UNITED STATES MARINE CORPS
MARINE CORPS RECRUIT DEPOT/WESTERN RECRUITING REGION
SAN DIEGO, CALIFORNIA 92140-5001

DepO P7000.7E
7
7 FEB 1995

DEPOT ORDER P7000.7E

From: Commanding General
To: Distribution List

Subj: STANDARD OPERATING PROCEDURES FOR FINANCIAL MANAGEMENT (SHORT TITLE: SOP FOR FINANCIAL MANAGEMENT)

Encl: (1) LOCATOR SHEET

Reports Required: I. O&M Financial Status Report (Report Symbol) MCRD-7120-5.
II. Allotment Status (Report Symbol MCRD-7120-8). par 2007.7
III. Statement of Utilities Furnished (Report Symbol MCRD-11300-7). par. 3005.4

1. Purpose. To publish the policies, procedures, and responsibilities for all units and activities on this Depot in the areas of budgeting, accounting, resource evaluation and analysis, and finance. This Manual does not amend or alter directives published by the Commandant of the Marine Corps, Comptroller of the Navy, or other higher authority.

2. Cancellation. Depot Order P7000.7D.

3. Action. Effective upon receipt of this Manual, all financial management at this Command will be conducted within the guidelines as set forth herein.

4. Summary of Revision. This revision updates policies, procedures, and responsibilities in the areas of budgeting, accounting, internal review, and finance, and should be reviewed in its entirely.

5. Recommendations. Recommendations for changes to this Manual are invited and should be forwarded to the Commanding General (Attn: Assistant Chief of Staff, Comptroller).

6. Certification. Reviewed and approved this date.

G. E. SMITH
Chief of Staff

DISTRIBUTION: E plus
AC/S, G-1 (1)
AC/S, G-2/3 (1)
AC/S, SJA (1)
AC/S, Religious Ministries (1)
Human Resources Office (1)
Facilities Division (2)
MilPers Officer (1)
CISD (1)
Recruiters Scol (1)

LOCATOR SHEET

Subj: STANDARD OPERATING PROCEDURES (SOP) FOR FINANCIAL MANAGEMENT

Location: _____
(Indicate the location(s) of the copy(ies) of this Manual).

SOP FOR FINANCIAL MANAGEMENT

RECORD OF CHANGES

Log completed change action as indicated.

Change Number	Date of Change	Date Received	Date Entered	Signature of Person Entering Change

SOP FOR FINANCIAL MANAGEMENT

CONTENTS

CHAPTER

1 RESPONSIBILITY AND ORGANIZATION

2 BUDGET

3 FINANCE

4 RESOURCE EVALUATION AND ANALYSIS/MANAGERIAL ACCOUNTING DIVISION

5 CIVILIAN PAYROLL

APPENDIX

A BIBLIOGRAPHY

B ORGANIZATIONAL CHART

C GLOSSARY

SOP FOR FINANCIAL MANAGEMENT

CHAPTER 1

RESPONSIBILITY AND ORGANIZATION

	PARAGRAPH	PAGE
INTRODUCTION	1001	1-3
COMMAND RESPONSIBILITY	1002	1-3
STAFF ORGANIZATION FOR FINANCIAL MANAGEMENT.	1003	1-3
FUNCTIONAL CYCLE OF FINANCIAL MANAGEMENT	1004	1-4
ANNUAL CYCLE OF FINANCIAL MANAGEMENT	1005	1-4
BUDGET ADVISORY GROUP.	1006	1-4
COST CENTER ADMINISTRATORS	1007	1-5
RESOURCE AUTHORIZATION TO COST CENTER ADMINISTRATORS	1008	1-7
SUPPLEMENTARY FUND REQUESTS BY COST CENTER ADMINISTRATORS	1009	1-7
DECREASE IN FUND REQUIREMENTS	1010	1-7
WORK PERFORMED BY THE DEPOT FOR OTHER GOVERNMENT ACTIVITIES	1011	1-8
WORK PERFORMED BY OTHER GOVERNMENT ACTIVITIES FOR THE DEPOT	1012	1-8

FIGURE

1-1 FORMAT FOR THE TRANSFER OF O&M FUNDS WITHIN OR BETWEEN COST CENTERS 1-9

SOP FOR FINANCIAL MANAGEMENT

CHAPTER 1

RESPONSIBILITY AND ORGANIZATION

1001. INTRODUCTION. The purpose of this Manual is to provide a description of the financial management operations of this Depot and to consolidate from each reference, all standing procedures and policies. No attempt has been made to provide a textbook on financial management or to describe the financial operations of the Marine Corps or the Department of the Navy. For those readers seeking a wider knowledge of the subject, Appendix A lists useful references.

1002. COMMAND RESPONSIBILITY. The Commanding General is directly responsible for the administration of all funds allocated to this activity. This responsibility is not and cannot be delegated, in whole, or in part within the Command. The Commanding General is held personally responsible for any act of his own, or acts of his subordinates within the Command, which causes an over-obligation, over expenditure, or misappropriation of a fund authorization. It is recognized, however, that the Commanding General cannot maintain personal control over each subordinate's act resulting in an expenditure. It is therefore obligatory that the Commanding General take all action required to ensure that principal subordinates, responsible for a function, are made aware of the provisions of Section 1301 and 1517 U.S.C. (NavCompt Manual, par 032010) and require that prescribed procedures and records be observed and maintained.

1003. STAFF ORGANIZATION FOR FINANCIAL MANAGEMENT

1. Comptroller. NavCompt Manual, par 012201, is the authority for the assignment of staff responsibility for a Comptroller at any activity. Having General Staff status, the Assistant Chief of Staff, Comptroller, performs those duties pertaining to broad areas of financial management and is the chief advisor to the Commanding General in all matters of financial management. As such, he formulates, reviews, and revises all accounting, budgeting, finance, financial statistical reporting, and internal review matters under his cognizance.

2. Comptroller Organization. Those units under the control of the Assistant Chief of Staff, Comptroller are shown in Appendix B. The principle functions of each division are enumerated below:

a. Budget Division. This division provides guidance, reviews requirements, prepares instructions, and compiles the annual Program Objective Memorandum (POM), the operating budget submission, and Midyear Review; prepares detailed data for budget and performance briefing of the Commanding general, Budget Advisory Group, and the Assistant Chief of Staff, Comptroller; recommends distribution of funds within the Command and revisions thereof, as required; prepare directives and instructions to ensure compliance with policies of proper authority; prepares the financial plan; analyzes variances between budget execution and the financial savings; and, when required, prepares requests for additional funds with appropriate justification. See Chapter 2 for complete details.

b. Finance Division. This division is responsible for prompt, convenient, and accurate disbursing service to military and civilian personnel. The principal functions of this division are preparation of military payrolls, and travel and per diem allowances. See Chapter 3 for complete details.

c. Resource Evaluation and Analysis Division

(1) Civilian Payroll Branch. This branch is responsible for inputting pay/leave exceptions including audit of timecards; maintains all leave records and monitors the civilian labor distribution.

(2) Nonappropriated Fund Instrumentalities (NAFI) Audit Branch. This branch provides an in-house capability to conduct financial and compliance audits of all local NAFI's except Marine Corps Exchanges. Functional control of this division is with Code RFR, HQMC while operational control is under the Commanding General. See Chapter 4 for complete details.

(3) Managerial Accounting. This Branch provides an in-house installation capability to resolve accounting system problems and is the liaison between the DAO and the Fund Administrators. Other responsibilities include: accounting table maintenance, maintaining input by cost centers, validing quarterly cost centers, performing PESV's, and administrating the Depot reimburseable desk. See Chapter 4 for complete details.

1004. FUNCTIONAL CYCLE OF FINANCIAL MANAGEMENT. Just as every business organization must translate its program into dollars and cents, so also must the Depot consider every phase of its activities in terms of money and plan for its use. This planning is financial management and differs very little in its basic functions from the financial management performed by any business manager. There are five basic functions of financial management which are common to any business activity. Most of these functions, in one way or another, take place concurrently throughout the year. They are:

1. Planning for future activities of the operation;

2. Budgeting for those operations based upon the dollars expected to be available;

3. Allotting the dollars available to the various users of funds within the operation based on priority of need;

4. Spending the funds according to the priority of need and changing requirements; and

5. Accounting for the funds expended.

1005. ANNUAL CYCLE OF FINANCIAL MANAGEMENT. The fiscal year begins on 1 October of the calendar year and ends on 30 September the following year. Funds are allotted by the Commandant of the Marine Corps to the Depot quarterly during the fiscal year. Prior to and during the fiscal year, guidance is received from the Commandant of the Marine Corps providing for funding execution. In November, the Commandant of the Marine Corps publishes Field Budget Guidance (Phase I). All field budget guidances provide Marine Corps-wide instructions concerning personnel, operations, new equipment, and other matters affecting financial plans. During February, the Commandant publishes Phase II Field Budget Guidance. Based upon the guidance furnished, the Depot prepares and submits a current year Midyear Review and the budget for the next two fiscal years.

1006. BUDGET ADVISORY GROUP. To assist the Commanding General in budget planning, a Budget Advisory Group (BAG) has been established.

1. Membership. Membership of the Board consists of the following:

Chief of Staff (Chairman)

Assistant Chief of Staff, G-1

Assistant Chief of Staff, G-2/3

Assistant Chief of Staff, G-4

Assistant Chief of Staff, Comptroller

Assistant Chief of Staff, SJA

Assistant Chief of Staff, Recruiting

Assistant Chief of Staff, MWR

Commanding Officer, Recruit Training Regiment

Commanding Officer, Headquarters and Service Battalion

Commanding Officer, Weapons and Field Training Battalion

Director, Communications and Information Systems Department (CISD)

Budget Officer (Recorder)

2. Functions. The functions of the Budget Advisory Group are to:

a. Advise the Commanding General on the distribution and utilization of the Depot's operating budget (OpBud)

b. Prioritize any unfunded deficiencies to the Commanding General.

c. Make recommendations for funding any unplanned requirements.

1007. COST CENTER ADMINISTRATORS

1. Establishment. To carry out the Depot fiscal programs as directed by the Commanding General, the following staff officers and organization commanders are designated as cost center administrators:

Cost Center	Activity	Administrator
CA	Plant Account Maint	Property Control Officer
CG	Contingency	Budget Officer
CH	Headquarters	Resource Evaluation and Analysis Officer
CL/4L	Civilian Labor	Budget Officer
CM	Recyclable Material	Budget Officer
CP	Chaplain's Office	AC/S, Religious Ministries
CR	Credits	Budget Officer

CS	Subsistence-in-Kind Surcharges	Director, Food Service Division
CT	Civilian Tvl	Resource Evaluation Analysis
HS	Headquarters and Service Battalion	Commanding Officer, Headquarters and Service Battalion
JA	AC/S, Staff Judge Advocate	AC/S, Staff Judge Advocate
RS	Recruiters' School	Director, Recruiters' School
RT/RV	Recruit Training Regiment	Commanding Officer, Recruit Training Regiment
R1	RTR DI Travel	Commanding Officer, Recruit Training Regiment
WT/WV	Weapons and Field Training Battalion	Commanding Officer, Weapons and Field Training Battalion
1A	Information Systems	Director, Communications and Information Systems Department
1D	Military Travel	Military Personnel Officer
1E	Contract Printing	Depot Adjutant
1F	Tuition Assistance	Education Officer
3A	Audiovisual	Director, Training and Audiovisual Support Center (TAVSC)
3T	Communications	Director, Communications and Information Systems Department
4A	Maintenance	Maintenance Officer
4B	Property Control	Property Control Officer
4C	Clothing Alterations	OIC, DSSC Branch
4D	Mess Administration	Director, Food Service Division
4E	Motor Transport	Motor Transport Officer
4F	Public Works	Public Works Officer
4S	Subsistence in Kind	Director, Food Service
4U	Utilities	Maintenance Officer

2. Function. The functions of the cost center administrators are to:

a. Collect, maintain, and provide information for financial management in their area(s) of responsibility.

b. Furnish budget estimates and related requirements with proper justification.

c. Ensure that public funds are used in the best interest of the Marine Corps, per the regulations.

d. Provide for local control of authorized resources to prevent over commitment of funds or the loss of excess funds.

3. Responsibility. Each cost center administrator is responsible for the proper administration and financial management of funds authorized by the Commanding General per the detailed instructions provided in this Manual. General Staff officers maintain supervision and coordination of the cost center administrators under their staff cognizance.

1008. RESOURCE AUTHORIZATION TO COST CENTER ADMINISTRATORS. The Commanding General delegates authority to cost center administrators to incur obligations against the Depot Operating Budget by the means of a Planning Estimate. Funds assigned will be used only for approved programs in the current year budget submission. Cost center administrators may in turn divide their authorized funds and distribute them to their subordinate elements.

1009. SUPPLEMENTARY FUND REQUESTS BY COST CENTER ADMINISTRATORS. The basic fund request of a cost center administrator is the annual budget. After submission and approval, the annual budget becomes a working financial plan which determines the scope and magnitude of operations and expenditures for the following fiscal year. However, sometimes unforeseen changes may occur during the course of the year which necessitate reassessment of requirements for materials and services. When such a change occurs, the cost center administrator should make a three-stage examination of resources as follows:

1. Attempt to satisfy the new requirement with existing funds by adjusting other planned areas of expenditure and thus staying within the budget limitation. See Figure 1-1 for the format to transfer funds within a cost center.

2. Examine the urgency of the new requirement to see if it is a proper consideration for the Midyear Review or possibly can be deferred for submission for funding during the next fiscal year.

