Request will be used for Defense Information Systems Agency/Defense Information Technology Contracting Organization contract actions, and a Standard Procurement System PR will be used for services awarded by the Agency Procurement Center.

c. FB will monitor labor and non-labor transactions to ensure execution remains below approved DBS ceilings. FB will provide DBS PMs visibility of their execution rate status to ensure ceilings are within the approved amounts and type in the DBS Approved IDM or certified estimates.

d. Funding can be reallocated between labor and non-labor upon receipt of a Memorandum for Record from the DBS PM. Subsequent updates will be recorded in the Defense Information Technology Contracting Organization when a new IDM estimate is received from FB. The transfer of funds between labor and non-labor cannot exceed the prescribed ceilings.

e. DBS ceilings cannot be adjusted without OSD written authorization. Out-of-cycle requests must be approved by the Agency Director and Agency CIO with Comptroller oversight.

f. DBS actuals will be reported to FB the first month following the FY of transactions but no later than October of the new year of execution.

### **8.3. CYBERSECURITY.**

The mission of the DCMA Cybersecurity Program is to execute the DoD Cyber Strategy, achieve DoD's cyberspace objectives, and protect the warfighter. In order to protect, secure, and defend DCMA information and IT systems, the IT and Technical Directorate (TD) cyber organizations must maintain vigilance to deter vulnerabilities and threats in cyberspace, expand alliances and partnerships, improve infrastructures and firewalls, and cultivate and sustain a cyber-ready workforce.

a. Annual funding for Cyber Security Services is forecasted by IT and TD budget personnel as part of the Agency's Program Objective Memorandum and FYDP IAW Agency schedules and timeframes as published by FB.

b. Cyber funding is apportioned annually as authorized by OSD and contained in the President's Budget and Agency controls for the year of execution.

c. DCMA receives cyber funding on a unique budget line from OUSD(C) and this funding cannot be comingled with other Operation and Maintenance (O&M) Direct (O&M-D) funding. Cyber funding is intended for cyber requirements only. FB creates unique DAI projects and tasks to control cyber execution for both IT and TD.

d. Cyber O&M-D may increase for unfunded and high priority cyber requirements through the agency or OSD approval and authorization. However, Cyber O&M-D funding cannot be decreased for other Agency O&M-D requirements once allocated for Cyber. Increases are authorized whereas decreases are prohibited.

e. FB will monitor cyber execution monthly. Components will submit monthly plans for cyber requirements on the same schedule as other execution reporting.

## SECTION 9: CONTINGENCY OPERATIONS

### 9.1. OVERVIEW.

DCMA is a Combat Support Agency whose responsibilities include serving as a force provider to augment major contingency and expeditionary operations when requested by the supported Geographic Combatant Command or Military Services, and as directed by the OUSD Acquisition & Sustainment and/or OSD. Supplemental funding for Overseas Operation Costs (OOC) and/or Overseas Contingency Costs (OCC) may be provided to resource DCMA's support or DCMA may be directed to use base appropriations for fund support.

### 9.2. CONTINGENCY OPERATIONS BUDGET EXECUTION.

Execution of OOC or OCC in support of contingency operations using O&M funding in support of expeditionary and contingency operations.

#### a. Funding.

DCMA receives contingency funding for two basic types of support.

##### (1) OOC.

Supports major contingencies or expeditionary operations that demand a surge in personnel or logistical support. Upon succession of operations, the personnel/logistical requirement goes away and future funding is no longer required.

##### (2) OCC.

Supports OCCs that have an ongoing requirement following conclusion of the operation.

#### b. Labor.

(1) Base Salary for personnel to support a deployment requirement is normally funded using O&M dollars. The backfill for a deployee can be funded with OOC/OCC dollars. OOC/OCC funding is justifiable to pay the salary and services for employees that are necessary to support the deployment of OOC/OCC-funded deployed civilians.

(2) Premium hours may be required by deployed personnel to support mission requirements. Premium hours include Overtime/Compensatory Time, Holiday Graded, Holiday Premium, Night Differential, and Sunday Graded Pay. Premium hours are validated by the Combat Support Center (CSC) for personnel at the Continental United States (CONUS) Replacement Center and once deployed, validated by the downrange commander. The deployee annotates validated and approved premium hours in the DAI system.



