

Administration

Planning, Programming, Budgeting, and Execution

Headquarters
Department of the Army
Washington, DC
23 May 2016

UNCLASSIFIED

SUMMARY of CHANGE

AR 1-1

Planning, Programming, Budgeting, and Execution

This major revision, dated 23 May 2016--

- o Changes the title of the regulation from Planning, Programming, Budgeting, and Execution System to Planning, Programming, Budgeting, and Execution (cover).
- o Designates the Chief Information Officer, G-6; the Deputy Chief of Staff, G-2; the Director, Army National Guard; and the Chief, Army Reserve to act as program integrators to assist program evaluation groups (chap 2).
- o Describes Department of Defense's primary decision support processes, which includes the Joint Capabilities Integration and Development System, the Defense Acquisition System, and the Department of Defense planning, programming, budgeting, and execution process (para 3-1).
- o Describes the Army's revised planning, programming, budgeting, and execution process that aligns with the new Department of Defense planning, programming, budgeting, and execution process (para 3-5 through 3-9).
- o Describes the Army resource-informed decisions process (para 3-10).
- o Establishes planning, programming, budgeting, and execution governance and oversight forums and activities in accordance with AR 15-39 (chap 4).
- o Explains the purpose of Army Management Action Group (para 4-9).
- o Reinstates policy on Army Long-Range Planning System (chap 5).
- o Describes new structure for The Army Plan (para 5-2).
- o Prescribes policies for commands to submit program, budget, and execution data to Headquarters, Department of the Army (para 6-6).
- o Describes the integrated program-budget data call (para 7-2a).
- o Explains the supplemental budget requests process for overseas contingency operations (para 7-7).
- o Describes the uses of the new General Fund Enterprise Business System (para 8-3).
- o Prescribes policies for performance tracking, reporting, and budgeting and program performance review in the execution phase (paras 8-10 through 8-13).

Effective 23 June 2016

Administration

Planning, Programming, Budgeting, and Execution

By Order of the Secretary of the Army:

MARK A. MILLEY
General, United States Army
Chief of Staff

Official:



GERALD B. O'KEEFE
Administrative Assistant to the
Secretary of the Army

History. This publication is a major revision.

Summary. This regulation prescribes policy and responsibilities for the Army planning, programming, budgeting, and execution process, designed to help the Army acquire, allocate, and manage resources for military functions. This regulation outlines the organizational framework within which the process operates and describes its functional phases. The regulation implements guidance in DODD 7045.14 and other Department of Defense issuances.

Applicability. This regulation applies to the Regular Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve, unless otherwise stated.

Proponent and exception authority. The proponent of this regulation is the

Assistant Secretary of the Army (Financial Management and Comptroller). The proponent has the authority to approve exceptions or waivers to this regulation that are consistent with controlling law and regulations. The proponent may delegate this approval authority, in writing, to a division chief within the proponent agency or its direct reporting unit or field operating agency, in the grade of colonel or the civilian equivalent. Activities may request a waiver to this regulation by providing justification that includes a full analysis of the expected benefits and must include formal review by the activity's senior legal officer. All waiver requests will be endorsed by the commander or senior leader of the requesting activity and forwarded through their higher headquarters to the policy proponent. Refer to AR 25-30 for specific guidance.

Army internal control process. This regulation contains internal control provisions in accordance with AR 11-2 and identifies key internal controls that must be evaluated (see appendix B).

Supplementation. Supplementation of this regulation and establishment of command and local forms are prohibited without prior approval of the Assistant Secretary of the Army (Financial Management and Comptroller) (SAFM-BUC-F), Washington, DC 20310-0700.

Suggested improvements. Users are invited to send comments or suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to Headquarters,

Department of the Army, Deputy Assistant Secretary of the Army (Budget)/Director of the Army Budget, Assistant Secretary of the Army (Financial Management and Comptroller) (SAFM-BUC-F), Washington, DC 20310-0700.

Committee management. AR 15-39 requires the proponent to justify establishing/continuing committee(s), coordinate draft publications, and coordinate changes in committee status with the Office of the Administrative Assistant to the Secretary of the Army, Analysis and Integration Cell (AAAI-CL), 105 Army Pentagon, Washington, DC 20310-0105. Further, if it is determined that an established "group" identified within this regulation, later takes on the characteristics of a committee, as found in the AR 15-39, then the proponent will follow all AR 15-39 requirements for establishing and continuing the group as a committee.

Distribution. This publication is available in electronic media only and is intended for command levels C, D, and E for the Regular Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve.

Contents (Listed by paragraph and page number)

Chapter 1

Introduction, *page 1*

Purpose • 1-1, *page 1*

References • 1-2, *page 1*

Explanation of abbreviations and terms • 1-3, *page 1*

*This regulation supersedes AR 1-1, dated 30 January 1994.

Contents—Continued

Responsibilities • 1–4, *page 1*

Chapter 2

Responsibilities, *page 1*

Under Secretary of the Army • 2–1, *page 1*

Assistant Secretary of the Army (Acquisition, Logistics and Technology) • 2–2, *page 1*

Assistant Secretary of the Army (Financial Management and Comptroller) • 2–3, *page 1*

Assistant Secretary of the Army (Installations, Energy and Environment) • 2–4, *page 3*

Assistant Secretary of the Army (Manpower and Reserve Affairs) • 2–5, *page 3*

Administrative Assistant to the Secretary of the Army • 2–6, *page 4*

Deputy Under Secretary of the Army • 2–7, *page 4*

Chief Information Officer, G–6 • 2–8, *page 4*

Chief of Legislative Liaison • 2–9, *page 4*

Chief, National Guard Bureau • 2–10, *page 4*

Deputy Chief of Staff, G–1 • 2–11, *page 5*

Deputy Chief of Staff, G–2 • 2–12, *page 5*

Deputy Chief of Staff, G–3/5/7 • 2–13, *page 5*

Deputy Chief of Staff, G–4 • 2–14, *page 6*

Deputy Chief of Staff, G–8 • 2–15, *page 6*

Chief, Army Reserve • 2–16, *page 7*

Chief of Engineers • 2–17, *page 7*

The Surgeon General • 2–18, *page 7*

Assistant Chief of Staff for Installation Management • 2–19, *page 7*

Commanders of Army commands, Army service component commands, direct reporting units, and other operating agency heads • 2–20, *page 7*

Chapter 3

About Planning, Programming, Budgeting, and Execution, *page 9*

Section I

Department of Defense Planning, Programming, Budgeting, and Execution, page 9

Department of Defense decision support systems • 3–1, *page 9*

Department of Defense planning, programming, budgeting, and execution process overview • 3–2, *page 10*

Annual cycle • 3–3, *page 11*

Key planning, programming, budgeting, and execution outputs • 3–4, *page 11*

Section II

Army Planning, Programming, Budgeting, and Execution, page 12

An element of Department of Defense planning, programming, budgeting, and execution process • 3–5, *page 12*

Concept • 3–6, *page 12*

Objectives • 3–7, *page 13*

Planning, programming, budgeting, and execution time scale • 3–8, *page 13*

Life cycle of Army appropriations • 3–9, *page 13*

Army resource-informed decisions • 3–10, *page 14*

Chapter 4

Governance and Oversight, *page 14*

A system of forums • 4–1, *page 14*

Senior leaders of the Department of the Army • 4–2, *page 14*

Army Senior Review Group • 4–3, *page 15*

Budget, Requirements, and Program Boards • 4–4, *page 15*

Planning Program Budget Committee • 4–5, *page 16*

Planning Program Budget Committee Council of Colonels/Program Executives and Appropriation Sponsors • 4–6, *page 16*

Program Budget Assessment Team • 4–7, *page 17*

Program Evaluation Groups • 4–8, *page 17*

Contents—Continued

The Army Management Action Group • 4-9, *page 18*
The Army Capability Portfolio Review • 4-10, *page 18*
The Army Systems Acquisition Review Council • 4-11, *page 18*
Army Requirements Oversight Council • 4-12, *page 18*
Army Requirements and Resourcing Board • 4-13, *page 18*
Army Cost Benefit Analysis Review Board • 4-14, *page 18*

Chapter 5

Planning Phase, *page 19*

General • 5-1, *page 19*
The Army Plan • 5-2, *page 19*
Army Equipment Modernization Strategy • 5-3, *page 20*
Total Army Analysis • 5-4, *page 20*
Long-Range Investment Requirements Analysis • 5-5, *page 20*

Chapter 6

Programming Phase, *page 20*

Section I

Army Programming, page 20
Program objective memorandum • 6-1, *page 20*
Guidance • 6-2, *page 21*
Automated support • 6-3, *page 21*

Section II

Program Build, page 21
Program and budget correlation • 6-4, *page 21*
Program development • 6-5, *page 21*
Command participation • 6-6, *page 22*
Performance measurement • 6-7, *page 22*
Submission to the Office of the Secretary of Defense • 6-8, *page 22*

Chapter 7

Budgeting Phase, *page 22*

Section I

Army Budget Development, page 22
Budget estimate submission • 7-1, *page 22*
Guidance • 7-2, *page 22*
Transition from program objective memorandum to budget estimate submission • 7-3, *page 23*
Budget formulation • 7-4, *page 23*
Office of the Secretary of Defense program and budget submission and review • 7-5, *page 23*

Section II

The President's Budget, page 24
The Defense budget submission • 7-6, *page 24*
Supplemental budget requests • 7-7, *page 24*

Section III

Authorizations and Enactment Process, page 24
Congressional hearings • 7-8, *page 24*
Approval and enactment • 7-9, *page 24*
Continuing resolution • 7-10, *page 24*

Contents—Continued

Chapter 8

Execution Phase, *page 25*

Section I

*Budget Execution, *page 25**

Management and accounting • 8–1, *page 25*

Financial management • 8–2, *page 25*

Making appropriations available • 8–3, *page 25*

Revised approved program for research, development, test, and evaluation • 8–4, *page 26*

Distribution of funds • 8–5, *page 26*

Obligation plans • 8–6, *page 26*

Financing unbudgeted requirements • 8–7, *page 26*

Oversight of nonappropriated funds • 8–8, *page 26*

Mid-year review and fiscal year closeout • 8–9, *page 27*

Section II

*Program Performance and Review, *page 27**

Program implementation • 8–10, *page 27*

Performance assessment • 8–11, *page 27*

Review of selected acquisition systems • 8–12, *page 27*

Joint Reconciliation Program • 8–13, *page 27*

Appendixes

A. References, *page 28*

B. Internal Control Evaluation, *page 29*

Table List

Table 2–1: Program Evaluation Groups, *page 8*

Table 2–2: Managers for manpower and force structure issues, *page 8*

Table 3–1: Annual Department of Defense Planning, Programming, Budgeting, and Execution cycle, *page 12*

Table 3–2: Life cycle of Army appropriations (years), *page 14*

Table 4–1: Composition of planning, programming, budgeting and execution deliberative forums, *page 15*

Table 4–2: Program Budget Assessment Team membership, *page 17*

Figure List

Figure 3–1: Department of Defense Decision Support Systems, *page 10*

Glossary

Chapter 1

Introduction

1–1. Purpose

This regulation prescribes policy and assigns responsibilities for the Army planning, programming, budgeting and execution (PPBE) process, as a constituent part of the Department of Defense (DOD) PPBE process. The main objectives of the annual Army PPBE process are to establish, justify, and acquire the fiscal and manpower resources needed to carry out and execute the Army's assigned missions and to provide the combatant command the best mix of Army forces, equipment, manpower, and support attainable with those resources.

1–2. References

See appendix A.

1–3. Explanation of abbreviations and terms

See the glossary.

1–4. Responsibilities

See chapter 2.

Chapter 2

Responsibilities

2–1. Under Secretary of the Army

The Under Secretary of the Army (USA) is the Secretary of the Army's (SECARMY) senior civilian assistant and principal adviser on matters related to the management and operation of the Army. The USA will—

- a.* Communicate and advocate Army policies, plans, and programs to external audiences, including Congress, interagency partners, foreign governments, nongovernmental organizations, and the public.
- b.* Advise the SECARMY on the development and integration of the Army program and budget.

2–2. Assistant Secretary of the Army (Acquisition, Logistics and Technology)

The ASA(ALT) will—

- a.* Serve as a member of the Army Senior Review Group (SRG).
- b.* Designate a member of the Planning Programming Budget Committee (PPBC).
- c.* Designate a co-chair for the Equipping and the Sustaining Program Evaluation Groups (PEGs).
- d.* Serve as resource proponent of Future Years Defense Program (FYDP) Program 6, Research and Development.
- e.* Integrate the development and acquisition of materiel into all phases of the PPBE process.
- f.* Establish strategic direction for aspects of the PPBE process within the ASA(ALT)'s assigned functions and responsibilities, including acquisition, logistics, technology, procurement and associated resource allocation decisions and policies and, when appropriate, coordinating and integrating that direction with the Assistant Secretary of the Army (Financial Management and Comptroller) (ASA(FM&C)) and Chief Information Officer, G–6 (CIO/G–6).
- g.* With the Deputy Chief of Staff (DCS), G–8, prepare the Army Equipment Modernization Strategy (AEMS).
- h.* Manage functional requirements, program, and performance for the research, development, test, and evaluation (RDTE) and procurement appropriations and designated miscellaneous accounts, as well as the contract operations account of the operation and maintenance, Army (OMA) appropriation.

2–3. Assistant Secretary of the Army (Financial Management and Comptroller)

The ASA(FM&C) has the principal responsibility for exercising the Army's financial management functions in accordance with Section 3022, Title 10, U.S. Code (10 USC § 3022), including the comptroller functions. The ASA(FM&C) will—

- a.* Oversee the PPBE process and will develop and issue Armywide PPBE policy.
- b.* Oversee all Army appropriations and serve as the sponsor for all appropriations, except those of the Army National Guard (ARNG) and U.S. Army Reserve (USAR).
- c.* Oversee cost and economic analysis and performance management functions in support of the PPBE process and the senior leaders of the Department of the Army (DA).
- d.* Manage the Army PPBE process with the assistance of the DCS, G–3/5/7; DCS, G–8; and ASA(FM&C) Military Deputy for Budget (MILDEP) acting as advisers. Advise and assist the SECARMY on financial management and comptroller matters.
- e.* Direct financial management activities and operations for appropriated funds.