3. If it is determined that additional funding is required immediately, a written request will be submitted to the Commanding General (Attn: Assistant Chief of Staff, Comptroller). This request will state the exact type and amount of funds required and will be supported by detailed justification of the amount and the reasons for the requirements. Unless an emergency, this requirement will be forwarded to the BAG for adjudication.

1010. DECREASES IN FUND REQUIREMENTS

1. Cost center administrators should not wait for Midyear Review, but rather, continually review their budgets for funds not required for the purpose authorized. Such occurrence should immediately be reported to the Commanding General (Attn: Assistant Chief of Staff, Comptroller) for allocation to other priority requirements. Use the format illustrated in figure 1-1 to transfer funds.

2. In the event such funds are needed for application to other essential areas within the cost center, a request to that effect, with supporting justification, must be forwarded, by the cost center administrator.

A determination will then be made, based upon the priority of other pending Depot-wide requirements, whether the funds will be transferred to other cost centers or applied within the identifying cost center. This practice will apply to all requirements funded by O&MMC, including Temporary Additional Duty (TAD).

3. All new requests for additional funds to support nonbudgeted or over-ceiling requirements, including TAD, will contain a statement, signed by the cost center administrator stating:

a. A request for reallocating funds within the cost center from lower priority requirements; or

b. That funds are not available within the cost center and no funds are being allocated for any purpose which has a priority lower than the new request.

1011. WORK PERFORMED BY THE DEPOT FOR OTHER GOVERNMENT ACTIVITIES. Various sections and staffs on the Depot occasionally receive requests from other government activities for work or services resulting in costs to the Depot which have not been budgeted or funded. A work/services request received by the Depot from other activities will be forwarded to the Assistant Chief of Staff, Comptroller for action. The Assistant Chief of Staff, Comptroller will screen the request and forward it to the performing activity. The performing activity will determine whether the Depot has the capability of providing the work requested, whether it can be completed in the time indicated, whether the instructions provided are adequate, and whether the work can be performed within the funds authorized in the request. Upon notification that the work can be provided as requested, the Assistant Chief of Staff, Comptroller will sign the acceptance copy (NavCompt Form 2275) and provide copies to the requesting activity and performing activity. The cost center administrator receiving the reimbursable work order will establish memorandum records to the account for charges against the work order and will request establishment of the job orders necessary to accomplish the work requested. Expenditures will not be incurred in excess of the funds authorized. Should adjustment of the original amount be required, the Assistant Chief of Staff, Comptroller will be notified immediately, by letter, indicating the additional funding required. Liaison with the other government activities will be performed by the Assistant Chief of Staff, Comptroller.

1012. WORK PERFORMED BY OTHER GOVERNMENT ACTIVITIES FOR THE DEPOT. A cost center administrator who desires work to be performed for the Depot by another government activity will submit a letter request to the Resource Evaluation Analysis Officer stating the nature of the work to be performed, the activity to perform the work, job order chargeable, estimated completion date, and the estimated cost. The Resource Evaluation Analysis Officer will prepare the formal request per the NavCompt Manual. The formal request and NavCompt Form 2275 will be distributed per the NavCompt Manual.

7100
7B
(date)

From: Fund Administrator, Cost Center _____
To: Assistant Chief of Staff, Comptroller (Budget Officer)

Subj: REQUEST FOR TRANSFER OF FUNDS/REQUEST FOR ADDITIONAL FUNDS

1. It is requested that authorized funding be reprogrammed/additional funding be approved as indicated below:

From:							To:						
Cost Ctr	Sub Head	Fund Code	OCSOC	CAC	BRC	AMT	Cost Ctr	Sub Head	Fund Code	OCSOC	CAC	BRC	AMT

2. The above adjustment is required to (reason)

Figure 1-1.-- Format for the Transfer of O&M Funds Within or Between Cost Centers.

SOP FOR FINANCIAL MANAGEMENT

CHAPTER 2

BUDGET

	PARAGRAPH	PAGE
INTRODUCTION.	2001	2-3
THE BUDGET PROCESS.	2002	2-3
BUDGET FORMULATION	2003	2-4
PREPARATION OF ESTIMATES	2004	2-11
JUSTIFICATIONS	2005	2-15
BUDGET EXECUTION	2006	2-16
BUDGETARY CONTROL	2007	2-17

CHAPTER 2

BUDGET

2001. INTRODUCTION

1. The operating budget (OPBUD), the annual budget of the Depot, is designed to permit measurement of performance, analysis of variances, and allow for adjustments, as required, for more effective management of resources at all levels.

2. The OPBUD is stated in terms of categories of cost, functions and sub-functions as directed by Headquarters Marine Corps. It contains estimates of the total value of all resources from the O&MMC appropriation required for the performance of the mission of the Depot, including reimbursable work and/or services for others, but excluding the investment requirements financed from Procurement (PMC) or Military Construction (MILCON) appropriations.

2002. THE BUDGET PROCESS

1. General

a. A budget is a comprehensive plan of operations, functions, and programs expressed in financial terms; and can be implemented only if sufficient funds are requested, properly justified, and made available by Congressional action.

b. The development of an operating budget is the process of determining the long and short-range Command objectives and requirements at the highest level (General/Special Staff level), then the translation of these objectives and requirements into resource requirements (e.g., personnel, money, and material) at the lowest (cost center) level. These specific requirements are then categorized and summarized into the cost center fund codes, cost account codes and object class codes and submitted as the cost center budgets. The fund codes, cost account codes and object class codes are then consolidated, summarized, and prioritized at the Command level and submitted to Headquarters, Marine Corps as the total financial assets required to accomplish the Command's mission and tasks.

2. Budget Cycle

a. The formal budget cycle begins in November, 23 months prior to the first month of the fiscal year for which a budget is to be executed. At this time, the Secretary of Defense issues general policy guidelines based on the Joint Strategic Long-Range Estimate and the Joint Strategic Objectives Plan.

b. Using the guidelines provided by the Secretary of Defense, the Secretary of the Navy issues annual programs in the form of the Program Objectives Memorandum (POM) setting forth the goals to be accomplished during the Budget Year. Based on the program objectives and guidelines issued by the Secretary of the Navy, the Commandant of the Marine Corps promulgates budget guidance to the field. The field budget guidance informs each commander of the planned workload and personnel strength for the Budget Year and the Budget Year Plus One in the following general categories:

(1) Manpower

(2) Troop and Organization

(3) Training

(4) Aviation

(5) Material

c. In addition to the information contained in the current edition of MCO P7100.8, additional budget guidance is provided by the Commandant of the Marine Corps in early October, and provides pertinent long-range guidance for timely incorporation into the initial stages of the field budget formulation.

d. Field estimates are prepared, based on this guidance, and are submitted to the Commandant of the Marine Corps by 30 January for the Current Year, Budget Year, Budget Year Plus One and Budget Year Plus Two. These estimates are utilized to develop the overall Marine Corps budget and are in turn incorporated into the Department of the Navy and the Department of Defense budget.

e. The Budget Year estimate is used to prepare the Department of Defense request for apportionment of funds authorized annually by Congress.

f. The Budget Year Plus One and Budget Year Plus Two estimates from the Department of Defense is submitted to the Office of Management and Budget (OMB). The estimates and justifications are reviewed and revised to reflect the policy of the President.

g. The budget estimate is prepared by the OMB and submitted to Congress within 15 days after the beginning of the regular January session of that body.

h. After passage of the annual Appropriation Act, allocation of funds is obtained as follows:

(1) Headquarters, Marine Corps submits an apportionment request to the OMB, via the Secretary of the Navy and the Secretary of Defense. The apportionment process entails a complete resubmission and rejustification of the Budget Year estimate submitted by the field.

(2) Based on the apportionment schedule approved by the OMB, Headquarters submits a proposed budget activity allocation to the Comptroller of the Navy. After approval, funds are available to the Commandant for dissemination to the field.

2003. BUDGET FORMULATION

1. General. Funding for the peace time operation of the Depot will always be austere, and economical operation must be emphasized at all levels of command. Accordingly, the budget formulation process must begin at the lowest level and progress through the cost center administrators to the Commanding General. This process should not be considered merely a mathematical operation of adding the estimates submitted by subordinates, but must be a detailed analysis of existing or planned programs, and the determination of actual requirements.

2. Budget Guidance for the Depot. The Depot budget guidance is based on intimate knowledge of the Command, its mission and projected operations, and on the annual field budget guidance provided by the Commandant of the Marine Corps.

3. Budget Formulation Schedule. Specific dates will be established by local guidance.

4. Staff Coordination. General and Special Staff sections assist in the budget process as follows:

a. Submit short (Current Year), mid (Budget Year), and long-range (Budget Year Plus One and Budget Year Plus Two) goals and objectives on which the POM submission can be based.

b. Review field budget guidance and submit recommendations to the Assistant Chief of Staff, Comptroller.

c. Advise the Assistant Chief of Staff, Comptroller of pending unbudgeted plans or actions that require financing.

d. Review budget estimates submitted by cognizant cost center administrators.

5. Cost Center Coordination

a. All budget estimates, justification, and other supporting data will be forwarded to the Commanding General (Attn: Assistant Chief of Staff, Comptroller) via the appropriate General Staff Office assigned staff cognizance. Commanding Officers will submit their budgets directly to Assistant Chief of Staff, Comptroller.

b. Minor/Plant Property

(1) Organic (minor) property is personal property with a unit cost of less than $25,000, the Plant Property criteria. O&MMC funds are used to procure this equipment.

(2) Cost Center 4B (Property Control) is responsible for procurement of all items of minor property, furniture, typewriters, and personal support equipment for Depot barracks and messhalls. All cost centers will submit requirements to the Property Control Officer for inclusion in the Cost Center 4B budget.

(3) Plant Property is investment equipment with a unit cost of more than $25,000. Plant Property must meet criteria as defined in NAVCOMPT Manual, Volume III, Chapter 6. O&MMC funds are used to procure equipment with a unit cost less than $25,000. Procurement Marine Corps (PMC) funds are used to procure equipment with a unit cost of $25,000 or more. The PMC budget submission is separate from the O&MMC budget submission. PMC requirements are solicited separately.

c. The following is a breakdown of each cost center's funding responsibility:

COST CENTER	COMMAND SECTION ACTIVITY	BUDGET PROJECT(S)	FUND ADMINISTRATOR
CA	Plant Account Maintenance	OPBUD	Property Control Officer

(1) The Supply Officer has the funding responsibility for the maintenance of plant account property.

CH	Depot Headquarters	OPBUD	REA Officer

(2) The REA Officer has funding responsibility for the Commanding General's Office: Chief of Staff, Staff Secretary, and SgtMaj's Office; AC/S, G-1, AC/S, G-2/3, AC/S, G-4; AC/S, Comptroller; Finance; AC/S, Recruiting; AC/S Quality Management; Adjutant Division; Substance Abuse Control Center (SACO); Family Services; Child Care; Depot Education; MECEP; Military Personnel Division; Public Affairs Office; Provost Marshal; and the Depot Post Office. Those funding responsibilities include the following:

(a) Operating supplies.

(b) Contractual equipment maintenance other than office machines and reproduction equipment.

CL/4L	Civilian Labor	OPBUD Reimbursable labor	Budget Officer

(3) Funding responsibilities for Civilian Labor include the following:

(a) Salaries.

(b) Government contribution for Federal Insurance Contributions Act. Group Life Insurance, Federal Employees Health Benefits, Uniform Allowance, Civil Service Retirement, and Federal Employee Retirement System.

(c) Moving and relocation expenses associated with new hires, base relocation, and/or base closures.

(d) Payment of beneficial suggestions and superior accomplishment awards to civilian and military personnel per existing instructions.

CM	Recycable Material	OPBUD	Budget Officer

(4) Funding responsibility to distribute and account for recycling proceeds received from the recycling program at MCRD.

CP	Depot Chaplain's Office	OPBUD	AC/S, Religious Ministries

(5) The AC/S, Religious Ministries has funding responsibility for operating supplies and contractual services.

CR	Credit	OPBUD	Budget Officer

(6) The Budget Officer will collect the credits/refunds from reimbursable and return of certain materials to stock. Pay for all interest penalties for MCRD.

CS	Subsistence-in-Kind Surcharges	OPBUD	Director, Food Service Division

(7) Funding responsibility to procure messhall supplies equal to the amount of funds authorized by CMC and collected at the MCRD messhalls.

CT	Civilian Travel/Training	OPBUD	REA Officer

(8) The REA Officer has funding responsibilities for Appropriated Civilian employee's official travel and training.

HS	Headquarters and Service Battalion	OPBUD	CO, Headquarters and Service Battalion

(9) The Commanding Officer, Headquarters and Service Battalion has funding responsibility for: Battalion Headquarters and all companies within Headquarters and Service Battalion. Those funding responsibilities include the following:

(a) Operating supplies.

(b) Contractual equipment maintenance other than office machines and reproduction equipment.

(c) Gratuitous issue of chevrons and NCO stripes.

(d) Replacement of post and garrison flags.

(e) Award of trophies and similar devices per the current edition of MCO 7042.6.

JA	AC/S, Staff Judge Advocate Office	OPBUD	AC/S, Staff Judge Advocate

(10) The AC/S, Staff Judge Advocate has funding responsibility for operating supplies and the WESTLAW Contract.

RS	Recruiters School	OPBUD	Director, Recruiters' School

(11) The Director, Recruiter School has funding responsibility for Recruiters' School operational supplies.