(3) Overseas allowances are applicable for OOC type support based upon the deployed location and as determined by the Department of State. Overseas allowances include Danger Pay, Post Differential, and Hostile Fire Differential.

(4) Deployment monetary awards are provided to deployees based upon current Agency guidelines. A flat rate Special Act Award is given to personnel who have deployed in support of contingency operations, and the amount of compensation is based on the length of the individual's deployment per guidance by the TF CSC.

**c. Non-labor.**

(1) Travel.

Training, medical evaluations, and deployment related travel costs are funded via OOC LOA and assigned by the CSC in DTS. The CSC serves as the Non-DTS Entry Agent for all deployees and approves all deployment-related travel orders.

(2) Medical and Dental Evaluations.

Personnel supporting contingency deployments are required to meet medical requirements dictated by the Geographic Combatant Command entry requirements. OOC funds are utilized for the deployee's clearance medical exam, immunizations, and clearance laboratory fees. OOC/OCC funds can be utilized for basic dental exam and X-rays after any post-insurance reimbursement costs.

(3) Passports and Visas.

Personnel supporting deployments are required to have an official passport. Based upon the location and country entry requirements, a Visa may also be required. OOC/OCC funds are utilized to pay the required trackable mailing and photograph expenses.

(4) Supplies and Equipment.

OOC/OCC funds may be utilized to fund supplies and equipment for deployment related expenses.

## SECTION 10: PCS

### 10.1. OVERVIEW.

DCMA centrally manages O&M funding for most PCS requirements at the Agency level. The International Command manages Foreign Military Sales (FMS) Outside CONUS (OCONUS) PCS and the associated FMS OCONUS funding. Based on funding levels established for the year of execution, Components will be given authority to authorize either PCS or relocation, recruitment, or retention incentives. All PCS orders are reviewed by the Defense Logistics Agency (DLA) IAW DCMA established policies and guidelines.

### 10.2. PCS TYPES.

PCS is categorized into three types:

- a. O&M CONUS for critical hard to fill positions.
- b. O&M for OCONUS deployed returnees to CONUS.
- c. 8242 FMS for OCONUS civilian assignments.

### 10.3. PCS EXECUTION.

a. No later than June of each FY, FB will coordinate with Components and Directorates for projected PCS requirements. Upon receipt of all Agency requirements a consolidated brief will be presented at the July Agency Workload and Resourcing (AWR) Room to decide on Agency quotas and initial first quarter distribution. Upon receipt of approved quotas, FB will prepare the Spend Plan for the dollars associated with the requirements received.

b. PCS orders are initiated by the employee and coordinated with the DLA. Upon receipt of the approved order, FB will:

- (1) Review the cost estimate worksheets.
- (2) Determine fund type (e.g., direct, reimbursable).
- (3) Validate funds availability.
- (4) Certify the order by signing as the Authorizing/Order-issuing official.

c. After review and signature, the PCS order is forwarded for coordination with the DLA and the employee. FB will commit and obligate funds via the DAI system.

d. FB will monitor execution, maintain the Spend Plan, and submit monthly MCPs to FB.

## **SECTION 11: COMPLIANCE AND OVERSIGHT**

### **11.1. OVERVIEW.**

Each Component is required to report monthly the status of resources to include manpower, FTEs, and dollar execution. FB is responsible for issuing FY guidance identifying Agency approved reporting requirements. The FY guidance will account for changes in reporting guidelines accounting for new DoD or OMB and budget issuances and directives.

### **11.2. FY EXECUTION REVIEWS.**

#### **a. Monthly Execution Status.**

Components are required to submit a monthly gain and loss plan and MCP IAW the schedule provided below. FB will review submissions for compliance with controls and either accept or return the submission. In coordination with the submitting Component, FB will make recommendations to redistribute under-execution of labor and non-labor funding to keep the Agency execution on track and in compliance with funding controls and to source UFRs. Reimbursable labor execution will be tracked to ensure Components properly record labor in the payroll system and earn reimbursable FTEs IAW plans. FB will consolidate this data and prepare agency-level execution review charts for the monthly Budget Execution Review and the AWR Room. Components can return funding at any time during a month, but the return must be reflected on next month's plans prior to submission.

- (1) Components will ensure monthly plans do not exceed labor and non-labor controls.
- (2) FB will review plans for fiscal compliance monthly.