- f.* Direct the Army's resource allocation process and manage the Army's PPBE process. This includes—
 - (1) Oversee the development of the Army program and the associated automated systems that support the PPBE process.
 - (2) Oversee programming and analysis efforts and analytical reviews of all Army requirements and programs, and transition from program to budget.
 - (3) Supervise and direct the formulation, presentation, and defense of the Army budget and oversee budget execution, across the Army.
 - g.* Ensure that congressional committees are informed of budgetary, analytical, and fiscal matters.
 - h.* Approve the design of and provide management oversight for the operation of all financial management systems.
 - i.* Represent the Army with counterpart offices in the Office of the Secretary of Defense (OSD), the DOD components, and other Federal agencies, as required.
 - j.* Ensure the Army complies with laws, policies, and regulations regarding financial management and comptroller functions.
 - k.* Serve as a member of the Army SRG.
 - l.* Support the Army SRG processes.
 - m.* Ensure the Principal Deputy Assistant Secretary of the Army (Financial Management and Comptroller) (PDASA) (FM&C) will—
 - (1) Advise and assist, within assigned responsibilities, the ASA(FM&C) in providing staff advice and assistance to the SECARMY.
 - (2) Develop and implement programs to ensure Army compliance with performance measurement and reporting as required by law, regulation, or directive. Implement cost management principles to improve mission effectiveness by improving its mission efficiency.
 - (3) Oversee operations of the General Fund Enterprise Business System (GFEBS) and other financial systems to include systems controls and audit compliance of such systems.
 - (4) Oversee the execution of the Joint Reconciliation Program (JRP).
 - n.* Ensure the MILDEP will—
 - (1) Advise and assist, within assigned responsibilities, the ASA(FM&C) in providing staff advice and assistance to the SECARMY.
 - (2) Serve as a member of the Army SRG.
 - (3) Coordinate with the DCS, G-3/5/7 and DCS, G-8 to ensure that PPBE process activities and products are integrated and synchronized.
 - (4) Co-chair the Three-Star Budget, Requirements, and Program (BRP) Board, with the DCS, G-3/5/7 and the DCS, G-8.
 - o.* Ensure the DASA(BU)/DAB will—
 - (1) Act as the lead for the budgeting and execution phases of the PPBE process.
 - (2) Advise the ASA(FM&C) and the MILDEP on budget and execution matters.
 - (3) With the Assistant DCS (ADCS), G-3/5/7 and Director, Program Analysis and Evaluation (DPA&E)—
 - (a) Co-chair the Two-Star BRP Board.
 - (b) Co-chair the PPBC.
 - (c) Monitor compliance with guidance using the Army Resource Framework (ARF).
 - (4) Guide the work of subordinate PPBE forums on budget and execution matters.
 - (5) Designate an ASA(FM&C) co-chair for the Program Budget Assessment Team (PBAT).
 - (6) Designate ASA(FM&C) representatives for other subordinate PPBE forums.
 - (7) With the DPA&E, oversee distribution of program budget guidance (PBG) and data call instructions and suspense dates to commands required to submit program and budget input to Headquarters, Department of the Army (HQDA).
 - (8) Review the ARNG and USAR budget estimates and integrate them with the Regular Army budget estimate.
 - (9) Defend the Army's budget estimates.
 - (10) Represent the Army with counterpart offices in the OSD, the DOD Components, and other Federal agencies.
 - (11) Manage Army responses to budget-related OSD resource management directives (RMDs).
 - (12) Advise and assist the ASA(FM&C) and MILDEP on major budget issues.
 - (13) Provide a status report to combatant commands on Army and DOD budget-related decisions affecting their resource requirements.
 - (14) With the Chief, Legislative Liaison (CLL), maintain liaison with congressional authorizing and appropriating committees and subcommittees.
 - (15) Establish funding policy and processes for the execution phase of PPBE and—
 - (a) Record Army appropriations data in financial management systems and issue total obligational authority controls.

- (b) Allocate appropriated funds and monitor their execution.
- (c) Supervise and direct financial execution of appropriated funds.
- (d) Oversee reprogramming actions and processes during the execution phase.
- (e) Manage functional requirements and program and performance for designated appropriation accounts.
- (16) Oversee the Army Management Structure (AMS) and manage budget-related data elements within the AMS. (The AMS is documented for each fiscal year in the DFAS-IN Manual 37–100 series.)
- p. Ensure the DASA(CE) will—
 - (1) Develop and maintain cost factors for installation base operations, civilian and military personnel, training operating tempo, and operations and support in support of PPBE decisionmaking.
 - (2) Develop policies and procedures for cost estimation and cost management to integrate quantitative and non-quantitative costs and benefits to support the requirements and resourcing processes.
 - (3) Review and validate cost-benefit analyses submitted to HQDA with the assistance of the Cost Benefit Analysis Review Board (CBARB).
 - (4) Oversee the technical aspects of Army cost analysis and cost management.
 - (5) Validate life-cycle cost estimates, and assist with their development, for Army weapon systems and automated information systems for which the Army acquisition executive (AAE) or Defense acquisition executive is the milestone decision authority, and when requested by the AAE.
 - (6) Coordinate with the Director, Cost Analysis and Program Evaluation (DCAPE) in the OSD and with program managers on major weapon systems prior to milestone decisions.
 - (7) Perform analytical support for various Army initiatives.
 - (8) Develop, evaluate, procure, and distribute cost analysis models and tools for Armywide use, in coordination with the DCS, G–8.
 - (9) Designate the Army Performance Management Coordinator.
 - (10) Serve as the Army’s lead for budget and performance integration initiative.
 - (11) Provide guidance and technical support in preparation of performance measures across all Army programs.
 - (12) Oversee the coordination, dissemination, and implementation of Army performance measures and metrics and their association with budget justification materials and external reports.
 - (13) Develop issues for review by the SECARMY and other senior Army officials based upon performance management information, cost, or trend analyses.
 - (14) Coordinate with the DCS, G–8 to ensure that guidance on cost-benefit analysis in support of program objective memorandum/budget estimates submission (POM/BES) development is included in the Army Program Guidance Memorandum (APGM), Section IV of The Army Plan (TAP).
- q. Ensure the DASA(FO) will—
 - (1) Develop policies, procedures, programs, and systems pertaining to finance and accounting activities and operations; Army financial management systems and data integration activities; Army programs for internal control, internal review, and audit compliance; Army Travel Charge Card; fraud, waste and abuse; and other management evaluation activities.
 - (2) Review all Army Anti-Deficiency Act reports of investigation and submit final reports of violations.
 - (3) Manage the JRP to improve budget execution and ensure the validity of commitments, unpaid obligations, accounts payables, and accounts receivable.
 - (4) Develop and oversee audit readiness programs.

2–4. Assistant Secretary of the Army (Installations, Energy and Environment)

The ASA(IE&E) will—

- a. Serve as a member of the Army SRG.
- b. Provide a member of the PPBC.
- c. Designate a co-chair for the Installation PEG.
- d. Serve as the Army’s component competitive sourcing official for programs such as the Residential Communities Initiative.
- e. Establish strategic direction for aspects of the PPBE process within the ASA(IE&E)’s areas of responsibility, including facilities investment, military construction, installations, Army real estate, energy security, operational energy, water security, sustainability, the environment, safety and occupational health and the associated resource allocation decisions and policies, and coordinating and integrating that direction with the ASA(FM&C); CIO/G–6; DCS, G–3/5/7; DCS, G–4; DCS, G–8; the Assistant Chief of Staff for Installation Management (ACSIM); and other DA officials and organizations.

2–5. Assistant Secretary of the Army (Manpower and Reserve Affairs)

The ASA(M&RA) will—

- a. Serve as a member of the Army SRG.

- b.* Set policy and supervise Army manpower and Reserve Component affairs.
- c.* Designate a member of the PPBC.
- d.* Designate co-chairs for the Manning, Training, and Organizing PEGs.
- e.* Establish strategic direction for aspects of the PPBE process within the ASA(M&RA)'s assigned functions and responsibilities, including training, leader development, readiness, force structure, manning and associated resource allocations and policies, and coordinating and integrating that direction with the ASA(FM&C); DCS, G-1; DCS, G-2; DCS, G-3/5/7; DCS, G-8; ACSIM; The Surgeon General; Chief of Chaplains; Provost Marshal General; and other DA officials and organizations.

2-6. Administrative Assistant to the Secretary of the Army

The AASA will—

- a.* Plan, program, budget, and account for the execution of resources for HQDA and its field operating and staff support agencies.
- b.* Serve as a member of the Army SRG.
- c.* Designate a member of the PPBC.
- d.* Designate a co-chair for the Organizing PEG.
- e.* Provide executive and administrative support to the Organizing PEG.

2-7. Deputy Under Secretary of the Army

The DUSA is the SECARMY's principal civilian adviser on the development and alignment of DA strategy and resource planning and shall perform such other duties as the SECARMY prescribes. The DUSA will—

- a.* Advise the SECARMY on the development of DA strategy, the elaboration and furtherance of that strategy in strategic documents and resource plans, and Army participation in national and DOD strategic and planning reviews and document development.
- b.* Advise the SECARMY on the alignment of the Army Program with national, DOD, and Army strategies and resourcing plans.

2-8. Chief Information Officer, G-6

The CIO/G-6 will—

- a.* Serve as a member of the Army SRG.
- b.* Designate a member of the PPBC.
- c.* Review command, control, communications, and computers/information technology requirements.
- d.* Serve as the Army lead for information management and command, control, communications, and computers/Information Technology (C4/IT) (including automation, telecommunications, visual information, and related activities, services, and programs).
- e.* Serve as PEG Program Integrator for Information Technology.
- f.* Serve as resource proponent of FYDP Subprogram 3, Communications.
- g.* Develop, coordinate, and implement a C4/IT capital planning and investment strategy for the enterprise (including investments, policies, oversight, and control) and the PPBE of all non-acquisition program C4/IT resources.

2-9. Chief of Legislative Liaison

The CLL will serve as—

- a.* Liaison between the Army and the committees of Congress, except for the Appropriations and Civil Works committees, and fulfill associated statutory and regulatory responsibilities.
- b.* The Army point of contact for legislative initiatives and reviewing, coordinating, and forwarding the Army position on all legislation.

2-10. Chief, National Guard Bureau

The CNGB, directly or by delegation to the Director, Army National Guard (DARNG), will—

- a.* Plan, program, justify, execute, and monitor ARNG resources through coordination with HQDA staff.
- b.* Serve as appropriation sponsor for ARNG appropriations.
- c.* Serve as a member of the Army SRG.
- d.* Designate a member of the PPBC.
- e.* Serve as resource proponent of the ARNG Subprogram, FYDP Program 5, Guard and Reserve Forces.
- f.* Manage ARNG manpower issues and manage functional requirements and program and performance for ARNG appropriations (see table 2-2).
- g.* Serve as PEG Program Integrator for the requirements of the ARNG.

2-11. Deputy Chief of Staff, G-1

The DCS, G-1 will—

- a.* Serve as a member of the Army SRG.
- b.* Designate a member of the PPBC.
- c.* Designate a co-chair for the Manning PEG.
- d.* Provide executive and administrative support to the Manning PEG.
- e.* Designate a co-chair for the PBAT.
- f.* Ensure that manpower controls are correct on all records for OSD RMD issues.
- g.* Serve as the resource proponent of FYDP Subprogram 8, Other, and Program 9, Administration.
- h.* Serve as the Army proponent of directed military over-strength and military manpower requirements outside DOD.
- i.* Manage issues related to Regular Army manpower accounts, functional requirements, program, and performance for the military pay appropriations and for designated personnel accounts and manpower-only accounts of the OMA appropriations (see table 2-2).
- j.* Manage the Army Joint Manpower Program. Review and evaluate requests for Army military and civilian manpower from combatant commands (CCMDs), defense agencies, the OSD, and the Joint Staff.

2-12. Deputy Chief of Staff, G-2

The DCS, G-2 will—

- a.* Serve as a member of the Army SRG.
- b.* Designate a member of the PPBC.
- c.* Develop Army intelligence, counterintelligence, and security countermeasures policy, plans, and budget functions in coordination with military and the national intelligence communities.
- d.* Formulate intelligence policy, plans, programs, and budgets.
- e.* Serve as PEG Program Integrator for national and military intelligence program matters.
- f.* Serve as Army Staff lead for intelligence, surveillance, and reconnaissance integration issues.
- g.* Formulate and functionally manage the Army portion of the military and national intelligence programs.
- h.* Serve as the resource proponent for operational and strategic intelligence of FYDP Subprogram 3, Intelligence.
- i.* Manage functional requirements and program and performance for security programs of all appropriations of the Active and Reserve Components.

2-13. Deputy Chief of Staff, G-3/5/7

The DCS, G-3/5/7, is responsible for the operations, planning, and training functions for the DA. The DCS G-3/5/7 will—

- a.* Manage the PPBE planning phase consistent with the ASA(FM&C) PPBE oversight and policy responsibility.
- b.* Provide additional support, as required, to the Offices of the SECARMY and the CSA in the development of TAP Section I, Army Vision. Coordinate and publish assigned sections of TAP to support PPBE decisionmaking: Section II, Army Strategic Plan; Section III, Army Planning Guidance; and Section V, Army Campaign Plan.
- c.* Serve as a member of the Army SRG.
- d.* Co-chair the Three-Star BRP Board with the MILDEP and the DCS, G-8.
- e.* Provide executive and administrative support to the Training PEG.
- f.* Designate a co-chair for the Training PEG (see table 2-1).
- g.* Serve as resource proponent for the following FYDP major force programs and subprograms—
 - (1) Program 1, Strategic Forces.
 - (2) Program 2, General Purpose Forces.
 - (3) Program 3, Command, Control, Communications, and Intelligence, Tactical Intelligence subprogram.
 - (4) Program 4, Mobility.
 - (5) Program 8, Training, Medical, and Other General Personnel Activities, Training subprogram.
 - (6) Program 10, Support of Other Nations.
 - (7) Program 11, Special Operations Forces.
 - (8) Program for Space, A Virtual Major Force Program.
- h.* Represent the Army with counterpart offices in the OSD, the DOD Components, and other Federal agencies.
- i.* Provide force structure input to the PPBE process based on Total Army Analysis.
- j.* Oversee requirements definition, capability development and integration, and portfolio synchronization to identify program growth beyond operational value.
- k.* Manage functional requirements and performance for designated accounts of the OMA appropriation.
- l.* Serve as the focal point for prioritization, integration, and synchronization of decisions made both on the Army Staff and externally.

m. Ensure the ADCS, G-3/5/7 will—

- (1) Act as the lead for the planning phase of the PPBE process.
- (2) With the DASA(BU)/DAB and DPA&E—
 - (a) Co-chair the Two-Star BRP Board.
 - (b) Co-chair the PPBC.
 - (c) Monitor compliance with guidance for using the ARF.
- (3) Guide the work of subordinate PPBE forums on planning and prioritization matters.
- (4) Designate a DCS, G-3/5/7 co-chair for the PBAT.
- (5) Designate DCS, G-3/5/7 representatives for other subordinate PPBE forums.