RT/RV	Recruit Training Regiment	OPBUD	CO, Recruit Training Regiment

(12) The Commanding Officer, Recruit Training Regiment has funding responsibilities for: RTR Headquarters; Recruit Training Battalions; Support Battalion; and Drill Instructor School. These funding responsibilities include the following:

(a) Operating supplies.

(b) Drill instructor PT gear, swords, and other accessories.

(c) Gratuitous issue of chevrons and shooting badges.

(d) Contractual equipment maintenance other than office machines and reproduction equipment.

(e) Award of trophies and similar devices per the current edition of MCO 7042.6.

R1	Recruit Training Regiment DI Travel	OPBUD	CO, Recruit Training Regiment

(13) The Commanding Officer, Recruit Training Regiment has funding responsibility for mission-essential travel requirements for DI's supervising recruit training and DI students at Camp Pendleton.

WT/WV	Weapons and Field Training Battalion	OPBUD	CO, Recruit Training Battalion

(14) Funding responsibilities for the Commanding Officer, Weapons Training Battalion (WFTBn) include the following:

(a) Operating supplies.

(b) Telephone toll call charges.

(c) Gratuitous issue of chevrons and NCO stripes.

(d) Contractual equipment maintenance other than reproduction equipment.

(e) Rental expenses of Camp Pendleton vehicles utilized on recurring assignment basis.

(f) Support for qualification firing of recruits, requalification firing of Depot permanent personnel, Marine Detachment afloat, and Marine Barracks, in the San Diego area (excluding ordnance accessories and spare parts for Depot weapons, but including cleaning gear and collateral equipment for weapons on the T/E of WFTBn).

(g) Laundry of organizational property such as shooting jackets, PMI utilities, mattress covers, etc.

(h) Award of trophies and similar devices per the current edition of MCO 7042.6.

1A	Computer Information System Department (CISD)	OPBUD	Director, CISD

(15) The Director of the CISD has funding responsibility as detailed below for the Information Systems Management.

(a) Operating supplies.

(b) Automated data processing equipment, installation, rental, and maintenance.

1D	Military Personnel Travel	OPBUD	Military Personnel Officer

(16) The Military Personnel Officer has funding responsibility for:

(a) Military travel expenses for all Depot personnel (excluding costs related to supervision of recruits and DI students at Camp Pendleton).

(b) All training for the Depot.

(c) Travel expenses for the Depot Band.

(d) DI Screening Team travel expense.

(e) Recruiting travel expenses.

(f) Witness fees (including travel costs affiliated with General Courts-Martial within the Marine Corps Districts).

1E	Contract Printing	OPBUD	Depot Adjutant

(17) Funding responsibilities for the Depot Adjutant:

(a) Off-base printing for the Depot (including auto decals).

(b) Annual review of requirements and submission of requisitions for the rental of all copiers and automatic typewriters chargeable to Depot cost centers.

1F	Tuition Assistance	OPBUD	Education Officer

(18) The Education Officer has the funding responsibility to provide tuition assistance for military personnel to attend off-duty education courses offered by regionally accredited colleges and universities. This includes the Basic Skills Education Program for military personnel to improve their basic skills to high school levels.

3A	Training Support	OPBUD	Director, TAVSC

(19) The Director, TAVSC has funding responsibility for the TAVSC; the Depot Band; Command Museum; Depot Theater. These funding responsibilities include the following:

(a) Operating supplies.

(b) Contractual equipment maintenance (excluding office machines and reproduction equipment).

(c) Photographic equipment and materials for photographs.

(d) Maintenance and repair of audiovisual equipment under the cognizance of the TAVSC.

(e) Janitorial supplies for the Depot Theater.

3T	Communication	OPBUD	Director, CISD

(20) The Depot Communications Officer has funding responsibility for:

(a) Administrative telephone services for the Depot.

(b) Operating supplies.

(c) Contractual equipment maintenance other than office machines and reproduction equipment.

4A	Depot Maintenance	OPBUD	Maintenance Officer

(21) The Maintenance Officer has funding responsibility for the Maintenance Division and the Public Works Division. These funding responsibilities include the following:

(a) Operating supplies and materials.

(b) Acquisition of minor property (tools only).

(c) Contractual cost involved in work and services provided by Maintenance and Public Works Divisions.

(d) Maintenance of buildings, structures, facilities, and grounds.

(e) Office supplies, maintenance materials, minor property (tools only), spare parts, consumable shop supplies, and garrison mobile equipment (GME) for maintenance shops.

(f) Maintenance and repair of minor property and plant property, (excluding electronics, ordnance, and office machines).

(g) Installation of Depot minor property and Plant Account equipment.

4B	Property Control Branch	OPBUD	Property Control Officer

(22) The Property Control Officer has funding responsibility for the Services and Supply Division, which includes Property Control, DSSC, Traffic Management, Contracting and Purchasing, and Ordnance. These funding responsibilities include the following:

(a) Operating supplies.

(b) Contractual equipment maintenance for all minor property belonging to the Depot and Weapons and Field Training Battalion.

(c) Acquisition of minor property with a unit value of less than $25,000 and installation costs for minor property.

(d) All individual equipment and field jackets.

(e) Ordnance accessories and spare parts for weapons on the Depot Table of Equipment allowance.

(f) Linen and bedding for the Depot.

(g) Acquisition of all typewriters and office furniture/ furnishings for the Depot.

(h) Purchase of all personnel support equipment with a unit cost of less than $25,000 for Depot barracks and messhalls.

4C	Clothing Alterations	MCSF RPMC OPBUD	OIC, DSSC Branch

(23) Funding responsibilities for the OIC, DSSC include the following:

(a) Operating Budget. Alteration of clothing issued to permanent personnel, students, and regular recruits.

(b) RPMC. Purchase and alterations of clothing issued to 6-month reservists.

4D	Food Service Operation	OPBUD	Director, Food Service Division

(24) The Director, Food Service Division has funding responsibilities for mess administration and Depot mess halls. These funding responsibilities include operating supplies.

4E	Motor Transportation	OPBUD	Motor Transport Officer

(25) Funding responsibilities for the Motor Transport Officer include the following:

(a) Operating supplies, gasoline, oil, grease (including credit card issues). and spare parts for all Depot GME under the cognizance of Motor Transport. Excludes Recreation Branch, nonappropriated fund activity vehicles, and Maintenance (GME) equipment.

(b) Maintenance and operations support for electric scooters.

(c) Rental of vehicles from Camp Pendleton in support of recruit transportation and Depot operations.

(d) Administrative and outfitting requirements (excluding office furniture/furnishings, typewriters, and plant property) for Motor Transport Section.

(e) Rental of commercial vehicles in support of annual visitation of JROTC units, and participation of military personnel in Public Affairs functions, parades, etc.

(f) Operation and maintenance of material handling equipment under the cognizance of the Traffic Management Branch.

(g) Procurement of bridge tickets for GME vehicles only.

4F	Public Work Office	OPBUD	Public Works Officer

(26) The Public Works Officer has funding responsibility for Headquarters, Marine Corps and locally generated special projects, as may be assigned.

4S	Subsistence-in-Kind	OPBUD	Director, Food Service Division

(27) Funding responsibility for procuring food for the messhalls.

4U	Utilities	OPBUD	Maintenance Officer

(28) The Maintenance Officer has funding responsibility for all purchased utilities.

NOTE: To permit cost centers such as Depot Maintenance (4A), Property Control (4B), Motor Transport (4E), and Travel (1D), who have Depot-wide funding responsibility, to make a timely estimate of their requirements, it is necessary that all other cost centers furnish their requirements in these areas to the respective cost center.

2004. PREPARATION OF ESTIMATES

1. Budget estimates for the Current Year, Budget Year, Budget Year Plus One and Budget Year Plus Two will be submitted to the nearest thousand dollars, signed original only, to the Commanding General (Attn: Assistant Chief of Staff, Comptroller).

2. Estimates for Current Year requirements will be compiled by fund codes, cost account codes and object class/sub-object class after thorough review of the following factors:

a. Current financial authorization.

b. New tasks or responsibilities assigned since establishment of authorized ceiling.

c. Projected and historical workload factors.

d. Changes in methodology which either increase or decrease costs.

e. Labor saving devices.

f. Personnel changes.

g. Inflation.

3. Budget Year and Budget Year Plus One and Budget Year Plus Two estimates will be carefully compiled considering the mission of the Depot, cost center plans and programs, past expenditure data, and budget guidance furnished by the Assistant Chief of Staff, Comptroller. Estimates by individual cost account code will be comprised of the net total of the following factors: Prior year budget submission; less the nonrecurring costs included in the

prior year budget submission, that will not recur in the subsequent year in the same exact amounts. (Examples of such costs are recruit variable funding, discontinued programs, acquisition of minor property, increased equipment procurement to reach stocking objectives, and installations of special equipment, plus financial requirements for new programs of functions).

4. Special Instruction by Budget Project

a. Family Housing Funds. Funds for the operation and maintenance of family housing are provided to the Depot and the appropriation Family Housing Management Account Defense, Operations and Maintenance 17-97-0700(27).2751, which consists of funds transferred to the Marine Corps from the account of the Deputy Assistant Secretary of Defense for Family Housing. The basic reference and authority for the administration of these funds is contained in the current edition of MCO P11000.15. Marine Corps Real Property Facilities Manual, Vol X. Description and specific instructions follow:

(1) Project 11 - Management. Prorate share of indirect overhead type services. Includes support provided by Housing Officer, Maintenance Officer, Budget Personnel, Civilian Personnel, Supply, etc.

(2) Project 12 - Furniture and Furnishings. Repair and replacement of government-owned furniture and movable equipment. Repairs and replacements must be performed in strict conformance with criteria set forth in Chapter 7 in the current edition of MCO P11000.15, Marine Corps Real Property Facilities Manual, Vol X.

(3) Project 13 - Operating, Services, General. Provides refuse collection, window washing, and insect/rodent control for family housing.

(4) Project 15 - Utilities. Provides purchased utility services for family housing. Monthly utility rates are determined by the Depot Utilities Appraisal Board.

(5) Project 16 - Leasing. Provides family housing units leased by the government from private owners for use as military public quarters.

(6) Project 21 - Recurring Maintenance and Repair General, Real Property. Work within the approval authority of the Commanding General per maintenance standards and criteria for Military Family Housing provided in Chapter 6 of MCO P11000.15A, Marine Corps Real Property Facilities Manual, Vol X.

(7) Project 22 - Major Repair Projects. The restoration of a facility (exclusive of any improvements, alterations, or additions) that exceeds local funding authority, and precludes the need for any similar work on the facilities for at least three years. Work under this project is approved by Headquarters, Marine Corps and may be accomplished by contract labor or by Depot Maintenance forces per Chapter 6 of MCO P11000.15A.

(8) Project 23 - Improvements. Modernization, alteration, addition, expansion, extension, or conversion of a facility per Chapter 6 of MCO P11000.15A.

b. Family Housing Budget. The Family Housing budgets will be submitted per the following:

(1) Submitted by: Cost Center 4A (Maintenance Cost) and the housing officer (Inventory Responsibility only)

(2) Date required: 15 March

(3) Data required:

(a) Current Year

1 Actual commitments for three-month period (October through December) and estimates for the remaining nine months, for Budget Projects 11, 12, 13, 15, and 21. A separate quarterly breakdown for each budget project will be included. A separate submission of the same form is required for Budget Projects 22 and 23.

2 A physical inventory of Marine Corps-owned family housing furniture and movable equipment as required by the current edition of MCO P7100.8.

3 Furniture and movable equipment requirements summary. Furnishings to be included will be per allowances authorized by MCO P11000.15A, Chapter 7. Inventory value in all instances shall be the current replacement value based on current GSA catalogue or fair market value price.

4 Separate listings of Current Year deficiencies in priority order, and current year excess funds available for withdrawal.

(b) Budget Year

1 Estimated requirements by level (current deficiency levels) for Budget Project 11, 12, 13, 15, and 21. The current level will be submitted within an assigned financial ceiling. A separate quarterly breakdown for each budget project will be included.

2 Planned family housing improvement projects within the approvable authority of the Commanding General, as set forth in the current edition of MCO P11000.15, and chargeable to local O&M funding, will be identified under Budget Project 23 on a separate NAVMC Form 10536-FD (Sheet 1). Narrative justification will be attached.

3 A decision package set for each budget project will be submitted per local budget guidance.

4 A current level estimates for designated General Officer Quarters regardless of the current rank of occupant. Estimates should include all requirements for the entire fiscal year.

5 Long-Range Maintenance Plan as outlined in the current edition of MCO P11000.15. The Long-Range Maintenance Plan will be utilized as the supporting document for the justification of maintenance requirements.

6 Itemized listing of furniture and movable equipment replacement requirements. Requirements will be limited to furnishing authorized within activity approved furnishings allowing in per the current edition of MCO P11000.15. Specific approval must be obtained from the Commandant of the Marine Corps (Code LFF) prior to procurement action.

7 Furniture and movable equipment repair requirements shall include item description, number of items to be repaired, unit and total cost for each line item, and identification of the approved inventory allowance for which the item is maintained.

8 Furniture and movable equipment requirements summary will reflect assets at the beginning of the fiscal year; accessions, losses, maintenance, and movement during the year; and total assets at the end of the year.

(c) Budget Year Plus One

1 Total estimated requirements for Budget Projects 11, 12, 13, 15, and 21. Requirements for this period will include those submitted for the previous fiscal year as deficiencies plus all essential Budget Year Plus One requirements. A separate quarterly breakdown for each budget project will be included.

2 Total estimated requirements for General Officer Quarters, regardless of the current rank of occupant, will be submitted.