#### **b. Execution Reviews.**

At the end of each quarter, FB will review execution against the current approved plans and recommend to leadership during the AWR Room to either sweep under-execution funds for UFRs or to resource new and emerging requirements. Components have an opportunity to appeal funding sweeps prior to an official AWR Room decision. Requests to reinstate swept funding must compete for funding along with all other Agency UFRs. Non-labor execution reviews may be scheduled for activities such as IT, Facilities, Security and TF as directed by leadership, but at least quarterly.

#### **c. Quarterly Component/Comptroller Execution Reviews.**

The FB Comptroller conducts quarterly budget execution reviews with all Components. The purpose of these reviews is to provide a status of Component's funding and execution, and to recommend immediate funding decisions to sweep under execution and gain insight into new/emerging requirements. The Comptroller may recommend funding sweeps to redistribute funding to meet high priority Agency requirements.

**d. Mid-Year Execution Reviews.**

OUSD(C), DoD CIO, and OUSD Acquisition and Sustainment perform mid-year execution reviews after the second quarter. Data calls for input are usually published via email between the last week of March and the first week of April, and the suspense for submission is usually 7-10 business days after the data call.

**e. End of FY.**

End of FY Financial Statements will be signed by the Accounting Operations Division Director as soon as they are certified.

**11.3. DORMANT ACCOUNT REVIEW-QUARTERLY (DAR-Q).**

The DAR-Q includes a review of commitments, unliquidated obligations, accounts payable, unfilled customer orders, and accounts receivable. DAR-Q is a critical internal control to ensure our obligation and disbursement balances are accurate and valid, and an integral component of exercising sound internal controls. The goal in performing the DAR-Q is to increase DCMA's ability to use available appropriations before they expire, ensuring remaining open obligations are valid and liquidated before the cancellation of the appropriation.

## GLOSSARY

### G.1. ACRONYMS.

ACRONYM	MEANING
AAR	Average Annual Rate
ACQDemo	Acquisition Workforce Personnel Demonstration Project
AWR	Agency Workload and Resourcing
CCIB	Credit Card Issuing Bank
CIO	Chief Information Officer
CONUS	Continental United States
CR	Continuing Resolution
CSC	Combat Support Center
CY	current year
DAI	Defense Agencies Initiative
DAR-Q	Dormant Account Review-Quarterly
DBS	Defense Business System
DCMA-MAN	DCMA Manual
DFAS	Defense Finance and Accounting Services
DD Form 577	Appointment/Termination Record-Authorized Signature
DD Form 1351-2	Travel Voucher or Subvoucher
DD Form 1610	Request and Authorization for TDY Travel of DoD Personnel
DLA	Defense Logistics Agency
DoD FMR	DoD Financial Management Regulations
DTS	Defense Travel System
EAS	Electronic Access System
FB	Financial and Business Operations Executive Directorate
FCO	Funds Control Officer
FMS	Foreign Military Sales
FS Form	Fiscal Service Form
FS Form 7600A	U.S. Government General Terms & Condition
FS Form 7600B	U.S. Government Order Form
FTE	Full-Time Equivalent
FY	Fiscal Year
FYDP	Future Years Defense Program
FYTD	fiscal year to date
GPC	Government Purchase Card

IAA	Intra-agency Agreement
IAW	in accordance with
IDM	Investment Decision Memorandum
IT	Information Technology Directorate
LOA	Line of Accounting
MCP	Monthly Commitment Plans
O&M	Operation and Maintenance
O&M-D	Operations and Maintenance-Direct
OBIEE	Oracle Business Intelligence Enterprise Edition
OCC	Overseas Contingency Costs
OCONUS	Outside Continental United States
OMB	Office of Management and Budget
OOC	Overseas Operation Costs
ORF	Official Representation Funds
OUSD	Office of the Under Secretary of Defense
OUSD(C)	Office of the Under Secretary of Defense (Comptroller)
PCD	Program Control Document
PCS	permanent change of station
PM	Program Manager
POC	point of contact
PR	Purchase Request
SAF	subject to availability of funds
SOF	Status of Funds
TD	Technical Directorate
TDY	Temporary Duty
TF	Total Force Directorate
UFR	unfunded requirement

## G.2. DEFINITIONS.

### TERM

### DEFINITION

#### **Anti-Deficiency Act**

This Act prohibits federal agencies from obligating or expending federal funds in advance or in excess of an appropriation, and from accepting voluntary services. The Anti-deficiency Act prohibits federal employees from:

- Making or authorizing an expenditure from, or creating or authorizing an obligation under, any appropriation or fund more than the amount available in the appropriation or fund unless authorized by law IAW Section 1341(a)(1)(A) of Title 31 U.S.C.
- Involving the government in any obligation to pay money before funds have been appropriated for that purpose, unless otherwise allowed by law IAW Section 1341(a)(1)(B) of Title 31 U.S.C.
- Accepting voluntary services for the United States, or employing personal services not authorized by law, except in cases of emergency involving the safety of human life or the protection of property IAW Section 1342 of Title 31 U.S.C.
- Making obligations or expenditures more than an apportionment or reapportionment, or in excess of the amount permitted by agency regulations IAW Section 1517(a) of Title 31, U.S.C.

Federal employees who violate the Anti-deficiency Act are subject to two types of sanctions: administrative and penal. Employees may be subject to appropriate administrative discipline including, when circumstances warrant, suspension from duty without pay or removal from office. In addition, employees may also be subject to fines, imprisonment, or both.

#### **Appropriation Bill**

A bill that appropriates or sets aside money to specific federal government departments, agencies, and programs.

#### **Capability Manager**

The individual or individuals identified by Director, DCMA, as the proponent with advocacy for all Agency efforts under a given Capability.

<b>CR</b>	Legislation enacted by Congress to provide budget authority for specific ongoing activities in cases which the regular FY appropriation has not been enacted by the beginning of the FY. A CR usually specifies a designated period and maximum rate at which the Agency may incur obligations based on the rate of the prior year, the President's Budget request, or an appropriation bill passed by either or both houses of Congress. Normally, new programs cannot be started under a CR.
<b>FTE</b>	The total number of regular straight-time hours (not including overtime or holiday hours) worked by employees divided by the number of compensable hours applicable to each FY. Annual leave, sick leave, compensatory time off and other approved leave categories are considered "hours worked" for purposes of defining FTE employment.
<b>New Start</b>	An item or effort appearing in the President's Budget for the first time. A new start program for Research, Development, Test and Evaluation is a new Program Element or project, or a major component thereof, as determined by specific supporting information provided in the Research, Development, Test and Evaluation Budget Item/Project Justification exhibits not previously justified by the Department and funded by the Congress through the normal budget process. A new start program for Procurement is a new procurement line item or major component thereof, as determined by specific supporting information provided in the procurement budget line item exhibits not previously justified.
<b>Reprogramming</b>	Realignment of budget authority from the purpose for which appropriated to finance another (usually emergent, unfunded) requirement. A necessary, desirable, and timely device during execution of defense programs for achieving flexibility in the use of DoD funds provided in appropriation acts. Reprogramming is generally accomplished pursuant to consultation with and approval from appropriate congressional committees.



## REFERENCES

- Code of Federal Regulations, Title 5, Part 1315
- DCMA Manual 4301-01, Volume 2, “Budget Formulation and Execution: Administrative Control of Funds,” September 23, 2019
- DCMA Manual 4301-03, Volume 2, “Contracting and Acquisition: Government Purchase Cards,” April 19, 2021
- DCMA Manual 4301-13, “DCMA Acquisitions,” November 16, 2022, as amended
- DCMA Manual 4501-05, “Enterprise Agreements,” March 2, 2022
- DCMA Manual 4502-01, “Corporate Governance Structure and Procedures,” July 22, 2019
- DCMA Instruction 4301, “Stewardship,” July 18, 2018
- DoD Directive 5105.64, “Defense Contract Management Agency (DCMA),” January 10, 2013, as amended
- DoD Financial Management Regulation 7000.14-R, “Department of Defense Financial Management Regulations,” current edition
- DoD Instruction 4000.19, “Support Agreements,” December 16, 2020
- DoD Instruction 5000.75, “Business Systems Requirements and Acquisition,” January 24, 2020, as amended
- DoD Instruction 7250.13, “Use of Appropriated Funds for Official Representation Purposes,” May 22, 2023
- Office of Management and Budget Circular No. A-11, “Preparation, Submission, and Execution of the Budget,” July 2016
- Treasury Financial Manual, as amended
- United States Code, Title 10
- United States Code, Title 31