2-14. Deputy Chief of Staff, G-4

The DCS, G-4 will—

- a.* Serve as the resource proponent for Army sustainment programs less operational tempo (OPTEMPO).
- b.* Serve as a member of the Army SRG.
- c.* Designate a member of the PPBC.
- d.* Designate a co-chair for the Sustaining PEG.
- e.* Provide executive and administrative support to the Sustaining PEG.
- f.* Serve as resource proponent of FYDP Program 7, Central Supply and Maintenance.
- g.* Manage functional requirements for the Procurement of Ammunition, Army, Appropriation and the Army Working Capital Fund Appropriation, and manage functional requirements and program and performance for logistics operations accounts of the operation and maintenance (O&M) appropriations of the Active and Reserve Components, including those for base operations.

2-15. Deputy Chief of Staff, G-8

The DCS, G-8, as the responsible official to the ASA(FM&C), provides advice and assistance to the ASA(FM&C). The DCS, G-8 will—

- a.* Manage the PPBE programming phase to facilitate the development of the Army program (program objective memorandum (POM) and transition to the Army budget estimate).
- b.* Advise the ASA(FM&C) on all matters relating to the Army program and FYDP.
- c.* Develop, submit, and defend the Army program, with the guidance and oversight of the ASA(FM&C).
- d.* Provide program analysis to the HQDA and provide analytical support to the PPBE process.
- e.* Serve as a member of the Army SRG.
- f.* Co-chair the Three-Star BRP Board with the DCS, G-3/5/7 and the MILDEP.
- g.* Provide executive and administrative support to the Equipping PEG (see table 2-1.)
- h.* Designate a co-chair of the Equipping PEG.
- i.* Prepare the AEMS in coordination with the ASA(ALT).
- j.* Manage functional requirements for the RDTE and procurement appropriations.
- k.* Supervise the duties of the DPA&E.
- l.* Prepare coordinated Army input to draft OSD programming guidance documents.
- m.* Publish the assigned section of TAP; Section IV, APMG; and the Technical Guidance Memorandum (TGM).
- n.* Manage the management decision package (MDEP) architecture.
- o.* Provide a status report to CCMDs on Army and DOD program decisions affecting their resource requirements.
- p.* Ensure the DPA&E will—
 - (1) Act as the lead for the programming phase of the PPBE process.
 - (2) With the DASA(BU)/DAB and ADCS, G-3/5/7—
 - (a) Co-chair the PPBC.
 - (b) Co-chair the Two-Star BRP Board.
 - (c) Monitor compliance with guidance using the ARF.
 - (3) Guide the work of subordinate PPBE forums on programming matters.
 - (4) Manage Army responses to program-related resource management decisions.
 - (5) Designate a program analysis and evaluation (PA&E) co-chair for the PBAT.
 - (6) Designate PA&E representatives to other subordinate PPBE forums.
 - (7) With the DASA(BU)/DAB, oversee distribution of PBG and data call instructions and suspense dates to commands required to submit program and budget input to HQDA.
 - (8) Coordinate the evaluation of overall program performance to ensure that total resources are applied to achieve approved objectives and to gain feedback for adjusting resource requirements during the program.
 - (9) Provide independent assessments of program alternatives and integrate the Army program.

(10) Manage program-related data elements in the AMS, the official Army fiscal coding structure for interrelating programming, budgeting, accounting, and manpower control.

(11) Ensure that alternatives to programmatic issues and decisions have been analyzed and debated before submission to the Army SRG.

(12) Advise the Army's senior leaders during program-related meetings on cost impacts and trade-off considerations.

(13) Be responsible to the CSA, through the DCS, G-8, for—

(a) Development and defense of the Army POM and the Army's portion of the FYDP.

(b) Independent analysis, assessment, integration, and synchronization of the Army Program.

2-16. Chief, Army Reserve

The CAR will—

a. Plan, program, justify, execute, and monitor USAR resources through coordination with HQDA staff.

b. Serve as appropriation sponsor for USAR appropriations.

c. Serve as a member of the Army SRG.

d. Designate a member of the PPBC.

e. Serve as resource proponent of the USAR Subprogram, FYDP Program 5, Guard and Reserve Forces.

f. Manage USAR manpower issues and manage functional requirements and program and performance for USAR appropriations (see table 2-2).

g. Serve as Program Integrator for the statutory, Defense, and Army requirements of the USAR.

2-17. Chief of Engineers

The COE will—

a. Represent and promote resource requirements of the U.S. Army Corps of Engineers.

b. Serve as an advisor to PPBE governance forums.

c. Manage functional requirements and program and performance for the Homeowners Assistance Fund, Defense.

2-18. The Surgeon General

The TSG will—

a. Represent and promote resource requirements of the U.S. Army Medical Department and the Army's portion of the Defense Health Program.

b. Serve as a member of the Army SRG.

c. Designate a member of the PPBC.

d. Serve as resource proponent of FYDP Subprogram 8, Health.

e. Manage functional requirements and program and performance for reimbursable medical manpower of the OMA appropriation.

2-19. Assistant Chief of Staff for Installation Management

The ACSIM will—

a. Develop and direct planning, programming, and budgeting of installation management functions and the resourcing of installation-related military construction, housing, environmental protection, energy sustainment, quality of life, family readiness, and facilities operation and sustainment.

b. Validate requirements for managing and resourcing Army installations.

c. Serve as a member of the Army SRG.

d. Designate a member of the PPBC.

e. Provide a co-chair of the Installation PEG.

f. Provide executive and administrative support to the Installation PEG.

g. Manage functional requirements and program and performance for military and housing construction appropriations and environmental restoration, as well as Installation Management accounts of the O&M appropriations of the Active and Reserve Components.

h. Assist and support the ASA(M&RA) through the planning, development, budgeting, implementation and evaluation of installation morale, welfare, and recreation and non-appropriated fund instrumentalities.

2-20. Commanders of Army commands, Army service component commands, direct reporting units, and other operating agency heads

This group (collectively referred to as "commanders" in this regulation) includes commanders of Army commands (ACOMs), Army service component commands (ASCCs), direct reporting units (DRUs), directors, the CAR, the CNGB (or DARNG, if delegated), the superintendent of West Point, and the AASA. The term "command" is used to

represent all organizations that receive funds from HQDA. Commanders responding to HQDA calls to submit program and budget data will—

- a. Plan, program, and budget for assigned missions, responsibilities, and functions. As required, they will provide—
 - (1) Mission and operating requirements.
 - (2) Views on prospective programs.
 - (3) Commander's program assessments.
- b. Implement cost management procedures that include—
 - (1) Cost planning.
 - (2) Cost-benefit analysis.
 - (3) Cost measurement.
 - (4) Cost analysis.
 - (5) Cost control.
- c. Submit a cost estimate for all new program and policy proposals with clear value propositions to enable cost informed decisions in support of the Army's strategic goals and priorities. The estimate should include all related costs (personnel, facilities, supply/equipment, materiel, training, contract support) and, where applicable, should reflect life-cycle costs. The analysis should clearly demonstrate that the benefits more than justify the cost and trade-off required.
- d. Document manpower in subordinate organizations in accordance with allocated manpower levels.
- e. Execute the approved command program within allocated resources, applying the flexibility allowed by law and regulation.
- f. Assess command program performance and budget execution and—
 - (1) Account for and report on use of allocated funds by appropriation and MDEP.
 - (2) Account for and report on use of allocated manpower by unit identification code (UIC).
 - (3) Ensure that below-threshold reprogramming actions are consistent with Army priorities.
- g. As applicable, identify and integrate with other missions and operational requirements the resource requirements documented in the supported CCMD's integrated priority list (IPL).

Table 2-1
Program Evaluation Groups

Title	Co-chairs
Manning	ASA(M&RA) and DCS, G-1
Training	ASA(M&RA) and DCS, G-3/5/7
Organizing	ASA(M&RA) and AASA
Equipping	ASA(ALT) and DCS, G-8
Sustaining	ASA(ALT) and DCS, G-4
Installations	ASA(IE&E) and ACSIM

Table 2-2
Managers for manpower and force structure issues

Issue	Manager
Regular Army military manpower	DCS, G-1
Army Civilian (end strength and full-time equivalents)	DCS, G-1
Individuals account	DCS, G-1
ARNG manpower	CNGB (or DARNG, if delegated)
USAR manpower	CAR
Force structure, UIC, resource organization (command) code	DCS, G-3/5/7

Chapter 3

About Planning, Programming, Budgeting, and Execution

Section I

Department of Defense Planning, Programming, Budgeting, and Execution

3–1. Department of Defense decision support systems

a. DOD's PPBE process, the Joint Capabilities Integration and Development System (JCIDS), and the Defense Acquisition System are DOD's primary decision support processes that provide capabilities to support the National Security Strategy (NSS), National Defense Strategy (NDS), and National Military Strategy (NMS). They collectively govern much of DOD's activities. PPBE is DOD's annual resource allocation process. DOD's PPBE satisfies the demands of the national strategies by means of a milestones driven and synchronized process constrained by Congress, the OMB, and DOD. The result is a constrained annual budget used to manage resource execution, which is based on a multiyear program informed by plans that meet long-term national security goals and objectives. The Army's version of the PPBE process takes direction from and provides input to the DOD PPBE process. PPBE and the other two decision support systems, covered below, provide an integrated approach to strategic planning, identification of needs for military capabilities, systems acquisition, and program and budget development for DOD (see fig 3–1).

b. The JCIDS is DOD's requirements-generation system. It is an event-driven process, providing a systematic method for assessing gaps in military joint warfighting capabilities and recommending solutions to resolve these gaps. JCIDS integrates with and supports acquisition processes and regulations by identifying and assessing capability needs and associated performance criteria to be used as a basis for acquiring the right capabilities, including the right system; these capability needs serve as the basis for the development and production of systems to fill those needs. The Army's requirements process is integrated with JCIDS.

c. The Defense Acquisition System is an event-driven management process by which DOD acquires weapon systems and automated information systems. Although the system is based on centralized policies and principles, it allows for decentralized and streamlined execution of acquisition activities. This approach provides flexibility and encourages innovation, while maintaining strict emphasis on discipline and accountability. The Army's acquisition process operates within the policies and principles of the Defense Acquisition System.

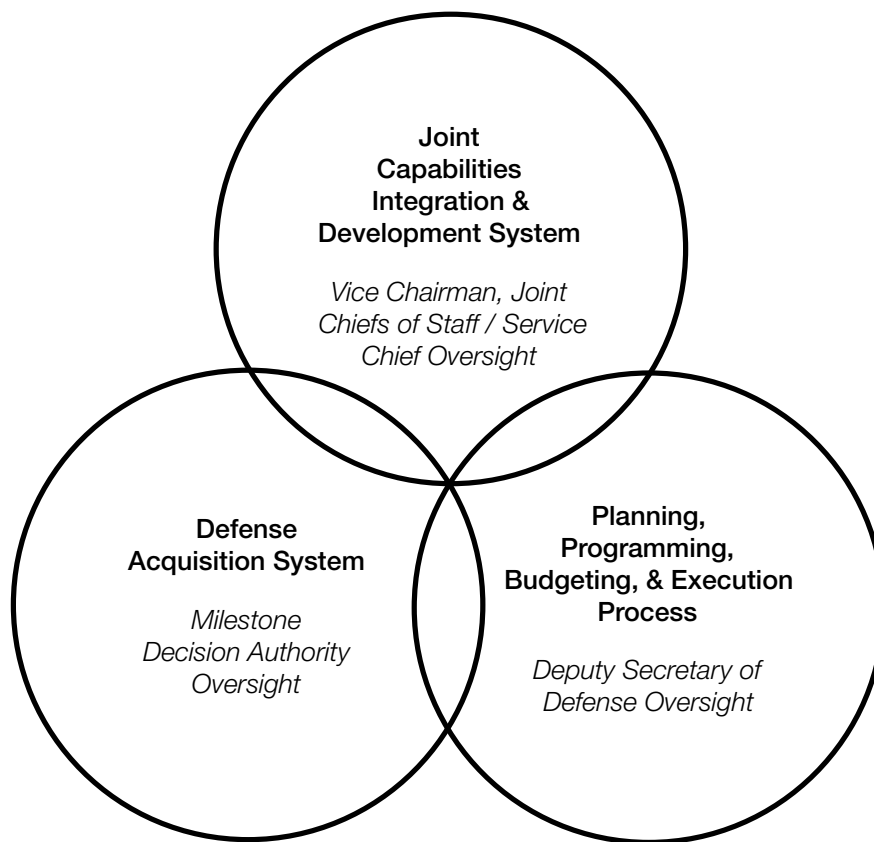


Figure 3–1. Department of Defense Decision Support Systems

3–2. Department of Defense planning, programming, budgeting, and execution process overview

a. Planning. The planning phase is a collaborative effort by the OSD and the Joint Staff, in coordination with DOD Components. It begins with a resource-informed articulation of national defense policies and military strategy. This process results in fiscally constrained guidance and priorities (for military forces, modernization, readiness, and sustainability) and supports business processes and infrastructure activities (for program development). Planning guidance developed in this phase informs the DOD Components on the capabilities needed to support the NSS, NDS, and NMS; highlights specific issues; and establishes departmental priorities.

b. Programming. The DOD Components develop and submit proposed programs (POMs) consistent with the planning, programming, and fiscal guidance. These programs reflect systematic analysis of missions and objectives to be achieved, alternate methods of accomplishing them, and the effective allocation of resources. The Chairman of the Joint Chiefs of Staff (CJCS) analyzes the programs and provides a risk assessment based on the capability of the composite force levels and support program for the U.S. Armed Forces to execute the strategy approved during the planning phase. Changes to programs following a program review are published in a decision document. Program reviews are led by the DCAPE.

c. Budgeting. The DOD Components develop and submit a detailed budget estimate submission (BES) for their programs in accordance with fiscal and joint programming guidelines and the DOD 7000.14–R. A budget review is conducted in coordination with the program review and with the participation of the OMB. Changes to the budget estimates will be issued in decision documents. Budget reviews are led by the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)).

d. Program budget review.