3 Furniture and movable equipment requirements summary reflecting assets at the beginning of the fiscal year; accessions; losses, maintenance and movement during the year; and total ending assets.

c. Reserve Personnel, Marine Corps. Provides funds for costs of Marine Corps Reserve personnel on active duty undergoing training, performing drill, or equivalent duty.

(1) Training, Pay Group F. Funding for individual clothing and clothing alternations for 6-months trainees per instructions contained in the current edition of MCO 7110R.3.

(2) Submitted by Officer in Charge, DSSC.

d. Operations and Maintenance Marine Corps (O&MMC). The appropriation for operations and maintenance includes officer and troop training; recruiting; administration; operation of the supply system; maintenance of material; personnel support activities such as messes, barracks, BOQ's, etc.; maintenance and repair of real property; operation and purchase of utilities; minor construction; engineering support; and other base services, such as motor transport, communications, security, etc.

(1) Submitted by: All cost centers.

(2) Data required: November to January per local guidance.

(3) Format: Per sample submissions and detailing instructions provided in local budget guidance.

e. Military Personnel, Marine Corps. Funds for pay, allowances, clothing, subsistence, and other miscellaneous costs of regular and reserve personnel on duty.

(1) Project 31 (Subsistence in Kind) - Submitted by: Depot Mess Administrator.

(2) Format: Letter or message.

(3) Date Required: The Budget Year estimate, by quarter, will be submitted to the Commandant of the Marine Corps (Code LFS-4) by 1 September and revised quarterly estimates will be submitted by the beginning of the third month of each quarter. Annual or quarterly estimates, as applicable, shall be delivered to the Assistant Chief of Staff, Comptroller no later than 25 August, 25 November, 23 February, and 25 May of each year.

f. Defense Business Operating Fund (DBOF). A revolving fund that finances the procurement and stockage of common supply items required for the support and operation of the Depot. Operating capital for the DBOF was initially established from funds appropriated by Congress and the absorption of the then-existing inventories. Upon issue of DBOF items for use, the annual appropriations which support the Command are charged and the DBOF is reimbursed. DBOF items include Marine Corps clothing, repair parts, office

supplies, and many other standard and commonly used items. Stock fund items are controlled and managed by the Direct Support Stock Control (DSSC) Branch.

(1) Submitted by Director, Service and Supply Division through Assistant Chief of Staff, G-4 to the Commandant of the Marine Corps (LCS).

(2) Format: Message or letter.

(3) Date required: Per CMC stock fund budget guidance.

(4) Data Required: As specified in the CMC stock fund budget guidance.

g. Operations, Navy OPBUD - Official Representation funds. Limited funding provided for specific entertainment required for official representation. Policy and procedures governing the use of this allotment are contained in the current edition of SECNAVINST 7042.7.

(1) A budget submission is required.

(2) Funds are administered by the Aide-de-Camp.

2005. JUSTIFICATIONS

1. Background. The budget process requires that all financial resource requirements, at each management level, be analyzed and justified. On-going programs are not automatically funded and must be subjected to sufficient review to ensure their validity and to establish their priority. Narrative emphasis in the annual budget submission will be placed on deficiencies and upon program changes (especially on program increases). Emphasis in the automated submission will be placed on mathematical accuracy and proper classification of resources. It is important to put the constrained nature of the budget input into proper perspective. Constraint is inherent in the budget process even at the highest levels. Therefore, one of the key aspects of budget formulation becomes classification of a fixed resource among competing requirements. HQMC obtains a 'total picture' of financial resource requirements by reviewing unfunded deficiencies provided by field activities. Further, the constrained nature of the budget results in a tendency to justify program changes by citing restrictive ceilings. Marine Corps policy is: NARRATIVE JUSTIFICATION FOR PROGRAM CHANGES WILL NOT CITE FINANCIAL CEILINGS AS RATIONALE.

2. Submissions. Justifications will be submitted in the format specified in local budget guidance for individual projects for Budget Year, Budget Year Plus One and Budget Year plus two.

3. Categories of Justification

a. Maintenance. Operation and maintenance of facilities (Classes 1 and 2 Real Property).

(1) New Facilities - Justification should relate to the operation and maintenance costs of new facilities, i.e., additional civilians and materials required to maintain existing facilities at an acceptable level.

(2) Existing Facilities - Justification should relate to the operation and maintenance of existing facilities, i.e., additional civilians and materials required to maintain existing facilities at an acceptable level.

(3) Deferred Maintenance - An estimate of the dollar value at the end of the Current Year, the basis on which the estimate was prepared, and plans which will reduce the backlog.

b. Initial Procurement of Class 3 Plant Account Property. Justifications in this category should be described as follows:

(1) New Requirements - Justification should relate to the requirements in terms of new construction or additional missions, technological advances, etc.

(2) Deferred Requirements - Justification should related to specific procurement of new equipment required in prior years but deferred because of inadequate funds.

c. Replacement of Class 3 Plant Account Property. Justification in this category should be described as follows:

(1) Increased Rate of Replacement - Justification should relate to specific instances wherein previous replacement rates were inadequate to provide for replacement of worn-out equipment or replacement of equipment because of nonavailability of repair parts, etc.

(2) Deferred Rate of Replacement - Justification should relate to replacement of Class 3 Plant Property which has been deferred in prior years because of inadequate funds.

(3) Summary Report - A summary report of each type of equipment to support the dollar value of planned procurement. This will include a detailed breakout of food preparation and serving equipment.

d. Procurement of Minor Property. Justification for the procurement of minor property should be described as New Requirements, Deferred Procurement of New Requirements, Increased/Decreased Rate of Replacement, or Deferred Replacement. Justification in this category should relate only to those items meeting the criteria of the definition in Chapter 6 of the NavCompt Manual Volume III.

e. Procurement of Supplies, Other Materials and Services. Justification should relate to the specific functions requiring these supplies.

f. Civilian Labor. The annual Depot civilian personnel budget is prepared by the Assistant Chief of Staff, Comptroller. Justification for changes in civilian personnel ceiling must be developed per the current edition of MCO 5311.3, which results in the Table of Manpower Requirements and Letters of Allowance issued by Headquarters, Marine Corps.

2006. BUDGET EXECUTION

1. Period Covered. The budget execution period commences on October 1st with the receipt the fund authorizations from the Commandant of the Marine Corps and continues through the fiscal year (30 September or longer if PMC funds).

2. Apportionment

a. Issuance of Fund Authorizations. Following the budget process detailed in paragraph 2002 and upon receipt of allocation of funds, the Commandant issues fund authorizations to the field commands based on the fiscal plan.

b. Receipt of Funds. In certain projects, funds are received quarterly. In other projects, funds are received in the first quarter for the entire fiscal year or for specific work projects. For those funds received on an annual basis, the second, third, and fourth quarters are not available for commitment until the first day of each quarter.

c. Issuance of Planning Estimates. Following receipt of the operating budget fund authorization, the Commanding General issues planning estimates to the cost centers. These forms authorize the cost center administrators to obligate and expense funds in the amount specified. This is not a suboperating budget, but merely a distribution of the authorization to cost center administrators to make commitments in specific amounts against the Commanding General's OPBUD.

d. Interim Authorization. When Congress does not appropriate funds before the beginning of a fiscal year, the Commandant has authority to issue interim authorization for obligation of funds subject to appropriation by Congress. With specific written approval from the Assistant Chief of Staff, Comptroller or his deputy, cost centers may also obligate intended funds at the beginning of quarters in which resource authorizations are pending.

3. Cost Center Authorization to Obligate

a. When the funds authorizations are received from the Commandant, the Assistant Chief of Staff, Comptroller prepares a financial plan to authorize commitment of funds by Depot cost centers. This plan is based on the following:

(1) Total funds received in the authorization compared with amounts requested.

(2) Cost centers' requests for funds by quarters as submitted for the current level of the Budget Year and modified by changes in plans and programs since the budget submission.

(3) Information provided by the Commandant of the Marine Corps as to functions affected by increases or decreases in funds authorized.

b. The Budget Advisory Group will review and approve the financial plan prepared by the Assistant Chief of Staff, Comptroller prior to submission to the Commanding General.

c. Subsequent to the approval of the financial plan, the Assistant Chief of Staff, Comptroller is authorized to transfer funds between cost centers as required.

2007. BUDGETARY CONTROL

1. General

a. While a budget is a collection of figures or estimates which indicate the future in accounting terms, budgetary control involves careful planning and control of all functions of the organization. Budgetary control is a methodology to keep spending as close to the budget estimates and the financial plan, as possible, to continuously review actual performance against this plan and to use the budget as a guide in achieving established goals.

b. Budget preparation is integrated with the fiscal accounting and allotment accounting systems. This policy facilitates budget preparation and simplifies the budgetary control and reporting system. Budgetary control must also be completely integrated with the supply requisitioning system if the fullest benefit of economical and efficient operations is to be derived from financial controls. By the preparation of operating budgets at the cost center level and the establishment of job orders based on the budget, the cost center administrator is furnished an effective management tool to compare actual expenditures against budgeted amounts for representative periods. Thus the cost center administrator can analyze actual performance against the financial plan.

2. Budgetary control Phases. Budgetary control is divided into three phases:

a. Review and analysis of estimates.

b. Obligation controls.

c. Reporting system.

3. Review and Analysis of Estimates

a. Cost center administrators will thoroughly review and analyze their budget estimates to insure the validity and adequacy of fund requests.

b. The Assistant Chief of Staff, Comptroller will develop and supply suitable yardsticks, formulas, work standards, historical usage data, statistical cost studies, and job cost studies in the analysis of the estimates submitted by cost center administrators. Unjustified or abnormal increases in requirements will be returned to the applicable cost center administrator for further review and justification.

4. Obligation Control

a. Obligation control consists of establishing procedures and techniques for checking results, correcting weaknesses, predicting over or under obligations, and making timely adjustments.

b. Cost Center Control

(1) The cost center administrator must constantly review the status of the budget plan. The budget must have flexibility to permit adjustment to changing operating conditions and cost center administrators should anticipate changing conditions and request timely changes in the resource authorization. Total expenses shall not exceed the total authorization, and balances are controlled to limit carry-over of funds at the end of each quarter.

(2) Administrators should conduct training to ensure familiarity with the budget plan and should impress upon personnel the necessity for accurate estimates. This can be most effectively accomplished by constant review of budget status reports which highlight inaccurate estimates.

(3) To assist in the control of expenditures, per the cost center plan and to aid in future budget preparation, cost centers will receive reports of expenditures by cost center code. Records maintained by each cost center should include sufficient data to allow classification of expenditures under the following categories, as applicable:

(a) Nonrecurring Expenses. One-time purchases of material, outfitting, etc.

(b) Base (Fixed) Costs. Costs that do not vary with workload. For example: It might be established that the administrative cost of a battalion headquarters is relatively unaffected by the number of personnel in that battalion. In this case, administrative costs could be established as a base cost.

(c) Variable Costs. A cost that varies with the workload. For example: The Mess Administrator might determine it costs $1.00 per man per month for operating supplies in the mess halls. For the first 5,000 man-months, $.98 per man, per month for the next 2,000 man-months, and $.97 per man, per month for all additional man-months. These costs vary with output.

c. Assistant Chief of Staff, Comptroller

(1) The Assistant Chief of Staff, Comptroller will review the total O&MMC obligations monthly to insure performance per the financial plan. This responsibility includes the prevention of over obligation of total Depot funding. It also includes coordination of budget matters to assure that available funds are utilized in the manner best calculated to accomplish the Depot mission.

(2) The Assistant Chief of Staff, Comptroller will originate timely requests to Headquarters, Marine Corps for necessary revisions to the Depot budget.

(3) Recruit variable requirements will be closely monitored by the Budget Division. Proposed revisions to Depot and cost center funding will be based on projected/actual recruit input data provided by the Assistant Chief of Staff, Recruiting.

5. Reconciliation of Cost Center Memorandum Records. In order to ensure maximum utilization of funds available, cost center administrators will reconcile memorandum records with the Managerial Accounting Officer per Chapter 4 of this Manual within five working days after receipt of end-of-month reports.

6. O&M Financial Status Reports. Cost center administrators will submit an O&M Financial Status Report (MCRD Form 7120/5) to the Assistant Chief of Staff, Comptroller on the tenth day of each month after the last cycle for the previous month has been reconciled. The last six weeks of each fiscal year, this report will be submitted weekly. The financial information submitted will be utilized in controlling Depot funds and in preparing monthly financial charts for the Commanding General. The report is comprised of the following data:

a. Funds Authorized - As reflected on individual cost center planning estimate for the reporting cycle.

b. Total Obligations - Total obligations shown on the Fund Administrator Management Report.

c. Pending/Reservations - Current year orders not obligated in SABRS.

d. Available Balance - Reflect the current balance available for the placement of new orders through the applicable quarter.

e. Error/Adjustment to Obligations - Reflect errors/adjustments to obligations.

f. Excess Funds Available for Withdrawal - Total excess funding available for withdrawal and redistribution.

7. Financial Status of Allotment Funding

a. The Director, Food Service Division - Allotment 31006, MPMC Subsistence-in-kind will submit monthly reports on an In-House Allotment Status Report Form during the fourth quarter of each fiscal year. The reports are due in the Assistant Chief of Staff, Comptroller's Office on 23 June, 22 July, 25 August, and 12 September respectively.

b. The report is comprised of the following sequentially numbered data:

(1) Funds Authorized to Date - as reflected on individual Planning Estimates.

(2) Total Expensed on the DSSC Fiscal Listing - the cumulative total expensed on the Direct Support Stock Control (DSSC) Fiscal Listing, October through the latest report received.