(1) Program reviews are led by the DCAPE. DOD Component POMs are reviewed in formal hearings with the aim of integrating them into a holistic defense program that complies with guidance and priorities. The CJCS presents his own views in the Chairman’s Program Review about the adequacy of the military Services’ POMs to meet the needs of the CCMDs. The OSD and the Joint Staff can raise issues with selected portions of any POM, or any funding shortfalls in the POM, and propose alternatives with marginal adjustments to resources. The Deputy Secretary of Defense

(DEPSECDEF) reviews unresolved issues and makes decisions, which are recorded in an RMD. Intelligence program issues are addressed in program budget decisions. Adjustments are made to the POM.

(2) During the budget reviews, each budget estimate is reviewed by analysts from the OUSD(C) and the OMB. This review ensures that programs are funded in accordance with current financial policies and are properly and reasonably priced. Budget documentation is also reviewed to ensure that it will provide Congress the proper level of justification. Typically, OUSD(C)/OMB analysts provide DOD Components with written questions in advance of formal briefings where the analysts review and discuss the budget details. After the briefings, each analyst prepares an RMD for the appropriations under his or her purview. The RMD will present an alternative that includes financial adjustments and rationale to address any issues or problems identified during the budget hearing. The RMDs are staffed for comment and forwarded to the DEPSECDEF for decisions. These and any program decisions are then reflected in an updated budget submission provided to OMB. After that, the overall DOD budget is provided as part of the President's Budget request to the Congress.

e. Execution review. The DOD Components conduct annual reviews to determine how well programs have met joint warfighting needs. Notionally, the execution phase begins on 1 October after the Congress has passed appropriations and authorizations acts that have been signed into law by the President. In reality, execution results feed back into the other phases of the process as they are going on. For example, execution results can affect decisions during the Army's integrated program and budget development and also during the OSD program budget reviews (PBRs). Execution results also provide feedback to the SECARMY and other senior leadership concerning the effectiveness of prior resource allocation decisions. Performance measures have been developed to support the execution review to measure actual outcomes versus planned performance. To the extent performance goals of an existing program are not being met, the execution review may also lead to recommendations to adjust resources and/or restructure programs to achieve desired performance goals.

3-3. Annual cycle

a. The DOD PPBE process is an annual process to support the requirement to submit a budget to Congress annually. That requirement drives the schedule of the PPBE process.

b. Planning begins a year or more before the year in which the each DOD Component submits its POM/BES to OSD.

c. Guidance is provided to the DOD Components in the planning guidance and other documents during the year in which each DOD Component submits its POM/BES to OSD. The POM/BES provides a 5-year plan, organized into program categories. An internal review of the DOD Components' POMs is led by the OSD DCAPE. OUSD(C) budget analysts and OMB examiners review the DOD Components' BES and budget justification material. The SECDEF makes final decisions, and the Defense portion of the President's Budget is submitted to OMB for its review and for approval by the President.

d. In the first year of a new administration, the President issues a revised NSS, which establishes: (1) the worldwide interests, goals, and objectives that are vital to the national security; and (2) the foreign policy, worldwide commitments, and national defense capabilities necessary to implement the national security goals and objectives. Once the new administration's NSS is established, the SECDEF, in consultation with the CJCS, leads the Quadrennial Defense Review (QDR). The QDR is a comprehensive review of all elements of defense policy and strategy needed to support the NSS. The NDS is then used to establish the plans for military force structure, force modernization, business processes, supporting infrastructure, and required resources (funding and manpower). The QDR final report is provided to Congress in the second year of the administration. In the PPBE process, the QDR final report serves as the foundation document for defense strategy and business policy. Because this document is not available until the second year, the President's Budget prepared by the outgoing administration, with some modifications, is used as a baseline. In the second year, planning guidance is updated to implement the QDR of the new administration.

3-4. Key planning, programming, budgeting, and execution outputs

Outputs of the DOD PPBE process are the FYDP and the Defense budget request. These outputs reflect the decisions of the SECDEF or the DEPSECDEF and support the national security objectives established by the President, Congress, and statute. The FYDP records the output in terms of forces, dollars, and manpower, within a framework of major force programs and program elements. The Defense budget request submitted to Congress as part of the annual President's Budget request records the output as appropriation titles. Congress also receives a version of the FYDP. The following paragraphs provide a brief overview of the PPBE process used to produce these outputs.

Table 3–1
Annual Department of Defense Planning, Programming, Budgeting, and Execution cycle

Year and Theme	Outputs
Year 1 (First year of a new presidential term)	NSS Fiscal guidance Planning guidance POM/BES Joint PBR President's Budget and congressional justification
Year 2	QDR report Fiscal guidance Planning guidance implementing the QDR POM/BES Joint PBR President's Budget and congressional justification
Year 3	NMS Fiscal guidance Planning guidance POM/BES Joint PBR President's Budget and congressional justification
Year 4	Fiscal guidance Planning guidance POM/BES Joint PBR President's Budget and congressional justification

Section II

Army Planning, Programming, Budgeting, and Execution

3–5. An element of Department of Defense planning, programming, budgeting, and execution process

a. The Army PPBE process is an element of the DOD PPBE process. It interfaces with Joint strategic and OSD planning. It supports Army planning, programming, and budgeting at all levels of command, and it provides inputs into the DOD process. Execution and program performance reviews provide feedback into ongoing planning, programming, and budgeting activities, as well as to the senior leadership.

b. The Army PPBE process, the Army acquisition process, and the Army requirements determination process are the Army decision support systems, mirroring the three DOD decision support systems.

c. The principal products of the Army PPBE process are TAP, the Army program, the Army budget, and execution and performance reports.

(1) The TAP process helps the senior Army leadership determine force requirements and objectives and set priorities within OSD guidance. It provides the planning basis for Army program and budget development.

(2) The approved program and budget submitted to OSD form the Army portion of the FYDP that accompanies the President's Budget. The program lays out the resource cost to build and maintain the force and operate its sustaining base. The budget displays the program from an appropriation perspective.

3–6. Concept

The Army PPBE process ties strategy, program, budget, and execution performance together. It helps build a comprehensive plan in which budgets flow from programs, programs from requirements, requirements from missions, and missions from national security objectives. The patterned flow-from end purpose to resource cost-defines requirements in progressively greater detail.

a. Within the Army, planning creates a vision of the Army 10 years into the future and beyond. Macro estimates yield a specified size, composition, and quality of divisional and support forces. Derived from joint strategic planning and intermediate objectives to achieve stated goals, this divisional and support force provides the planning foundation for program requirements.

b. In the 2- to 10-year midterm, the integration of programming and budgeting translates planning decisions and OSD and congressional guidance into a comprehensive allocation of forces, manpower, and funds. The integrated process seeks to support priorities and policies of the senior Army leadership while achieving balance among Army organizations, systems, and functions.

c. For the 1-year near term, the process converts program requirements into budget requests for manpower and dollars. The budget requests are integrated into the DOD budget that is included in the President's Budget submission to Congress.

d. Once the Congress presents an appropriations act to the President for approval and the act is signed into law, budgeted resources become available to carry out Army programs. By formally adding execution to the traditional emphasis on planning, programming, and budgeting, the PPBE process underscores concern for how well financial execution and program performance apply allocated resources to meet approved program needs, accomplish the plan, and meet desired strategic outcomes.

e. The PPBE process is also guided by performance management planning and reporting requirements, such as performance budgeting, performance and accountability reporting, and program performance assessments.

3–7. Objectives

The main objective of the Army PPBE process is to establish, justify, and acquire the fiscal and manpower resources needed to accomplish the Army's assigned missions. Phase-by-phase objectives follow:

a. Through planning, to size, structure, man, equip, train, and sustain the Army force to support the national military strategy.

b. Through cost-benefit analyses, analyses of alternatives, economic analyses, and/or business case analyses, enable the Army to assess the value proposition of each requirement through its life cycle (concept, testing, production, operations and support, and disposal) to fulfill the Army's strategic goals and support resource-informed decisionmaking processes.

c. Through programming, to set Army priorities for requirements and resources and to distribute projected manpower, dollars, and materiel among competing requirements according to Army resource allocation policy and priorities, making sure that HQDA assigns resources to requirements at defensible, executable levels.

d. Through budgeting, to convert resource allocation decisions into requests for congressional authorization and appropriations.

e. Through execution, to manage and account for funds to carry out approved programs and, through reviews of program performance, to—

(1) Measure effectiveness to make sure that program objectives were accomplished on time and within the allocated resources.

(2) Measure efficiency to assess whether actual performance or outputs attained the levels expected from the resources invested.

(3) Identify courses of action to adjust resources or to restructure programs to achieve desired performance goals.

3–8. Planning, programming, budgeting, and execution time scale

Each of the PPBE phases has its own focus in time.

a. The planning phase provides strategic guidance to translate requirements into fielded capabilities and covers 10 to 30 years, including the program years.

b. The programming phase focuses on the program years, that is, 5 years into the future.

c. The budgeting phase focuses on the budget year, that is, 1 year in the future and the first of the 5 program years.

d. The execution phase focuses on the current year and prior years, depending on the life cycle of the appropriations.

3–9. Life cycle of Army appropriations

Appropriations are available for new obligations for a set period of time, ranging from 1 to 5 years, as shown in table 3–2. Once an appropriation is no longer available for new obligations, it is placed in an expired status for 5 years, during which time obligation adjustments and disbursements can still be made (see 31 USC § 1553(a)). At the end of the expired period, the appropriation is closed (canceled) and no longer available for any obligation adjustments or disbursements (see 31 USC § 1552). Any outstanding obligation adjustment or disbursement must be financed with an obligation currently available for the same purpose but may not exceed an amount equal to one percent of the total appropriations for that account (see 31 USC § 1553(b)).

Table 3–2
Life cycle of Army appropriations (years)

Appropriation	New Obligations (Unexpired)	Expired (Additional period for obligation adjustment and disbursements)	Closed (Cancelled)
Military Construction	5	5	10
Procurement	3	5	8
RDTE	2	5	7
Military Personnel	1	5	6
O&M	1	5	6
Family Housing	1	5	6

3–10. Army resource-informed decisions

a. Education, discipline, and experience foster an understanding of the importance of making resource-informed decisions. Resource-informed decisions support making effective trade-offs to achieve the best possible use of limited resources and holding people accountable for understanding and being able to explain the costs of their organizations, products, services, and customers; these decisions result in improving the efficiency and effectiveness of operations. Four elements critical to success are—

- (1) Effective leadership engagement (linked to Army’s strategic goals).
- (2) A high-quality staff given the training, education, and development to foster the cost expertise to produce clear value propositions to adequately make Army resource-informed decisions.
- (3) Learning-oriented cost control processes (after action reviews).
- (4) Relevant cost intelligence (measurement).

b. The Army PPBE process will—

- (1) Use various analytical tools to estimate life-cycle costs and benefits of programs and different options in resource-informed decision making to fulfill the Army’s strategic goals and priorities.
- (2) Generate expected and actual costs to foster continuous improvement actions.
- (3) Support the goal of auditable financial statements through a well defined system architecture, system controls, and manual controls. These elements are key to effectively managing the risk involved within the PPBE business process and providing public confidence in Army’s financial information.
- (4) Support audit readiness goals.

Chapter 4 Governance and Oversight

4–1. A system of forums

The PPBE process uses a system of governance, advisory, and oversight forums to support the PPBE process. These forums are used to aggregate and analyze resource information, direct and review cost-benefit analyses, consult and deliberate, make recommendations and decisions, and formally approve the PPBE documents submitted to OSD. (The general term “forum” is used to refer to a board, council, committee, group, or team.)

4–2. Senior leaders of the Department of the Army

a. The senior leaders of the DA are—

- (1) SECARMY.
- (2) USA.
- (3) CSA.
- (4) Vice Chief of Staff of the Army (VCSA).

b. When meeting as a forum, the senior leaders do not possess any authority, or perform any duties or responsibilities, independent of the authorities, duties, and responsibilities vested by law in the individual officials.

c. These officials provide executive leadership for the Army and HQDA. They establish policies and provide strategic direction for preparation of plans, programs, and budgets. They may highlight particular high-priority resourcing objectives during each PPBE cycle. They ensure their guidance is being carried out by monitoring PPBE activities through the use of periodic meetings, briefings, and reports. They approve the products of the planning and integrated program and budget phases. The senior leader’s forum has final authority for approving all Army resourcing

decisions. This forum may be augmented by senior advisors from the Secretariat and Army Staff, as needed. However, by law, the SECARMY has the sole authority to make final decisions.

4-3. Army Senior Review Group

a. There will be an Army SRG. The Army SRG will be chaired by the SECARMY with the CSA as the vice-chair. It will review program and budget decisions and issues affecting the capabilities and performance of the Army. Army SRG deliberations will inform the SECARMY's decisions. The Army SRG will monitor staff implementation of decisions of the SECARMY. The Army SRG is a continuing forum that meets as required. Matters forwarded for USA and VCSA action may be considered by the Army Management Action Group (AMAG). See paragraph 4-9.

b. See table 4-1 for Army SRG membership.