(3) Total Outstanding Orders - includes all orders not reported on the DSSC Fiscal Listing during the current fiscal year.

(4) Uncommitted Balance - current funds authorized, less the cumulative expense on the DSSC Fiscal Listing, less total outstanding orders.

(5) Projected Requirements - estimated requirements for the remainder of the fiscal year. This should be included under "Remarks" or attach a detailed computation of the projected requirement.

(6) Excess/Deficits - uncommitted balance less the projected requirement for the remainder of the fiscal year.

(7) Excess Funds Available for Withdrawal - amount to be reported to Headquarters, Marine Corps for withdrawal.

SOP FOR FINANCIAL MANAGEMENT

CHAPTER 3

FINANCE

	PARAGRAPH	PAGE
MISSION	3001	3-3
RESPONSIBILITIES	3002	3-3
ORGANIZATION OF THE FINANCE DIVISION	3003	3-3
REGULAR PAYDAYS	3004	3-5
SPECIAL PAYMENTS	3005	3-5
TRAVEL PAYMENTS	3006	3-6

CHAPTER 3

FINANCE

3001. MISSION. The mission of the Finance Division is to provide prompt, accurate, and convenient pay service to military and civilian personnel. Specifically, Finance performs the following functions:

1. Payment of military pay and allowances.

2. Processing and payment of travel claims.

3. Collection of official funds from authorized agents and certain individuals on behalf of the Defense Accounting Officer (DAO).

3002. RESPONSIBILITIES. The Finance Officer is responsible for furnishing pay and travel service to all units of the Depot and other Marine Corps activities located in the San Diego area, as directed.

3003. ORGANIZATION OF THE FINANCE DIVISION. The Depot Finance Office is organized as shown in Appendix B with specific functions as follows:

1. Headquarters Branch

a. Coordinates the duties, functions, and overall operations of the other branches.

b. Responsible for all furniture and equipment in the office.

c. Prepare and file correspondence, pick-up and delivery of official mail, and maintenance of publications and related office files.

2. Military Pay Branch

a. Maintains military pay accounts of Marine Corps officer and enlisted personnel, other than recruits, to include opening and maintaining pay accounts of new joinees.

b. Opens, maintains, and processes pay accounts of newly enlisted personnel (recruits).

c. Makes payments for pay and allowances to reservists on Incremental Initial Active Duty for Training (IADT) and Marine Corps Reserve personnel ordered to annual training duty.

d. Calculates and make payments to service members in a transient status.

e. Make final settlements to Marines being discharged.

f. Distributes leave and earning statements (LES) to reporting units.

g. Distributes military W-2 forms during January.

h. Processes allotments for active duty Marines.

i. Processes Non-Appropriated Fund Instrumentality (NAFI) debts.

j. Maintains management reports.

k. Other responsibilities as directed.

3. Travel Branch

a. The basic duties of the Travel Section are the following:

(1) Process Permanent Change of Station (PCS), Dependent Travel, and Dislocation Allowance for Marines stationed at MCRD San Diego and outlying commands (Landing Force Training Command, NAS Miramar, and NAS North Island) upon completion of PCS travel.

(2) Process Temporary Additional Duty (TAD) travel claims for Marines and government employees stationed at MCRD San Diego and outlying commands.

(3) Process civilian PCS/TAD travel claims, to include dependent travel and miscellaneous expenses.

(4) Process PCS and TAD travel advances for Marines and government employees.

(5) Process TAD travel claims for Marines and government employees attached to the 12th Marine Corps District.

(6) Process Reservists (i.e. Annual Active Duty for Training) claims for training at MCRD San Diego.

(7) Provide technical assistance to commands requesting classes on areas regarding travel.

(8) Monitor and control all correspondence received from other commands pertaining to payments of travel advances/settlements.

(9) Provide technical training for all Finance travel personnel with emphasis on current changes and revised procedures.

(10) Maintain files and logs.

(11) Initiate checkage procedures IAW MCTIM 80411.3, upon notification from the Commanding Officer.

(12) Other responsibilities as directed.

b. Manuals and Directives maintained/utilized:

(1) Joint Federal Travel Regulations (JFTR)

(2) Marine Corps Travel Instruction Manual (MCTIM, MCO P4650.37)

(3) Assignment, Classification, and Travel System Manual (ACTS Manual, MCO P1000.60)

(4) Official Table of Distances (OTD)

(5) Rand McNally Standard Highway Mileage Guide

(6) Joint Travel Regulations Vol II for Civilian Travel

(7) Navy Comptroller Manual Vol II-IV

(8) Comptroller General Decisions

4. Internal Control/Systems Branch

a. The Internal Control Section is an independent audit and review section directed by the Finance Officer.

b. To assure the Finance Officer, through periodic on site examinations, that all sections are performing in compliance with current laws, regulations.

c. To conduct periodic reviews of all functional areas in the Finance Office; control and monitor recurring reports; research and interpret technical regulations/policies; review and analyze the various sections' responses to audit reports prepared by external agencies; provide written comments/correspondence on internal procedures and recommend changes/clarifications of rules and/or regulations.

d. Conduct periodic and special reviews of all functional areas within the Finance Office (e.g., military pay, recruit accounts, travel and physical security, etc.)

e. Monitor all recurring reports and ensure required tasks are completed (e.g., MECF, SAO, ICR/ADF, SER, SPL, Joinee list, etc.) IAW the MCAAT checklist.

f. Review, appraise, and assist in the preparation of responses to all audit reports received from external agencies (e.g., DFAS reports, Navy Audit, GAO, MCAAT reports, etc.).

g. Research and interpret regulations and policies.

h. Provide and coordinate written correspondence on travel claim report rebuttals, waivers of indebtedness, request for changes to policy and regulations, etc.

i. Provide written recommendations on the performance and procedures of each functional area.

j. Provide research and explanations on high visibility areas and events relative to the Finance Office which occur within the command of MCRD San Diego and the outlying commands of North Island and LFTC Coronado, (e.g. major entitlement changes, major procedural changes, Congressional inquiries, etc.).

k. Provide physical and telephonic support to the various functional areas within the Finance Office to coordinate request regarding questions or problems with DFAS-KCC.

l. Maintain and file reports and statistics on Finance office performance.

m. Other projects as assigned by the FO.

3004. <u>REGULAR PAYDAYS</u>. Regular paydays for officer and enlisted personnel, other than recruits, will be held semimonthly as set forth in MCBul 7220 promulgated prior to the beginning of the new fiscal year. Paydays for recruits will be held as directed by the Commanding Officer of the organization concerned.

3005. <u>SPECIAL PAYMENTS</u>

1. ADVANCE PAYMENTS. Advance pay will be paid per DODPM, par. 40101 and APSM, par. 40101 by the overnight payroll process. Exceptions will be made on a case by case basis.

2. ADVANCE HOUSING ALLOWANCE. Advance Housing Allowance will be paid per APSM, par. 30401. Advances will be paid in whole dollar amounts only. Payments will be paid only with a proper NAVMC 11116 per APSM par. 30401.

The Commanding Officer will provide the anticipated housing expenses and/or amount requested on the NAVMC 11116.

3. CO DIRECTED PAYMENT. Special payments directed by the Commanding Officer will be processed within one working day from receipt of the NAVMC 11116 if the documentation and the requested payment are proper (APSM 80120). If there is a problem with either the documentation or the requested payment, the NAVMC 11116 will be returned to the admin unit with an explanation of the problem ASAP, not to exceed one working day. Request for payday adjustments will be processed through the normal payday process.

4. PPO PAYMENTS. PPO payments will be made to Marines in transit and will only be paid for monies accrued through the most recent payday. Due to the accessibility of Navy Disbursing in the area, Navy personnel will be directed to Navy disbursing offices and will not receive PPO payments at MCRD. Payments to members of the Army or Air Force will be coordinated through their Finance Centers. Before the member is paid, proper military identification and original PCS/TAD orders will be required.

3006. TRAVEL PAYMENTS

1. Travel Advances

a. Advance payments will be made no more than ten (10) working days prior to the detachment date for PCS travel and three (3) working days for TAD travel, except under unusual circumstances.

b. Advances will normally be paid by check. For frequent travelers, no travel advances will be paid unless they have been denied an American Express Government Charge card and Personal Identification Number (PIN).

2. PCS Advances

a. A Marine may request a travel advance after receiving orders directing a permanent change of station.

b. Advance PCS travel payment requires the original orders and three (3) copies of the orders.

c. PCS advances will be computed and paid per MCTIM 30211-30213.

3. TAD Advances

a. A Marine may request a travel advance after receiving orders directing temporary additional duty.

b. Advance TAD travel payment requires the original orders and three (3) copies of the orders.

c. The definition of "Frequent Traveler" is personnel in military pay grades E-7 and above or civilian GS-9 or above that are expected to travel on official duty at least twice a year.

(1) Frequent travelers are expected to charge major expenses such as hotels and rental cars on a government charge card. Travel advances for frequent travelers are limited to 100% incidental expenses, and miscellaneous expenses for taxis, tolls, parking, etc.), except for those frequent travellers with PINs; then no advance will be made.

(2) TAD travel advances for frequent travelers will be computed and paid per MCTIM 80213.

d. The definition of "Non-frequent traveler" is personnel who are below the military pay grade of E-7 or civilians below GS-9 and all personnel who are not expected to travel on official business twice a year.

e. TAD travel advances for Non-frequent travelers will be computed and paid per MCTIM 80212.

4. Foreign Military Trainees. Members of foreign countries are assigned to MCRD for training at the Drill Instructor School. While assigned to DI School, government quarters and messing are available to the trainees. The trainees will be paid $9.00 a day per instructions from the Navy Education Command, Foreign Officer Handbook, Pensacola, Florida. As an exception, trainees can be paid a different daily rate as established by their TAD orders. The advance will be paid every fifteen (15) days until completion of the school. No settlements of these advances are required. The funds advanced are solely for the purpose of supplementing their living allowance.

5. Separation Travel

a. Upon receipt of Separation Travel package from the appropriate reporting unit, ensure that the following is provided for each travel advance request:

(1) Separation/Travel Pay Certificate (NAVMC 11060).

(2) Four (4) copies of each required document for advances or three (3) copies of each required document for settlements.

b. Required documentation will be submitted five (5) working days prior to the date of separation for a travel advance on date of separation.

c. Advances for members being separated are paid as follows:

(1) Category I separatees receive a partial payment of Monetary Allowance in Lieu of Transportation (MALT) equal to the entitlement to the place the Marine intends to travel, not to exceed home of record or place of enlistment and 75% of MALT to home of selection for dependents. Partial payment of per diem is not authorized.

(2) Category II separatees may receive transportation in kind by the least expensive mode available or may elect to be paid 75% of the amount of the Government Transportation Requests (GTR). If GTR is unavailable, the Marine may receive partial payment equal to 75% of the cost to the place to which the Marine intends to travel by the least expensive mode. This must not exceed 75% of the costs to the home of record or place of enlistment. If issued a GTR, no partial payment is authorized.

(3) Category III separatees are entitled to 100% of MALT and per diem for actual travel only.

(4) Personnel authorized leave awaiting separation may receive an advance/partial payment of separation travel allowances.

d. Settlements are processed when received. Settlements not received within 60 days of the end of the discharge month will be sent to DFAS (SEC) on the 61st day. For Marines on separation leave, a file will be maintained for the period of leave and the month of separation plus 60 days. The package will be submitted to DFAS-KC (SEC) on the 61st day.

6. Travel Settlements

a. Permanent Change of Station.

(1) Settlements of PCS travel require the original orders and three (3) copies of the orders, required certificates, endorsements, and receipts per JFTR regulations.

(2) The Marine must submit the travel claim within three (3) working days of reporting to the new permanent duty station.

(3) The Travel Section will receive all travel claims from the respective administration unit. The clerk will check each claim to ensure it is complete and accurate. If a claim is not complete and accurate, the clerk will not sign for the claim but will return the claim to the admin unit with an explanation of the problem for correction. If the claim is complete and accurate, the clerk will sign for the claim and date/time stamp it.

b. Temporary Additional Duty (TAD). The procedures for settling TAD travel are the same as those used to settle PCS travel, except that Marines must submit their TAD travel settlements within three (3) working days of return to their Permanent Duty Station (PDS) vice arrival at a new PDS.

c. Civilian PCS. When it has been determined that a civilian has been over advanced, the following action will be taken:

(1) Send a letter to the employee via the employee's CO (with a copy for the CO) notifying the employee of the overpayment and requesting action for repayment.

(2) If repayment has not been made by cash or check at the Finance Office within 30 calendar days, a DD 139 (Pay Adjustment Authorization) will be completed. The DD 139 will then be submitted to Civilian Payroll for appropriate collection from the member's pay.

7. <u>Overpayments</u> (Active Duty Marines Only)

a. Overpayments of travel advance exceeding $50.00 will be input as delayed checkages into the pay system. They will appear on the Leave and Earning Statement (LES) of the Marine.

b. Overpayments when travel advance is $50.00 or less.

(1) The travel clerk will type a overpayment letter notifying the Marine to repay the overpayment within 15 calendar days.

(2) The Administration Section will forward the overpayment letter to the Marine's unit.

(3) If the Marine submits payment to the Finance Office for the specified amount the voucher will be processed; otherwise, the checkage will be input as a checkage into the Marine's pay account!

c. Overpayment of 12th MCD TAD travel advances will be processed IAW the procedures as stated above.

SOP FOR FINANCIAL MANAGEMENT

CHAPTER 4

RESOURCE EVALUATION AND ANALYSIS/MANAGERIAL ACCOUNTING DIVISION

	PARAGRAPH	PAGE
INTRODUCTION	4001	4-3
POLICY	4002	4-3
FUNCTION	4003	4-3
CONDUCTING AND REPORTING OF RESOURCE EVALUATION AND ANALYSIS (REA) REVIEWS	4004	4-5
FOLLOW-UP REVIEWS	4005	4-6
ADMINISTRATION	4006	4-6
MANAGERIAL ACCOUNTING	4007	4-6
NONAPPROPRIATED FUND (NAF) SPECIALIST	4008	4-7
INTERSERVICE AGREEMENTS	4009	4-7

CHAPTER 4

RESOURCE EVALUATION AND ANALYSIS/MANAGERIAL ACCOUNTING DIVISION

4001. INTRODUCTION

1. The current edition of MCO 7540.2 states that an office in the Comptroller's organization will be the command's focal point for all external audits, will provide nonaudit analysis of and expertise in nonappropriated fund (NAF) related matters, and will perform evaluations, assessments, and analyses of local financial and resources management issues, as directed by Comptroller. The REA/MA Division officer performs supervisory responsibilities over REA and Managerial Accounting functions.

2. The Resource Evaluation and Analysis function is to provide the Commanding General a responsive, readily available and operationally independent in-house means of evaluating performance and internal controls; detecting fraud, waste, and abuse; highlighting illogical and illegal practices; and providing meaningful recommendations for improvement. Resource Evaluation and Analysis personnel shall not be used in operational roles, such as budget preparation or as augments for accounting/budgeting duties or other financial or resource management functions.

3. Managerial accounting functions provides an in-house accounting capability for the Comptroller so that certain command accounting responsibilities can be met.

4002. POLICY. It is the policy of this Command that the Resource Evaluation and Analysis/Managerial Accounting Division be established within the organizational structure of the Office of the Assistant Chief of Staff, Comptroller. The Resource Evaluation and Analysis/Managerial Accounting Division shall be a permanent constituent of the Comptroller's Office.

4003. FUNCTION. The principle functions of the Resource Evaluation and Analysis/Managerial Accounting Division are:

1. REA Functions

a. Conduct special studies, analyses, and reviews for the purpose of detecting troublesome or unsatisfactory conditions arising in conjunction with established practices, procedures, reports or accounting systems.

b. Recommend appropriate action to correct existing deficiencies discovered during the course of a review or be brought to the attention of the Command by external sources.

c. Provide advice on the adoption and implementation of approved systems and procedures.

d. Provide advice on developing and coordinating programs, procedures, and controls that have a financial impact within the operational view of the Command's budget.

e. Serve as the central point of contact for matters relating to external audits of the Command by GAO, the Assistant Inspector General for Auditing, the Naval Audit Service, and the Marine Corps Nonappropriated Fund Audit Service (MCNAFAS).

(1) Upon notification of a visit by an external audit agency, formally notify appropriate Command staff officers of the pending visit.

(2) Provide such assistance as requested by external audit agencies in arranging accommodations, providing work spaces, and administrative support during the audit.

(3) Keep abreast of findings by the external auditors, and provide assistance, when requested, to functional managers during the utilization phase of an audit and to develop timely management response to audit recommendations.

(4) Maintain official files for each audit by an external audit agency. Files will contain official notification of the visit, a record of Depot personnel contacted, a list of all material reviewed, copies of any material retained, a copy of the post visit report, and documentation as to deficiencies noted and corrective action taken.

f. Conduct follow-up reviews to ensure accepted deficiencies noted in audit reports are corrected by the Command within a reasonable period.

g. Perform reviews of civilian timekeeping and payroll functions annually.

h. Perform reviews of potential internal control problems to operations which are considered to be sensitive and subject to waste, unauthorized use or misuse of resources.

i. Service as the central point of contact for the Internal Management Control Systems Program.

(1) Provide guidance to managers in the performance of vulnerability assessments, internal controls reviews, and reporting requirements.

(2) Receive and review reports of vulnerability assessments internal control reviews/alternative internal control reviews for consolidation in report form for submission to Commandant of the Marine Corps (Code RFB).

(3) Maintain a follow-up system to track the results of internal control reviews and alternative internal control reviews.

j. Perform Managerial Accounting functions such as fund administrator oversight and training. Also, maintain the reimbursable work request desk.

k. Maintain the files for the Interservice Support Agreements (ISA's).

l. Supervise the performance of Civilian Payroll Office.

2. <u>Managerial Accounting Functions</u>

a. Advising financial/program managers regarding impact on accounting policies and procedures.

b. Investigate/reconcile variances in transactions.

c. Review, analyze, evaluate, and report on accuracy of procedures/transactions.

d. Identify and monitor trends in operational performance.

e. Conducts liaison and assistance in the planning, coordination, initiation and implementation of financial and accounting policies and procedures.

f. Provide training and on site assistance to program managers and fund administrators.

g. Performs analysis and briefings on accounting execution reports to fund administrators.

h. Interprets/analyzes reports/statements for comptroller.

i. Provides guidance on the implementation and impact of new accounting procedures/systems.

j. Develops ad-hoc programs and reports.

k. Performs local table maintenance.

l. Performs local report distribution.

m. Performs liaison with DFAS Defense Accounting Office (DAO).

n. Monitors/controls local problem reporting to DFAS.

4004. CONDUCTING AND REPORTING OF RESOURCE EVALUATION AND ANALYSIS (REA) REVIEWS. REA reviews will be conducted in a manner that will minimize disruption to normal operations. The review will be a comprehensive assessment and evaluation supported by appropriate documentation. Upon completion, the objective, pertinent facts, and recommendations will be reported to appropriate management levels and to the Command. The following provides guidance for the general conduct and reporting of REA reviews:

1. An initial meeting with operating officials will be held prior to beginning the review to explain the purpose scope and estimated completion date. Responsible supervisors and operating personnel will be kept fully informed as the review progresses and normally given an opportunity to comment on the findings as they are developed.

2. The scope of the review will normally include a determination of (1) compliance with established policies and procedures, (2) the reliability of records and reports, (3) the validity of supporting documentation as these matters affect known or suspected problems and (4) a determination of the effectiveness of the operations reviewed.

3. Detailed examination and analysis of transactions, records, systems, and procedures will normally encompass only a small portion of the total transactions or records subject to review. Statistical sampling techniques will be used, when possible, to improve the quality of internal review and to reduce the workload impact upon the operating personnel.

4. Working papers will be prepared to clearly identify the purpose and scope of the work done, and the preparer's conclusions.

5. An exit conference will be held to discuss findings with appropriate activity personnel.

6. Utilization draft reports will be submitted to the staff officer of the activity reviewed, via the chain of command, requesting a written reply to the recommendations.

7. Final reports with management responses to the recommendations will be prepared. The final reports will be signed by the Director, Resource Evaluation and Analysis Division, or in his/her absence, the Assistant Director, Resource Evaluation and Analysis Division, and submitted to the Commanding General via the Assistant Chief of Staff, Comptroller.

4005. FOLLOW-UP REVIEWS

1. Follow-up reviews will be conducted by the Resource Evaluation and Analysis Division to determine if the responsible officer has implemented corrective action on "agreed to" recommendations made by the either the Resource Evaluation and Analysis Division or an external audit.

2. A follow-up review will determine the extent and effectiveness of corrective actions. Actions will be monitored until recommended action(s) are fully completed.

4006. ADMINISTRATION

1. Suggestions for review projects should be submitted in the following format to the Assistant Chief of Staff, Comptroller (Resource Evaluation and Analysis Division):

   a. Rationale for conducting the review.

   b. Review objectives and scope of examination.

   c. Previously noted deficiencies, when applicable.

2. A written record of the work shall be retained int he form of working papers. Working papers serve as a report of the results of the examination and are the basis of the report.

4007. MANAGERIAL ACCOUNTING

1. Managerial Accounting is responsible for maintaining the CH Cost Center. The CH Cost Center provides operating supplies and contractual equipment maintenance other than office machines and reproduction equipment for the CG's Office; Chief of Staff; SgtMaj's Office; AC/S, G-1; AC/S, G-2/3; AC/S, G-4; AC/S, Comptroller; AC/S, Recruiting; Adjutant Office; Depot Inspector; Substance Abuse Control Center; Family Services; Child Development Center; Military Personnel; Public Affairs Office; and the Depot Post Office. Any requirements for operating supplies or services for equipment from the above mentioned offices must be routed to the CH Cost Clerk for processing.

2. PESV's of cost center financial records will also be conducted by the Managerial Accounting personnel. These PESV's are conducted on an annual basis.

3. All requests for Civilian Training or Travel must be routed through Managerial Accounting for funding approval. Managerial Accounting is responsible for maintaining the CT Cost Center (Civilian training/travel). Civilian training requests must be routed to the Human Resource Office for the Training Officer's approval prior to submitting the request to Managerial Accounting.

4. All Orders for Work and Services (NAVCOMPT Form 2275) (Work Requests) are maintained by Managerial Accounting. Managerial Accounting is responsible for the obligation and expending of work requests in SABRS.

5. The Reimbursable Cost Centers (one time cost and recurring accounts) are managed by Managerial Accounting. All requests for services from other governmental agencies and non-governmental groups received are processed through Reimbursables.

4008. NONAPPROPRIATED FUND (NAF) SPECIALIST

1. The current edition of MCO 7510.2 transferred responsibility for the audit of Marine Corps Nonappropriated Fund Instrumentalities (NAFI's) to a regional audit office configuration for greater audit efficiency and effectiveness. In conjunction with this realignment, certain field commands needed an in-house capability to conduct internal reviews, studies, analyses, and evaluations of NAF operations. For this reason, a NAF Auditor has been assigned as the NAF Specialist to the Marine Corps Recruit Depot, San Diego.

2. The primary mission of the NAF Specialist is for the Command Internal review of NAF's. Additionally, the NAF Specialist will augment appropriated fund review efforts.

3. Since complete objectivity is essential to a review function, the NAF Specialist shall not develop and install procedures, prepare records, or engage in any other activity which the specialist normally will be expected to review.

4. The NAF Specialist is assigned to the Assistant Chief of Staff, Comptroller (Resource Evaluation and Analysis Division) and will be the Assistant Chief of Staff, Comptroller representative at all advisory group and recreation council meetings.

4009. INTERSERVICE AGREEMENTS. The REA/MA Officer is designated as the Depot representation for all ISA's and Memorandum of Understanding (MOU's). DOD directive 4000.19R provides guidance and prescribes procedures for the program. ISA's and MOU's represent agreements (like contracts) between organizations of different installations or services (e.g. Navy, Army, Coast Guard, or Air Force) to provide services to each other. ISAs/MOUs answer questions: what will be provided, when will it be provided, how much and what will the cost be, and who is to do what. The REA/MA Officer is the staff officer who administers and maintains the ISA program. This includes the initialization, preparation, negotiation, and finalization of ISA's/MOU's.

SOP FOR FINANCIAL MANAGEMENT

CHAPTER 5

CIVILIAN PAYROLL

	PARAGRAPH	PAGE
GENERAL	5001	5-3
TIMEKEEPING	5002	5-3
CERTIFICATION OF TIME CARDS	5003	5-3
PREPARATION OF TIME CARDS	5004	5-4
LEAVE RECORDS	5005	5-5
LABOR DISTRIBUTION CHECK	5006	5-5
PAYMENTS OF PERSONNEL	5007	5-6
PAYROLL CONTACT DAYS	5008	5-6
OVERTIME	5009	5-6
COMPENSATORY TIME	5010	5-7
COMPENSATORY TIME PROCEDURES	5011	5-7
COURT LEAVE	5012	5-7

CHAPTER 5

CIVILIAN PAYROLL

5001. GENERAL. The Assistant Chief of Staff, Comptroller is the Civilian Payroll Certifying Officer. During periods of absence, interim authority is delegated to the Deputy Comptroller. In the absence of both the Assistant Chief of Staff, Comptroller and his Deputy, the Depot Resource Evaluation and Analysis (REA)/Managerial Accounting (MA) Officer is designated as the Payroll Certifying Officer.

5002. TIMEKEEPING. The Civilian Payroll Branch of the REA Division will perform timekeeping, payroll and leave functions, validate labor cost distribution, and ensure that job cost distribution agrees with the hours worked. The REA/MA Officer is responsible for establishing procedures related to attendance reporting as reflected in this Manual.

1. The Civilian Payroll Branch will distribute time cards biweekly to civilian employees on the Friday prior to the first working day of the beginning of a new pay period. The time cards will be held in the custody of personnel responsible for recording hours worked.

2. The employee's supervisor will record attendance on the time card on a daily basis. In cases where the time card is kept and certified by other than the supervisor, attendance records or muster sheets will be kept in the work area to support entries on the time cards. Sufficient information must be maintained to support complete time card entries. These attendance records will be retained by the cognizant section for one year for audit by the REA/MA Office or its representative. As a minimum, muster sheets will show the employee's name, date, times in and out, and remarks reflecting any periods of absence. Organizational Time and Attendance Report, DD Form 594 or DD Form 594-1 will be used for this purpose.

5003. CERTIFICATION OF TIME CARDS

1. The Assistant Chief of Staff, G-1; G-2/3; G-4; Comptroller; Recruiting; Staff Judge Advocate; Commanding Officer of Headquarters and Service Battalion, Recruit Training Regiment, and Weapons and Field Training Battalion shall be authorized by the Chief of Staff to certify civilian time cards. They, in turn, will be the authorizing authority for each department under their staff cognizance. Each work section will furnish the REA/MA Officer with an authorization to certify time cards (MCRD Form 7230/1) for each individual authorized to certify time cards. MCRD Form 7230/1 is to be updated and forwarded to the REA/MA Officer when applicable changes of cognizant personnel take place. The payroll clerk will review all MCRD Forms 7230/1 on file to ensure validity and will request updated forms as required.