Table 4-1
Composition of planning, programming, budgeting and execution deliberative forums

Forum	Chairs	OSA Members	Army Staff Members	Advisory and Support
Army SRG	SECARMY (Chair) CSA (Vice Chair)	USA ASA(ALT) ASA(CW) ASA(FM&C) ASA(IE&E) ASA(M&RA) General Counsel AASA CIO/G-6	VCSA DCS, G-1 DCS, G-2 DCS, G-3/5/7 DCS, G-4 DCS, G-8 ACSIM TSG CAR CNGB (or DARNG, if delegated)	Other participants as required Advisers —ADCS, G-3/5/7 —DPA&E —DASA(BU)/DAB —COE —SRG Exec. Secretary, ASA(FM&C)
PPBC	ADCS, G-3/5/7 (Co-chair for Planning) DPA&E (Co-chair for Programming) DASA(BU)/DAB (Co-chair for Budgeting and Execution)	Representatives of: ASA(ALT) ASA(CW) ASA(IE&E) ASA(M&RA) AASA CIO/G-6	Representatives of: DCS, G-1 DCS, G-2 DCS, G-4 ACSIM TSG CAR CNGB (or DARNG, if delegated)	Other participants, as required, including: ASA(FM&C) —Dir, Operations and Support —Dir, Investment —Dir, Military Personnel and Facilities —Exec for Budgeting DCS, G-3/5/7 —Dir, Force Management —Dir, Training —Dir, Strategy, Plans, and Policy —Exec for Planning DCS, G-8 —Dir, Force Development —Exec for Programming COE

Legend for Table 4-1:

OSA Office of the Secretary of the Army

ASA(CW) Assistant Secretary of the Army (Civil Works)

4-4. Budget, Requirements, and Program Boards

a. There will be a Three-Star BRP Board. The Three-Star BRP Board will be co-chaired by the DCS, G-3/5/7; the DCS, G-8; and the MILDEP, ASA(FM&C). A collaborative forum, the BRP Board includes other Army Staff and Secretariat principals as required when addressing issues in which those principals have interest. It will serve in an executive advisory role or resource-informed decisionmaking role to review significant execution-year or budget-year resource allocation, requirements, or prioritization issues identified by senior leaders, HQDA staff, the Army Requirements and Resourcing Board (AR2B), the ACP forums, or commands.

b. The Three-Star BRP Board will—

(1) Resolve execution-year or budget-year issues at the lowest practical level, considering out-year program implications for each case. Because of the time-sensitivity of these cases, the Three-Star BRP Board may task the Two-Star BRP Board and the Colonels BRP Board to advise and assist it. Consideration of new BRP Board issues will normally start in the Colonels BRP Board before these issues are referred with recommendations to the Two-Star and Three-Star BRP Boards. However, new issues may enter the BRP process at any level or may originate within one of the boards.

(a) The Two-Star BRP Board co-chairs will be the ADCS, G-3/5/7; the DPA&E; and the DASA(BU)/DAB, ASA(FM&C).

(b) The Colonels BRP Board co-chairs will be the Chief, Resource Analysis and Integration Division, DCS, G-3/5/7; Chief, Program Development Division, PA&ED; and Chief, PPBE Integration, ASA(FM&C).

(2) Make resource-informed decisions within its authority.

(3) Monitor AR2B and ACP forum actions. The BRP will act to address AR2B and ACP forum actions that require execution-year or budget-year resourcing adjustments in order to be implemented.

(4) Closely and continually coordinate with the ASA(FM&C) and seek ASA(FM&C), SRG, or other approvals, as required.

c. The BRP Boards receive support from the co-chairs' agencies. The three PPBC executive officers also support the BRP Boards by providing a central clearinghouse and coordination function for BRP activities. They publish action and information items, summaries of decisions, agendas, calendars, and meeting announcements in PPBC memorandums or other documents. The executive for budget maintains the consolidated executive summary file.

4-5. Planning Program Budget Committee

a. There will be a PPBC. The PPBC will be co-chaired by the ADCS, G-3/5/7; the DCS, G-8; DPA&E; and the ASA(FM&C), DASA(BU)/DAB. One of the co-chairs will preside over the PPBC depending on its subject matter or current cycle (planning, programming, or budgeting and execution). The PPBC will meet at the call of the co-chairs. The three co-chairs may meet as the Two-Star BRP Board to advise and assist the Three-Star BRP Board.

b. The PPBC will serve the PPBE process in both a coordinating and executive-advisory role. It will provide a continuing forum in which planning, program, and budget managers review, adjust, and recommend courses of action on relevant issues. It may issue guidance, or course corrections, to the lower level forums to ensure compliance with the latest guidance. The PPBC may return the results of committee deliberations to the Army Staff or Secretariat for action. Among its responsibilities, the PPBC will—

(1) Resolve, within its authority, resource allocation issues referred to it by other forums' resource-informed decisions.

(2) Make resource-informed recommendations on resource issues presented to the Three-Star BRP Board, or the Army SRG for consideration or approval.

(3) Present to the Army SRG all program and budget resource-informed decisions and issues that affect capabilities and performance of the Army.

(4) Maintain overall discipline of the PPBE process.

(5) Scrutinize all programs to ensure that tails are funded, balanced, and synchronized.

(6) Monitor the activities of the other lower level PPBE forums.

(7) Oversee the PPBE schedule, with each chair controlling the chair's respective portion of the schedule.

(8) Monitor force management and preparation of the TAP, POM, BES, and President's Budget.

c. The PPBC receives support from the co-chairs' agencies. Each of the three PPBC co-chairs has a PPBC executive officer. Working closely with the co-chairs, the executive officers provide a central clearinghouse and coordination function for PPBC activities. They publish action and information items, summaries of decisions, agendas, calendars, and meeting announcements in PPBC memorandums or other documents. The executive for budget maintains the consolidated executive summary file. Membership of the PPBC is shown in table 4-1.

4-6. Planning Program Budget Committee Council of Colonels/Program Executives and Appropriation Sponsors

a. There will be a Planning Program Budget Committee Council of Colonels/Program Executives and Appropriation Sponsors (PPBC COC/PE&AS). It will be co-chaired by the Chief, Resource Analysis and Integration Division, DCS, G-3/5/7; Chief, Program Development Division, PA&ED; and Chief, PPBE Integration, ASA(FM&C). This will be a continuing forum, which meets throughout the PPBE process, representing the PPBC and will serve as the normal entry point for all resourcing issues presented for its decision, either at its level or at a higher level. The three co-chairs may meet alone as the Colonels BRP Board to advise and assist the Two-Star BRP Board and the Three-Star BRP Board.

b. The PPBC COC/PE&AS will—

(1) Act as a gatekeeper for other issues with resourcing implications.

(2) Package proposals, frame issues and recommendations, and coordinate all issues with resourcing implications to be presented to higher-level decision forums.

(3) Oversee implementation of senior-level PPBE decisions and guidance within HQDA and may issue additional guidance to ensure prompt and proper implementation.

(4) Monitor the activities of the other PPBE decision forums.

c. The PPBC COC/PE&AS receives support from the co-chairs' agencies and from the three PPBC executive officers.

4-7. Program Budget Assessment Team

a. There will be a PBAT. The PBAT will be a working-level forum that meets throughout the PPBE process. The PBAT will have four co-chairs and membership as specified in table 4-2. The PBAT will assist the PPBC COC/PE&AS and the PEGs by disposing of low-level resource issues within its authority.

b. The PBAT will—

(1) Review resource-informed decisions or change requests (accepted during the PEG process), concept plans, and other changes to resources within its authority, with a particular focus on manpower issues.

(2) Prepare and coordinate resource-informed recommendations on those issues selected for presentation to the PPBC COC/PE&AS for action.

(3) Monitor the activities of the other PPBE decision forums.

(4) Act as a governing body for the Probe database by providing systems structural recommendations to the PPBC.

c. The PBAT will receive executive and administrative support from the co-chairs' agencies, including the three PPBC executive officers.

Table 4-2
Program Budget Assessment Team membership

Co-Chairs	
Agency/Directorate	Title
ASA(FM&C), Management and Control	Chief, Budget Formulation Division
DCS, G-1, Plans and Resources	Chief, Manpower Allocation Division
DCS, G-3/5/7, Force Management	Chief, Program Budget Guidance Branch, Force Accounting and Documentation Division
DCS, G-8, Program Analysis and Evaluation	Deputy Chief, Program Development Division
Other Members	
PEG administrators	
Program integrators	
Other advisors, as needed	
Appropriation sponsors, as needed	

4-8. Program Evaluation Groups

a. There will be six PEGs. PEGs will be co-chaired as specified in table 2-1. PEGs support resource-informed decision making during the planning, programming, and budgeting phases of the PPBE process. Each PEG handles one or more of the Army functions outlined in 10 USC.

b. PEGs receive executive and administrative support from the Army Staff and Secretariat agencies listed in the right column of table 2-1.

c. In addition to the co-chairs, the ASA(FM&C); DCS, G-3/5/7; DCS, G-8-PA&E; CNGB (or DARNG, if delegated); CAR; and CIO/G-6 provide members. MDEP managers, subject matter experts, and, as appropriate, representatives of commands and other operating agencies may also participate in PEG deliberations.

d. HQDA packages program requirements into MDEPs. MDEPs are used to build and track programs in the PPBE process.

(1) Each MDEP has a manager and is assigned to one of the six PEGs.

(2) MDEP managers are assigned at the HQDA level, serve as the focal point for functional and programmatic integration, and link program policy with resources for the PEG.

(3) The Army's funding level is the same as the total dollar value of all MDEPs across all PEGs.

e. PEGs are responsible for producing an executable and balanced program recommendation, which is recorded in the POM. The PEG POM will be refined and adjusted as it goes through the PPBE review process before it is presented to the SECARMY for decision. PEGs will—

(1) Set the scope, quantity, priority, and qualitative nature of resource requirements that define its program, as represented in its assigned MDEPs.

(2) Review and validate all resource requirements and adjustments, including CCMD-related resource requirements identified by IPLs and ASCCs.

(3) Integrate requirements for OSD executive agent functions assigned to the Army.

(4) Reconcile conflicts between operating agencies over responsibility for unfinanced requirements or decrements.

(5) Designate performance outcomes of each PEG component program and prepare related performance measures and metrics.

(6) Monitor resource transactions and adjust MDEPs resources and content accordingly and as required to remain within funding guidance and Army priorities.

(7) In cases where a cost benefit analysis (CBA) is required under the provisions in the APGM, PEGs will approve new or increased funding only if the CBA presents a value proposition with benefits justifying the costs, risks, and bill payers.

f. The CIO/G-6; DCS, G-2; CNGB (or DARNG, if delegated); and CAR serve as Program Integrators for all PEGs. Program Integrators provide technical assistance to the PEGs and monitor actions to integrate, into the Army's overall program, the priorities and the statutory, Defense, and Army requirements for information technology, intelligence, and the Reserve Components.

g. The PPBC determines the specific functional responsibilities for each PEG.

4-9. The Army Management Action Group

The purpose of the AMAG is to assist the SECARMY and CSA in exercising their 10 USC authorities and functions by providing a regular forum for early Senior Leader guidance and direction; appropriately vetting and synchronizing enterprise-level strategy, policy or management issues prior to decisions by the SECARMY and the CSA; and rendering decisions on any issue that the SECARMY or CSA delegates to it or to the USA and the VCSA as its co-chairs.

4-10. The Army Capability Portfolio Review

The purpose of capability portfolio reviews (CPRs) is to conduct Armywide, all-component review and assessment of requirements. CPRs holistically examine, validate, modify, or make recommendations to the SECARMY to terminate requirements that drive capability development, acquisition, sustainment, and resourcing across a series of material and non-material investment portfolios that are roughly aligned with the Army's 10 USC missions. CPR execution is synchronized with the PPBE process. Army CPR decisions, once approved by the SECARMY, inform requirements validation and prioritization actions that support building the annual POM. The CG, TRADOC, executes the CPR process and schedules, synchronizes, and coordinates analysis of each CPR session.

4-11. The Army Systems Acquisition Review Council

The Army Systems Acquisition Review Council (ASARC), chaired by the ASA(ALT), is the Army's senior-level review forum for Army acquisition programs when the Defense Acquisition Executive, Defense Chief Information Officer, or AAE is the milestone decision authority. It is the Army counterpart to the Defense Acquisition Board. It makes recommendations to the AAE. It is convened at formal milestones to determine a program's readiness to enter the next phase in the material acquisition cycle. AR 70-1 contains more information.

4-12. Army Requirements Oversight Council

The Army Requirements Oversight Council (AROC), chaired by the VCSA, provides advice to the CSA, in the assessment and prioritization of force modernization planning for integrated capabilities required to support current and future Joint warfighting commanders. The AROC will consider in its deliberations military need and risk, synchronization with Army and joint modernization strategies, estimated program affordability, and capability definition and interoperability. It is the Army counterpart to the Joint Requirements Oversight Council. AR 71-9 contains more information.

4-13. Army Requirements and Resourcing Board

The AR2B was established to streamline the process to resource needed capabilities to the warfighter and reduce Army Staff OPTEMPO in support of sustained combat operations. The DCS, G-3/5/7; DCS, G-8; and ASA(FM&C) co-chair the AR2B.

a. The AR2B validates, prioritizes, and resources select operational needs in support of combat operations. The AR2B validates and prioritizes current force needs when the need affects current force funding, which requires reprioritization in accordance with the Army Resourcing Priority List.

b. When required, the AR2B is to accelerate capabilities determination to solutions for the warfighter and identify solutions resourced in the year of execution and budget year requiring funding reprioritization. AR2B-validated warfighter needs requiring execution-year or budget-year resourcing solutions are forwarded to the BRP. The BRP will assess and approve the solution, or forward it to the SECARMY/CSA/USA/VCSA for approval as appropriate, along with a recommended resourcing course of action.

c. AR 71-9 contains more information.

4-14. Army Cost Benefit Analysis Review Board

The CBARB, chaired by the DASA(CE), reviews CBAs submitted to HQDA.

a. The CBARB reviews, assesses, and validates CBAs in support of resource-informed decisions.

- b. The scope of the CBARB's review includes CBAs—
 - (1) Developed in response to a directive from Congress, the OSD, or Army leadership.
 - (2) Submitted by the ACP forums, BRP Boards, or AR2B.
 - (3) Submitted for a non-Major Defense Acquisition Program.
 - (4) Submitted with a force design update.
 - (5) Submitted with a concept plan.
 - (6) Required by the APMG or the TGM.

Chapter 5 Planning Phase

5–1. General

- a. Army planning responds to and complements DOD and Joint strategic planning. In particular, Army planning—
 - (1) Helps the senior Army leadership determine force requirements and objectives and set priorities in accordance with TAP.
 - (2) Describes how the Army will fulfill its 10 USC obligations in support of national security objectives.
 - (3) Supports Army strategic communication requirements.
 - (4) Provides a common basis for positions and comments supporting Army participation in OSD and joint processes.
 - (5) Establishes the foundation for the Army program.
- b. Key planning products are TAP, Total Army Analysis (TAA), the AEMS, and the Long-Range Investment Requirements Analysis (LIRA).
- c. The DCS, G–3/5/7 has the primary responsibility for Army planning and manages the PPBE planning phase.

5–2. The Army Plan

TAP is the foundation of Army planning. It provides guidance in five substantively integrated sections issued and signed by the SECARMY.

a. *Army Vision (AV), TAP Section I.* The AV provides the unified direction of the SECARMY and CSA for how the Army will transform over a 10-year period to support higher-level strategic guidance. It describes goals and objectives and informs the other TAP sections and the Army's strategic communications to external audiences. The intent of the AV is to set the strategic priorities for the Army as an institution to drive future change. The Offices of the SECARMY and the CSA are the principal authors, with assistance from the Offices of the USA and VCSA, as appropriate. The DCS, G–3/5/7, provides additional support, as required. Major updates will be published every four years following the release of the DOD Defense Strategy Review; however, more frequent updates may be published as directed by the SECARMY.

b. *Army Strategic Plan (ASP), TAP Section II.* The ASP nests Army institutional planning within national, DOD, and Joint strategic guidance. Building on the AV, it lays out the Army's institutional strategy for achieving the AV goals and fulfilling its statutory responsibilities. The ASP provides strategic objectives, milestones, and decision points to achieve AV goals and highlights key assumptions and areas of risk. It serves as the basis for all other Army strategic planning documents, strategies and plans, and serves as the key linkage between Army and DOD strategic guidance and the PPBE process. The ASP provides strategic planning guidance for budget planning and programming across multiple FYDPs, informs TAA and guides changes to doctrine, organization, training, materiel, leadership, personnel, facilities, and policy. The DCS, G–3/5/7 has the lead for preparing the ASP. The ASP will be reviewed every two years, with major updates published following the release of the DOD Defense Strategy Review, the publication of a new AV or as directed by the SECARMY.

c. *Army Planning Guidance (APG), TAP Section III.* The APG initiates the annual PPBE cycle. It provides guidance on key enduring and emerging planning issues to inform program development. The APG will address near, mid, and far term planning issues that apply to a specific budget year, later in the FYDP, or endure throughout it. The APG provides prioritization guidance addressing the hierarchy of functions for program development and budget execution. The APG also designates those areas requiring centralized performance assessment that will be listed in the ACP. HQDA Principal Officials (Assistant Secretaries or Army Staff Principals) will manage the performance assessments for their respective functional areas and support the ACP centralized performance assessments, as required. The DCS, G–3/5/7, has the lead for preparing and publishing the APG in July of each year.

d. *APGM, TAP Section IV.* The APGM conveys the SECARMY's intent and general guidance concerning acceptable levels of risk as outlined in the APG. It codifies the results of the adjudication actions on planning issues identified in the APG. It provides the initial guidance for Army POM and BES development. Informed by the APG, the APGM translates requirements, identified to satisfy the Joint demand for Army capabilities and to support attainment of Army imperatives, into specific resource tasks. Focusing on MDEPs, the APGM further relates resource tasks and associated resources to 10 USC functions as aligned within the PEG structure. The DCS, G–8 has the lead for preparing and

publishing the APMG through the ASA(FM&C) not later than mid-January of each year. Specific technical guidance will be published during the program development phase as required.

e. ACP, TAP Section V. The ACP focuses on current year strategy execution through management of strategic efforts (SEs). SEs are critical challenges or objectives that are of specific interest to Army Senior Leaders and impact the Total Army. The ACP will annually establish and monitor these priorities and initiatives from the SECARMY and CSA that require measurable end states or decisions in the year of execution. The ACP document and its associated forums provide a conduit for the Army Senior Leaders to supervise and manage those priorities and initiatives across the Army. In that effort, the ACP directs, synchronizes and integrates HQDA planning and preparation, and helps manage the execution of these priorities and initiatives across the domains of doctrine, organization, training, materiel, leadership and education, personnel, facilities, and policy, and the Army's 10 USC functions. It is informed by historical and current POM decisions and helps to inform future POMs. Inclusion of information within the ACP should not be taken as an independent reason for resourcing. The DCS, G-3/5/7, has the lead for preparing and publishing the ACP in October of each year. However, an ACP update will be published within 60 days after new AV and ASP releases to ensure SEs are aligned.

5-3. Army Equipment Modernization Strategy

The AEMS outlines the vision for modernizing the future force and a strategy for near- to mid-term force development and long-term evolution. Its modernization objectives reflect the vision and guidance of the SECARMY.

a. The AEMS describes required capabilities resourced through the PPBE process. It describes the relationship between desired future capabilities and the materiel solution with emphasis being given to incrementally improving capabilities with mature technology while balancing research and development investments between evolutionary and disruptive technologies.

b. The AEMS, the Army Science and Technology Master Plan, and the Weapons System Handbook present the total picture of the Army's RDA investment. The AEMS and the Army Equipment Modernization Plan also support the review of the President's Budget by the members and staffs of the congressional authorizing and appropriations committees and subcommittees. The DCS, G-8, prepares the AEMS in conjunction with the ASA(ALT).

5-4. Total Army Analysis

A key PPBE planning product is an Army force structure that supports the NMS. TAA is a two-phased process designed to produce the Army force structure that supports strategy and guidance. The first phase is used to identify the Army's force structure requirements. The second phase is used to determine the means for resourcing those force structure requirements. In the course of determining requirements and establishing authorizations, TAA defines the force structure needed by the Army to provide the CCMDs with the best possible mix of forces, equipment, and support for executing their missions. TAA decisions are announced in an Army structure message, which provides the baseline force structure used in building the initial POM. The DCS, G-3/5/7 has the lead for TAA.

5-5. Long-Range Investment Requirements Analysis

LIRA examines the life cycle affordability of estimated future materiel requirements for 30 years as measured against the estimated fiscal guidance. LIRA—

a. Supports OSD's requirement that Components must demonstrate affordability through tradeoffs to fit all fiscal demands under their funding levels for 30 years, without any large deferred unfunded requirements.

b. Ensures Senior Leaders have vital information based on long-term fiscal estimates for decision making forums and shaping/defending the POM.

c. Develops cross-PEG synchronized investment strategies for equipment, modernization, sustainment, and training over 30 years. LIRA products include the 30 year Integrated Portfolio and Sub-portfolio Strategy, 30 year Portfolio and Sub-portfolio Investment Plan, Weapons System Review Briefing List, TRADOC Product Delivery Schedule, and Science & Technology Delivery Schedule. The CG, TRADOC has the lead for LIRA.

Chapter 6 Programming Phase

Section I Army Programming

6-1. Program objective memorandum

The main output of the programming phase is the POM, which covers 5 program years. The POM is an input to the budgeting phase. The POM and the BES, the output of the budgeting phase, are submitted to the OSD.

6-2. Guidance

a. APMG. The APMG provides direction to PEGs to prepare them for the POM/BES build. It outlines strategic guidance and issues programming guidelines. In addition, it defines resource tasks for PEG goals, relating each task to one or more MDEPs. The APMG is prepared by the DCS, G-8.

b. TGM. DCS, G-8's DPA&E complements the APMG with a TGM outlining program intent with respect to resourcing the AV. The TGM also provides coordinating instructions to guide PEGs during the POM/BES build. Additional guidance issued to each PEG lays out programming priorities for specific programs set by the SECARMY and CSA and, for some programs, specifies a particular level of funding.

c. Fiscal guidance. Before the POM build, the OSD issues fiscal guidance establishing the Army's total funding levels over the program years. DPA&E then apportions the funding to the PEGs for building their portion of the program. The guidance includes inflation factors and other administrative instructions.

d. PBG. PBG typically is issued twice each year, after forwarding the President's Budget and the PBR submission to OSD. The PBG is produced jointly by ASA(FM&C) and the DCS, G-8, in coordination with the DCS, G-3/5/7. The PBG provides resource guidance to commands to use to update their databases for the forthcoming PPBE cycle.

e. OSD guidance. OSD provides guidance to the DOD components on the preparation and submission of the POM and FYDP. OSD memorandums provide the procedures and schedules for the integrated PBR. DCS, G-8, may issue supplementary instructions for the programming phase through PPBC memorandums or other documents.

f. Integrated program-budget data call. Beginning in the fall of the year prior to submission of the POM/BES to OSD, ASA(FM&C) and DCS, G-8 (PA&E), issue periodic data calls to commands in a consolidated, authoritative document, which provides detailed instructions and schedules for submitting program and budget input to HQDA.

6-3. Automated support

The HQDA Integrated Resource Management Information System (IRMIS) and Planning, Programming Budget Business Operating System (PPB BOS) support the Army's PPBE functions providing data submissions to OSD. These systems contain data on funds and manpower for Army resource decisions. The IRMIS budget formulation modules are available exclusively for HQDA analysis and updates. PPB BOS provides snapshots for interim and final resource decisions over the years required in the FYDP for manpower and dollars. PPB BOS is available to resource managers throughout the Army to provide the PBG, programming input and other analytical information.

Section II Program Build

6-4. Program and budget correlation

The POM defines what the Army intends to do over the 5-year program period. It uses the MDEP to record required resources by mission, function, and other program objectives. Throughout program development, both program and budget analysts make sure that programmatic decisions receive proper costing and that the Army can defend resource decisions during later budget reviews conducted by the OSD, OMB, and Congress. Working closely together, program and budget analysts consider all relevant information, analysis, and alternatives before presenting resource allocation recommendations to leaders for decisions. The intent is to minimize the need, later in the process, to revisit earlier decisions.

6-5. Program development

a. The programming phase typically starts in October, as the recently forwarded PBR submissions are being considered by OSD. In developing the Army program, programmers translate planning decisions, OSD programming guidance, and congressional guidance into a comprehensive allocation of forces, manpower, and funds. In doing this, they integrate and balance centrally managed programs for manpower; operations; research, development, and acquisition; and stationing and construction. Concurrently, they incorporate requirements for manpower, O&M, housing, and construction stated by commands and other operating agencies.

b. Beginning in October, HQDA will—

- (1) Review the existing program to identify program deficiencies.
- (2) Review assignment of existing MDEPs by PEG and makes adjustments, as required.
- (3) Establishes force structure and civilian manpower authorizations.
- (4) Adjust MDEPs to comply with OSD decisions (for example, RMD), Army guidance, and any other factors bearing on the program.

c. Once the President's Budget is submitted to Congress, not later than the first Monday in February, a new PBG is published and the formal preparation of the POM begins. The PBG resource position, based on the President's Budget, is used to establish the base file in the Probe database.

d. HQDA staff and commands submit program input (narrative assessments and resource change requests) in response to the HQDA data call. HQDA conducts a requirements build. During this process, HQDA consolidates or otherwise restructures individual programs through rolls, splits, or terminations to make the overall Army program

more manageable. (Rolls involve combining two or more programs into one. Splits involving splitting one program into two or more programs.) HQDA analyzes all program input to arrive at a set of validated requirements, which will be eligible to compete for resources in the POM build.

e. In the POM build, HQDA allocates resources against prioritized requirements in accordance with OSD and Army programming and fiscal guidance in support of TAP.

f. In subsequent reviews, the program is adjusted in the Probe database. The adjustments—

- (1) Update earlier estimates with new information and revise them for inflation.
- (2) Move resources between and among current AMS codes and MDEPs.
- (3) Re-price existing programs as needed and, when required by modified resource levels, identify offsetting deductions as bill payers.
- (4) Update earlier prioritization decisions.

6-6. Command participation

Commands participate in the PPBE process. Commands make mission and operating requirements known through commander's program assessments, command-requested changes, briefings to the PPBC, and additional data submissions prescribed by the integrated program and budget data call instructions. ASCCs integrate operational requirements of the CCMD into their program and budget input. In addition, CCMDs highlight their pressing requirements in an IPL that receives close review during program development by HQDA, the Joint Staff, and OSD.

6-7. Performance measurement

The Army builds its program to comply with the provisions of the Government Performance and Results Act of 1993, the Government Performance and Results Act Modernization Act of 2010 (implemented by OMB Circular A-11, Part 6, Strategic Plans, Annual Performance Plans, Performance Reviews, and Annual Program Performance Reports). PEGs are responsible for ensuring that each program has an appropriate performance output or outcome measure. Performance information and results are reported in budget justification materials submitted to OSD and Congress.

6-8. Submission to the Office of the Secretary of Defense

a. The POM, approved by the SECARMY, presents the Army's proposal for a balanced allocation of its resources within specified OSD fiscal and manpower constraints. It undergoes reviews by various forums, such as the PPBC and Army SRG, before being presented to the SECARMY for his decision. It is submitted to OSD for review.

b. The POM Executive Summary is also approved by the SECARMY. It is used for briefing senior OSD and Joint Staff officials on the Army program, in conjunction with the start of the OSD program review. The programming subject matter remains relatively constant from cycle to cycle but varies as required to address special issues. Typical DOD POM/BES program topics are—

- (1) Introduction.
- (2) Forces.
- (3) Investment.
- (4) Operations and support.
- (5) Infrastructure.
- (6) Infrastructure—Defense agencies.
- (7) Manpower and personnel.
- (8) Defense Working Capital Fund.