2. Erasures, colored ink, felt pen, pencil, and use of correction fluid are strictly forbidden on a time card. To correct an entry on a time card, a single line should be drawn through the incorrect data, a new entry made above the old entry, and the correction initialed. Unauthorized corrections will not be accepted for processing.

3. Every card must be validated with the signature of an individual authorized to certify time cards. Uncertified cards are invalid for pay purposes and will be rejected by the REA/MA Officer in the preparation of the payroll.

4. Supervisors, under whose cognizance work is performed, are normally the persons responsible for preparing and certifying time cards.

5004. PREPARATION OF TIME CARDS. Time cards are the legal source of information concerning the number of hours of productive labor or authorized absence with pay for payment of civilian employees. (Unused leave of a resigned employee is not submitted on a time card, but is a matter of record at the Civilian Payroll Branch). During on-site audits by GAO representatives, Navy Auditors, and REA, emphasis is placed on the accuracy and completeness of these cards. Inaccurate entries or omissions could become the subject of formal exceptions, pay checkages may result if there is any doubt as to the probity of the attendance record. It is therefore essential to each employee that time cards be exacting in detail and complete in content. Before time cards are submitted to the Civilian Payroll Branch for processing, personnel responsible for their preparation will determine the card conforms to the following requirements.

1. Time Cards will be used to cover a two-week period. Each time card will have the normal working hours, 0730 to 1600, noted at the side. For those employees working hours other than 0730 to 1600, supervisors will note only exception to times worked. Leave, or leave without pay, will be noted in the "In" and "Out" column. For example, if on Tuesday of the first week, the employee took two hours sick leave during the hours 0900-1100, the card would be marked "In" 0730, "Out" 0900, "In" 1100, "Out" 1600, to reflect six regular hours of work and two leave hours. All periods of leave will be initiated on the time card by the employee. When, due to illness or absence, an employee is unable to initial the leave entry on the time card, an Application for Leave (SF-71) must be forwarded to the Civilian Payroll Branch upon the first day of the employee's return. Civilian time cards will be submitted to the Civilian Payroll Office no later than 1100 on the last Friday of the pay period. For those employees working unscheduled overtime on the last Friday or Saturday of the pay period, supervisors will submit a "supplemental time card" to the Payroll Office, Room 223, Building 31, by 0900 the following Monday morning. Supplemental Time Cards will be submitted to reflect any changes to the original time card already submitted to the Civilian Payroll Office. For employees who require unexpected leave after time cards are submitted, a corrected time card, will be completed and annotated "Corrected time card," and submitted to the Civilian Payroll Office prior to 0900 on the following Monday.

2. Every period of absence will be identified as to type, i.e., annual leave, sick leave, court leave, leave without pay, or absence without leave. The number of hours will be entered, as appropriate, in the column for "Leave" or "LWOP." Absences will be recorded by entering the number of hours absent in the "Leave" column followed by an identifying symbol.

3. The number of hours applicable to each category under the caption "Time" will be entered by each unit employing civilians. The number of hours will be recorded to indicate the following:

a. Regular - Number of hours of active employment.

b. Overtime - Number of hours of authorized overtime.

c. Bonus - Number of hours actively employed on a holiday, engaged in night work, or performing any function for which additional compensation (except overtime) is payable.

d. Leave - Number of hours of authorized leave, annual or sick, court leave and absence on holidays without charge to leave. Minimum charge for leave is 30 minutes (0.5 hour).

e. Out/LWOP - Number of hours absent without pay, unauthorized or authorized.

f. Depot Order 12630.5 provides guidelines and procedures for the types of leave available to employees.

4. All entries and certifications will be made in ink (blueblack or black) or indelible pencil. Before certifying a time card for payment, cognizant personnel will ensure all overtime has been performed and properly authorized, (NavCompt Form 2282) and will verify all bonus entries (such as holiday premium pay), absences (ensuring that all absences have been initialed by employee or that an Application for Leave (SF 71) has been prepared), and clearly identify all periods of absence without pay. Hours worked will be recorded on the time card daily. The signature of certifying personnel must appear on the card where indicated and any changes to exceptions must be initialed by the supervisor. The employee will initial time cards next to the certifying official's signature, indicating the employee's agreement of the accuracy of the time card. The use of facsimile signatures, in the certification of time cards, is not permitted.

5005. LEAVE RECORDS. The current edition of the Navy Comptroller Manual, Volume 3, sets forth procedures the REA/MA Officer will follow in maintaining mechanized leave record (NAVMC Form 10829). Sections will not maintain memorandum leave records in any form. A machine listing, Civilian Leave Usage Report, showing hours of annual and sick leave used during the year, and the balance accrued to the credit of the employee for the period covered by the report, will be furnished on a quarterly basis to all units employing civilians. Leave will be updated on the employee's earning statement biweekly. The reporting period for both the Civilian Leave Usage Report and the individual leave record will be as of the last pay period before the end of the quarter in March, June, September, and December. To enable supervisors to schedule vacations and leave time, the reports prepared for March, June, and September will indicate the hours of annual leave the employee must use by the end of the leave year or else it will be forfeited.

5006. LABOR DISTRIBUTION CHECK

1. The Financial Information Pointer (FIP) is the basic accounting element from which budgeting and fiscal statistics will be developed. Every charge against funds allotted to this Command must be identified by the FIP applicable to the expenditure involved. Periodic labor checks will be made by Managerial Accounting personnel to ascertain the accuracy of labor distribution as recorded to per diem labor cards. The REA/MA Officer will prepare memoranda of erroneous charges noted so that the necessary corrective action can be taken. Officers in charge of units employing unclassified civilian labor will ensure personnel of their departments furnish, on request, their name, ratings, and the work being performed at the time the labor check is made.

2. Labor cards will be forwarded to the Civilian Payroll Branch every Monday covering the preceding week. During pay periods which extend from one month into another, three labor distribution cards will be distributed. During a week which includes the end of the month, a labor card will be completed for the last days of the month and forwarded to Civilian Payroll at that time. Prior to submission of either the time card or labor distribution card, supervisors or timekeepers: are to reconcile total hours by category, i.e., regular, leave, and overtime as reported on the time card with the labor distribution card, and initial the labor distribution card to signify the check has been made. Labor distribution cards must be completly filled out, including any leave and/or exception FIPS.

5007. PAYMENTS OF PERSONNEL

1. The Civilian Payroll Branch will forward necessary data to CISD for preparation of the payroll. The Defense Accounting Officer (DAO) will furnish the CISD Officer the required number of checks for payment. Upon completion of the payroll and preparation of checks, the CISD Officer will forward the payroll check register, listings of Saving Allotments and Bank Deposits, along with the prepared checks for distribution to the DAO. REA/MA Officer will forward to the DAO the original and one copy of the payroll in addition to the signed certification and fringe benefit vouchers covering the current payroll. Payment will be either a check mailed to the employee's address on file in the Payroll Branch, or transmitted by EFT (Electronic Funds Transfer). If it is necessary for an individual to pick up a check (not to be mailed), a NavCompt Form 2103 must be filled out at the REA with justification.

2. Deposits for total net pay and/or allotments can be sent to a financial organization of the employee's choice by the employee first obtaining a "Direct Deposit Sign-Up Form" (SF 1199A) from the Civilian Payroll Office, Building 31, and following these guidelines:

a. Fill out all copies of the 3-part carbon-interleaved SF 1199A, ascertaining that the name of the civilian employee appearing on the form is exactly as shown on the check.

b. The title of the account (single or joint) at the financial organization must include the name of the payee as stated on the check.

c. The name and address of the financial organization on the SF 1199A must identify the EFT routing number and depositor account number to which the check is to be sent.

d. The individual must obtain an endorsement on the SF 1199A by the financial organization. The financial organization will retain the second copy of the form and return the endorsed original and triplicate to the depositor.

e. Civilian employees should deliver the executed original of the SF 1199A to the Civilian Payroll Office.

f. Civilian employees should submit their cancellation request to the Civilian Payroll Office and the employee must notify the financial organization of the cancellation.

g. Savings allotments will be deducted from the first full pay period after the day of acceptance by the savings institution.

5008. PAYROLL CONTACT DAYS. Due to the workload and payroll schedules, normal business between employees and the Civilian Payroll Branch will be conducted on Tuesday, Thursday, and Fridays, except the Friday on which timecards are submitted. In the event of an emergency the Civilian Payroll office can be contacted by phone anytime during normal business hours.

5009. OVERTIME. Request for civilian overtime will be approved, in writing, on NavCompt Form 2282 by the employees cognizant officer (Chief of Staff, Assistant Chiefs of Staff, G-1, G-4, and Comptroller). Per the current edition of DepO 12510.1, overtime for organizations not under the cognizance of Assistant Chiefs of Staff, G-1 or G-4 will be approved by the Assistant Chief of Staff, Comptroller. Overtime will be limited to bona fide emergencies or where substantial savings can be clearly demonstrated on an individual situation basis. Full justification will be included with each request. Except in emergencies which preclude prior approval, all requests

for overtime will be requested, and approved in writing or by telephone, in advance of the actual commencement of the overtime work. Telephone approval will be solely for those necessary situations due to uncontrollable circumstances, and must be fully justified. Justification for telephone approval overtime requests must be annotated on the NavCompt Form 2282. Per the current edition of DepO 12610.1, overtime appearing on time cards for which an approved NavCompt Form 2282 is not on file will not be paid by the Civilian Payroll Branch.

5010. COMPENSATORY TIME. Compensatory time is work performed over and above the basic work week for which time off with pay is granted in lieu of overtime pay. Department heads are encouraged to fully utilize the compensatory time program to aid in accomplishing assigned missions and minimize the requirement for Operation and Maintenance funds for overtime pay.

1. Employees will be granted compensatory time off for irregular or occasional overtime work they are required to perform, up to a maximum accumulation of eighty hours. Any overtime work in excess of eighty hours accumulated compensatory time will be compensated at overtime rates.

2. Compensatory time will be liquidated at the earliest, normally within 30 days of the date earned. Compensatory time must be used before annual leave is granted. Granting compensatory time off is an administrative responsibility and employees will be permitted to use their compensatory time when requested, to the maximum extent possible.

3. Except for compensatory time earned during the last 30 days of the leave year, the only credit for compensatory time that may be carried over into the following leave year is compensatory time which the employee has requested to take but which was not granted. The maximum amount that may be carried over, including compensatory time earned during the last 30 days of the leave year, is 80 hours. Procedures for carrying forward compensatory time are outline in paragraph 5011.1 below. NavCompt Manual, paragraph 035030.3 requires formal accounting for compensatory time at the time it is worked and when it is used.

5011. COMPENSATORY TIME PROCEDURES. Requests for compensatory time will be submitted on Overtime Request and Authorization Form, NavCompt form 2282, per paragraph 5009, the same as overtime/holiday pay requests.

1. When compensatory time earned prior to the last 30 days of the leave year is to be carried forward to the following leave year, the request will be submitted to Civilian Payroll Office no later than the first working day in January. Memorandum request will identify the employee named above has requested compensatory time off totaling (total of compensatory hours requesting to be carried over) hours. As a result of workload and other attending circumstances, the request was not granted." The request will be signed by the supervisor who normally approves the employee's leave.

2. When compensatory time off is due an employee who is transferring/ separating, the date of the transfer/separation will,, whenever possible, be extended administratively to include the compensatory time due. However, if extending the date is not practical, the employee will be paid overtime upon transfer or separation. DepO 12610.1 - applies.

5012. COURT LEAVE. When an employee is summoned for Court Duty, a copy of the summons must be submitted to the Civilian Payroll Branch with the employees time card. Additionally, employees must reimburse the U.S. Treasury all funds paid for court duty excluding expenses paid for travel. A check or money order made out to the U.S Treasury will be submitted to Civilian Payroll Branch for distribution of payment. Employees on jury duty for Federal Court receive compensation for duty, however, and must provide to the Civilian Payroll Branch a copy of summons and time sheet. DepO 12630.5 applies.

SOP FOR FINANCIAL MANAGEMENT

APPENDIX A

BIBLIOGRAPHY

Budget. The current edition of MCO P7100.8 provides Field Budget Guidance.

Category Codes for Classifying Real Property of the Navy. The current edition of NavFac P-72 provides instructions and criteria necessary to classify and inventory the real property of the Department of the Navy.

Civilian Personnel Instructions. Navy Civilian Personnel Instructions, and the Federal Personnel Manual, supplemented by Navy Civilian Manpower Management Instructions, provide overall guidance for civilian personnel administration in the Department of the Navy.

Cost Accounting and Reporting Requirements for Maintenance and Operation of Family Housing. The current edition of MCO 7300.15 provides instructions and guidance for the accumulation and reporting of costs for the operation and maintenance of family housing facilities at all Navy and Marine Corps activities.

Facilities Maintenance Manual. The current editions of MCO P11000.15 and MCO P11000.7 provide guidance and instructions for the effective management of maintenance functions relating to Marine Corps-owned real property. The current edition of MCO P11000.9 provides guidance for management of utilities.

Financial Accounting Manual (FAM). The current edition of MCO P7300.8 assigns responsibilities to commands for the administration of funds received under Marine Corps appropriations. Promulgates instructions that must be complied with by all personnel concerned with allotment accounting throughout for Marine Corps appropriations. This manual provides commanders with information that should be of assistance in carrying out their assigned responsibilities.