Chapter 7

Budgeting Phase

Section I

Army Budget Development

7-1. Budget estimate submission

The main output of the budgeting phase is the BES. The Army BES covers the prior and current years and the first year of the program approved by the SECARMY. The BES presents the Army's performance budget in the required appropriation format. The BES and the POM are submitted to the OSD. After the OSD PBRs and a final decision by the SECDEF, the process produces the Department's portion of the annual President's Budget.

7-2. Guidance

a. *Integrated program-budget data call.* Beginning in the fall of the year prior to submission of the POM and BES

to OSD, HQDA issues periodic data calls to commands, providing detailed instructions and due dates for submitting program and budget input to HQDA.

b. OSD guidance. OSD budget guidance documents affect content of the BES. DOD 7000.14-R prescribes various exhibits and displays to be used in presenting the budget. OSD memorandums provide the procedures and schedules for the PBRs. ASA(FM&C) may issue supplementary instructions through PPBC memorandums or other documents.

7-3. Transition from program objective memorandum to budget estimate submission

The Army's goal is to have a seamless transition from POM to BES, so that no program decisions have to be reconsidered during BES preparation. However, this may not always be possible. Events may cause HQDA to reevaluate program decisions during BES preparations, for example—

a. Congress, in its review of the budget for the upcoming fiscal year, may change a program or its funding to the extent that it would require a change in the POM, the BES, or both.

b. New or updated rates and indexes for pay, fuel, or inflation applied in the BES can affect funding to the extent that it would require a change in the POM.

c. Unexpected variances in current-year program execution could cause a change in the planned scope, schedule, and funding to the extent that it would require a change in the POM, the BES, or both.

7-4. Budget formulation

HQDA develops the BES by converting the first year of the POM into appropriation structures. In parallel activities, HQDA updates and develops supporting budget justification material, which must contain performance information and present a reasonable, defensible, and executable set of programs to OSD and Congress. During this process, HQDA will make adjustments focused mainly on congressional interest and direction, execution performance, and cost of doing business changes. Various PPBE forums review, adjust, and approve the BES; however, unless there is a significant change from the POM, as approved by the SECARMY, the BES is not normally submitted for the SECARMY's approval. The approved BES is submitted for the OSD budget review.

7-5. Office of the Secretary of Defense program and budget submission and review

OSD staff reviews the Army's POM and BES according to the schedule published by OSD. OSD staff may recommend funding or other adjustments during the PBRs. OMB representatives participate in the budget review and may recommend additional funding adjustments. OSD may place limits on the adjustments allowed in the POM or BES. For example, OSD may not allow components to make any adjustments to the National Intelligence Program activities in their POM or BES. These reviews conclude when an OSD official issues the final programmatic and budgetary RMD.

a. Program issues and decisions.

(1) Program issues center on strategic capability balancing and compliance with prior guidance. Each OSD reviewer assigned an issue prepares a proposal that recommends alternatives to POM-submitted programs. Proposed additions and reductions must sum to zero. CCMDs also may submit proposals but they do not need to sum to zero.

(2) As issues arise, representatives of HQDA principal officials meet with their OSD counterparts. The Army representatives present the Army position and seek to clarify the issue. If possible, they resolve the issue. After review officials have debated outstanding issues, the SECDEF issues one or more RMDs directing specific changes to program positions of the submitted POM.

b. Budget issues and decisions.

(1) Analysts from the OMB join their OSD counterparts to conduct a thorough review of the BES. The review usually gets under way with OSD budget analysts soliciting from HQDA and OSD program offices written responses to advance questions. After reviewing the answers, OSD and OMB analysts hold hearings with proponents of various functional programs and Army appropriation directors. Stressing funding estimates, the hearings continue appropriation by appropriation through the budget review process.

(2) Although OMB retains authority during the joint review to submit separate decisions, typically the review resolves budget issues through the OSD review process. Focusing on program pricing, executability, and compliance with fiscal, program, and legislative guidance. RMDs present at least one alternative to the BES position in the budget area addressed. The Army analyzes each RMD and responds to OSD, either agreeing or disagreeing with the OSD position.

c. Major budget issues. After the DEPSECDEF or Under Secretary of Defense (Comptroller) (USD(C)) has signed most RMDs, each Service may select as major budget issues (MBI) certain adverse resource decisions. Army MBIs center on decrements to specific initiatives or broad issues that would significantly impair its ability to achieve its program intentions. An MBI addresses the adverse impact that would occur if the decrement were to prevail. At the end of the process, the SECARMY and CSA meet with the SECDEF and DEPSECDEF on MBI. After the meeting, the SECDEF decides each issue and, if necessary, meets with the OMB or the President to request additional funds or recommend other action.

Section II

The President's Budget

7-6. The Defense budget submission

a. At the end of the review cycle, the OSD normally issues a final RMD or OSD memorandum incorporating any changes from deliberations on MBI, thus completing the review process.

b. After implementing the final resource distribution at the budget activity and object class level, HQDA sends the information to the OSD. OSD and the OMB forward the information as the Army's portion of the defense budget, which OMB incorporates into the President's Budget. The President's Budget covers prior-year obligations and updated funding estimates for the budget year. Budget justification material is updated to reflect these changes and is submitted to OSD for review.

7-7. Supplemental budget requests

a. Supplemental budget requests are submitted to Congress by the President to provide funding for overseas contingency operations (OCO) (for example, Afghanistan and Iraq) and other emergency activities such as relief operations for natural disasters. This funding is in addition to the amounts provided for the base budget request.

b. OCO supplemental budget requests are normally submitted with the base budget request. Emergency supplemental budget requests are submitted at the time of need. The justification material supporting supplemental requests may not be as detailed as that submitted with the base budget request.

Section III

Authorizations and Enactment Process

7-8. Congressional hearings

a. During budget justification, the Army presents and defends its portion of the President's Budget before Congress. The process proceeds formally and informally under the staff supervision of the CLL and ASA(FM&C).

b. The Army provides detailed budget justification material to the authorizing and appropriations committees after the submission of the President's Budget.

c. The Senate Armed Services Committee and House Armed Services Committee hold authorization hearings for the various programs and appropriations. Concurrently, the Army's budget request goes before the House and Senate Appropriations Defense subcommittees. In hearings before these committees and subcommittees, the SECARMY and CSA normally testify first. Then with ASA(FM&C)'s Budget Liaison Office and the CLL's supervision, appropriation sponsors and functional proponents present and defend the details of the budget.

7-9. Approval and enactment

a. Once its hearings are done, each committee will mark up its bill and "report out" the legislation for consideration on the floor. The full House of Representatives and Senate will consider amendments and vote to adopt its version of the legislation. Once the House of Representatives and the Senate have adopted their own bills, the bills go to a conference committee, consisting of members of both houses of Congress, to reconcile differences. Each house of Congress then votes to adopt the conference committee's report before the legislation can be submitted to the President for signature.

b. Budget justification ends when the President signs the authorization and appropriation bills for the coming fiscal year. Enacted into law, Army appropriations provide the legal authority to incur obligations and make payments.

7-10. Continuing resolution

When appropriation bills are not signed into law before 1 October, Congress may pass a continuing resolution (CR) that allows government operations to continue in the absence of appropriations. A temporary measure, the CR usually restricts funding to the prior-year level and prohibits new initiatives. HQDA separately publishes specific policy on how the Army will operate under the CR. Failure to pass either an appropriation act or CR could result in a temporary shutdown of many government operations. Normally, however, until an appropriation or CR is enacted, DOD continues minimum essential operations based on national defense requirements.

Chapter 8 Execution Phase

Section I Budget Execution

8–1. Management and accounting

During execution, the Army manages and accounts for funds and manpower to carry out approved programs. The Army checks how well HQDA and commands use allocated resources to carry out approved programs. It adjusts requirements based on execution feedback and reporting. Through the Army JRP, it strengthens financial accounting and management to make sure financial reports accurately reflect the results of budget execution. The Army, OSD, OMB, and Congress all monitor execution feedback to refine adjustments to resource requirements during their deliberation on the Army's budget.

8–2. Financial management

The budget execution process applies funds appropriated by Congress to carry out authorized programs. This process entails—

- a. Apportioning, allocating, and allotting funds.
- b. Obligating and disbursing the funds.
- c. Reporting and reviewing the effectiveness of executing them.
- d. Performing in-progress evaluations and making course corrections to reallocate resources to meet changing requirements that develop during execution.
- e. Reprogramming funds to finance unbudgeted requirements that result from changed conditions unforeseen when submitting the budget and having higher priority than the requirements from which funds are diverted.

8–3. Making appropriations available

a. *Funds control.* Several events must occur before the Army can execute its programs for a new fiscal year under a new appropriations act—

- (1) OMB must apportion the appropriations, which provides obligation/budget authority. An apportionment distributes funds by making specific amounts available for obligation.
- (2) The Department of the Treasury must issue a Treasury Warrant providing cash.
- (3) The USD(C) must provide program release authority.
- (4) The GFEBS or in some cases, a legacy system, such as Program Budget Accounting System (PBAS), contains authorities and restrictions from the appropriation act language. In addition, it contains Army's adjustments to programs to comply with any undistributed decrements specified in the appropriation act language.

b. *Allocation, obligation, and reconciliations.* Using GFEBS and PBAS, ASA(FM&C) allocates apportioned funds to commands. Then—

(1) Commands, in turn, make funds available to subordinate commands, elements, and installations by an allotment. Allotments authorize users to place orders and award contracts for products and services to carry out approved programs.

(2) Installations obligate funds as orders are placed and contracts awarded. They authorize payments as materiel is delivered or as services are performed.

(3) Installations, commands, and appropriation sponsors conduct joint reconciliations. Reconciliations make sure financial statements and reports accurately represent the results of the apportionment, allocation, and allotment program. Reconciliations also make sure payments align properly with supporting obligations. The DASA(FO) manages the Army's JRP.

c. *Changes from the President's Budget request.*

(1) After appropriations are enacted, staff appropriation sponsors and the Army Budget Office review the legislation to compare it to the budget request to determine what changes were made. Changes may include congressional additions, denial of programs, and changes to submitted funding levels. Changes also include identification of congressional special interest items, undistributed reductions, and any language relating to execution of the programs. Such changes to amounts are recorded in GFEBS or PBAS.

(2) Staff appropriation sponsors must spread any undistributed reductions. In addition, they may also have to spread some unapplied reductions in the appropriations act, which are distributed to the military services (and appropriations) during the RMD cycle. Therefore, the actual funding level for a particular project, budget line, OSD program element, Army program element, or budget activity may not be finally established until several months into the new fiscal year, even if the appropriations act is passed and signed into law before 1 October. The ultimate initial funding level for individual programs will almost certainly be less than shown in the joint conference reports.

d. *Funding letters.* HQDA issues funding letters to commands and agencies for the OMA and Army Family Housing (Operations) appropriations. The CNGB (or DARNG, if delegated) and CAR issue funding letters for their O&M

appropriations. The letters list funded programs and provide program execution guidance. The funding letters also provide an audit trail from the resource position in the President's Budget to the revised, appropriated position. The OMA letter outlines the funding posture and goals set by the senior Army leadership for command execution. The goal for issuing the funding letter is 30 to 45 days after the appropriations act is passed.

8-4. Revised approved program for research, development, test, and evaluation

HQDA issues a revised approved program (RAP) report for the RDTE appropriation. Because of the level of detail and the extensive information included, the RAP does not become available until several months after the appropriations act is enacted. The RAP—

- a.* Shows congressional changes at both the OSD program element and project levels.
- b.* Spreads general reductions at the project level.
- c.* Includes the amounts set aside for the Small Business Innovation Research Program and the Small Business Technology Transfer Pilot Program.
- d.* Includes amounts withheld by the USD(C) and HQDA.
- e.* Provides language on congressional restrictions as well as congressional special interest items.

8-5. Distribution of funds

a. The GFEBS, or in some cases, the PBAS, is used to issue both the program and its budget authority (BA) to commands for all appropriations. Once staff appropriation sponsors determine the revised appropriated level for each appropriation, the ASA(FM&C) Funds Control Officer (SAFM-BUC-E) adjusts the amounts in GFEBS. Each program and its BA are released in equal amounts for all appropriations except O&M, military personnel, and Army family housing. These accounts receive the total program for the fiscal year but receive BA quarterly throughout the year. In some cases, RDTE will be issued with BA not equal to program. BA controls the total amount of obligations an Army command or operating agency can execute through any given quarter but allows flexibility in its application against the program received.

b. ASA(FM&C) controls GFEBS and PBAS at the HQDA level. The appropriation sponsor may request release of program and budget authority or below-threshold reprogramming actions. The ASA(FM&C) Funds Control Officer (SAFM-BUC-E) reviews requests for compliance with congressional language and guidance of the USD(C) before entering the action in GFEBS or PBAS, which produces documents that display both BA and the program. The documents include a section or an attachment for remarks for executing the program and footnotes that provide statutory restrictions according to provisions of 31 USC § 1517.

c. Only HQDA can approve GFEBS appropriation structure changes, which are then published as an official change to the AMS. The AMS initially agrees with the master data detail obtained in the President's Budget request and is changed to incorporate congressional additions. Any additional changes may be controlled by congressional language and vary from one appropriation to another.

d. HQDA uses various system rules either to allow commands to reprogram resources below threshold or to retain this authority at HQDA. Other system rules are used to identify congressional special interest items or programs that have been denied by statute.

8-6. Obligation plans

a. During December and January, ASA(FM&C), in coordination with commands and appropriation sponsors, develops an obligation plan for each appropriation.

b. Obligation plans—

- (1) Address unexpired funds.
- (2) Are not submitted to USD(C).
- (3) Provide information for answering USD(C) questions about execution rate variances.

c. Commands' estimates of annual obligations tie to obligation controls in the President's Budget.

8-7. Financing unbudgeted requirements

Within stated restrictions and specified dollar thresholds, OSD and the Army may reprogram existing funds to finance unfunded requirements in accordance with their directives on resource-informed decisions and cost-benefit analyses. Typically, reprogramming diverts funds from undertakings whose requirements have lower priority than the new requirements being financed. These actions do not involve requesting additional funding. DOD 700.14-R, Volume 3, provides details on the procedures for reprogramming appropriated funds.

8-8. Oversight of nonappropriated funds

Applying various methods, the ASA(FM&C) oversees nonappropriated funds. One method is by participating on the Morale, Welfare, and Recreation (MWR) Board of Directors. The DASA(FO) is a voting member of the MWR Executive Committee. In addition, the PDASA (FM&C) chairs the Audit Committee, and the DASA(CE) serves on the Investment Subcommittee. Through these positions, the ASA(FM&C) influences virtually all aspects of MWR financial

policy. As part of the oversight responsibility, the ASA(FM&C) presents nonappropriated funds issues to the SECARMY and CSA for decision.

8–9. Mid-year review and fiscal year closeout

a. Mid-year review. Execution reviews of all programs and appropriation accounts are required mid-way through the fiscal year. Realignment and reprogramming of funds may be made in accordance with HQDA priorities. These reviews are done by HQDA, commands, and the acquisition community.

b. Fiscal year closeout. Annual appropriations should be fully obligated by 30 September each year. During the last 2 months of the fiscal year, HQDA staff appropriation sponsors conduct detailed reviews to identify unobligated funds that can be made available to cover other valid requirements. Unobligated funds at the end of the year do not carry forward into the next fiscal year; they are no longer available for obligation. Managers must closely review programs that do not obligate funds according to plan to determine if the program or its funding needs to be adjusted. Execution data are made available through the PPB BOS portal after the end of the fiscal year.

Section II

Program Performance and Review

8–10. Program implementation

Commands carry out the approved program within manpower and funds provided. They review budget execution and account for and report on the use of allocated funds by appropriation and MDEP. As applicable to each appropriation, they include FYDP program and subprogram, AMS code, Army program element, project number, budget line, standard study number, allotment serial number, quantities, budget activity, budget activity group, and element of resource. They also account for use of allocated manpower by UIC. The manpower and financial data obtained help commands develop and refine requirements.

8–11. Performance assessment

a. Army performance assessment centers on giving the senior Army leadership a corporate view of business efficiencies and program accomplishment. The process begins by designing key cost and performance measures. It then applies the measures to judge to what extent the Army succeeds in achieving intended program outcomes. In the end, process results not only inform course corrections to achieve desired performance but also support the preparation of budget justification materials and external reports.

b. Along the way, performance assessment—

(1) Leverages information technology to minimize meetings and reduce paper-laden routines.
(2) Incorporates cost and performance measures into the PPBE database (Probe), making them readily accessible via the Internet to managers and analysts through Army-managed portals.

(3) Engages an Army Performance Management Coordinator and the Army Performance Management Senior Steering Group to oversee—

(*a*) On-demand, electronic monitoring of selected performance measures fueled by automatically updated data.

(*b*) Development of criteria for determining when sets of performance measures deviate from accepted variance.

(*c*) Framing of important issues for resolution by the senior Army leadership.

8–12. Review of selected acquisition systems

The means for checking system program performance include milestone reviews of designated acquisition programs conducted by ASA(ALT) using the ASARC and the Configuration Steering Boards.

8–13. Joint Reconciliation Program

The Army JRP promotes efficient application of financial resources by instituting Armywide goals and performance measures. It requires a quarterly review of open commitments and obligations of all Army appropriations by command with Defense Finance and Accounting Service Centers, contracting agencies, and other supporting offices. They examine transactions for timeliness, accuracy, and completeness. They ensure compliance, valid documentation, and bona fide need for resources. Their results help measure command performance as a basis for identifying problems and initiating in-course corrections. As one way of achieving more effective use of funds, the program identifies and cancels invalid obligations for goods and services.

Appendix A

References

Section I

Required Publications

Unless otherwise stated, all publications are available at <http://www.apd.army.mil/>. DODIs are available at <http://www.dtic.mil/>. USC material is available at <http://uscode.house.gov/>.

DA General Order 2012–01

Assignment of Functions and Responsibilities Within Headquarters, Department of the Army

DOD 7000.14–R

Department of Defense Financial Management Regulation (DOD FMR)

DODD 7045.14

The Planning, Programming, Budgeting, and Execution (PPBE) Process

DFAS–IN Manual 37–100 series

The Army Management Structure

10 USC

Armed Forces

10 USC § 3022

Department of the Army, Financial Management

31 USC

Money and Finance

31 USC § 1517

Prohibited obligations and expenditures

OMB Circular A–11

Preparation, Submission and Execution of the Budget

Section II

Related Publications

A related publication is a source of additional information. The user does not have to read it to understand this publication.

AR 11–2

Managers' Internal Control Program

AR 11–18

The Cost and Economic Analysis Program

AR 11–31

Army Security Cooperation Policy

AR 15–39

Department of the Army Intergovernmental and Intragovernmental Committee Management Program

AR 25–30

Army Publishing Program

AR 70–1

Army Acquisition Policy

AR 71–9

Warfighting Capabilities Determination

AR 71-11

Total Army Analysis (TAA)

AR 570-4

Manpower Management

Section III

Prescribed Forms

There are no entries for this section.

Section IV

Referenced Forms

Unless otherwise indicated, DA forms are available on the APD web site <http://www.apd.army.mil/>.

DA Form 11-2

Internal Control Evaluation Certification

DA Form 2028

Recommended Changes to Publications and Blank Forms

Appendix B

Internal Control Evaluation

B-1. Function

The functions covered by this evaluation are planning, programming, budgeting, and execution.

B-2. Purpose

The purpose of this evaluation is to assist ASA(FM&C) and others with the evaluation of key internal controls listed. It is not intended to cover all controls.

B-3. Instructions

Answers must be based upon the actual testing of controls (for example, document analysis, direct observation, sampling, simulation, and/or others). Answers that indicate deficiencies must be explained and the corrective action indicated in the supporting documentation. These internal controls must be evaluated at least once every 5 years. Certification that this evaluation has been conducted must be accomplished on DA Form 11-2 (Internal Control Evaluation Certification).

B-4. Test questions

a. Does the planning phase support the objective to size, structure, man, equip, train, and sustain the Army force to support the national military strategy?

b. Do the cost-benefit analyses, analyses of alternatives, economic analyses, and/or business case analyses, enable the Army to assess the value proposition of each requirement through its life cycle (concept, testing, production, operations and support, and disposal) to fulfill the Army's strategic goals and support resource-informed decisionmaking processes?

c. Does the programming phase support the objective to set Army priorities for requirements and resources and to distribute projected manpower, dollars, and materiel among competing requirements according to Army resource allocation policy and priorities, making sure that HQDA assigns resources to requirements at defensible, executable levels?

d. Does the budgeting phase support the objective to convert resource allocation decisions into requests for congressional authorization and appropriations?

e. Does the execution phase support the objective to manage and account for funds to carry out approved programs and, through reviews of program performance, to—

(1) Measure effectiveness to make sure that program objectives were accomplished on time and within the allocated resources?

(2) Measure efficiency to assess whether actual performance or outputs attained the levels expected from the resources invested?

(3) Identify courses of action to adjust resources or to restructure programs to achieve desired performance goals?

f. Does the ASA(FM&C) review this regulation at least once every five years and update as necessary?

g. Does the ASA(FM&C) update this regulation as DOD PPBE policy and guidance change?

B-5. Supersession

None.

B-6. Comments

Submit comments to the Office of the Assistant Secretary of the Army (Financial Management and Comptroller), (SAFM-BUC-F), 109 Army Pentagon, Washington, DC 20310-0109.

Glossary

Section I Abbreviations

AAE

Army acquisition executive

AASA

Administrative Assistant to the Secretary of the Army

ACOM

Army command

ACP

Army Campaign Plan

ACSIM

Assistant Chief of Staff for Installation Management

ADCS

Assistant Deputy Chief of Staff

AEMS

Army Equipment Modernization Strategy

AMAG

Army Management Action Group

AMS

Army Management Structure

APG

Army Planning Guidance, Section III of The Army Plan

APGM

Army Program Guidance Memorandum, Section IV of The Army Plan

AR2B

Army Requirements and Resourcing Board

AR

Army Regulation

ARF

Army Resource Framework

ARNG

Army National Guard

AROC

Army Requirements Oversight Council

ASA(ALT)

Assistant Secretary of the Army (Acquisition, Logistics and Technology)

ASA(CW)

Assistant Secretary of the Army (Civil Works)

ASA(FM&C)

Assistant Secretary of the Army (Financial Management and Comptroller)

ASA(IE&E)

Assistant Secretary of the Army (Installations, Energy, and Environment)

ASA(M&RA)

Assistant Secretary of the Army (Manpower and Reserve Affairs)

ASARC

Army Systems Acquisition Review Council

ASCC

Army service component command

ASP

Army Strategic Plan, Section II of The Army Plan

AV

Army Vision, Section I of The Army Plan

BA

budget authority

BES

budget estimate submission

BRP

Budget, Requirements, and Program

C4/IT

command, control, communications, and computers/Information Technology

CAR

Chief, Army Reserve

CBA

cost benefit analysis

CBARB

Cost Benefit Analysis Review Board

CCDR

combatant commander

CCMD

combatant command

CG

commanding general

CIO/G-6

Chief Information Officer, G-6

CJCS

Chairman of the Joint Chiefs of Staff

CLL

Chief, Legislative Liaison

CNGB

Chief, National Guard Bureau

COE

Chief of Engineers

CPR

capability portfolio review

CR

continuing resolution

CSA

Chief of Staff, Army

DA

Department of the Army

DARNG

Director, Army National Guard

DASA(BU)/DAB

Deputy Assistant Secretary of the Army (Budget)/Director of Army Budget

DASA(CE)

Deputy Assistant Secretary of the Army (Cost and Economics)

DASA(FO)

Deputy Assistant Secretary of the Army (Financial Operations)

DCAPE

Director, Cost Analysis and Program Evaluation

DCS

Deputy Chief of Staff

DEPSECDEF

Deputy Secretary of Defense

DOD

Department of Defense

DPA&E

Director, Program Analysis and Evaluation

DRU

direct reporting unit

DUSA

Deputy Under Secretary of the Army

FYDP

Future Years Defense Program

GFEBS

General Fund Enterprise Business System

HQDA

Headquarters, Department of the Army

IPL

integrated priority list

IRMIS

Integrated Resource Management Information System

JCIDS

Joint Capabilities Integration and Development System

JRP

Joint Reconciliation Program

LIRA

Long-Range Investment Requirements Analysis

MBI

major budget issue

MDEP

management decision package

MILDEP

Military Deputy for Budget

MWR

Morale, Welfare, and Recreation

NDS

National Defense Strategy

NMS

National Military Strategy

NSS

National Security Strategy

O&M

operation and maintenance

OCO

overseas contingency operations

OMA

operation and maintenance, Army

OMB

Office of Management and Budget

OPTEMPO

operational tempo

OSA

Office of the Secretary of the Army

OSD

Office of the Secretary of Defense

OUSD(C)

Office of the Under Secretary of Defense (Comptroller)

PA&E

Program Analysis and Evaluation

PA&ED

Program Analysis and Evaluation Directorate

PBAS

Program Budget Accounting System

PBAT

Program Budget Assessment Team

PBG

program budget guidance

PBR

program budget review

PDASA (FM&C)

Principal Deputy Assistant Secretary of the Army (Financial Management and Comptroller)

PEG

Program Evaluation Group

POM

program objective memorandum

POM/BES

program objective memorandum/budget estimate submission

PPB BOS

Planning, Programming and Budgeting Business Operating System

PPBC

Planning Program Budget Committee

PPBC COC/PE&AS

Planning Program Budget Committee Council of Colonels/Program Executives and Appropriation Sponsors

PPBE

planning, programming, budgeting and execution

QDR

Quadrennial Defense Review

RAP

revised approved program

RDA

Research, Development, and Acquisition

RDTE

research, development, test, and evaluation

RMD

Resource Management Directive

SE

strategic effort

SECARMY

Secretary of the Army

SECDEF

Secretary of Defense

SRG

Senior Review Group

TAA

Total Army Analysis

TAP

The Army Plan

TGM

Technical Guidance Memorandum

TRADOC

U.S. Army Training and Doctrine Command

TSG

The Surgeon General

UIC

unit identification code

USA

Under Secretary of the Army

USAR

U.S. Army Reserve

USC

U.S. Code

USD(C)

Under Secretary of Defense (Comptroller)

VCSA

Vice Chief of Staff of the Army

Section II**Terms****Headquarters, Department of the Army (HQDA)**

The executive part of the Department of the Army at the seat of Government. Consists of the Army Secretariat and the Army Staff.

Army command (ACOM)

An Army force, designated by the SECARMY, performing multiple Army service functions (from 10 U.S.C.) across multiple disciplines. The SECARMY establishes the responsibilities.

Army service component command (ASCC)

An Army force, designated by the SECARMY, primarily comprising operational organizations serving as the Army component of a combatant command or subunified command. If directed by the combatant commander (CCDR), serves as a joint force land component commander or joint task force commander. Command responsibilities are those assigned to the CCDR and delegated to the ASCC and those established by the SECARMY.

Combatant command (CCMD)

A unified or specified command with a broad continuing mission under a single commander established and so designated by the President, through the SECDEF and with the advice and assistance of the CJCS. CCMDs typically have geographic or functional responsibilities.

Combatant commander (CCDR)

A commander of one of the unified or specified combatant commands established by the President.

Combatant Command (Command Authority) (COCOM)

Nontransferable command authority established by 10 USC § 164 and exercised only by commanders of unified or specified combatant commands unless otherwise directed by the President or the SECDEF.

Direct reporting unit (DRU)

An Army organization containing one or more units with institutional or operational support functions, designated by the SECARMY normally to provide broad general support to the Army in a single, unique discipline not otherwise available elsewhere in the Army. DRUs report directly to an HQDA principal and/or ACOM and operate under authorities established by the SECARMY.

Section III**Special Abbreviations and Terms**

This section contains no entries.

UNCLASSIFIED

PIN 000207-000