Financial Guidebook for Commanders. The current edition of NAVSO P3582 provides commanders with information related to the administration of funds allotted from Marine Corps appropriations; financial support for the Marine Corps; the commander's financial responsibilities; the budget cycle; organization and functioning of the commander's staff in financial planning and administration; and external influences on Marine Corps financial management.

Financial Management of Resources. The current edition NAVSO P-3006-1 is the Department of the Navy application of the management of resources for operation units under the Resource Management System.

Food Services and Subsistence Management Manual. The current edition of MCO P10110.14 provides general information on subsistence and specific instructions on field rations and flight rations. This manual contains instructions for subsistence accounting, reporting, and procedures between the military services; general instructions on food services; duties of food service personnel; instructions for preparation of the ration memorandum; regulations for the sale of meals; instructions on control of mess funds; accounting instructions for operation of Marine Corps bakeries; and information on food service teams.

Morale, Welfare and Recreation Policy Manual. The current edition of MCO P1700.27 contains policies concerning the management, operation and administration of MWR programs.

Resource Evaluation and Analysis (REA). The current edition of MCO 7540.2 prescribes policy and guidelines for the REA at Marine Corps commands and activities.

Internal Review in the Department of the Navy (DON). The current edition of SECNAVINST 7510.9 reemphasizes policy and guidance for Internal Review in the DON.

Housing Administration. The current edition of NAVDOCKS P-352 provides instruction, information, and guidance to all components of the DON in family housing matters pursuant to the responsibility of the NavFacEngCom for all aspects of Navy family housing planning, design, construction, management, maintenance, and operation.

Joint Procedures for Management of Administrative Use Motor Vehicles. The current edition of MCO 11240.106 provides a single reference source containing policies and procedures for the management of all administrative use motor vehicles within the military services.

Navy Comptroller Manual. The current edition of NAVEXOS P-1000, consisting of 10 volumes, is the basic medium for disseminating policies, regulations, and procedures within the area of responsibility under the technical control of the Comptroller of the Navy. This manual consists of the following volumes: (1) Comptrollership Organization and Responsibilities; (2) Accounting Classifications; (3) Appropriation Cost and Property Accounting (Field); (4) Disbursing; (5) Industrial Fund Accounting; (6) Accounting Appropriation Control Procedures; (7) Budgeting; (8) Operating Forces, Funding, and Accounting; (9) Statistical and Progress Reporting; and (10) Contract and Special Financing.

Mechanized Financial Procedures for Selected Marine Corps Posts and Stations. The current edition of MCO P7300.10 encompasses the principles relating to accounting, budgeting, and reporting as provided in the current edition of NAVSO P-3006-1 (Financial Management of Resources) and is intended for Marine Corps major posts and stations encompassing a standard system for collecting, processing, and submission of financial data.

Records Management. The current edition of MCO 5210.11 provides for an active continuing management improvement effort designed to provide effective control over creation of files, and the organization, maintenance, use, and disposition of records Marine Corps-wide.

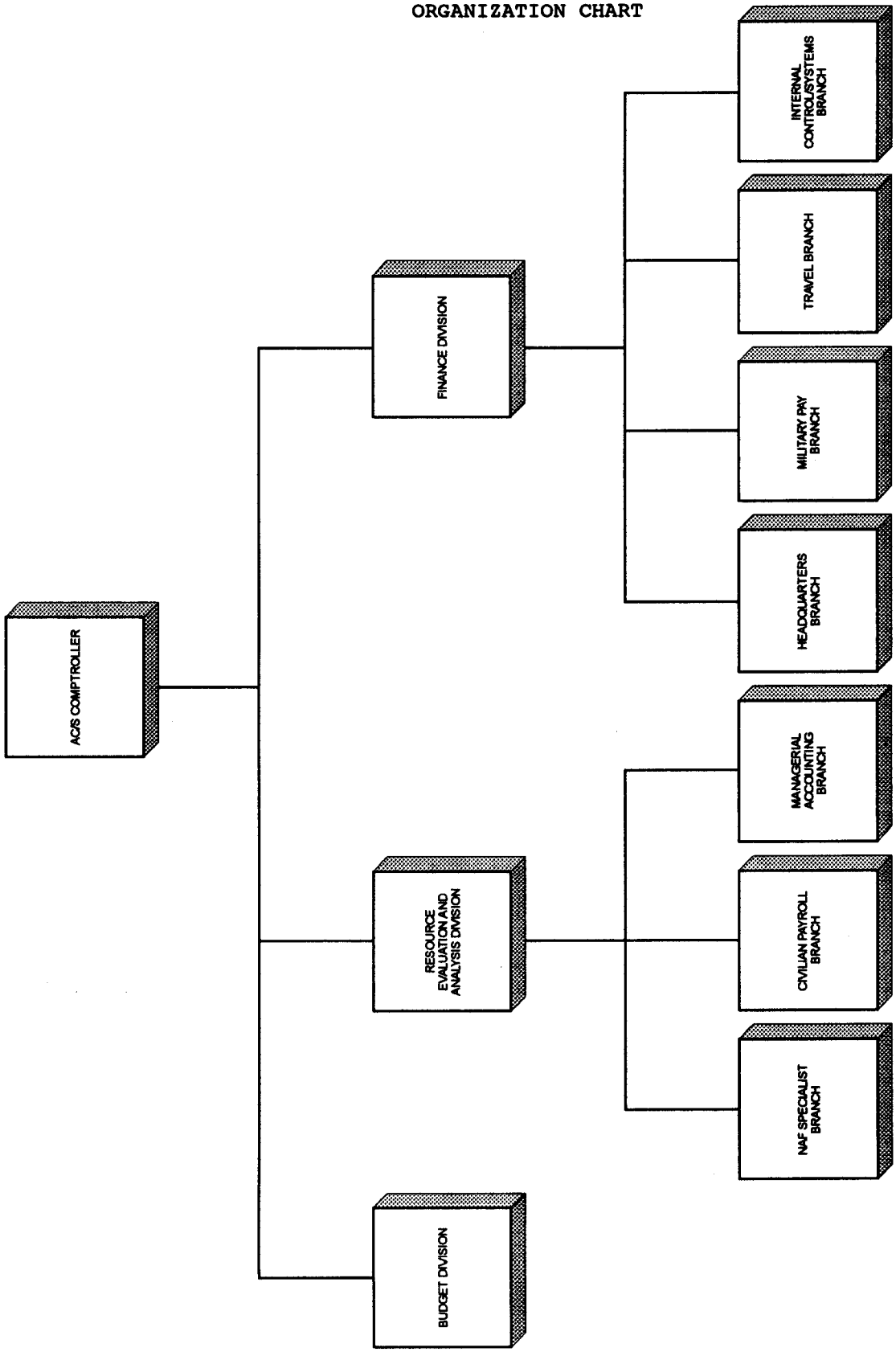
Recurring Reports Required from Marine Corps Field Activities. MCBul 5214 series reflects a current effective list of recurring reports required.

Information Requirements Management in the Marine Corps. The current edition of MCO 5214.2 provides for the systematic analysis and administrative control of Marine Corps reporting requirements.

SOP FOR FINANCIAL MANAGEMENT

APPENDIX B

ORGANIZATION CHART



SOP FOR FINANCIAL MANAGEMENT

APPENDIX C

GLOSSARY

Accrual Accounting. Method of accounting whereby operating costs are accounted for in the period benefits are received. Costs applicable to future periods are deferred and considered as assets, and local stock funds finance procurement lead-time for material out of stock. When the material is received, it is issued and expensed at that time.

Allotment. A funding authorization on NavCompt Form 372, issued by officials of Headquarters, Marine Corps (and Bureaus and Offices of the Navy) granting funds to another office, organization, or station, for specific purpose(s) pursuant to an appropriation. The granting of such funds must be rigidly formal and subject to certain specific procedural, bookkeeping, and reporting requirements.

Allottee. The commander of an activity or organization to which an allotment is issued. The field commander receiving the allotment is responsible for administering the funds allotted to him.

Allotter. The one who issues the allotment.

Annual Appropriation. An appropriation covering authorized expenses for a single fiscal year. Examples of annual appropriations for the Marine Corps are "O&MMC" and "Reserve Personnel, Marine Corps." An annual appropriation is sometime referred to as a one-year appropriation.

Annual Budget. A budget for which the funding provided in an annual appropriation may be obligated only during the fiscal year for which the budget estimates were made. The funding to expense outstanding obligations is available to the Marine Corps for two years beyond the end of the fiscal year. Thereafter, payment is made by the "Certified Claims" account of the GAO.

Apportionment. A division of an appropriation into quarterly dollar ceilings which may be obligated during a fiscal year. Apportionment is performed by OMB. The term also refers to the quarterly division of funds available to operation credit holders.

Appropriation Funds. Public funds that have been authorized for obligation and expenditure by an appropriation act.

Appropriation. An authorization by an act of Congress to make payments out of the Treasury for specified purposes.

Budget. A statement, in financial terms, of projected or expected operational costs for a given period. The Marine Corps budget submission is a request for appropriations to support program objectives. Strictly speaking, a "budget" exists only after passage of the appropriation act by Congress and its approval by the President. Prior to all this, there are only "budget estimates."

Budgetary Control. The administrative control and management or a unit of function in accordance with an approved budget, with a view to keeping expenditures or costs within its limitations.

Budget Execution. The state of the budget process beginning upon approval of the appropriation act; in an annual budget ending two fiscal years after the one of which the appropriation was granted; refers to the actual "carrying out" of the budget program during this period.

Budget Formulation. That stage of the budget process which begins upon the determination of the program objectives, and ends with the Presidential approval of the appropriation act. This stage includes determination of

estimated requirements, costing, budget preparations, justification, and defense of the budget at all review levels; and modifications and resubmissions required by the reviewing echelons.

Budget Justification. The supporting statements and data used to substantiate budget requirements.

Budget Year. The fiscal year immediately following the current fiscal year.

Civilian Personnel Ceilings. The determination, by law or appropriate authority, of the maximum number of full-time employees (including the full-time equivalent and man-months of part-time employment) that may be employed by each department.

Commitment. A firm administrative reservation of funds, based upon procurement directives, orders, requisitions, or requests, which authorize the recipient to create obligations. Commitments are liquidated upon the recording of obligations against the commitment.

Cost Account Code. Four digit code established to classify expense according to the purpose of transactions.

Cost Center. An organizational entity for which identification of costs is desired and which is amenable to cost control through one responsible supervisor. It is the first subdivision of a responsibility center.

Current Fiscal Year. The current year, beginning on 1 October and ending 30 September. For example, Fiscal Year 1977 began on 1 October 1976 and ended on 30 September 1977.

Expenditure. An amount of money actually paid from an appropriation. Examples of expenditures include checks drawn or cash expended in payment of bills and transfers from one appropriation to another as a result of an obligation.

Expense Element. Specifies the type of resource being consumed in the functional/subfunctional category and cost account; such as, travel, purchased services, supplies, civilian labor, etc.

Fiscal Administration. The direction and control exercised over a financial plan or program.

Fiscal year. A twelve month period selected for accounting purposes. For the Marine Corps and for most agencies of the federal government, the fiscal year begins at 0001 on the first of October and ends at 2400 on the thirtieth day of September of the following calendar year. The fiscal year is designated by the calendar year in which it ends; i.e., Fiscal Year 1988 is the year included between 1 October 1987 and 30 September 1988.

Fund code. Two digit code assigned by Headquarters, Marine Corps and indicates the activity, appropriation, subhead, and program element.

Guidance. Instructions provided for a specific purpose.

Hard Cost Savings. Actual dollar savings either achieved or anticipated.

Job Order Serial. Eight digit coded number identifying cost account code and standing cost information.

Justification. Written reasoning to substantiate fund requests.

Liquidation. The settlement of a liability or obligation, in whole or in part, by payment or adjustment.

Marine Corps Appropriation Stores Account (MCASA). An account, containing certain specified nonstandard (not commonly used) Marine Corps Stock items which are not included in the MCSFA. It is a record of designated inventories that have been procured under the appropriations "O&MMC", and "PMC."

Obligation. A specific transaction by which an obligation of funds is incurred. A dollar amount of travel on change of station orders issued, orders placed for goods or material, contracts awarded, personnel accession made, services rendered, or similar transactions during a given period and requiring future payment.

Operating Budget (OPBUD). The annual budget of an activity stated in terms of functional/subfunctional categories and cost account codes. It contains estimates of the total value of all resources required for the performance of the mission of an activity, including reimbursable work and/or services for others. Operating budgets are issued by Headquarters, Marine Corps to all responsibility centers.

Planning Estimate. An amount of money subject to administrative control which is issued to a cost center or sub-cost center as determined by the operating budget holder or is issued to specific Marine Corps organizations not included in any responsibility center.

Program Element. The basic building block of the Five Year Defense Program that is a description of the mission to be undertaken and a collection of the organizational entities identified to perform the mission assignment. Elements may consist of forces, manpower, materials, services, and/or associated costs, as applicable.

Unprogrammed. Requirements that arise from unforeseen changes in mission or scope as a result of actions beyond the control of the local command.

Variance. Difference (plus or minus) when comparing one budget estimate to another or to actual performance.

Work Measurement. Process of establishing performance standards (in terms of man-hours per work unit), comparing actual performance with standard, and initiating action, as appropriate, when the two are not compatible.

Work Unit. Measures of output that express volume of work; conversely, man-hours and dollars are measures of input required to produce work units or perform work.

Zero Base. Justification for each dollar requested. Includes reasoning and method of computation.